May 25, 2012

TO: MEMBERS OF THE STATE BOARD OF HIGHER EDUCATION

Meetings of the State Board of Higher Education will be held on June 1, 2012. The Board will meet in open session beginning at 7:30 a.m. Agenda items include consideration of the following: 2013-2015 state budget process and round 1 submission; 2012-13 proposed tuition and fee rates and policy changes; recommendation of the Governance & Policy Committee regarding institutional governing boards; adoption of optional retirement plan amendment; and achievement compact targets. Additionally, the Chancellor, Board Committee chairs, the chair of the UO presidential search committee, the president of the Interinstitutional Faculty Senate, and the chair of the Oregon Student Association will provide informational reports to the Board.

Following the Board meeting, the Board will convene in executive session pursuant to ORS 192.660(2)(i) to review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee, or staff member who does not request an open hearing for the purpose of discussing personnel matters. Pursuant to ORS 192.660(4), representatives of the news media are allowed to attend, but the Board requires that the discussions and any reports received in the executive session be undisclosed. Pursuant to ORS 192.660(6), no final action will be taken or final decision made in the executive session.

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

**Friday, June 1, 2012; ASRC 515 (Boardroom), PSU**
- 7:30 a.m. – 12:30 p.m. Full Board meeting (webcasting will be available)
- 1:30 - 4:30 p.m. Board executive session

The Academic and Student Recreation Center (ASRC) building is located at 1800 SW 6th Avenue. Telephone messages for Board members and institution officials attending the meetings may be called to (503) 725-5700. If special accommodations are required, please contact the Board's Office at (541) 346-5749 at least 72 hours in advance.

Cordially,

Charles L. Triplett III
Board Secretary
Oregon State Board of Higher Education
Committee Assignments, 2011-12

Academic Strategies Committee
- Francesconi (Chair)
- Coulombe
- Eiland
- Plec
- Pulliams
- Yaden

Governance & Policy Committee
- Kelly
- Ford
- Ganjifard
- Schueler
- Yaden

Finance & Administration Committee
- Schueler (Chair)
- Ciuffetti
- Ford
- Ganjifard

Delegation Assignments

Joint Boards
- Unified Education Enterprise
  - Ciuffetti
  - Pulliams
  - Yaden

State
- College Savings Board
  - Kelly

Education
- OHSU Board
  - Yaden
AGENDA

1. CALL TO ORDER/ROLL CALL/WELCOME

2. REPORTS

   a. Chancellor’s Report
   b. UO Search Update (Ford)
   c. Interinstitutional Faculty Senate (IFS) President
   d. Oregon Student Association (OSA) Chair
   e. Committee Action Reports ....................................................................................................... 1
      i. Academic Strategies (Francesconi)
      ii. Finance & Administration (Schueler)
      iii. Governance & Policy (Kelly)

3. CONSENT ITEMS

   a. Approval of Minutes, March 2, 2012...................................................................................... 59

4. ACTION ITEMS

   a. OUS, 2013-2015 State Budget Process and Round 1 Submission (Kenton/Lewis).............. 5
      In the state’s new budget process, Round 1 information will be due to the Funding Teams on June 1, 2012 (at noon). This is an opportunity to introduce the team members to the wide range of endeavors in which OUS institutions are engaged. Using designated forms, OUS will submit background information and funding history for its existing programs.

   b. OUS, 2012-13 Proposed Tuition and Fee Rates and Policy Changes, Amendment of OAR 580-040-0004; 2012-13 Academic Year and 2013 Summer Session Fee Book (Lewis) ................................................................. 9
      The 2012-13 Academic Year and 2013 Summer Session Fee Book draft includes proposed tuition and fee changes for the next academic year as well as the succeeding summer term.
c. OUS, Recommendation of the Governance and Policy Committee Regarding Institutional Governing Boards (Kelly/Pernsteiner) .......................................................... 37
   The Committee was guided in its discussions by the need to achieve the Board’s and state’s goals (state goals having been articulated in SB 253, enacted at the same time as SB 242) and to preserve the public interest. The recommendation is premised on the presumption that all seven Oregon universities are and must remain devoted to the achievement of public purposes and the goals of the State Board and the state.

d. OUS, Adoption of Optional Retirement Plan Amendment (Yunker) .......................... 53
   Adoption of a fourth amendment to the Optional Retirement Plan (ORP) is required to finalize a favorable enforcement resolution by the Internal Revenue Service (see Appendix C).

e. OUS, Achievement Compact Targets (Francesconi/Andrews) ............................... 55
   At the March 2, 2012 meeting, the State Board of Higher Education approved the OUS and Institutional Achievement Compacts and forwarded them to the OEIB for approval. The OEIB approved the Compacts on March 13, 2012. The next phase in the process is to have the State Board of Higher Education and the OEIB approve the 2010-11 actuals, 2011-12 projections, and 2012-13 targets.

5. PUBLIC INPUT

6. BOARD COMMENTS

7. ADJOURNMENT
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### APPENDICES*

A: Oregon University System 2013-2015 Program Funding Proposals Round 1  
B: 2012-13 Academic Year & 2013 Summer Session Fee Book  
C: Fourth Amendment to the 2008 Restatement of the Oregon University System Optional Retirement Plan  
D: OUS Achievement Compact 2012-13  
E: Minutes, March 2, 2012 .......................................................................................................... 59  

* For appendices A-D, please see docket page:
Committee Action Reports

Academic Strategies Committee

Convened March 1, 2012; April 5, 2012; and May 3, 2012

Actions

• Approved WOU, B.A./B.S. in Visual Communication Design
• Approved OSU, B.S. in Sustainability
• Approved and forwarded OUS Campus Compacts/OEIB Achievement Compacts to full Board for consideration
• Approved and forwarded OUS Research Proposal to full Board for consideration
• Approved OSU, Ph.D. in Public Policy
• Approved OHSU, M.S. in Endodontology
• Approved PSU, Master of Real Estate Development
• Approved 2013-2015 Legislative Proposals and forwarded to full Board for consideration

Discussion

• Sasaki Design capacity planning tool
• System diversity initiatives
• Higher Education Recruitment Consortium

Finance and Administration Committee

Convened March 16, 2012; April 16, 2012; and May 11, 2012

Actions

• Approved 2011-2012 budget allocation adjustment
• Approved SOU land lease for student housing and dining facilities
• Approved OSU Sports Performance Center, Gill Annex Phase II
• Accepted OUS Quarterly Management Report for March 31, 2012
• Accepted OUS Report on Investment as of March 31, 2012
• Approved OUS Internal Audit Division May 2012 Quarterly Progress Report
• Approved OUS capital construction budget request project prioritization and forwarded to full Board for consideration
• Approved OUS 2012-2013 proposed tuition and fee rates and forwarded to full Board for consideration
  o Amends OAR 580-040-0040; 2012-13 Academic Year and 2013 Summer Session Fee Book
  o Repeals OAR 580-040-0035 Summer Session Fee Book

Discussion

• UO capital projects requiring further investment
• Internal control environment self-assessment
Eastern Oregon University
- Oregon Institute of Technology
- University of Oregon
- 2013-2015 Legislative Proposals approved by Academic Strategies Committee

Governance and Policy Committee
Convened March 16, 2012; April 20, 2012; and May 9, 2012

Actions
- Approved proposal regarding institutional governing boards and forwarded to full Board for consideration

Discussion
- Institutional governance discussion with Presidents Bob Berdahl, Edward Ray, Wim Wiewel and OSA Board Chair, Tiffany Dollar
- Governance cost considerations
- 2011-12 presidential evaluation process
- 2013-2015 legislative concepts

Campus Visitations

Portland State University, April 5 – 6, 2012

Board Delegation: Directors Paul Kelly, Emily Plec, and Preston Pulliams

Meeting Details
- Dinner with President’s Executive Committee
- Breakfast with representatives from the community and PSU Foundation Board
- Meeting with Student Government and Student Ambassadors
- Campus tour: Simon Benson House, Neuberger Hall, Lincoln Hall, Electric Avenue, and others
- Student Success meeting
- PK-20 meeting
- Working lunch: PSU Sustainability Initiatives
- Open Campus Forum
- Faculty Senate meeting
- Council of Academic Deans and Associate Vice Presidents
- Debrief with President Wiewel
Eastern Oregon University, May 9 -10, 2012

Board Delegation: Directors Brianna Coulombe, Jill Eiland, and Farbodd Ganjifard

Meeting Details

- Meeting with President’s Staff
- EOU Regional Town Hall in Baker City, OR
- Dinner with President Davies
- Breakfast with Regional Solutions Center members
- Open Campus Forum – “Coffee with Bob”
- Campus tour of Pierce Library, Zabel Hall, Ackerman Gym, and Hunt Hall
- Meeting with representatives of Faculty Senate, University Council and ASEOU
- Lunch with students
- Tour of Eastern Oregon Higher Education Center in Hermiston, OR
- Debrief with President Davies
OUS, 2013-2015 State Budget Process and Round 1 Submission

In the state’s new budget process, Round 1 information will be due to the Funding Teams on June 1, 2012 (at noon). This is an opportunity to introduce the team members to the wide range of endeavors in which OUS institutions are engaged and for them to familiarize themselves with our current budget and programs since this will be a zero-based budgeting approach. Using designated forms, OUS will submit background information and funding history for its existing programs as categorized by the Department of Administrative Services (DAS):

- Education and General (multiple programs, both enrollment driven as well as targeted)
- Sports Lottery
- Capital Construction
- Agricultural Experiment Station
- Extension Service
- Forest Research Laboratory

This phase does not include an actual request for 2013-2015 funding, which will be addressed in Round 2.

Appendix A constitutes the narrative portion of our Round 1 submission. (DAS has requested some of the related performance metrics be submitted in Excel format). The majority of the information will be provided to the Education Funding Team but information for two programs, Agricultural Experiment Station and Forest Research Laboratory, will be directed to the Economy and Jobs Funding Team.

The Capital Construction list of projects is comprised of the proposals involving state funds or bonding authority that were discussed and advanced by the Finance and Administration Committee at its May 11, 2012 meeting.

Those proposals listed as “new” were those that the Academic Strategies Committee considered as high or medium priority and that were also advanced by the Finance and Administration Committee at the May meeting. An addition submitted by WOU for Forensic Science initiatives is also included in the package.

ROLE OF THE FUNDING TEAMS AND NEXT STEPS

The funding teams will use the submitted information to become familiar with the various agencies and their programs. It will be up to each funding team to determine if agencies will have an opportunity for in-person briefings, if they would like additional information or information in another format. At a minimum, they are expected to give the OUS feedback no later than June 30th. This should include further direction for Round 2 and our requests for funding, including the overall limit of our total dollar request. There has been an invitation extended from the Economy and Jobs funding team to attend the meeting for the scheduled discussion of Agricultural Experiment Station and Forest Research Laboratory.
Round 2 proposals – the actual request for funding – will be due to the funding teams on August 31st. That round will require program prioritization as the funding teams will have determined a total dollar limit on Round 2 submissions from the OUS. The Board will have an opportunity to review and approve Round 2 proposals at its August 3rd meeting. This total dollar limit for Round 2 proposals will likely be in the +10% range above our Current Service Level (CSL) budget and we will also be required to submit a budget that is 10% lower than our 2011-13 Legislatively Approved Budget (LAB) per State budget law (ORS 291.216). Thus, a 2011-13 LAB of $590M and an estimated CSL of $632M suggest that we should plan for a state operating budget ranging from $531M ($590 * .9) to $695M ($632 * 1.1).

ESTIMATED (UNOFFICIAL) CALCULATION OF CURRENT SERVICE LEVELS

After considering our Round 2 budget proposals, funding teams will tender their recommended budget allocations to the Governor by October 15th. The Oregon Education Investment Board (OEIB) may also make recommendations to the Governor. The OEIB and Education Funding Team are scheduled to have joint meetings in the July – October timeframe. After incorporation of the most recent economic and revenue forecasts, the Governor will then issue his 2013-2015 Recommended Budget by December 1, 2012. The 2013 legislative session and legislative consideration of budgetary matters is scheduled to convene in late January 2013.

