March 31, 2014

TO: MEMBERS OF THE STATE BOARD OF HIGHER EDUCATION

The State Board of Higher Education will be meeting on Friday, April 4, 2014, at 9:00 a.m.; agenda items include: approving the Advanced Placement and International Baccalaureate Statewide Course Credit Policy for 2015-16 and considering institutional boards for the technical and regional universities.

Additionally, the Chancellor, Board Committee and work group chairs, chair of the Oregon Student Association, and the president of the Interinstituional Faculty Senate will provide informational reports to the Board.

This meeting will be held in accordance with the time, location, and schedule listed below:

**Friday, April 4, 2014**
9:00 a.m. – 1:00 p.m. Full Board Meeting

The OSBHE Boardroom is located in the Academic and Student Recreation Center (ASRC), suite 515, which 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, 2013-14

Finance & Administration Committee
- Schueler (Chair)
- Ciuffetti
- Forbes
- Ford
- Ganifard
- Kenison

Governance & Policy Committee
- Kelly (Chair)
- Ford
- Ganifard
- Schueler
- Yaden

Academic Strategies Committee
- Middleton (Chair)
- Elland
- Francesconi
- Kenison
- Piec
- Yaden

Delegation Assignments
- Education
  - OHSU Board
    - Yaden

- State
- College-Savings Board
  - Kelly

Agenda—Meeting #876
April 4, 2014
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Institutional Governance for Oregon’s Technical and Regional Universities........................................... 23
Oregon State Board of Higher Education

Regular Meeting of the State Board
April 4, 2014
9:00 a.m. – 1:00 p.m.

1. CALL THE PUBLIC MEETING TO ORDER/ROLL CALL/WELCOME

2. REPORTS

   a. Interim Chancellor’s Report
      i. OSBHE Legislative Update ................................................................. 1
   b. Committee Action Reports ................................................................. 5
      i. Academic Strategies
      ii. Finance & Administration
      iii. Governance & Policy
   c. HECC Transition Work Group ........................................................... 7
   d. University Shared Services Enterprise Update
   e. Interinstitutional Faculty Senate (IFS) President
   f. Oregon Student Association (OSA) Chair

3. CONSENT ITEMS

   a. Approval of Minutes (January 2014) .................................................. 11
   b. Advanced Placement and International Baccalaureate Statewide Course Credit Policy ..... 19
      The policy on 2015-16 Advanced Placement and International Baccalaureate Statewide Course Credit is submitted for approval by the State Board of Higher Education.

4. ACTION ITEM

   a. Institutional Governance for Oregon’s Technical and Regional Universities ............... 23

5. ADJOURNMENT
OSBHE Legislative Update

BACKGROUND
The 2014 Legislative Session began on Monday, February 3 and adjourned sine die on Friday, March 7. The Oregon Legislative Assembly is required by a self-imposed deadline to adjourn within 160 days in odd-numbered years and 35 days in even-numbered years. Throughout the Legislative Session, staff provided a great deal of support to our Citizen Legislators by way of providing expertise in many areas, including: academic affairs and student services, human resources, risk management, finance, and capital construction.

Among other policy bills introduced in 2014, two major pieces of legislation were considered this session:

- House Bill 4018 authorizes the Higher Education Coordinating Commission (HECC) to participate in the State Authorization Reciprocity Agreement (WICHE SARA) and impose a fee on educational institutions in Oregon that elect to participate. The measure transfers the Department of Community Colleges and Workforce Development (CCWD) to the HECC, and creates a task force to develop recommendations for integrating CCWD into HECC. The measure also changes the schedule by which Technical and Regional Universities (TRU) may seek institutional governing boards, authorizes the State Board of Higher Education (Board) to approve institutional boards with conditions and establishes the Public University Fund that allows institutions to commingle money with other universities.

- Senate Bill 1525 grants the HECC authority to enter into interstate agreements (WICHE SARA), clarifies the relationship between the HECC and the Oregon Education Investment Board (OEIB), and revises the composition of the State Board of Higher Education. The bill prevents faculty/non-faculty staff from participating in Board discussions on collective bargaining, and clarifies legislative intent on how constitutional references to the Board are interpreted. The measure changes the schedule by which the TRUs may seek institutional governing boards, and clarifies that TRU governing boards will take over administrative duties on July 1, 2015. SB 1525 also allows universities with governing boards to continue participation in PERS. The measure calls for a work group to explore regional education delivery systems, and clarifies that voter registration will not affect student eligibility to participate in the Western Undergraduate Exchange program.