OUTCOME AREA/FUNDING TEAM BACKGROUND INFORMATION

Education Funding Team Members:
- David Rives: president of American Federation of Teachers-Oregon and a teacher at Portland Community College
- Dan Jamison: vice president, Oregon Chalkboard Project, former Sherwood school district superintendent
- Julia Meier: coordinator of the Coalition of Communities of Color
- Duncan Wyse: president of Oregon Business Council, member of the state Board of Education, former director Oregon Progress Board
- Pam Curtis: deputy director of OHSU Center for Evidence-Based Policy, chair of Early Learning Council

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Oregon State Board of Higher Education
Full Board Page 6 ACTION ITEMS
Agencies/Programs within the Education Outcome Group:
  • Oregon Department of Education (K-12)
  • Oregon University System
  • Department of Community Colleges and Workforce Development
  • Oregon Student Access Commission
  • Oregon Health and Science University
  • Teacher Standards and Practices Commission
  • Other program areas:
    o Oregon Military Department
    o Oregon State Library
    o Oregon Business Development Department
  • Early learning programs and sub-programs
    o Oregon Department of Education
    o Employment Department
    o Department of Human Services
    o Oregon Health Authority
    o Oregon Commission on Children and Families
  • New agency and programs
    o Oregon Education Investment Board (OEIB)
    o Early Learning Council
    o Youth Development Council
    o Higher Education Coordinating Commission

Economy and Jobs Funding Team Members: not yet publicized

Agencies/Programs within the Economy and Jobs Outcome Group:
  • Oregon Liquor Control
  • Oregon Racing Commission
  • Construction Contractors Board
  • Bureau of Labor & Industries
  • Business Development Department
  • Department of Veterans’ Affairs
  • Community Colleges and Workforce Development
  • Oregon University System: Agricultural Experiment Station, Forest Research Laboratory
  • Blind Commission
  • Department of Human Services
  • Department of Agriculture
  • Department of Energy
  • Department of Environmental Quality
  • Department of Fish & Wildlife
  • Department of Forestry
  • Oregon State Marine Board
• Parks and Recreation Department
• Water Resources Department
• Department of State Police: Gaming Division
• Department of Aviation
• Department of Transportation

STAFF RECOMMENDATION TO THE BOARD
Staff recommends that the Board approve the submission of Round 1 information (Appendix A) to the Department of Administrative Services in conjunction with the Governor’s 10-Year Plan for Oregon budgeting process and that the Chancellor, or designee, be authorized to provide supplemental materials as may be subsequently requested by either the Education or Economy and Jobs Funding Team.

(Board action required.)
OUS, 2012-13 Proposed Tuition and Fee Rates and Policy Changes, Amendment of OAR 580-040-0040; 2012-13 Academic Year and 2013 Summer Session Fee Book

BACKGROUND
The 2012-13 Academic Year and 2013 Summer Session Fee Book draft includes proposed tuition and fee changes for the next academic year as well as the succeeding summer term.

Prior to 2012-13, OUS published Fee Books twice yearly, once for the Academic Year and once for the Summer Session. As approved by the Board of Higher Education, OUS is combining these two processes into a single process. Effective Fall 2012, the Fee Book shall be published once yearly and contain information on rates and policies for both the Academic Year and the succeeding Summer term.

In accordance with guidance provided by the Board to the institutions, each institution has submitted additional background information in writing (attachments A through G) and will each individually presented their proposed rates to the Finance and Administration Committee, with particular attention to resident undergraduate tuition rates and student participation in the development of the proposals.

Proposal Letters:
- Attachment A – EOU Proposal Letter
- Attachment B – OIT Proposal Letter
- Attachment C – OSU Proposal Letter
- Attachment D – PSU Proposal Letter, including proposed new differential rate
- Attachment E – SOU Proposal Letter, including letter to May Legislative E-Board
- Attachment F – UO Proposal Letter, including proposed new differential rate
- Attachment G – WOU Proposal Letter

Discussion of Health Service Fee Changes
For 2012-13, several of the campuses note structural changes in the insurance component of their Health Services Fee. EOU, OIT, SOU, and WOU previously included a mandatory basic health insurance policy as part of their Health Services Fee. As insurance companies address changes in national healthcare requirements, the quotes for comparable packages came in significantly higher. Consequently, the affected campuses have opted to drop the mandatory insurance component. The chart following illustrates these structural changes and changes in costs to the students.
POLICY RELATED CHANGES

There are several proposed changes within the policy section that are categorized in two groups. The first group includes changes that are clerical in nature, updates to terminology, necessary to incorporate the Summer term, or to reflect Board actions previously taken. Those changes are noted in the Fee Book document itself but not specifically addressed here. The second group includes those changes made due to legislative actions, added to clarify existing policy, or otherwise requiring Committee review and are therefore noted here:

1. To amplify the distinction between resident and nonresident tuition rates relative to covering the cost of instruction, additional language has been added to the Tuition Structure and Assessment section (page 15 of the draft Fee Book) and to the Western Undergraduate Exchange section (page 19 of the draft Fee Book).

2. Additional wording was added to the Student Residency section to reflect the change to OAR 580-010-0081 establishing EOU’s nonresident rates (pages 15-16) as approved by the Board on March 2, 2012.

3. Based on the advice of legal counsel, a section of the Veterans’ Dependent Remission (pages 26-27) was removed to better align with language in the legislation that established the Remission.

4. During the 2011 Regular Session, the Legislature established the Foster Youth and Fee Waiver. The details on this waiver were added to the Reduced Tuition Policies section (pages 28-29) and added as an eligible consideration under the Application Fee Deferral Program (pages 17-18).

5. As part of a transition to eliminate programmatic resource fees, the Board established a Differential Tuition Policy effective with the approval of the 2008-09 Academic Year Fee Book. That policy set forth the required documentation for campuses proposing new differential tuition rates. Subsequent to the transition, questions have arisen about what documentation would be required when a campus is not proposing a new differential rate but merely increasing that rate. To assist the campuses with guidance, additional language regarding existing differential rates was added to the Differential Tuition Policy (page 32).
SUMMARY OF CHANGES BY CAMPUS
The following narratives summarize the proposed tuition and fee changes for 2012-13, focusing on resident tuition and fees. This Fee Book incorporates Summer Session rates with Academic Year rates. The Summary of Changes will only address Summer Session tuition rates when they vary from the Academic Year rates and Summer Session fee rates if they exceed Academic Year rates. Campuses were asked to submit additional information for any new differential tuition rates in accordance with the Differential Fee Policy.

As part of the implementation of Senate Bill 242, passed in June 2011, each institution was required to establish a process that integrated student participation in the tuition-setting process in accordance with Board established guidelines (see page 34 of draft Fee Book). All campuses noted compliance with these guidelines with most establishing separate Tuition Advisory Committees. OSU chose to establish a subcommittee to the University Budget Committee while WOU chose to continue their existing process of open meetings, and final tuition recommendation review by the ASWOU President.

**EOU**
Eastern Oregon University is proposing a 5.6% increase to their resident undergraduate and 5% to the graduate tuition rates for the Academic Year. In accordance with OAR 580-010-0081, EOU is implementing a nonresident rate effective Summer Session 2012. The separate international rate has been eliminated and the international students will now be charged at the nonresident rate resulting in a significant reduction in cost to these students. The new nonresident rate will apply to students entering Fall 2012 and later and exempts students from Idaho and Washington.

EOU is proposing a $41.00 (21.5%) decrease in Health Service fees. This decrease is the cumulative effect of the removal of the mandatory Health Insurance premium coupled with a 20% increase in Health Service Costs, primarily related to the additional insurance billing requirements resulting from the move away from mandatory insurance.

EOU treats the Summer Term as the leading term for their Academic Year. Thus, Summer 2013 tuition rates are proposed to increase over Academic Year rates as follows: Undergraduate resident (5.7%), Undergraduate nonresident (5.6%), Graduate resident (7.7%) increase, and Graduate nonresident (5%).

**OIT (Oregon Tech)**
Oregon Institute of Technology is proposing a tuition increase of 7.2% tuition for undergraduate students and a similar increase for graduate students for the Academic Year. The rate increases are intended to address reductions in state funding and mandated OPE cost increases for 2011 and 2012. Summer rates are aligned with Academic Year and do not reflect any change over Academic Year rates.
Concurrent with student approval, Oregon Tech’s Incidental Fees are increasing by $38 (14.8%) for full-time students with full assessment beginning at 6 credit hours (instead of 12 credit hours).

Oregon Tech is proposing a $52.00 (25.7%) decrease in Health Service fees. This decrease is the cumulative effect of the removal of the mandatory Health Insurance premium coupled with a 36.4% increase in Health Service Costs, primarily related to maintaining existing service levels for which it had previously received insurance reimbursements.

**OSU – Corvallis and Cascades Campuses**

Oregon State University is proposing a 6.9% resident undergraduate tuition increase for the Corvallis campus and a 6.7% increase for the Cascades campus. Both OSU Corvallis and Cascades campus’ Incidental Fees saw slight decreases, approximately 0.4% and the Health Services fee decreased 8.4%. Students proposed reducing the Health Services Fee to compensate for the excess Health Service fund balance. No fee changes are being proposed for the Cascade Campus.

OSU is not proposing any new differential schedules this year but has added back the OSU/OHSU Medical Physics program (which had been previously approved but was inactive for 2010-11) with rates corresponding to those at OHSU. The differential tuition rates proposed for the Medical Physics program reflect no changes over the 2009-10 rates.

OSU had completed its final phase of aligning Summer Session rates with Academic Year rates by phasing in the Graduate programs this year. Thus, no increases are proposed over Academic Year rates.

**PSU**

Portland State University is proposing a 3.8% increase over prior academic year. Nonresident undergraduate, resident graduate, and nonresident graduate rates are proposed to increase by 1% (Undergraduate Nonresident 1.1%, Resident Graduate 0.9%, and Nonresident Graduate 1.0%). Summer tuition rates are aligned with the Academic Year and not proposed to increase over the Academic Year rates.

PSU is also requesting the addition of a new undergraduate differential tuition schedule for the University Honors Program. This new differential is in-line with similar offerings at other OUS institutions and would allow PSU to provide expanded services and curricular experiences to their honors students. PSU is proposing to assess an additional $4 per credit hour for residents and $7 per credit hour for nonresidents.

PSU’s Student Fee Committee approved a $4 decrease in the Incidental Fees representing a drop of approximately 1.8% for full-time undergraduate students. PSU is also moving from mandatory health insurance to a plan that allows students to opt-out of health insurance if they provide substantiation of other coverage. This allows PSU to reduce the Health Services fee by
$111.00 (48%) as the health insurance premium is no longer included in the fee. Students without existing health coverage will pay an additional $560 per term for health insurance.

**SOU**
For Southern Oregon University, proposed resident undergraduate rates represent a 9.9% increase over the prior academic year and 1.9% increase over the prior summer rates. For AY 2012-13 this represents a $12.40 per credit hour increase ($125 to $137.40). (Due to the fact that the proposed 2012-13 resident undergraduate increase percentage exceeds the 2011 Legislative Budget Note recommendation of a maximum annual increase of 7.5%, the SOU proposal was submitted for consideration by the May 2012 Legislative Emergency Board, but the Legislative Fiscal Office indicated that a formal presentation to the Emergency Board would not be necessary due to the accompanying reduction in SOU fees.)

A mitigating factor to the proposed tuition increase is the $44 per term reduction in required incidental fees as crafted by the Student Fee Committee at SOU and approved by the Associated Students of SOU.

Southern Oregon is also proposing a $40 per term (22.5%) reduction in Health Service fees. This decrease is the cumulative effect of the removal of the mandatory health insurance premium coupled with a $25 increase in the Health Service Charge. This increase in the Health Service portion will be used to create a pool of funds intended for the offset of costs for students who have no other insurance source.

SOU is proposing to increase tuition for the Masters of Education program by 8.3% over prior Academic Year. This change was previously approved for Summer 2012 and the proposed rate for AY 2012-13 represents no change over that increase. Rates for this program still remain significantly lower than base tuition rates by 9.7%.

SOU is proposing a 2.9% increase to their resident graduate rates with no increases proposed for their nonresident undergraduate or graduate rates.

Summer 2013 tuition rates have been brought in line with Academic Year rates with no increases over the Academic Year proposed.

**UO**
The University of Oregon is proposing a 6.1% resident undergraduate tuition increase for 2012-13. Nonresident undergraduate rates are increasing by 3.6% with graduate increases proposed at 2.1% for residents and 7.9% for nonresidents.

Commensurate with ASUO recommendations, incidental fees are increasing by $14 (7.9%). Health Services are proposed to increase $5.50 (3.8%) and the Recreation Center Fee is proposed to increase by $1.00 (2.2%).
The UO is proposing the addition of a new differential schedule this year in the Graduate School of Journalism: the Graduate Multimedia program. The rates proposed for the Multimedia program are commensurate with the rates proposed on the School of Journalism’s existing schedules for the Strategic Communication program. Other substantial changes to the UO’s differential program schedules include the reclassification of the Landscape Architecture program from the non-studio tuition schedule to the studio tuition schedule and a proposed increase of 25% for entering students to the MBA program. Existing students in the MBA program will be subject to at most a 10% increase through the application of fee remissions.

For clarity and to more accurately depict the UO graduate structure, the UO included additional graduate schedules for the Graduate School, the College of Arts and Sciences, Journalism (Communication and Society Master’s) and the Business Doctoral. All of these additional schedules include identical rates and represent the rates used as the “base rate” for the purposes of calculating the UO’s graduate base increase (in the Summary Schedules) and as the “base” when determining differential rates for approved and proposed differential tuition schedules. Thus, these additional schedules, as they are provided for the purposes of clarity and consistency with the UO’s existing structure, do not fall under the definition differential tuition.

The UO’s only undergraduate differential, Clark Honor’s College, proposed increases in line with Undergraduate Resident Base increases for the Year 1-3 Cohorts. The Year 4 Cohort, which was previously grandfathered in at a lower rate of tuition, was brought in line with the Year 1-3 Cohorts such that students are now charged consistently throughout the duration of the program.

Summer rates for resident undergraduate students increased less than 1% over the prior summer but remain discounted over the Academic Year (~11.6% at the 12 credit level). Nonresident summer undergraduate tuition was increased approximately 14% over the prior summer with modest increases to graduate rates (2.1% for residents and 7.8% for nonresidents). However, these rates, as well, remain significantly discounted over academic year rates.