In addition, the Oregon University System (OUS) and Service Employees International Local 503 (SEIU) jointly sought legislative approval of $1.15 million in State General Fund appropriations, to be allocated to OUS for the TRUs and accelerate step increases for classified employees per the collective bargaining agreement. The legislature authorized the incremental appropriations in HB 5102, providing $2 million in General Fund for this purpose, allocating $1.15 million to TRUs, and $850,000 to Portland State University for compensation of classified staff.
Another priority for OUS and the State Board of Higher Education was advocacy for capital construction projects. Three projects with immediate life safety concerns received a funding allocation—Oregon Tech, Utility Tunnel Failure and Repair; Southern Oregon University, McNeal Hall Seismic/Deferred Maintenance Upgrade; University of Oregon, Utility Tunnel Failure and Repair—in addition to requests from Oregon State University and Western Oregon University, for a total capital investment of $29,251,100. See SB 2702 and SB 5703 in the Budget Bills section below for additional information on Capital Investments.

For a complete list of legislative resources and 2014 Legislative Report visit:  
http://www.ous.edu/dept/govrel/legresources14

PRIORITY BILLS
Throughout the 2014 Legislative Session Chancellor’s Office staff tracked and managed over 55 legislative measures. Below is a list of measures that saw considerable work from staff, campuses, and other higher education stakeholders. While many of these measures were approved, a handful did not receive the support necessary for final legislative authorization, namely HB 4076, HB 4102, and SB 1543. As such, these concepts may resurface during the 2015 Legislative Session.

    **HB 4018** authorizes the Higher Education Coordinating Commission (HECC) to participate in the State Authorization Reciprocity Agreement (WICHE SARA) and to impose a fee on educational institutions in Oregon that elect to participate in the SARA program through the HECC. In addition, the bill transfers the Department of Community College and Workforce Development (CCWD) to the HECC, and establishes a task force to develop recommendations for integrating CCWD into HECC. The measure also changes the schedule by which the TRUs may seek institutional governing boards and establishes the Public University Fund that allows institutions with governing boards to continue to commingle money with other universities.

    **HB 4019** requires the HECC to annually identify the federal/national entity that best provides information about the affordability and value of institutions of higher education in Oregon and requires institutions to link to the federal/national website. This measure was originally required to instruct institutions of higher education to provide students with fact sheets regarding program requirements, costs of education, loans, average salary or wages, loan default rates, and related data prior to enrollment.

    **HB 4020** details the Engineering Technology Industry Council (ETIC) transition to the OEIB, and moves the funding ($14,805,721) and oversight of ETIC from OUS to the OEIB from July 1, 2014 until March 15, 2016, and then to the HECC thereafter. The measure also establishes the ETIC Fund in the State Treasury and directs all moneys in the fund to be appropriated to the HECC for investment in engineering education.

    **HB 4021** requires public universities and community colleges to charge in-state tuition to graduate students who are veterans and who have either honorable discharge or general
discharge under honorable conditions, beginning September 15, 2014, if physical presence in Oregon is demonstrated within 12 months of enrollment.

**HB 4076** directs TRU campuses to develop a pilot program for fixed-cost bachelor’s degrees and establishes criteria for pilot programs. The measure requires the HECC to report on the status of and recommendations for the pilot programs to the Legislative Assembly, and provides for reporting of TRUs’ projected costs for pilot programs to the HECC. *The measure did not move out of Committee.*

**HB 4094** specifies that a person under 21 years of age who contacts emergency medical services or law enforcement for medical assistance for self or others due to alcohol consumption is immune from prosecution under minor in possession statute. This applies only if evidence of possession is obtained as a result of persons seeking assistance. The exemption does not extend to other crimes or offenses.

**HB 4102** prohibits public or private post-secondary institutions from entering into contracts with financial firms to provide financial aid management, unless specific conditions are met. This measure was sponsored at the request of the Oregon Student Association (OSA) in response to the use of Higher One for campus financial aid management. After hearing testimony from stakeholders on both sides of the issue, the Committee discussed the current practices of community colleges and universities, the types and amount of fees charged to students using Higher One accounts, and the cost-benefit to students and schools that utilize this service. *The measure did not move out of Committee.*

**SB 1524** directs the HECC to examine the viability of programming allowing students who graduated from an Oregon High School to attend community college for a specified period of time without paying tuition and fees. The measures specifies that the HECC will consider the anticipated number of participants and the annual cost, current capacity of community colleges, potential eligibility criteria and requirement for federal financial aid to be used first. It directs the HECC to submit a report to an Interim Legislative Committee by September 30, 2014.