**WOU**

Western Oregon University is reinstating their resident undergraduate non-Promise base rate beginning in Fall 2012. Resident undergraduate students entering WOU will be given the opportunity to select between WOU’s base tuition rate, which is subject to annual adjustments, or to elect a fixed tuition rate for four years offered by WOU’s Promise rate. WOU’s base rate represents a 1.4% increase over the 2011 Promise. The 2012 Promise reflects a 9.8% increase over the 2011 Promise but will not be subject to increases for a four year period. Only entering freshmen and transfer students at WOU are affected by these rate changes. All other resident undergraduate students will see a 0% tuition rate increase as they are bound by previous year Promise tuition rates.
Undergraduate nonresident tuition is proposed to increase 7.1% to reflect inflationary increases and maintenance of current services. Graduate tuition for both residents and nonresidents is expected to increase by 5.9% for the Academic Year.

Summer tuition is aligned with Academic Year rates and is not proposed to increase over Academic Year rates.

WOU is proposing an $83.00 (46.6%) reduction in Health Service fees. This decrease is the cumulative effect of the removal of the mandatory Health Insurance premium coupled with a 10.5% increase in Health Service Costs, primarily related to the additional insurance billing requirements resulting from the move away from a single insurance provider.

Concurrent with student approval, WOU’s Incidental Fees will increase by $24 per term (8.7%) for the Academic Year 2012-13 with a lower Summer 2013 increase of 3% over Summer 2012.

WOU is also proposing a 19% increase from $237 to $282 to their Matriculation Fee. This increase is proposed to cover the costs of inflation and the expansion of current services.

### CHANGES IN TUITION & FEES BY CAMPUS - RESIDENT UNDERGRADUATES / 15 CREDIT HOURS

OPPORTUNITY FOR PUBLIC COMMENT

Two public hearings were held on the proposed 2012-13 Academic Year Fee Book: Thursday, May 3, in the Erb Memorial Union on the University of Oregon campus and Friday, May 4, in the Memorial Union Board Room on the Oregon State University campus. Communications about the Fee Book calendar, hearings, and draft documents go to the customary interested parties: Student body presidents, budget directors, housing directors, registrars, vice presidents for student affairs, and the Oregon Student Association. In addition to the two in-person hearings, a dedicated email address is provided to receive electronic submissions. The public comment period began on April
27th and continued through May 16th. A full report of all testimony received immediately follows the Recommendation to the Board.

FINANCE AND ADMINISTRATION COMMITTEE CONSIDERATION OF TUITION AND FEE PROPOSALS
On May 11, 2012, the Finance and Administration Committee received the proposed tuition and fee rates. An administrator from each institution (some accompanied by student representatives) individually presented their proposals to the Committee. Major elements of discussion included:

- Institutions described their efforts to further student participation in and understanding of the tuition proposal process. Student responses reflected a wide range of reactions to the new processes, from dissatisfaction to complimentary. It was noted that this represented a transition year and “lessons learned” would be applied to future tuition setting processes.

- The changes in the health care industry that prompted several institutions to replace mandatory health insurance with optional plans was discussed, with particular attention paid to PSU’s election to offer a mandatory plan with an opt-out option for those with existing coverage. While the new plan offers more robust coverage, Committee members expressed concern for the cost to students and potential impact on enrollment.

- Significant discussion centered on the recognition that the recent trajectory of tuition increases is not sustainable. While willing to forward the current campus proposals to the Board, the Committee suggested future increases in resident undergraduate tuition should track closer to a 3% level and reemphasized their desire to see longer range campus planning. The System Office is working a 4-year planning model. Additionally, a “tuition buy-down” option is included in the 2013-2015 budget proposals to be submitted to the Governor’s Funding Teams. This proposal would reduce tuition increases through increased state funding.

FINANCE AND ADMINISTRATION COMMITTEE RECOMMENDATIONS TO THE BOARD
The Committee recommends that the Board adopt OAR 580-040-0040 by permanent rule and the repeal of OAR 580-040-0035 (Summer Session Fee Book) as follows:

**OAR 580-040-0040 Academic Year Fee Book**
Through this action, the document entitled “Academic Year Fee Book” dated June 1, 2012, is hereby amended by reference as a permanent rule. All prior adoptions of academic year fee documents and summer session fee books are hereby repealed except as to rights and obligations previously acquired or incurred there under. The Chancellor or designated staff is permitted to make revisions as needed to comport with any subsequent legislative actions and is authorized to make minor adjustments to the final document, if necessary.

(Board action required.)
2012-13 Academic Year Fee Book

Report of Comments Received During Public Comment Period
April 27, 2012 through May 16, 2012

Public Hearings

1. May 3, 2012  10:00 -11:00 am  UO EMU Board Room  Eugene, OR
   No students attended and no oral or written testimony was submitted.

2. May 4, 2012  10:00 -11:00 am  OSU Memorial Union Board Room  Corvallis, OR
   Three students arrived but did not submit any oral or written testimony. All expressed
   an intention to submit their comments online.

Electronic Submissions (FeeBookPublicComments@ous.edu)
This was the second year OUS encouraged online public comment. The Draft AY 2012-13 Fee
Book was posted online and a dedicated email established. Notification of the availability of the
online review and posting was published in all communications regarding distribution of the
Draft Academic Year 2012-13 Fee Book. A total of 18 responses were received via this dedicated
email:

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<tr>
<th>Institution</th>
<th>Total Students Commenting</th>
<th>Student Govt*</th>
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<tr>
<td><strong>Total</strong></td>
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* Of those commenting, those that indicated an association with student government

Comments immediately follow in their entirety as received.
Dear members of the State Board of Higher Education,

My name is Ben Eckstein and I am the Student Body President at the University of Oregon. I am writing to comment on the tuition and fee prices for next year, on behalf of the students of the University of Oregon.

The undergraduate tuition increases proposed by the University of Oregon are unbearably and unjustifiably high, and will significantly increase barriers to student access and success at the University of Oregon. At a time when students are already financing the vast majority of the cost of their education, through debt, through work, through family contributions and other means that adversely impact student access and success, this increase is just too much.

Our institution should consider tuition increases a last resort in generating revenue for the institution, and should prioritize all revenue generation to directly support educational success. Our institution must focus more on cost control and alternative revenue generation before asking the State Board to saddle students with an increased cost burden. At a time when our institution has drastically increased spending on high-level administrative salaries, overhead costs for an ever expanding campus police force that is overwhelmingly opposed by students, and a series of other costs that do not benefit students and our education, it is clear that the institution has not made efforts in good faith to mitigate the need for tuition increases to the greatest possible extent. We should look to prioritize academic-related spending and to reduce administrative costs before even considering increases in student tuition.

In addition to objections to the level of the proposed increase, I want to emphasize the unacceptable lack of student engagement in the process of determining proposed tuition increases. The University provided absolutely no public opportunities during the tuition development process for students to comment on the impact of proposed increases on their education. Only a single opportunity was provided for any kind of open engagement with students, and this opportunity was advertised with less than 24 hours notice and took place after the Tuition and Fee Advisory Board had already submitted its recommendations for tuition levels to the University President. I was the only student to attend this forum, which focused only on justifying the proposed increases and not at all on assessing the impact of these increases on students or on evaluating alternative tuition levels. The lack of a meaningful public process for student engagement in tuition setting was highly disappointing and must not be tolerated by the State Board of Higher Education or the University. Students must be engaged early and often in conversations about the cost of our education.

The cost of a University of Oregon education is not sustainable. Students are graduating with record amounts of debt, with the average undergrad leaving school with $25,000 of debt. In our country, student loan debt now outpaces credit card debt.

As the Student Body President, I know that what the students on my campus are experiencing with every tuition increase is palpable. Students and Oregon families cannot afford to shoulder the burden of higher education, which is a shared asset for all of us to make our state more
prosperous. Students are growing frustrated and we are concerned we are near a tipping point of people not being able to afford to go to school at the exact time we need them to be going.

The proposed tuition increases are simply unacceptable, and, furthermore, the revenue generated by these increases is disproportionately channeled to costs that do not enhance the quality or accessibility of our education.

Thank you for taking public comment. In addition to this comment, please see attached for a resolution, enacted unanimously by the Student Senate of the University of Oregon, objecting to the proposed tuition increases and providing further comments on the grounds for student opposition to these increases. Please enter this resolution into the public record in this matter, as well.

I hope the board considers my remarks when making decisions about the cost of public education in the state of Oregon. At the very least, we hope that each institution stays under the budget note that students, OUS, and the Oregon Legislature worked to enact.

Sincerely,

Ben Eckstein, President
Associated Students of the University of Oregon

Dear members of the State Board of Higher Education,

    My name is Andrew Rogers and I am a student at the University of Oregon. I am writing to comment on the tuition and fee prices for next year.
    Tuition and fees have been steadily rising for years now, and it is too much for many families and students to handle. I can't afford this increase, and many of my peers cannot either.
    I have peers from out of state transferring back home. I have friends from Oregon considering dropping out due to the ever increasing cost. This is unacceptable.
    I know that here on the UO campus, there was little student engagement on the proposed increases, and our money has been wastefully spent on administrator pay raises, aid to our Athletics Department, and other poor uses.
    Oregon's economy will never recover until young people can afford to get a decent degree. Please reject this tuition hike.

Thank you for your time.
Sincerely,
Andrew Rogers
Dear members of the State Board of Higher Education,

My name is Andrew Lubash and I am the Student Body Senate Vice President and Freshman Representative at the University of Oregon. I am writing to comment on the tuition and fee prices for next year.

When I applied to college last year, the cost of my higher education was the single most important factor in my decision to attend the University of Oregon. When Out-of-State and Private options for higher education are not affordable or accessible to the average citizen desiring to receive the benefits of higher education, it is important for the state, through public institutions, to provide those benefits to its citizens. Because of this, increasing tuition costs in Oregon should be the last funding option that the state turns to in raising revenue.

Students already struggle through working part-time jobs and accepting enormous amounts of student debt in order to continue receiving the higher education they deserve. Raising the cost of their education will exponentially increase the amount of students forced to sacrifice their education to pay for things like rent and food.

Instead, the State Board of Higher Education should turn to funding options in which the costs are less severe. Here at the University of Oregon, our general fund could be spent much more frugally through savings by cutting budgets of our on-campus police force and salaries of high-level administration. Why is it that in a time where students are asked to give even more, programs completely unrelated to academics are being expanded unnecessarily? I believe that in a time where students already bear a large burden of funding their education, we should look to other, less costly areas for cuts before reducing the accessibility of higher education to struggling Oregon citizens.

When I heard unexpectedly, actually through our campus newspaper, that tuition was increasing significantly next year for Oregon residents, I was shocked. The process for reaching out to students before this decision was agreed upon was absolutely unacceptable. I felt completely taken aback and abandoned by the state in that they would make such an enormous decision that directly impacts me and my peers in such a negative way and that our student leaders were not consulted at all beforehand.

The state has a responsibility to provide its citizens with affordable and accessible higher education. To me, affordability does not mean that the average student is graduating with $25,000 in student debt.

Accessibility does not mean that citizens have to choose their college institution solely by which one they can afford, if they can even afford one at all. As an LGBTQ-identifying student, I know the hardships my community faces firsthand in trying to support themselves through college. Thankfully, I am lucky and through scholarships, I can afford to attend the University of Oregon. However, many other LGBTQ students cannot, and I am taking this opportunity to advocate for them now.

Thank you for taking public comment. I hope the board considers my remarks when making decisions about the cost of public education in the state of Oregon. At the very least we hope that each institution stays under the budget note that students, OUS, and the Oregon Legislature worked to enact.

Sincerely,
Andrew Lubash
ASUO Senate Vice-President
ASUO Freshman Representative

Oregon State Board of Higher Education
Full Board Page 20 ACTION ITEMS
Subject: 2012-13 Fee Book Public Comment

Dear members of the State Board of Higher Education,

My name is Christine Jarlstrom and I am a student at Portland State University. I am writing to comment on the tuition and fee prices for next year. Students today are in an economic crisis. As interest rates go up, financial aid options are cut, and tuition rises they are faced with a number of difficult decisions. At Portland State University students already have some of the highest debt loads in the state of Oregon and are balancing work and families with school. In fact student loan debt now outpaces credit card debt. Further increases to tuition will decrease the opportunity to attend college for students, and disproportionately affect students from marginalized communities.

I myself have only been able to attend school by accepting financial aid of both subsidized and unsubsidized loans and working two jobs. After 4 years at Portland State University I have around $25,000 of debt and I just accepted the full unsubsidized loan for graduate students. By the time I finish graduate school I will have private loans as well as government loans that add up to $100,000. I have the ultimate goal of being a school or community social worker; however I fear that with my likely low salary and the growing interest of my loans, I will be in debt for the rest of my life.

Thank you for taking public comment. I hope the board considers my remarks when making decisions about the cost of public education in the state of Oregon. At the very least we hope that each institution stays under the budget note that students, OUS, and the Oregon Legislature worked to enact.

Sincerely,

Christine Jarlstrom

Dear members of the State Board of Higher Education,

My name is Tiffany Dollar and I am a student at Portland State University. I am writing to comment on the tuition and fee prices for next year. As a student, the cost of tuition palpable because I do not see an increase in aid year over year, tuition increases mean choosing between taking a class and paying my rent for a month.

I will see an increase in the cost of attendance without a tuition increase. My insurance through the college is going up $1,347 per academic year. Trimet passes are estimated to increase by $120 per academic year.

Portland State’s reserves are above the 5-15% range recommended by the state. Instead of raising our tuition students want to see the reserve dollars—much of which started as tuition
dollars—used to curb this increase. Last year’s increase of nine percent was too high. At PSU we saw flat enrollment this year because we are pricing our students out of the university.

The cost of education is not sustainable. Students are graduating with record amounts of debt with the average undergrad leaving school with $25,000 of debt; Student loan debt now outpaces credit card debt nationally. According to the OUS 2010 Fact Book (page 83) only OIT and WOU undergraduate graduates have a higher level of debt compared to PSU. Students and Oregon families cannot afford to shoulder the burden of higher education which is a shared asset for all of us to make our state more prosperous. Students are growing frustrated and we are concerned we are near a tipping point of people not being able to afford to go to school at the exact time we need them to be going.

Thank you for taking public comment. I hope the board considers my remarks when making decisions about the cost of public education in the state of Oregon. At the very least we hope that each institution stays under the budget note that students, OUS, and the Oregon Legislature worked to enact.

Sincerely,

Tiffany Dollar
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Tiffany Dollar
ASPSU Legislative Affairs Director
Board Chair, Oregon Student Association
503-995-8643

Dear members of the State Board of Higher Education,

My name is Luke Márquez and I am a student at Oregon State University.

I am writing to comment on the tuition and fee prices for next year.
Tuition continues to rise sharply and consistently for students seeking higher education. The cost of education is not sustainable.

Students are graduating with record amounts of debt with the average undergrad leaving school with $25,000 of debt. In our country, student loan debt now outpaces credit card debt.

As a student working to put myself through college, I have been affected very negatively by the high costs of education. I have had to work multiple jobs at times and at other times I was even homeless while attending OSU! If tuition continues to rise, many more students will be afflicted by very real struggles such as these.

Thank you for taking public comment. I hope the board considers my remarks when making decisions about the cost of public education in the state of Oregon. At the very least, we hope that each institution stays under the budget note that students, OUS, and the Oregon Legislature worked to enact.

Sincerely,

Luke Márquez
971-235-8944
OSU student

Dear member of the State Board of Higher Education,

My name is Nick Rowe and I am a student at Portland State University. I am writing to comment on the tuition and fee prices for next year.

As the Oregon University System continues to weather a financial crisis imposed on it by the Oregon State Legislature, the respond of the SBHE to budget shortfalls has been rather consistent.
Raise tuition.
Raise tuition.
Raise tuition.
The fact of the matter is, we've reached a saturation point. Despite enrollment trends that are on the increase, PSU is having to account for the possibility of zero enrollment growth. Market forces are pushing Americans to search for higher levels of education, and yet we're seeing the slowing of enrollment growth. It's high time the SBHE started looking beyond the same solutions that are keeping Oregonians out of college.

Unreasonable? Yes. I'm asking you to avoid the easy way out- hell, I'm not even asking you to look for a real solution. Everyone knows that, sans more funding from Salem, the only way to offset budget shortfalls is to increase tuition or cut students.
I’m asking you to stop figuring out how to make it all work for the Oregon State Legislature, plain and simple. Propose something ridiculous. Force our elected officials to stare at the mess that they have created. Rub their noses in it. Make the Legislature look like a cabal of idiots. Embarrass the Governor.

The fact of the matter is, the only reason that the Oregon Legislature has been able to continue defunding public higher education is because you’ve made it easy for them by making it work. You’ve been especially diligent at make lemonade out of the bitterest of lemons, and all of us, students included, thank you for that service.

But no more.

Respectfully yours,

--

Nick Rowe
Vice President
Associated Students of Portland State
ASPSU
aspsuvp@gmail.com

Dear members of the State Board of Higher Education,

My name is Leanna Cowger and I am a student at Southern Oregon University. I am writing to comment on the tuition and fee prices for next year.

The proposed increase on tuition is not feasible for many students. Tuition has been raised just in the two years I’ve been attending SOU, making my student loans equal to the amount I would pay for a Master’s degree out of state. That is absolutely absurd. Why should I pay a public university, funded with MY tax dollars, the same amount for a Bachelor’s degree as a private, out of state university for a Master’s? It makes no sense. It just makes the Oregon University System look bad. Students are already having a difficult time trying to pay for a college education amidst a job market where unemployment rates are daunting. With the proposed increases, a college education will no longer be something that many students can achieve, nor will it be fiscally responsible in this economy.

The cost of education is not sustainable. Students are graduating with record amounts of debt with the average undergrad leaving school with 25,000 of debt. In our country student loan debt now outpaces credit card debt.

What we are feeling on campus is palpable. Students and Oregon families cannot afford to shoulder the burden of higher education which is a shared asset for all of us to make our state
more prosperous. Students are growing frustrated and we are concerned we are near a tipping point of people not being able to afford to go to school at the exact time we need them to be going.

My husband is the only one in our household working. Even though he makes a decent wage, the amount of student loan debt we’ve accrued trying to better ourselves has actually put us in a hole that will last us nearly a decade. I am also not guaranteed a job when I graduate, even though I am qualified for jobs in my field. There are MANY other qualified candidates who will be vying for the same jobs as I. This will only add to our personal financial crisis. However, there are other students who will not be able to find jobs, nor will they have a spouse supporting them. How will they be able to pay back the massive amount of debt with no means of income? It is absurd to assume that cutting programs, raising tuition, cutting staff, and paying instructors less will correct the situation we are in. This financial crisis calls for better budgeting and student input. As a student, I have not been contacted by any board besides my student government. It is imperative that students be included in these discussions, as they are the ones paying interest on the decisions you make on our behalf. Increasing the amount of tuition may actually cause a decrease in enrollment numbers, as tuition will be in affordable within Oregon.

Thank you for taking public comment. I hope the board considers my remarks when making decisions about the cost of public education in the state of Oregon. At the very least we hope that each institution stays under the budget note that students, OUS, and the Oregon Legislature worked to enact.

Sincerely,
Leanna Cowger

Dear members of the State Board of Higher Education,

My name is Joanna Stewart and I am a University of Oregon Sophomore. I am writing to comment on the tuition and fee prices for next year.

As an out-of-state student, I came to Oregon because there seemed to be, sadly, relatively better decreases in higher education funding compared to my home state, California. I fear that we are heading in the direction of the well-known California 32% tuition increase because we are not prioritizing higher education in our state. Out-of-state students will see a 3% increase, while in-state students will see a 6.5% increase. This is too much that students cannot handle or afford. I know many students, including my roommate and best friend, who are dropping out this year because it costs too much to go to school here. You are disenfranchising the youth who want to provide and grow in their society.

Students, nationwide, have an average debt of $25,000 after graduation. This is an unacceptable amount and rising tuition at the University of Oregon is not the answer to reducing this number or creating a better educational environment. We need to invest in the youth that will move our
school and society forward. This increase **will** put students and the future generation more in debt not allowing us to live where we want, have families, and build upon the Oregon economy.

Please consider the effects that students in Oregon are feeling next year and how our lives are being turned around because of the decisions that you have made.

Thank you for all the work you do with students.

Sincerely,

Joanna Stewart
UO Student

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Joanna Stewart
UO Undergraduate
ASUO Volunteer Coordinator
USSA Grassroots Legislative Liaison
(858) 688-6442

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Dear members of the State Board of Higher Education,

My name is Rachel Gowland and I am a student at the University of Oregon. I am writing to comment on the tuition and fee prices for next year.

Last year, I had to take a year off of school because I and my family could not afford the cost of college. This was absolutely heartbreaking for me. I believe that I have a bright future ahead of me, and the idea of not getting through college just because I can’t afford it upsets me deeply.

Furthermore, these thoughts affect me on a daily basis. I’m constantly worrying about this issue, and it affects my ability to actually study and do well at school. I know, from talking to my peers, that I am one of many students who feel this way. The problem doesn’t end once I graduate. If the costs of tuition continue to increase, I could be crippled by student loan debt for ten or event twenty years.

This issue is very palpable and real. Thousands of students across the state feel the same way that I do, and it’s no minor issue. Thank you for taking public comment. I hope the board considers my remarks when making decisions about the cost of public education in the state of Oregon. At the very least we hope that each institution stays under the budget note that students, OUS, and the Oregon Legislature worked to enact.

Sincerely,

Rachel L. Gowland

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Dear members of the State Board of Higher Education,
My name is Lucero Castañeda and I am a student at the University of Oregon. I am writing to comment on the tuition and fee prices for next year.

I am a third year majoring in Ethnic Studies and Planning, Public Policy and Management. As a freshman I was able to cover my school expenses without taking out loans. The last two years my financial aid has been cut in half, tuition has gone up at an alarming rate; as a result I have had to take out multiple loans the last two years. Tuition is going up at a rate I cannot afford.

Our campus should focus more on cost control before turning to tuition increases, which should be a last resort. Our campus has given high-level administrative raises, expanded spending on a campus police force, and increased spending in a variety of other non-academic areas.

We should look to those areas for cuts before asking students to bear more of the burden. The president Obama has made a public statement that includes that he will grant more Pell Grant dollars to those states and institutions that are doing their part to keep the cost of tuition low and our education affordable. Not only are we, the students being punished by not receiving more Pell Grant dollars, but our tuition is also rising. In doing this the University is creating the unaffordable gap that is pushing students out of higher education.

Furthermore, the campus process was unacceptable. It did not engage students meaningfully and early on in conversations about tuition levels, and there was no public opportunity for students to provide input or feedback. This is a major concern to all students. It is a shame that our campus administration did not have the decency to talk to their constituents and the students who pay the tuition they have the unearned privilege to recommend.

Our education is becoming a commodity that only the privileged and the wealthy can afford. The cost of education is not sustainable. Students cannot afford an increase in tuition of any kind, much less the recommended 6%. Students need the state and federal government to prioritize our education. Education in this country has been disinvested and neglected. This country's source of a better economy, a more competitive work force, and its future have been disinvested and neglected. Students are graduating with record amounts of debt with the average undergrad leaving school with 25,000 of debt. In our country student loan debt now outpaces credit card debt. Student debt in this country has hit the embarrassing 1 Trillion Dollar mark.

What we are feeling on campus is palpable. Students and Oregon families cannot afford to shoulder the burden of higher education which is a shared asset for all of us to make our state more prosperous.

Students are growing frustrated and we are concerned we are near a tipping point of people not being able to afford to go to school at the exact time we need them to be going.

At my school I have seen the only academic advising and resource office for students of color and multicultural students be cut and merged into irrelevant resource centers. At my school I cannot get the classes I need to graduate on time. I am not receiving the accurate advising I need to finish my
degrees. I have to work at a on campus job that is constantly cutting my hours and violating my labor rights, but I cannot leave because I desperately need the money to pay for my education.

If tuition goes up I do not know if I can finish my degrees, much less continue attending the University of Oregon.

Thank you for taking public comment unlike our University. I hope the board considers my remarks when making decisions about the cost of public education in the state of Oregon. At the very least we hope that each institution stays under the budget note that students, OUS, and the Oregon Legislature worked to enact.

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Respectfully,

Lucero Castañeda

Dear members of the State Board of Higher Education,

My name is Rachel Bracker and I am the ASUO International Student Advocate at the University of Oregon. I am writing to comment on the tuition and fee prices for next year.

The cost of tuition is too high, and the proposed increases will only worsen the financial burden on students. Some will graduate saddled with even more debt than before, but still worse countless other prospective Oregonians might be dissuaded from attending college at all.

We should be making cuts to other areas instead of consistently turning to students. For example, the budget to make DPS a sworn police force could be redirected to lower tuition. Most students are against DPS becoming a police force anyway so this change would not only ease the burden on students but would also be in alignment with their values and ideas of a safe college environment.

What is probably the most unacceptable aspect of this decision is that it was reached without any public opportunity for students to provide input or feedback. Students deserve the chance to weigh in on the issues that matter and effect them, and it is hard to imagine an issue of more importance than the cost of tuition.

The cost of education is not sustainable. Students are graduating with record amounts of debt with the average undergrad leaving school with 25,000 of debt. In our country student loan debt now outpaces credit card debt. We need to change this and raising tuition is simply not the answer.

Thank you for taking public comment. I hope the board considers my remarks when making decisions about the cost of public education in the state of Oregon. At the very least we hope that each institution stays under the budget note that students, OUS, and the Oregon Legislature worked to enact.
Dear members of the State Board of Higher Education,

My name is Katie Taylor and I am the student body Vice President at the University of Oregon. I am writing to comment on the tuition and fee prices for next year. Currently the price tag attached with a public college education is extremely expensive and not accessible to thousands of Oregonians. Additionally, as tuition continues to increase while funding for financial aid continues to decrease, it is getting to be more and more stressful for students to be able to make ends meet.

Unfortunately, that last statement is becoming an inescapable reality for myself as well as many other students. I am the first person in my family to go to college and every time tuition increases it becomes more and more difficult for me to manage to make ends meet. I am proud of my role on campus at the University of Oregon. I am proud to advocate for students like myself who deserve to have a chance to go to college and succeed in life. However, I actually have at times contemplated giving up my role as Vice President to find a job because I do not have enough money to pay rent or pay for my books for classes. Luckily, I haven’t had to do that, I have had friends that supported me by loaning me money to keep up with my bills, or I have used creative practices to ensure I can keep up with my assignments without buying the book for class. Honestly, with tuition increases coming at me at the rate they have been throughout the last four years I have been in school, I am not sure how much longer I can keep this up. I still have 30 credits I need to take to graduate. If you all raise tuition again, I just don’t know what I am going to do. It is a huge slap in the face to think that all of my hard work could just be thrown away or extended even more than 5 years because I am just not able to pay.