**SB 1525** grants the HECC authority to enter into interstate agreements (WICHE SARA), clarifies the relationship between the HECC and the OEIB, and revises the composition of Oregon State Board of Higher Education. In addition, it prevents faculty/non-faculty staff from participating in board discussions on collective bargaining, and clarifies legislative intent on how constitutional references of OSBHE are interpreted. It establishes that notice must be given to the Governor and the OSBHE of intent to seek institutional governing board by May 15, 2014, and clarifies that independent governing board for the TRUs will take over administrative responsibilities on July 1, 2015. SB 1525 also allows universities with governing boards to continue participation in PERS. The measure also calls for a work group to explore regional education delivery systems, and clarifies that voter registration will not affect student eligibility to participate in the Western Undergraduate Exchange program.
**SB 1543** makes reduction of hours worked by full-time employee for sole purpose of preventing employee's eligibility for coverage under Patient Protection and Affordable Care Act an unlawful employment practice. The measure specifies that aggregate total of hours worked by part-time faculty at more than one institution shall be considered in determination of full-time status. *The measure did not move out of Committee.*

**BUDGET BILLS**

**HB 5102** is a budget reconciliation bill that modifies the state budget for the 2013-2015 biennium. The measure adds $2 million General Fund to OUS for SEIU compensation agreements ($850,000 for PSU and $1.15 million for the TRUs). The bill also redirects the $4.5 million Chancellor's Office General Fund operating budget: $3.5 million into a special purpose appropriation that a subsequent Emergency Board will allocate for higher education governance cost changes, and $500,000 of this budget is re-directed to EOU and another $500,000 to SOU as one-time financial assistance for these institutions.

**SB 5702** and **SB 5703** amend the limits established during the 2013 legislative session on the maximum amount of bonds and/or third party agreements that state agencies may issue. The following OUS capital projects were approved:

- OIT – Utility Tunnel Failure and Repair XI-Q bonds $1,101,100
- OSU – Cascades Academic Building XI-G bonds $3,850,000
- OSU – Biofuels Demonstration Project XI-G bonds ($4,000,000)
- SOU – McNeal Hall Seismic/Deferred Maintenance Upgrade XI-Q bonds $21,300,000
- UO – Utility Tunnel Failure and Repair XI-Q bonds $2,100,000
- WOU – Oregon Military Academic Building Acquisition - Phase I XI-Q bonds $5,000,000
- **OUS Subtotal $29,351,100**

These bills also revise bonds for Central Oregon Community College (COCC) that were approved in the 2013-2015 regular session in order to provide COCC with the funding needed to pay-off and renovate its Cascades Hall facility, thereby freeing OSU from its lease obligation in this facility.

- The measure also provides OHSU with $161.5 million in Article XI-G bonds and $38.5 million in Lottery bonds to partially match the Knight Challenge gift for the Knight Cancer Center at OHSU.

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Oregon State Board of Higher Education

Full Board

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LEGISLATIVE UPDATE
Committee Action Reports

Academic Strategies Committee

*Convened January 9 and February 6, 2014*

**Actions**
- Approved November 2013 and January 2014 minutes
- Approved 2015-16 Undergraduate Admissions Policy
- Approved academic programs:
  - OSU, M.S./Ph.D. in Comparative Health Sciences

**Discussions**
- HECC transition planning
- 40-40-20 strategy and action framework

**Informational Items Received**
- SOU report on campus retrenchment
- IFS update on faculty sabbatical OAR

Finance and Administration Committee

*Convened January 17, February 21, and March 31, 2014*

**Actions**
- Approved January minutes
- Approved the OUS 2013 annual financial report
- Approved the new Capital projects for consideration in the February 2014 legislative session
- Approved quarterly reports for period ending December 31 (managerial, risk management, investments, internal audit)
- Approved the technical and regional university 2015-2017 preliminary funding requests for submission to the Higher Education Coordinating Commission

**Discussions**
- Reviewed the legislative agenda
- Transition progress report
- PFM’s report “Verification of Calculation and Review of Assumptions for Financial Forecast”
- SOU, provisional retrenchment plan
- EOU, financial planning update
- Retrenchment timeline, metrics, and benchmarks
- Financial analysis of AGB multi-campus system and multi-campus university reports
Informational Item Received

- Legislative update

Governance and Policy Committee

Convened February 6, 2014

Discussions
- AGB’s report on fiscal year 2015 Chancellor’s Office staffing
- Chancellor’s Office reorganization
- 2014-15 presidential evaluations

University Governance Work Group

Convened January 9, February 5, and March 4, 2014

Discussions
- Technical and regional university financial projections
- Reviewed the Request for Proposals from Huron and PFM on campus business plan reviews
- Preliminary business plans from the technical and regional universities
- Technical and regional university requests and presentations for institutional governing boards, and chair’s governance considerations and criteria for consideration