My story is not unique. There are thousands of other students who are going through the same troubling times. We deserve to have our voices heard in a meaningful way. On campus, there has been little attempt to include students in the tuition setting process. There was no public opportunity for students, not even myself as Vice President, to provide input or feedback, or facilitation of meaningful conversations about tuition levels early on. This is unacceptable. Recently, the amount of student debt nationwide has reached over $1 trillion. That is more than credit card debt. Students are graduating with $25,000 on average in debt just to get
their bachelor's degree. This cannot continue. It is not good for anyone. Our economy in Oregon is among the worst in the nation. We cannot compete nationally, or globally for that matter, in the job market, and we are not supplying educated citizens to fill the gaps in the fields of work that actually are still needed, such as computer science and health care. We are cheating our youth and the future of our state. This makes no sense.

Alternatively, campus should focus more on cost control before turning to tuition increases. Our campus has given high-level administrative raises, spent millions on expanding a campus police force, and increased spending on a variety of other non-academic areas. Tuition increases should be a last resort, the focus needs to be on maintaining accessibility to ensure we are educating more Oregonians and boosting the economy in Oregon. We need to look to other areas to make cuts before asking students to bear the burden.

Thank you for taking public comment. I hope the board considers my remarks when making decisions about the cost of public education in the state of Oregon. At the very least we hope that each institution stays under the budget note that students, OUS, and the Oregon Legislature worked to enact.

Sincerely,
Katie Taylor
Vice President
Associated Students of the University of Oregon

Dear members of the State Board of Higher Education,

My name is Uyen Nguyen and I am a student at the University of Oregon. I am writing to comment on the tuition and fee prices for next year.

I want to raise my voice for the proposed tuition is too high for all students. With the currently tuition, it has already been very hard for many students to afford. With the proposed tuition, it will prevent many students to be able to graduate on time or be able to attend college. I believe that the future of a college belong to the new generation.

Without high education, they cannot help the country to lead the world.

It is time for the state to reconsider the all the effects of high tuition on students.

I urge you to notice the big problem that we are all facing right now, that many students drop out of colleges and many of them are not able to attend colleges. The campus should start to focus more on cost control.

They should take students’ concerns into account before making any increasing in tuition. There are many irrelevant services that can be cut such as spending on campus police forces, REC center, EMU and many other non-academic areas. The crisis still exists and it is not the time to expand the facility but
the knowledge of citizens. Many countries are catching up with America regarding technology, education and health care. It is time for America to take a serious consideration before it is too late. In order to do that, the school is the first place to take action.

Currently, the students do not have any voice on the tuition level. Their concerns and their voices are not heard. Students are left behind for all the decisions that will affect them the most. There is no public hearing for students to provide input on those spending from the Administration.

The tuition right now is very high comparing to what students can earn after they graduate. Large amount of students graduate with $25,000 of debt. Students and their families cannot afford the tuition. Many Oregon high school students have to choose to work after graduate from high school because their families cannot afford the high tuition. Without higher education, new generation cannot contribute more to the state in specific and the country in general.

Many of my friends have to change their majors because classes are being cut. They cannot wait for extra year to finish all the requirement classes. Despite the fact that students have to pay higher tuition every year, many classes are still cut by the school. These raise the question that where the tuition go toward to? Students do not receive the right services. In fact, they pay for services that they don’t really need to use. Many students concerns about their dollars and have never had the opportunity to know where their money go to. If the tuition keeps going up, Students will not be able to continue their education, which will put not only the school but also the state in big problems. Education is the only way for a country to develop. In order to rule the world, we need to have more high educated citizens.

Thank you for taking public comment. I hope the board considers my remarks when making decisions about the cost of public education in the state of Oregon. At the very least we hope that each institution stays under the budget note that students, OUS, and the Oregon Legislature worked to enact.

Sincerely,

Uyen Nguyen

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Uyen Nguyen
ASUO Finance Coordinator
asuofin@uoregon.edu
541.346.0611
Associated Students of the University of Oregon
1228 University of Oregon, EMU Suite 4, Eugene OR 97401-1228
Phone: (541) 346-0619 Fax: (541) 346-0620
http://asuo.uoregon.edu

Dear members of the State Board of Higher Education,
My name is Milikaleakona Tonga Hopoi and I am the student body president at Oregon State University. I’m writing on the grave climate of tuition and fee prices for the upcoming academic school year.

The rising cost of higher education is a crippling factor for Oregon’s economy, workforce and education. The plain truth is that tuition is too high and students’ everyday are stressed to pay for utilities, groceries, rent, laptop, and books rather than have energy and effort for midterms, finals, senior projects or even attending class. When your electricity goes out in the morning because you’re three months behind the bills and scrimmaging to save the food in the fridge from rotting while scrambling to get hundreds and pay before by 5pm, attending class is far from mind when survival becomes threatened. That was my experience first day back on campus from Winter break because I chose to pay for my past due medical bills that was about to go to collections than my past due electricity bills. There is a direct connection from tuition to the health and wellness of students to be successful in and out of the classroom. At the end of the day, the honest truth is that tuition is a biggest barrier for access and affordability to higher education in the state of Oregon. And with the mission of the Oregon University System, that is one thing I know everyone at the decision-making table could agree needs changing.

What we are feeling on campus is palpable. Students and Oregon families cannot afford to shoulder the burden of higher education which is a shared asset for all of us to make our state more prosperous. Students are growing frustrated and we are concerned we are near a tipping point of people not being able to afford to go to school at the exact time we need them to be going.

As I was a part of the first Tuition setting process at Oregon State University, I was able to understand all the intricate details of operating an institution and all the operational costs. It was difficult to hear all throughout the process that tuition needs to increase for resident undergraduate students to supplement the lack of state funds and support for higher education in Oregon. I realize that in order for a quality education with the best instructors, support programs and facilities there must be sacrifices in difficult times but it just hurts when you are the sacrifice and your future with it.

The state of Oregon needs to stop cutting funds for higher education and provide institutions with support to provide quality education at an affordable and accessible rate for resident undergrad students, the backbone of every institution of higher education in Oregon. If tuition goes up, I would have to take out another big loan to cover the inflation and manage to buy my books as this upcoming year is my senior year and the price for books required in upper level courses are about $500.00 per quarter.

Though difficult my experience has been with tuition and fee increases, I have grown to love Oregon State University and would do anything to continue my education and successfully graduate as a Beaver. But that doesn’t mean I’m willing to be $20,000 in debt with student loans, work more hours than studying just to pay monthly utilities or go without groceries for a month just to have enough for books that quarter. For many students attending OSU, the
experience of tuition increases is like holding your breath when you see a tidal wave coming and hoping it doesn’t take you under.

I appreciate this opportunity to share my story and hope the board considers my remarks when making decisions about the cost of public education in the state of Oregon. At the very least we hope that each institution stays under the budget note that students, OUS, and the Oregon Legislature worked to enact.

Sincerely,

Milikaleakona Tonga Hopoi
ASOSU Madam President 2011-2012
PH: (503) 875-8211
Student within the Oregon University

Members of the State Board of Higher Education,

Our names are Hassan Harris and Amanda Stucke, and we are the current Student Body President and Vice President of Southern Oregon University. We are writing to comment on tuition and fee prices for next year.

As the student leaders of SOU, we are being asked to support the proposed 9.9% tuition increase. We are gravely concerned about the negative impact that this will have on our students. We fully understand the financial situation that our university is in, and therefore understand the need for a tuition increase. But we do not believe that students can afford one as large as 9.9%. A shared investment between the students, the university, and the state is essential during these difficult economic times, and we feel that students are taking on the majority of that burden in the amount of tuition they are already paying.

Currently, nearly 75% of our students already require financial aid. We meet with students every day that are already struggling to pay for school. An example of this is a student who came into our office last week, saying that he already works three jobs to support his education. If tuition went up 9.9% next year, he explained that he would need to take on a fourth job, making it impossible for him to attend classes. There are many more students just like him. These are good indicators to us that a significant increase such as 9.9% will severely threaten the accessibility of a quality education for our students. However, we also understand the need for a controlled tuition increase to support the financial viability of our university.

Thank you for taking public comment. I hope the board considers our remarks when making decisions about the cost of public education in the state of Oregon.

Sincerely,

Hassan Harris and Amanda Stucke
Southern Oregon University Student Body President and Vice President
Dear members of the State Board of Higher Education,

My name is Jonathan Farmer and the Student Body President at Western Oregon University. I am writing to comment on the tuition and fee prices for next year. Western Oregon University has a very different take on tuition setting levels as we have been blessed with the Tuition Promise on our campus. This Promise has allowed us to only raise our tuition for the newly admitted students over the last few years which allows a peace of mind for the reminder of your 4 year degree program. This year though that peace of mind is being threatened. At WOU we are facing not only just short of double digit percentage increases in tuition hikes for the Promise but also an option for a "traditional" or 'variable' tuition that I am told is a step down process for the Tuition Promise. In discussing with current and potential students the Tuition Promise is by far the preferred choice even with the initial savings of the traditional tuition at a 1.4% increase from last year's tuition levels. Students want the Promise but at the same time know that the State of Oregon has not kept it's promise in retaining more appropriate funding levels that allow this Promise to be possible. WOU students do not appreciate the lack of acknowledgement for their desire to serve this great state and be productive members of a growing economy. WOU has been nationally recognized for it's service to the under represented minority (URM) population because it has done an incredible job of closing the achievement gap for those of us who identify as URM as well. We have kept up our end of the promise by being fiscally responsible and having a very high fund balance as well as producing results that are exemplary in moving us toward 40-40-20.

Students understand that our campus needs to fill in the budget short falls and are saddened that he numbers suggested are so high. We do not feel though that our Administration is at fault for trying to keep us a float. We recognize their efforts in closing the holes in our financial future and appreciate their open attitude toward student feed back. The campus Tuition Revision Committee process though was incomplete and inadequate. As students we know how much money they want to make but have no idea where that money will go or what it is funding. We were told it was still not enough to cover everything currently in our budget and that we were going to have to pull from our fund balance to stay positive. I feel this process was meant to be more inclusive and transparent and it was not. I have full confidence that next year it will be more efficient and effective. I believe that it was purely first year learning experiences that we were and are continuing to work through.

At WOU students place most of the blame for our tuition increases with the State. We know that we have been great stewards in the process to educate and enrich the lives of Oregonians; a large majority of which have been low-income/first generation students. We feel that the amount of debt students are graduating with is unnecessary and unfounded. What we are feeling on campus is palpable. Students and Oregon families cannot afford to shoulder the burden of higher education which is a shared asset for all of us to make our state more prosperous. Students are growing frustrated and we are concerned we are near a tipping point of people not being able to afford to go to school at the exact time we need them to be going. I do not see how we can afford to allow this to continue to happen year after year when we
know that we are pricing future students out of their education and our state out of obtaining 40-40-20.

Thank you for taking public comment. I hope the board considers my remarks when making decisions about the cost of public education in the state of Oregon. At the very least we hope that each institution stays under the budget note that students, OUS, and the Oregon Legislature worked to enact.

Sincerely,

Jonathan Farmer  
Student Body President  
Associated Students of  
Western Oregon University  

345 N. Monmouth Ave  
Monmouth, OR 97361  
503.838.8555 - Office  
www.wou.edu/aswou
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Recommendation of the Governance and Policy Committee Regarding Institutional Governing Boards

At its January 2010 retreat, the State Board of Higher Education tasked its Governance and Policy Committee to address a wide variety of governance matters pertaining to the relationship between the Oregon University System and state government. The Board recently had adopted a strategic vision of the System that focused on four overarching goals: to increase the educational attainment of Oregonians (i.e., awarding more degrees), to offer high quality education to Oregonians, to use university-inspired innovation to spur a vital economy in Oregon, and to support vibrant communities throughout the state.

Student enrollment had increased markedly in both 2008 and 2009 and the Board was interested in maintaining the momentum that such enrollment occasioned and to improve the success of students in attaining their degrees.

However, OUS had absorbed large reductions in state financial support and was faced with the likelihood of even more such reductions in both 2010 and 2011. In order to find ways to maintain positive forward progress toward meeting the Board’s goals, the Board tasked the Governance and Policy Committee with developing a new relationship with state government that freed the University System from some state mandates and costs and insulated it from having tuition income diverted by the state to meet other financial obligations (e.g., corrections and healthcare). The end result of this stage of the Committee’s work was the adoption by the Board of a proposal to change the status of the University System from that of a state agency to that of a public university system. The enactment in 2011 of Senate Bill (SB) 242 achieved that result and the various changes wrought by the legislation are being phased in over the course of this biennium.

One element of the Board’s original proposal that was not adopted by the Oregon legislature was the possibility for the State Board of Higher Education to establish governing boards for some or all of its universities. The Board asked the Committee to continue its work to explore the bases on which such institutional governing boards might be established and what authorities they would have. The Committee has considered those matters for the past several months and has been advised by numerous nationally recognized consultants. The Committee examined the governance approaches taken in each of the other 49 states and in the District of Columbia. The Committee also has entertained proposals from each of the seven university presidents: two of whom actively have proposed such boards. The Committee’s charge had included considering proposals that led to better achievement of the Board’s strategic goals and it considered proposals, in part, in that light.

The presidents seeking institutional governing boards spoke of two major advantages for such boards: the possibility of increased financial resources (either donations or local tax income) and more direct advice that presidents could receive from board members devoted exclusively to their universities rather than from members with a statewide responsibility. Those not supporting such boards spoke of the possible deleterious effects on other universities of
independent institutional boards and of the difficulties in achieving consistently the goals the Board had set for OUS.

The Committee’s research did not determine that increased philanthropy is associated with an institutional board. Institutional boards are, however, associated with somewhat higher rates of growth in resident tuition than are system boards. There was no evidence that institutional boards, of themselves, lead to greater student success or to the achievement of the Board’s Systemwide goals than does the present governance structure.

However, the Committee determined that it would explore how such boards might be established and operated in a way that did not hinder the achievement of the Board’s goals and did not harm the System or those institutions that did not have such institutional boards. This led to the consideration of what authorities might be granted by statute to an institutional board and which authority must be maintained by the State Board or some other central entity in order to ensure the primacy of public interest.

Generally, the Committee believed that all operations could be within the purview of institutional boards: hiring and tenure decisions, campus maintenance and operations, instruction, research, public service, the setting of tuition rates for nonresident students, and a wide variety of other matters. The Committee considered about 80 activities and easily determined that the vast majority would be within the province of institutional boards (or of institutional presidents where there were no institutional boards). About 25 matters were considered more seriously by the Committee to determine where authority might most appropriately be placed. Attached is a matrix summarizing all the items and the Committee’s recommendations about which entity might appropriately exercise what authority with regard to each item; some of the 80 items were combined so that only 53 appear on the matrix.

The Committee was guided in its discussions by the need to achieve the Board’s and state’s goals (state goals having been articulated in SB 253, enacted at the same time as SB 242) and to preserve the public interest.

The matters most deeply considered by the Committee ultimately were divided into four categories: those where powers would be reserved to the State Board, those where the powers or institutional boards could be exercised only after receiving approval from the State Board, those where the actions of the institutional boards would require the advice and consent of the State Board, and those where powers would be exercised by both institutional boards and the State Board in their separate spheres. All other matters (the vast majority of the total) would be within the purview of institutional boards. Based on the Committee’s decisions in April and May, the following are the distribution of responsibilities recommended by the Committee regarding those items not automatically assumed to be the responsibility of institutional boards.

The recommendation is premised on the presumption that all seven Oregon universities are and must remain devoted to the achievement of public purposes and the goals of the State Board of Higher Education.
Board and the state. The Board’s goals are to increase the education attainment level in Oregon, to ensure that high quality educational programs are offered, to provide high quality research that advances the frontiers of knowledge and contributes to the economic vitality in Oregon, and to support vibrant communities throughout the state. The state’s goals, as codified in SB 253, include that 40 percent of its adults will have at least a baccalaureate degree by 2025. The state’s goals will be amplified further in compacts between the Oregon Education Investment Board and the State Board of Higher Education and the presidents of the universities. Any governance change must be assessed in terms of how it contributes to better achievement of these public purposes. Another guiding principle of the Committee’s work has been that institutional boards should not harm the University System and its universities. The impact of any governance change on both the achievement of Board and state goals and on the quality, efficiency and effectiveness of the System and the campuses must be assessed. The Committee has not yet undertaken that assessment or how a “no harm” principle might be achieved. It is the assumption of the Committee that the University System will remain a single entity for legal purposes.

POWERS RESERVED TO THE STATE BOARD OF HIGHER EDUCATION
As the principal agent of the state in achieving the 40% goal, the State Board of Higher Education must maintain some levers to help ensure success. Ownership of property (buildings and land and including the power of eminent domain), interactions with state government (except for certain element of achievement compacts that are unique to an individual university), seeking and allocating state appropriations, data definitions and requirements for financial and student data, achievement compacts with the Oregon Education Investment Board for OUS-wide targets and elements, approval of institutional mission and degree programs, ensuring institutional fulfillment of applicable state rules and policies, and delineation of financial statement requirements are proposed to be exclusive functions of the State Board of Higher Education.

POWERS OF INSTITUTIONAL BOARDS THAT REQUIRE STATE BOARD APPROVAL
Some responsibilities of an institutional governing board might properly be subject to approval of the State Board of Higher Education prior to their exercise in any specific instance. This is due to the overriding public interest involved in these matters. They include setting admission and residency standards and tuition rates for Oregon students, seeking and issuing bonds backed by the state, mortgaging property, and suing public entities.

POWERS OF INSTITUTIONAL BOARDS THAT REQUIRE THE ADVICE AND CONSENT OF THE STATE BOARD
An institutional board would hire and reappoint its university’s president with the advice and consent of the State Board with respect to the appointment/reappointment and its length and would evaluate the president in collaboration with the Chancellor (whose involvement is intended to ensure that statewide and OUS-wide issues are considered adequately). The State Board’s role in appointment and reappointment is intended to bring both a statewide perspective and accountability for achieving state goals into the decisions about presidential appointment and reappointment. Termination of the president of a
university with an institutional governing board would be the responsibility of that institutional governing board after consultation with the State Board. (Termination would be the role of the institutional board. The role of the State Board would be limited.)

POWERS THAT WILL BE EXERCISED IN PARALLEL BY BOTH THE STATE BOARD AND INSTITUTIONAL BOARDS IN THEIR RESPECTIVE SPHERES

Certain powers can be exercised by both boards and normally would be coordinated between them. These include internal audit, the development of achievement compacts for elements and targets with the OEIB that are specific to the single institution, capacity planning to achieve the 40 percent degree attainment goal (physical, faculty, staff, fiscal, and technological), financial aid policies to ensure affordability for Oregon resident students, risk management, and the provision of consistent legal advice.

In addition to the matter of what authority an institutional board would have and what authority the State Board would have, the Committee considered the relationship of the institutional board to the state. It determined that at least a majority of the members of the institutional board should be appointed by the Governor and confirmed by the State Senate, that a member of the State Board should serve on each institutional board, that the institutional board have an appropriate representation of faculty and students (perhaps proportional to the representation enjoyed by faculty and students on the State Board), and that foundation members and alumni should have roles on the institutional board. The Committee also agreed that terms of up to six years be considered for public members and that renewal be possible for a second term.

The Committee has not yet taken up several related topics that could form the basis for future recommendations: how to effect the “no harm to the System and other universities” principle, the basis upon which an institution might become eligible to be governed by an institutional governing board (e.g., management and financial capability, commitment by donors of resources for student financial aid, and increased support for instruction and support programs), and the sharing of services among campuses to maximize revenue and reduce cost in order to provide more resources for education. The Committee will begin work on these matters in coming months.

COMMITTEE RECOMMENDATION TO THE BOARD

The Governance and Policy Committee recommends that the State Board of Higher Education endorse the recommendation of the Committee with respect to institutional governing boards, as outlined in the narrative above and as more particularly defined in the attached matrix and in a one-page point by point summary, and authorize the staff to forward that recommendation as a recommendation of the State Board of Higher Education to appropriate state legislative and executive officials, agencies, and bodies.