Informational Items Received
- AGB reports for four governance options; considerations and comparisons regarding the possible creation of a multicampus system and an affiliation governance model
- PFM’s verification of calculation and review of assumptions for financial forecast
- AGB reports on transition options for governance of the Technical and Regional Universities in the Oregon University System
HECC Transition Work Group

INTERIM REPORT – March 26, 2014

On January 10, 2014, we discussed our Interim Report on Higher Education Coordinating Commission (HECC) Transition work group activities with the Board. This Interim Report provides an update on progress to date in moving certain functions to HECC as provided in legislative action. I am pleased to report that Charles Triplett, Karen Marrongelle, Jan Lewis, and I have been meeting regularly with Ben Cannon and have made progress on our work plan.

We had outlined a six to 12 month plan that OUS and HECC supported in an effort to complete our work by the required time frame—July 1, 2014. There has been considerable progress on each of the components and today Karen and Jan will report on the two major areas: 1) Budget, Finance, and Capital and 2) Academic Strategies. We also have updated information on data responsibilities, which were not addressed in the last report.

You are aware that the three institutions with individual boards and OUS on behalf of the TRUs have received information regarding the budget planning process from HECC. Jan will report on remaining items that have been or will be addressed. Karen will report on the Academic Affairs Strategies section. Karen has also provided information on some of the items that will be shifted to the institutions for their follow up. There are additional items that may go to the institutions if we cannot place them with HECC or Shared Services.

The final report may be in the form of a written report to Board members and others since we will not be meeting prior to the July 1, 2014, deadline.

Again, I want to express my appreciation to the Charles, Karen and Jan for all of their work on behalf of our institutions and HECC.

– Chair Forbes

HECC Transition Update: Academic Strategies

ACADEMIC PROGRAMS AND PROVOSTS’ COUNCIL

It is expected by the HECC that the Provosts’ Council will meet to review new academic programs and significant changes to existing programs and provide input on important and timely issues facing higher education. The HECC will convene the Provosts’ Council beginning July, 2014. HECC staff will co-chair Provosts’ Council. OUS Provosts’ Council Documents including the Charge, Policies, Processes, Forms and Reference Documents have been or will be forwarded to the HECC for updating (all are available on the OUS website). New programs and significant changes to programs will follow campus procedures for review and will follow institutional board policies for board-level review. The program will be reviewed by the
Provosts’ Council and the recommendation of the Provosts’ Council will be forwarded to HECC for final consideration.

When a HECC staff member is identified, OUS Chancellor’s Office staff are prepared to train HECC staff on procedures and practices for staffing the Provosts’ Council.

MISSION AND MISSION ALIGNMENT
The Provosts’ Council is updating the Mission Alignment Metrics and accompanying documents, which were last approved by the State Board of Higher Education in 2011. The updated Mission Alignment documents will be forwarded to the HECC.

LEARNING OUTCOMES AND ASSESSMENT
Chancellor’s Office staff coordinated an initial meeting between HECC staff and the Association of American Colleges & Universities (AAC&U). The AAC&U coordinates many activities related to program quality, learning outcomes, and assessment of learning outcomes. AAC&U Leap State Status is expected to continue under HECC leadership. Final reports on the Quality Collaborative, Degree Qualifications Profile, and Multi-State Assessment Collaborative have been written or are being finished and will be forwarded to the HECC. The Learning Outcomes & Assessment workgroup (currently convened by the Provosts) anticipates continuing to meet to lead state work in outcomes and assessment.

INSTITUTIONAL RESEARCH
Chancellor’s Office staff continue to work with HECC to transition Institutional Research staff, databases, and practices to the HECC. The Chancellor’s Office will retain the current roster of Institutional Research positions to achieve two goals during the 2014-2015 academic year: (1) serve the Technical and Regional Universities’ institutional research needs and help train new IR staff on the technical/regional campuses and (2) serve the HECC’s IR functions.
## OTHER ACTIVITIES

<table>
<thead>
<tr>
<th>Activity</th>
<th>Status</th>
</tr>
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<tbody>
<tr>
<td>Advanced Placement and International Baccalaureate Statewide Coordinat...</td>
<td>Workgroup members have all agreed to continue next academic year; when policy is approved this year, CO staff will handoff to HECC staff.</td>
</tr>
<tr>
<td>Institutional Research</td>
<td>Part of current staff will contract with HECC for 2014-2015 AY</td>
</tr>
<tr>
<td>Inter-institutional Coordination (e.g., Registrars, Financial Aid Directors, etc.)</td>
<td>Will review status of these groups with the Provosts during April and May and develop a transition plan with the HECC</td>
</tr>
<tr>
<td>WICHE Certifying Officer</td>
<td>Transitioning to HECC</td>
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<td>Government-to-Government Education Cluster, Higher Education representation</td>
<td>Transitioning to HECC</td>
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<tr>
<td>Dual Credit Oversight Committee</td>
<td>Transitioned to campuses Fall 2013</td>
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<tr>
<td>Oregon Robotics Tournament &amp; Outreach Program</td>
<td>Forming 501c(3) organization</td>
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<tr>
<td>GEAR-UP</td>
<td>Transitioning to OSU</td>
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<td>International Programs</td>
<td>Transitioning to OSU</td>
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<tr>
<td>ETIC</td>
<td>Transitioning to OEIB</td>
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<tr>
<td>Industry Partnerships</td>
<td>Transitioning to OEIB</td>
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<tr>
<td>APLU Science Mathematics Teacher Initiative</td>
<td>Transition to HECC or OEIB</td>
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<tr>
<td>Smarter Balanced Higher Education Lead/Alternate</td>
<td>Transitioning to HECC</td>
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<tr>
<td>College Readiness Partnership Project and other Common Core State Standards activities</td>
<td>Transitioning to OEIB</td>
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<tr>
<td>ATLAS</td>
<td>Transitioning to HECC</td>
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<tr>
<td>Teacher licensure/teacher education groups</td>
<td>Transition to campuses or phase out</td>
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Minutes

Oregon State Board of Higher Education

Executive Sessions and Regular Meeting (874#)
January 10, 2014

Board members present included: Chair Matthew Donegan and Directors Lynda Ciuffetti, Jill Eiland, Orcilia Forbes, Allyn Ford, Farbodd Ganjifard, Paul Kelly, Brittany Kenison, Emily Plec, Kirk Schueler, and David Yaden. Those absent included: Jim Francesconi and Jim Middleton.

Chancellor’s Office staff included: Interim Chancellor Melody Rose, Ryan Hagemann, Marcia Stuart, and Charles Triplett.

1. CALL THE MEETING TO ORDER

The chair called the executive session of the Board to order at 8:00 a.m. pursuant to ORS 192.660(2)(f) to discuss records that were exempt by law from public inspection. Pursuant to ORS 192.660(4), representatives of the news media were allowed to attend but the Board required that the discussions and any reports received in executive session be undisclosed. Pursuant to ORS 192.660(6), no final actions were taken or final decisions made in the executive session.

2. DISCUSSION ITEM

a. Chancellor’s Official Residence

This Board discussed the future use and/or disposition of the Chancellor’s official residence. No action was taken.

3. RECESS INTO PUBLIC MEETING

At the conclusion of the briefing, Chair Donegan recessed the Board into the open session at 8:30 a.m. to reconvene at 9:00 a.m.
Oregon State Board of Higher Education

Regular Meeting of the State Board (#874)

4. CALL THE PUBLIC MEETING TO ORDER/ROLL CALL/WELCOME

Chair Donegan called the meeting back to order at 9:03 a.m.

5. REPORTS

a. Interim Chancellor’s Report

The chair turned the floor over to Interim Chancellor Rose. Dr. Rose briefed the Board on Chancellor’s Office and campus preparations for the February 2014 Legislative session. She briefly discussed the Omnibus bill from Senator Hass which serves primarily as technical clean up to SB270, 2013. Senator Hass has asked for OUS input on that bill and Dr. Rose informed members that Ryan Hagemann will be working with the Senator directly on the bill language.

Rose also updated the Board on the efforts of the University Governance Work Group, informing members that the group is on task with the projected timeline of considering institutional board requests for the four TRU campuses in April.

b. Committee Action Reports

i. Academic Strategies

Director Eiland provided a brief report on the latest Academic Strategies meeting and Interim Vice Chancellor Marrongelle added a brief update.
ii. Finance & Administration

Director Schueler provided update on Finance and Administration Committee. Schueler noted that at its October meeting, the Committee approved the sale of $117 million of Article XI-F(1) bonds for capital expenditures and associated costs of issuance; the committee also received quarterly management, investment, audit and risk management reports. Chair Schueler cited risk management as an example of the efficiencies gained through shared services and that progress toward implementing the shared services enterprise is going well.

iii. Governance & Policy

Director Kelly provided an update on the Committee’s work with the Association of Governing Boards (AGB) with regards to the transitioning of Chancellor’s Office staff positions, noting that AGB will be providing additional input on governance and structure. The Committee is awaiting the report from AGB and will postpone the upcoming meeting until receipt of said report.