(Board action required.)
**OSBHE Institutional Governance Proposal**

<table>
<thead>
<tr>
<th>Function</th>
<th>Responsible Entity</th>
<th>Explanation</th>
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<tbody>
<tr>
<td>Interaction and advocacy with state government</td>
<td>OSBHE, Chancellor</td>
<td>Clarity, consistency, and a single voice are essential in dealings between the University System and state government. State executives and legislative leaders have expressed a desire for such consistency. Competition among universities for resources could cause some universities to lose out to others in ways that could reduce the state’s and some regions’ success in achieving its education attainment goals.</td>
</tr>
<tr>
<td>Allocation of state appropriations</td>
<td>OSBHE</td>
<td>Just as there needs to be a single voice for the universities in seeking state funding, there should also be a single allocator of base funding received from the state and a single entity responsible for ensuring that state conditions attached to appropriations be honored.</td>
</tr>
<tr>
<td>Achievement compacts</td>
<td>OSBHE</td>
<td>Achievement compacts with the OEIB contain both System- and institution-specific elements. Universities are responsible to OSBHE for their “share” of the state-level elements. This suggests that OSBHE should retain a major voice in defining the statewide elements and in ensuring that any institution-specific elements do not conflict with statewide goals.</td>
</tr>
<tr>
<td>Performance targets and performance assessments</td>
<td>OSBHE</td>
<td>OSBHE should maintain responsibility for statewide performance targets while any institution-specific assessments would be the province of an institutional board. The development and assessment of performance targets called for under SB 242 should remain a responsibility of the OSBHE unless ORS 351 is amended to remove that authority.</td>
</tr>
<tr>
<td>Property ownership</td>
<td>OSBHE on behalf of State of Oregon</td>
<td>The real property of all seven universities is currently owned by OSBHE and is an asset of the state. These assets have been accumulated over more than a century and have a value in the billions of dollars. They represent some of the most valuable assets of the state and are a direct</td>
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<td>Function</td>
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<td>Current</td>
<td>OUS Proposal</td>
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<tr>
<td>Connection between Oregonians and their universities.</td>
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<td>The property should continue to be owned by OSBHE and be administered as a public asset on behalf of the university. The sale of real property or its encumbrance by any university must be subject to approval by the OSHBE as a fiduciary agent of the people of Oregon. Similarly, the OSBHE should be the only entity authorized to exercise the power of eminent domain for public universities in Oregon.</td>
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<tr>
<td>Care, custody, and control of property</td>
<td>OSBHE</td>
<td>Institutional Board</td>
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<td>This would be a campus responsibility and, therefore, under the purview of an institutional board.</td>
</tr>
<tr>
<td>Design, construction, repair, and renovation of buildings</td>
<td>OSBHE</td>
<td>Institutional Board</td>
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<tr>
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<td>This is an operational responsibility and, therefore, under the purview of an institutional board.</td>
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<tr>
<td>Bonding and indebtedness</td>
<td>OSBHE</td>
<td>OSBHE and Institutional Boards</td>
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<tr>
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<td>State backed debt should remain a responsibility of the OSHBE and only the OSBHE should be able to encumber state property as collateral for debt. Institutional boards could have the responsibility for prudent use of revenue bonds and short-term debt instruments whose repayment is entirely from university sources and does not involve the pledge of a state asset or the state’s full faith and credit.</td>
</tr>
<tr>
<td>Tuition-setting for residents</td>
<td>OSBHE</td>
<td>Institutional Board with OSBHE approval</td>
</tr>
<tr>
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<td>Resident tuition rates pertain directly to the affordability of Oregonians and the achievement of 40-40-20 goals. As such, the OSBHE should maintain responsibility for approving resident tuition rates. Institutional Boards could be responsible for approving tuition rates for nonresident students.</td>
</tr>
<tr>
<td>Tuition-setting for nonresident students</td>
<td>OSBHE</td>
<td>Institutional Board</td>
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<td>The principal interest of the OSBHE is for Oregon resident students.</td>
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<td>Function</td>
<td>Responsible Entity</td>
<td>Explanation</td>
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<tr>
<td>Campus-specific financial aid policies and programs</td>
<td>University, Institutional Board</td>
<td>The use of financial aid to help ensure affordability for Oregon students and to help achieve university enrollment management objectives is a university responsibility. Each institution will have different strategies to follow and resources to employ.</td>
</tr>
<tr>
<td>Financial aid policies—Statewide</td>
<td>OSBHE, Institutional Board and OSBHE</td>
<td>Institutional boards should consider and approve financial aid policies and programs based on the unique mission, student body, resource base, and enrollment strategy of the university. Institutional Boards would be subject to the OSBHE directive on minimum affordability guidelines. Public universities are required to meet at least 12 percent of unmet financial need for Oregon resident undergraduate students from institutional sources. The OSBHE requirement that universities use investment earnings from tuition revenue for need-based financial aid for Oregon resident undergraduate students should be re-examined. The Committee recommends the requirement be repealed and all universities be permitted to achieve the OSBHE affordability requirement in any ways they choose.</td>
</tr>
<tr>
<td>Financial aid awarding and administration</td>
<td>University, Institutional Board</td>
<td>This is an operational responsibility and, therefore, under the purview of an institutional board.</td>
</tr>
<tr>
<td>Mission and program approval</td>
<td>OSBHE, HECC, Institutional Board</td>
<td>The mission of public universities, the academic programs they offer, where they offer such programs, and the degree of collaboration among the programs of the universities, appropriately is within the province of the OSBHE. Program approval by the OSBHE ensures that close attention be paid to duplication of expensive programs and facilitates the essential collaboration often necessary to provide critical programs and competition in certain locales. SB 242 defines the HECC as having a role in mission approval. Planning for specific academic programs within the approved mission of a university would be the responsibility of the institutional board, subject to appropriate program approval by the OSBHE.</td>
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<tr>
<td>Applicability of State rules and policies</td>
<td>Legislature</td>
<td>Legislature</td>
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<tr>
<td>Data collection and analysis and system requirements for student and financial data</td>
<td>OSBHE</td>
<td>OSBHE</td>
</tr>
<tr>
<td>Financial statements and Financial System requirements</td>
<td>OSBHE</td>
<td>OSBHE</td>
</tr>
<tr>
<td>Internal Audit</td>
<td>OSBHE</td>
<td>OSBHE and Institutional Board</td>
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<tr>
<td>Function</td>
<td>Responsible Entity</td>
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<tr>
<td>Legal advice</td>
<td>OSBHE</td>
<td>OSBHE and Institutional Board</td>
</tr>
<tr>
<td>Hiring, firing, evaluating the president</td>
<td>OSBHE</td>
<td>Institutional Board and OSBHE</td>
</tr>
<tr>
<td>Requesting state funds (appropriations and bonds) for operations and capital</td>
<td>OSBHE</td>
<td>OSBHE</td>
</tr>
<tr>
<td>Prioritization and authorization of non-state capital projects</td>
<td>OSBHE</td>
<td>Institutional Board</td>
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<td>Function</td>
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<tr>
<td>Investment strategy of funds</td>
<td>State Treasurer</td>
<td>Although the investment of funds could be controlled by an institutional board, actual investment strategies should be decided in consultation with the State Treasurer. Questions regarding asset allocation, the different tranches of cash, risk profile, and pooling of cash to maximize returns all have elements of shared services.</td>
</tr>
<tr>
<td>Capacity planning</td>
<td>OSBHE</td>
<td>OSBHE is responsible for large portion of the 40 percent target (within the 40-40-20) and must work with institutional boards to determine and seek support to meet capacity needs (i.e., programs, faculty, facilities, and technology).</td>
</tr>
<tr>
<td>Intellectual property management</td>
<td>OSBHE</td>
<td>The intellectual property management of discoveries within a single institution is appropriately a responsibility of an institutional board. Intellectual property whose ownership is shared among two or more universities may remain a responsibility of the OSBHE.</td>
</tr>
<tr>
<td>Risk management</td>
<td>OSBHE</td>
<td>As the owner of state property, OSBHE share the responsibility for risk management. This is an area that could be considered for shared service given the lower costs achieved in a larger risk pool.</td>
</tr>
<tr>
<td>Labor agreements</td>
<td>OSBHE</td>
<td>There is nothing inherent in labor agreements that require them to be within the scope of either an institutional board or the OSBHE. Current contracts are Systemwide but this could be changed through collective bargaining, legislation, or a ruling by the State Employment Relations Board.</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>OSBHE</td>
<td>Benefit plans could be developed and administered by each university or managed Systemwide. Issues of cost, pool size, coverage, and statewide strategies relating to healthcare insurance and pensions are important considerations when deciding how to structure plans. This is an area that could be considered for shared service. SB 242 calls for labor-management committees to try to develop alternative plans for presentation to the legislature. The committees have begun their work.</td>
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<td>Explanation</td>
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<tr>
<td>Institutional board appointments</td>
<td>NA</td>
<td>Governor with Senate confirmation</td>
</tr>
<tr>
<td>Term limits for board members</td>
<td>NA</td>
<td>Governor/ Legislature</td>
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<tr>
<td>Interlocking board membership</td>
<td>NA</td>
<td>OSBHE</td>
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<tr>
<td>Choice of board chair</td>
<td>NA</td>
<td>Institutional Board</td>
</tr>
<tr>
<td>Foundation relations</td>
<td>Presidents and OSBHE</td>
<td>Institutional Board</td>
</tr>
<tr>
<td>Incentives, requirements, and framework for collaboration within PK-20</td>
<td>OSBHE, Joint Boards</td>
<td>OSBHE, OEIB, HECC</td>
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<td>Shared services</td>
<td>OSBHE</td>
<td>OSBHE</td>
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<td>OUS Proposal</td>
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<tr>
<td>University housing rates</td>
<td>OSBHE, OUS presidents</td>
<td>Institutional Board, presidents</td>
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<td>Diversity planning</td>
<td>OSHBE, OUS presidents</td>
<td>OSHBE, Institutional Board and presidents</td>
</tr>
<tr>
<td>Learning outcomes</td>
<td>OSHBE, Northwest Commission on Colleges and Universities (NWCCU), Others</td>
<td>OSBHE, Institution Board, OEIB, NWCCU, Others</td>
</tr>
<tr>
<td>Admission standards and residency requirements</td>
<td>OSBHE</td>
<td>OSBHE and Institutional Board</td>
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<td>Transfer requirements</td>
<td>OSBHE</td>
<td>OSBHE and Institutional Board</td>
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<tr>
<td>Graduation requirements</td>
<td>OSBHE</td>
<td>Institutional Board</td>
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<tr>
<td>Function</td>
<td>Responsible Entity</td>
<td>Explanation</td>
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<td>of the 40 percent mark. However, it is each university and its faculty who must determine if students have achieved sufficient mastery to earn degrees. Assigning this responsibility to institutional boards does not substitute for the need for universities to collaborate on educational programs, to meet requirements of OSBHE and OEIB performance and achievement compacts, and to provide efficient, effective, and low cost education of students.</td>
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<tr>
<td>Fundraising</td>
<td>Presidents</td>
<td>This is obviously an institutional function. However, the relationship between the university board and that of the university’s affiliated foundation should be set out clearly.</td>
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<tr>
<td>Academic support/library</td>
<td>OSBHE</td>
<td>This is an operational matter and one that affects academic quality and should be within the purview of the institutional board.</td>
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<tr>
<td>Instruction</td>
<td>OSBHE/University President and Faculty</td>
<td>Except in cases where the OSBHE seeks collaboration among institutions for programs or locations, this would be a university matter. Even in those exceptions, the conduct of the instruction would be under the direction and control of the faculty of the institutions involved.</td>
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<td>Research</td>
<td>University President</td>
<td>Except in cases where the OSBHE seeks collaboration among institutions in cases of specific research efforts to meet state needs, this would be a university matter. Even in those exceptions, the conduct of the research would be under the direction and control of the faculty of the universities involved. The role of statewide public services may require special examination.</td>
</tr>
<tr>
<td>Public service</td>
<td>University President</td>
<td>Except in cases where the OSBHE seeks collaboration among institutions or provides incentives to meet specific needs, public service would be a function of the university. The role of statewide public services may require special examination.</td>
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<td>Function</td>
<td>Responsible Entity</td>
<td>Current</td>
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<td>Student services</td>
<td>OSBHE</td>
<td>Institutional Board</td>
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<tr>
<td>Personnel policies and practices</td>
<td>OSBHE</td>
<td>Institutional Board</td>
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<tr>
<td>Terms and conditions of employment</td>
<td>OSBHE</td>
<td>Institutional Board</td>
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<tr>
<td>Employee salaries</td>
<td>OSBHE</td>
<td>Institutional Board</td>
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<tr>
<td>Campus safety and security</td>
<td>OSBHE</td>
<td>Institutional Board</td>
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<tr>
<td>Information Technology</td>
<td>OSBHE</td>
<td>Institutional Board</td>
</tr>
<tr>
<td>Partnership, joint venture, and business arrangements</td>
<td>OSBHE</td>
<td>Institutional Board</td>
</tr>
</tbody>
</table>
1) **Powers Reserved to the State Board of Higher Education**
   a. Approval of institution missions and academic degree programs
   b. Ownership of property
   c. Interactions with state government
   d. Seeking and allocating state appropriations for operations, capital, and debt service
   e. Definitions and requirements for financial and student data
   f. Achievement compacts with OEIB for OUS-wide targets and elements
   g. Ensure institutions fulfill applicable state rules and policies
   h. Delineation of financial statement requirements

2) **Powers of Institutional Boards That Require State Board Approval**
   a. Standards for student residency and overall admissions
   b. Tuition rates for Oregon students
   c. Seeking and issuing bonds backed by the state
   d. Mortgaging property
   e. Suing public entities

3) **Powers of Institutional Boards That Require State Board Advice and Consent**
   a. Hiring and reappointing president and setting term of office
   b. Presidential evaluation (with Chancellor instead of State Board)
   c. Termination of president (prior consultation with State Board)

4) **Coordinated Powers Exercised in Parallel by Institutional Boards and State Board**
   a. Internal Audit
   b. Achievement compacts for element and targets specific to an institution
   c. Capacity planning to meet 40% goal
   d. Financial aid policies for Oregon students
   e. Risk management
   f. Consistent legal advice

5) **Board Appointment and Composition**
   a. Majority appointed by Governor, subject to Senate confirmation
   b. At least eleven members, including representation by key stakeholders:
      1. Students
      2. Faculty
      3. State Board
   c. “One size does not fit all”
Note: Shared services have been under review by the State Board and OUS staff since the enactment of SB 242 (2011). The State Board will continue to evaluate the appropriate division of services between the central office and campuses. As this review is completed by OUS staff, the State Board intends to make further recommendations in this area.

Revised 5/9/2012
OUS, Adoption of Optional Retirement Plan Amendment

SUMMARY
Adoption of a fourth amendment to the Optional Retirement Plan (ORP) is required to finalize a favorable enforcement resolution by the Internal Revenue Service (see Appendix C).

BACKGROUND
The Optional Retirement Plan, restated effective January 2008, is intended to comply with the Internal Revenue Code of 1986, as amended, ORS 243.800, and other applicable law. Periodic amendments to the plan document are adopted by the Board to maintain compliance, notably with Internal Revenue Code in order to maintain tax-favored status for this 401(a) defined contribution plan.

The plan has received a compliance statement from the Internal Revenue Service, accepting a proposed correction by plan amendment, which is applicable to a limited group of participants who retired under tenure relinquishment/reduction agreements during plan years 2003 through 2011. After review of the factors that contributed to some universities’ noncompliance with the plan and the procedural revisions that have been provided to the universities’ benefits, payroll, and provosts offices, the proposed correction was accepted by the Service. Adoption of this plan amendment will complete the correction.

A related plan amendment¹ that expanded and clarified Retiree status, contributions, and distributions was adopted on June 3, 2011, through the delegated authority of the Vice Chancellor for Finance and Administration.

STAFF RECOMMENDATION TO THE BOARD
Staff recommends adoption of the Fourth Amendment to the 2008 Restatement of the Oregon University System Optional Retirement Plan.

(Board action required.)

¹ Second Amendment to the 2008 Restatement of the Oregon University System Optional Retirement Plan
OUS, Achievement Compact Targets

BACKGROUND
At the March 2, 2012 meeting, the State Board of Higher Education approved the OUS and Institutional Achievement Compacts and forwarded them to the OEIB for approval. The OEIB approved the Compacts on March 13, 2012. The next phase in the process is to have the State Board of Higher Education and the OEIB approve the 2010-11 actuals, 2011-12 projections, and 2012-13 targets.

Target setting for the Achievement Compacts was a collaborative process between the OUS Chancellor’s Office and campus provosts, including campus institutional research and enrollment management offices. The OUS office of institutional research, in conjunction with the director of performance measurement and surveys, compiled all data. Campuses were provided with drafts of 2010-11 actuals, 2011-12 projections, and 2012-13 targets during the Provosts’ Council meeting held on May 3. Campus provosts, along with their offices of institutional research or enrollment management, checked all reported data for accuracy, reconciled it with their own reports, consulted with OUS institutional research, and made recommendations for changes to targets on or by May 11. OUS accepted all changes proposed by universities, including updating targets where necessary, by May 16.

STAFF RECOMMENDATION TO THE BOARD
It is the recommendation of the staff that the Board approve the 2010-11 actuals, 2011-12 projections, and 2012-13 targets in the OUS and each Institutional Achievement Compact and forward them to the OEIB for their approval (see Appendix D).

(Board action required.)
Appendices

A: Oregon University System 2013-2015 Program Funding Proposals Round 1

B: 2012-13 Academic Year & 2013 Summer Session Fee Book

C: Fourth Amendment to the 2008 Restatement of the Oregon University System Optional Retirement Plan

D: OUS Achievement Compact 2012-13

E: Minutes, March 2, 2012
Minutes

Board members present: President Matt Donegan, Brianna Coulombe, Dr. Lynda Ciuffetti, Allyn Ford, Jim Francesconi, Farbodd Ganjifard, Paul Kelly, Dr. Emily Plec, Dr. Preston Pulliams (10:40), Kirk Schueler, and David Yaden. Director Eiland was absent (business).

System Office staff present: Chancellor George Pernsteiner, Sona Andrews, Bridget Burns, Michael Green, Ryan Hagemann, Jay Kenton, Jan Lewis, Di Saunders, Patricia Snopkowski, Marcia Stuart, Charles Triplett, and Alice Wiewel.

Others present included Presidents Bob Berdahl (UO), Mary Cullinan (SOU), Bob Davies (EOU), Chris Maples (OIT), Ed Ray (OSU), Monica Rimai (PSU), and Mark Weiss (WOU); and Dr. Sarah Andrews-Collier (IFS), Dr. Flick, Dr. Hitz, Dr. Hilda Rosselli (WOU), Jack Isselman, and Tiffany Dollar (OSA).

1. CALL TO ORDER/ROLL CALL/WELCOME

President Donegan called the meeting to order at 10:16 a.m.

2. REPORTS
   a. Chancellor’s Report

Chancellor Pernsteiner provided the Board with a brief update on the 2012 legislative session, noting that several bills with potential impact on the system continue to be monitored and addressed as necessary.

   b. UO Search Update

President Donegan called upon Director Allyn Ford to update the Board on the progress of the UO presidential search. Since the January Board meeting, the Chancellor and a team made every effort to ensure that appropriate representation of stakeholders were included on the search committee, to include students, faculty, staff, and community leaders. In addition to Director Ford, Director Pulliams represents the Board; Vice Chancellor Sona Andrews and UO Assistant Vice President Tim Black are staffing the committee. Following the committee’s first two organizational meetings in which they developed a position description, Diversified Search, a search firm headquartered in Philadelphia, was selected to conduct the national search. The
committee will be meeting every two weeks to review résumés as they are received, with the emphasis on quality and a goal to select three top candidates for interviews by the Board in May or June.

c. **Interinstitutional Faculty Senate (IFS) President**

President Donegan called upon Sarah Andrews-Collier to present the IFS report. Ms. Andrews-Collier introduced herself and shared an op ed submitted by a kindergarten teacher from southeast Portland and published in the Oregonian that posited “my students and I don’t need a chief education officer, a unified state system, or achievement compacts, we need smaller classes, an aide to help keep students on task, and more time for me to work with the other teachers at my school on planning our curriculum and improving our teaching methods.” Ms. Collier expressed the faculty’s support of this position for similar reasons—students receive increased hands-on time and individual attention when attending smaller classes, no matter what year along the education continuum. She encouraged the Board to continue to nurture and protect the quality of the shared academic endeavor and to support the leadership that Chancellor Pernsteiner has provided to the OUS faculty in this effort.

d. **Oregon Student Association (OSA) Chair**

President Donegan called upon Ms. Tiffany Dollar to present OSA’s report. Highlights of her report included an update on the 2012 legislative session and the message community college and university students stressed to their legislators on student issues such as funding, financial aid, textbook affordability, governance, and tuition equity. Of import, OSA emphasized to the legislature their opposition to a bill that created a task force on institutional governance that was given a pre-determined conclusion to its research. With students’ perception of confusion surrounding the existence of the multitude of governing structures for higher education (Oregon Education Investment Board, Higher Education Coordinating Commission, OSBHE, and community college boards), OSA is concerned about introducing another layer of governance through the introduction of local boards. She concluded by thanking the Board for their continued advocacy for students and the opportunities created by the Board to engage students in the tuition-setting process through the use of tuition review advisory committees on each campus.

e. **Committee Action Reports**

   iv. Academic Strategies
   v. Finance & Administration
   vi. Governance & Policy

The chairs of the three standing committees of the Board provided updates (see [http://www.ous.edu/sites/default/files/state_board/meeting/dockets/ddoc120302.pdf](http://www.ous.edu/sites/default/files/state_board/meeting/dockets/ddoc120302.pdf) for specific actions). Chair Francesconi directed the Board’s attention to the Academic Strategies’ work plan and highlighted that the mission alignments were created with the assistance of the Provosts’ Council and will ably serve the state; the Committee continues to work on diversity,
with special emphasis toward creating a plan to diversify the faculty; a capacity analysis was presented to the Committee to assist in executing 40-40-20 in terms of facilities; future work will include a review of the role of the Chancellor and the System Office and faculty satisfaction. The Committee is currently working on legislative proposals for inclusion in the 2013-2015 budget request; these proposals will focus on three broad topical areas—access and success, critical degrees that serve the state economy, and research-tied economic development.

Chair Schueler commented on items addressed by the Finance & Administration Committee during the January and February meetings, including the internal control environment self-assessments presented by the Chancellor's Office and four universities in response to the external auditors' comments contained within the 2011 financial audit. During these conversations, the campuses noted the heightened awareness of the importance of the internal control environment. The Committee will receive the remaining three reports in upcoming meetings.

Chair Kelly advised that the Governance Committee’s work plan was updated with minor adjustments subsequent to its inclusion in the docket materials. The Committee continues its review and discussion of a proposed governance structure that would implement the use of institutional boards. Presidents Berdahl and Wiewel provided viewpoints specifically addressing the use of institutional boards by Portland State and the University of Oregon and the remaining presidents provided commentary on the impact of institutional boards on their particular institutions. President Ray is scheduled to address the Committee concerning Oregon State’s viewpoint at the March meeting. A report was also received by the Committee wherein the governance structure within the North Carolina System was set forth as an example of a potential viable governance structure for Oregon; also reviewed to a lesser extent were system structures within Connecticut, Florida, and Wisconsin. Kelly encouraged Board members to read the consultant’s report, located at [http://www.ous.edu/sites/default/files/state_board/meeting/handouts/120217-HEGovernance.pdf](http://www.ous.edu/sites/default/files/state_board/meeting/handouts/120217-HEGovernance.pdf).

3. **DISCUSSION ITEM**

a. **OUS Schools and Colleges of Education Case Statement**

Director Jim Francesconi, chair of the Academic Strategies Committee, introduced the deans of education, Drs. Larry Flick (OSU), Randy Hitz (PSU), and Hilda Rosselli (WOU), who shared their perspective concerning the colleges of education within the System; Drs. Mike Bullis (UO), William Green (SOU), and Dan Mielke (EOU) also participated in the discussion via telephone. Dean Hitz introduced the discussion by noting that the 40-40-20 goal sets forth the auspicious goal that 100 percent of kindergartners entering the education pipeline fall 2012 will graduate from high school, with 40 percent continuing on to complete technical training or 2-year degrees, and 40 percent completing a bachelor’s degree or higher. The deans of the schools of education are working with their partners in the K-12 community to reach that goal by preparing teachers and school leaders to reach excellence. Some of the areas in which they
struggle include attracting and enrolling a diverse population of candidates into the program, following up on graduates (tracking database), and lack of resources, time, and the current silos that impede strengthening and deepening the clinical experience (called student teaching in the past) and partnerships with K-12 schools. Their desire is to create a seamless and more effective, efficient system for professional preparation and ongoing professional development.

Director Pulliams referenced studies that demonstrate how students, who may have displayed an interest in the teaching profession, have been enticed away by the lure of higher salaries in other professions and the challenges faced by large class sizes, inadequate funding, etc., and queried about the students OUS schools are attempting to attract. Dean Rosselli advised that candidates are required to have a ‘fairly robust’ GPA and have passed all content tests prior to entering the program; therefore, the institutions seek to maintain that bar while simultaneously recruiting students who may be tempted by other options—particularly those in math and science career-tracks. Work must be done early on to build a diverse cadre of students who may show an inclination toward becoming teachers—even at the middle school level—to keep the standards high while providing experiences to demonstrate how they can be leaders in their communities, whether rural, inner city, or bilingual. Additionally, candidates are returning to the classroom to earn their teaching degrees with the desire to share their career experiences with K-12 students. In response to a question, Dean Hitz clarified that the schools of education not only prepare teachers, but also counselors and administrators (principals and superintendents).

Various examples were provided of how the colleges and schools of education engage K-12 school districts and community colleges in the creation of professional learning communities that develop proficiencies for early college experiences. Dean Mike Bullis shared a particular example wherein the University of Oregon currently has 146 external grants and contracts, totaling around $40 million that focus on several thematic efforts in education from reading to using data for administrative decision-making based on statewide assessments. Through these external grants, the UO is able to work in some fashion within all Oregon school districts and directly with 60,000 students in Oregon K-12 classrooms, in addition, they work in more than 24,000 schools located in all 50 states and 18 countries. Of note, the PBIS (Positive Behavior Interventions and Supports) was developed at the UO and has been implemented throughout Oregon by the Department of Education and approximately 12,000 school districts across the nation.

Director Francesconi thanked the deans for prioritizing their goals for 2013-2015 (develop visible, high-impact, high-quality models for educator internships that prepare candidates to effectively work with diverse learners; improve the exchange of data to improve educator preparation, hiring, induction, and evaluation; and increase the involvement of OUS universities in supporting educators throughout their careers) and asked what it will take to accomplish those efforts. Dr. Hitz advised that investment money to build a system that allows teachers out of classroom time to engage with the OUS faculty and to build a data system infrastructure to track graduates over time.
President Donegan thanked the deans for their participation in the Board’s strategic topical discussion.

4. **CONSENT ITEMS**

   a. **Approval of Minutes, January 6, 2012**

   b. **Supplemental Guidance to Campuses for Tuition Rates for the Academic Year 2012-13 and Summer Term 2013**

   c. **EOU, Amendment to OAR 580-010-0080, Nonresident Tuition**

      **ACTION:** President Donegan called for a motion to approve the items contained within the consent agenda; Directors Allyn Ford and Dave Yaden made the motion and second, respectively. Motion carried.

5. **ACTION ITEMS**

   a. **OUS, Internal Control Program Policy**

      President Donegan called upon Vice Chancellor Jay Kenton and Associate Vice Chancellor and Controller Michael Green to present the item. In order to provide clarity regarding the responsibilities of the executive officers within the Oregon University System, it is important to establish a formal policy on internal controls. The Board policy places the responsibility for establishing and maintaining an internal control structure with the Chancellor and each OUS university president and establishes internal control standards. The Finance & Administration discussed and approved the following policy on December 16, 2011 and subsequently recommends for the full Board approval.

      **ACTION:** Following the presentation and a brief discussion, President Donegan called for a motion to approve the Board policy on Internal Control. Directors Kirk Schueler and Preston Pulliams made the motion and second, respectively. Motion carried.

   b. **OUS, Campus Compacts and Institutional Achievement Compacts**

      President Donegan called upon Director Jim Francesconi and Vice Chancellor Sona Andrews to present the item as approved by the Academic Strategies Committee. Director Francesconi thanked the provosts for their input in the process, noting that each university’s mission flows into their particular compact and provides a current snapshot of how the System operates across the state. Chancellor Pernsteiner clarified that the framework being presented for approval is made up of the elements that will be tracked, based on the individual missions of each campus, and, following approval by the Board, will be submitted to the Governor’s Office.
for integration with K-12 and community colleges for approval on March 13. The actual data targets will be submitted for OEIB approval and adoption in June.

On March 1, the provosts discussed their proposed compact elements with the Chancellor and subsequently presented those elements to the Academic Strategies Committee for review and approval. Vice Chancellor Andrews advised that the OEIB requested three elements in each campus compact: completion, quality, and connections. Although the System Compact elements were approved by the Board at the January meeting, it is recommended that research line be amended to mirror the campus compacts as “Research: Sponsored research expenditures” under the Connections section.

**ACTION:** Following Board discussion of the proposed campus compacts with the university presidents, President Donegan called for a motion to approve the OUS campus compacts, to amend the OUS Compact as stated above, and to authorize the Chancellor’s Office to submit these campus compacts to the OEIB as the Board’s recommended Institutional Achievement Compacts. Directors Jim Francesconi and Emily Plec made the motion and second, respectively. Motion carried.

c. **OUS, Amendment to Oregon Administrative Rule 580-040-0030, Vehicle Safety**

President Donegan called upon OUS Legal Counsel Ryan Hagemann to present the item. Mr. Hagemann advised that 580-040-0030 governs vehicle safety, including standards by which vehicles may be used for officially-sanctioned activities of the Board, the System, and its institutions. The current rule contains a reference to an Oregon Revised Statute that has been repealed and the proposed amendment is considered a “housekeeping” action to define what constitutes a major traffic offense for purposes of the rule without a cross-reference to a repealed statute.

**ACTION:** Following discussion, President Donegan called for a motion to approve the proposed amendment to OAR 580-040-0030. Directors Paul Kelly and Allyn Ford made the motion and second, respectively. Motion carried.

d. **Chancellor’s Contract Renewal**

President Donegan called upon Director Paul Kelly to lead the discussion and action on the proposed renewal of Chancellor Pernsteiner’s contract. Kelly advised that, although this is an action to renew the contract, the full terms of a contract will be negotiated and brought back to the Board for approval in the coming months.

**ACTION:** Following discussion, Director Kelly made the motion to reappoint the Chancellor to a contract term ending June 30, 2014, and to authorize the Board president or designee to negotiate the new employment agreement, with total
compensation, after contract negotiation, to be approved by the Board at a later vote; Director Preston Pulliams seconded. Motion carried.

e. **OUS, Policy on Firearms and Revision of the Language of OAR 580-022-0045(3)**

President Donegan again called upon Mr. Ryan Hagemann to present the item. Mr. Hagemann introduced Portland State Chief of Public Safety Phil Zerzan, University of Oregon Student Body President Ben Eckstein, and OUS Appellate Attorney Jim Westwood, who participated in a full and frank discussion with the Board concerning the presence of firearms on campuses.

Mr. Eckstein shared that the proposed policy on firearms and the revision of the rule has received strong support from students across the System and is viewed as a necessary and important step in safeguarding the right of Oregon students to a safe learning environment. In a resolution passed by the UO Student Senate, the Senate affirmed that policies restricting the presence of firearms on the UO campus are in the best interests of their students and that no evidence suggests that firearms make campuses safer, but that an abundance of evidence supports the premise that the presence of firearms on campuses threatens campus safety.

**ACTION:** Following discussion, President Donegan called for a motion to approve the revision to the language of OAR 580-022-0045(3) and to file with the Secretary of State as a temporary rule, with permanent rulemaking to follow, and to approve the Board’s *Policy on Firearms* as provided in the docket. Directors Kirk Schueler and Preston Pulliams made the motion and second, respectively. Motion carried.

6. **PUBLIC INPUT**

No public input was provided.

7. **ADJOURNMENT**

With no further business proposed, President Donegan adjourned the meeting at 2:43 p.m.