iv. University Governance Work Group

Director Donegan stated that the Work Group is on track to have business plans for the Technical and Regional Universities (TRUs) in place and developed. He updated the Board on the four TRU campus’ efforts to develop a hybrid model of governance that includes institutional boards at all four institutions and a commitment to a TRU Presidents’ Council. Donegan noted that the universities are currently researching the financial models that will support the four TRU’s as they develop their hybrid models. He anticipates that everything will stay on track and be ready for the April 4 Board meeting.

v. HECC Transition Work Group

Director Forbes provided an update from the Higher Education Coordinating Commission (HECC) Transition Work Group. Forbes stated that the HECC Transition Work Group has been able to stay on track with expected transition timelines and is working closely with HECC Executive Director, Ben Cannon.

c. Interinstitutional Faculty Senate (IFS) President

Professor Jeff Dense provided an overview of what the Interinstitutional Faculty Senate group aims to accomplish in 2014. The IFS seeks to work with the OUS Board to assist in policy and governance of the TRU campus structures. Dense noted that IFS would like to review the next AGB report and stated that IFS is concerned that the AGB reports received to date have not had much input from faculty members. OUS faculty would appreciate the opportunity to provide comment on future AGB reports.
d. **Oregon Student Association (OSA) Chair**

Eric Noll provided the OSA report and highlights of the report included students’ concerns for budget shortfalls at Southern Oregon, Eastern Oregon, and Portland State and many community colleges; concern that the future completion of 40-40-20 goals are falling far behind projected timelines, thereby eroding the academic quality and student success within institutions of higher education in Oregon. Although many changes are taking place within higher education, affordability has not improved thus far. Students have pledged to continue to work with agencies and boards throughout these transitions to ensure that student needs do not “fall through the cracks.”

6. **DISCUSSION ITEM**

   a. **University Shared Services Transition**

   President Davies, co-chair of the University Shared Services Work Group, provided an overview of the final report. Davies praised the collaboration of the campuses to create a framework for such a complex and important scope of work. Davies noted that the report identifies several options of mitigating any deleterious financial effects to the TRU institutions as the transition is effected. The three alternative options include: 1) reallocate the Chancellor’s Office funding; 2) reallocation of existing university appropriations; and 3) request for additional state funding.

   Interim Chancellor Rose stated that the timing of the funding conversation is intertwined with the governance discussions. She urged the Board to keep the two topics coupled. Donegan noted the difficulty of evaluating governance models without presupposing funding decisions as a precursor to choosing a governance model. Vice Chancellor Jay Kenton stated that the HECC will determine the funding allocation next year.

7. **CONSENT ITEM**

   a. **Approval of Minutes (October and November 2013)**

   **ACTION:** With no changes proposed to the minutes, Chair Donegan called for a motion to approve the October and November 2013 minutes; motioned carried.

8. **ACTION ITEMS**

   a. **Chancellor’s Official Residence**

   Chair Donegan called upon Mr. Ryan Hagemann, System general counsel, to describe the proposed action. “TreeTops,” the official Eugene residence of the Chancellor, was bequeathed to the System in 1938 for use as the official residence of the Chancellor or the University of Oregon president. Given the changes in governance, it was deemed prudent to review the disposition of the residence. While the Board has significant statutory authority with regard to
its property, with extensive administrative rules implementing that authority, this unique circumstance is not contemplated by OUS property rules. In order to ensure the Board is aware of various avenues in dealing with the property, staff recommend the Board authorize the Chancellor to consider various options and, if necessary under law, bring back an action plan to the Board for future disposition of the property. Mr. Hagemann advised, as public record, that the board had been briefed in executive session on the attorney-client privilege dimensions, which are not part of the public session.

**ACTION:** With no further discussion, Chair Donegan called for a motion to authorize the Interim Chancellor or her designee to consider all options for the future use of TreeTops, identify and take a course of action with regard to TreeTops, consult with Board leadership, negotiate and execute any and all agreements necessary for the future disposition of TreeTops, and, if appropriate and/or required by law, return to the Board with an action plan for its approval. Directors Orcilia Forbes and Jill Eiland made the motion and second, respectively; motioned carried.

**b. Capital Projects for Consideration in February Legislative Session**

Assistant Vice Chancellor Jan Lewis was called upon to present the item; she noted that the proper sequence of a capital request would be presentation and approval by the Finance & Administration Committee with a “do pass” recommendation to the full Board. However, the Legislative Fiscal Office indicated the Ways & Means Committee’s request for a “preview opportunity” during the ‘January Legislative Days’ (1/15-17). The next scheduled F&A Committee meeting is 1/17 and the following full Board meeting is not scheduled until April. Therefore, staff is recommending Board authority be delegated to the F&A Committee for project approval for items for submittal to the February legislative session. All campuses have agreed that three projects have met the immediate life-safety concerns.

With regard to McNeill Hall on the SOU campus, Director Kenison asked for confirmation that the engineers’ report warned that a heavy snowfall could cause the roof to collapse on the building and then asked why the building was not evacuated. President Cullinan agreed, advising that they were told “we were lucky to get through the last snowfall” and that a heavy rain or seismic event could lead to serious situations. Dr. Rose asked if a request was submitted to the OUS Risk Division for review of the situation; Vice President Morris advised that two engineering reports have been received but that advice was not sought from Risk Management in terms of possible evacuation. The engineering reports advised that corrections must be made without delay. With a heavy snowfall occurring in December, the state of the building walls was monitored daily. Board concerns were expressed with the lack of building evacuation, risk analysis, and perceived lack of concern for physical safety. It was noted that a full demolition and reconstruction of the building for seismic retrofitting was estimated at $22 million rather than the $6 million for deferred maintenance-only. Director Schueler, chair of the F&A Committee, advised that the Committee prioritized the list by level of emerging health and safety issues and will be reevaluating and prioritizing the proposed capital project list.
**ACTION:** With no further discussion, Chair Donegan called for a motion to delegate to the Finance & Administration Committee authority to review capital project requests being proposed for the February 2014 Legislative Session and to approve such requests and any related prioritization for submission to the legislature. Directors Allyn Ford and Orcilia Forbes made the motion and second, respectively; motioned carried.

9. **RECESS INTO EXECUTIVE SESSION**

With no further business proposed, Chair Donegan recessed the meeting into the executive session of the Board at 11:45 a.m.

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**Oregon State Board of Higher Education**

**Executive Session**

**January 10, 2014**

Board members present included: Chair Matthew Donegan and Directors Lynda Ciuffetti, Jill Eiland, Orcilia Forbes, Allyn Ford, Farbodd Ganjifard, Paul Kelly, Brittany Kenison, Emily Plec, Kirk Schueler, and David Yaden. Those absent included: Jim Francesconi and Jim Middleton.

Chancellor’s Office staff included: Interim Chancellor Melody Rose, Brian Fox, Ryan Hagemann, Jay Kenton, Jan Lewis, Karen Marrongelle, Marcia Stuart, and Charles Triplett.

Campus staff included: President Bob Davies, Provost Steve Adkison, and Vice President for Finance & Administration Lara Moore (EOU); and President Mary Cullinan, Provost Jim Klein, and Vice President for Finance & Administration Craig Morris (SOU).

10. **RECONVENE**

Chair Donegan reconvened the meeting at 12:15 p.m. pursuant to ORS 192.660(2)(f) to discuss records that were exempt by law from public inspection. Pursuant to ORS192.660(4), representatives of the news media were allowed to attend but the Board required that the discussions and any reports received in executive session be undisclosed. Pursuant to ORS 192.660(6), no final actions were taken or final decisions made in the executive session.
11. **DISCUSSION ITEMS**

   a. Eastern Oregon University
   b. Southern Oregon University

   The senior leadership from EOU and SOU were invited to share internal advisory communications with the Board. No actions were taken.

12. **ADJOURNMENT**

   With no further business discussed, Chair Donegan adjourned the executive sessions of the Board at 3:45 p.m.
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Advanced Placement and International Baccalaureate Statewide Course Credit Policy

BACKGROUND
The Statewide Advanced Placement Policy was adopted prior to 2009 and updated each year since (to reflect changes to the AP curricula). The Statewide International Baccalaureate Policy was adopted in January 2010 and first updated last year. Each year, the Statewide AP/IB Working Group reviews the Policies in light of the curricular changes. Faculty on the OUS campuses review the curricular changes and provide feedback regarding those changes vis-à-vis the Statewide Policies. A current roster of the Statewide AP/IB Working Group is attached.

Advanced Placement:
• The College Board develops copyrighted materials and examinations
• In Oregon: 37 AP courses offered in 20 disciplines in 286 high schools
• Typically a score of 3 or higher (out of 5) is considered satisfactory

International Baccalaureate:
• The IB Organization authorizes schools to offer an IB program. The IB Organization oversees the curricula and produces examinations for the IB courses
• In Oregon: 19 high schools offer an IB Diploma
• The courses (and, hence, exams) are separated into a Standard Level and a High Level. Typically a score of 5 or higher (out of 7) is considered satisfactory

2015-2016 AP POLICY HIGHLIGHTS

AP Policy Highlights
The syllabi for two AP exams, History and Physics B were revised for the 2015-2016 academic year. Thereafter, History curricula will be revised as will Physics and Physics B will be divided into Physics 1: Algebra Based and Physics 2: Algebra Based. Faculty from OUS campuses reviewed the revised AP syllabi in these two content areas. Slight revision to the policy has been made to recognize the change in History and Physics.

IB Policy Highlights
There were no revisions to IB courses or exams to review for the 2015-2016 academic year.

The follow pages present the recommended 2015-2016 Advanced Placement Policy (with changes highlighted in yellow).
### 2015-2016 AP/IB Alignment Working Group Roster

<table>
<thead>
<tr>
<th>NAME</th>
<th>TITLE</th>
<th>ORGANIZATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Celeste Colasurdo</td>
<td>IB Coordinator</td>
<td>Southridge High School</td>
</tr>
<tr>
<td>Amy Schuff</td>
<td>IB Coordinator</td>
<td>International School Beaverton</td>
</tr>
<tr>
<td>Lisa Reynolds</td>
<td>Community College Liaison Education Specialist</td>
<td>Community College and Workforce Development</td>
</tr>
<tr>
<td>Sue Eveland</td>
<td>Registrar</td>
<td>University of Oregon</td>
</tr>
<tr>
<td>Michael Fisher</td>
<td>Dean of Instruction</td>
<td>Central Oregon Community College</td>
</tr>
<tr>
<td>Andrea Morgan</td>
<td>Education Specialist: Social Sciences Curriculum, Advanced Placement Incentive Program and Test Fee Program</td>
<td>Oregon Department of Education</td>
</tr>
<tr>
<td>Wendy Ivie</td>
<td>Registrar</td>
<td>Oregon Tech</td>
</tr>
<tr>
<td>Suzanne Snell</td>
<td>Transfer Articulation Specialist – Admissions, Records &amp; Registration, Student Affairs</td>
<td>Portland State University</td>
</tr>
<tr>
<td>Noah Buckley</td>
<td>Director of Admissions</td>
<td>Oregon State University</td>
</tr>
<tr>
<td>Karen Marrongelle</td>
<td>Asst. Vice Chancellor for Academic Standards &amp; Collaborations</td>
<td>Oregon University System</td>
</tr>
<tr>
<td>Kent Neely</td>
<td></td>
<td>Oregon University System</td>
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</table>
### ADVANCED PLACEMENT COURSE CREDIT
#### 2015-2016 Academic Year

<table>
<thead>
<tr>
<th>AP Exam Taken</th>
<th>Exam Score</th>
<th>Credit Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Art – History</td>
<td>4+</td>
<td>8</td>
</tr>
<tr>
<td>Art – Studio</td>
<td>4+</td>
<td>4</td>
</tr>
<tr>
<td>Biology</td>
<td>4+</td>
<td>12-15</td>
</tr>
<tr>
<td>Calculus AB</td>
<td>3</td>
<td>4-5</td>
</tr>
<tr>
<td>Calculus AB</td>
<td>4+</td>
<td>8-10</td>
</tr>
<tr>
<td>Calculus BC</td>
<td>3</td>
<td>8-10</td>
</tr>
<tr>
<td>Calculus BC</td>
<td>4+</td>
<td>12-15</td>
</tr>
<tr>
<td>Chemistry</td>
<td>4+</td>
<td>12-15</td>
</tr>
<tr>
<td>Chinese Lang &amp; Culture</td>
<td>3+</td>
<td>12-15</td>
</tr>
<tr>
<td>Computer Science A</td>
<td>4+</td>
<td>4</td>
</tr>
<tr>
<td>English Language &amp; Comp</td>
<td>3+</td>
<td>3-4</td>
</tr>
<tr>
<td>English Literature &amp; Comp</td>
<td>3+</td>
<td>3-4</td>
</tr>
<tr>
<td>Environmental Science</td>
<td>3+</td>
<td>4</td>
</tr>
<tr>
<td>French Lang &amp; Culture</td>
<td>3+</td>
<td>12-15</td>
</tr>
<tr>
<td>German Lang &amp; Culture</td>
<td>3+</td>
<td>12-15</td>
</tr>
<tr>
<td>Government (U.S.)</td>
<td>4+</td>
<td>3-4</td>
</tr>
<tr>
<td>History (European)</td>
<td>3+</td>
<td>6-8</td>
</tr>
<tr>
<td><strong>History (U.S.)</strong></td>
<td><strong>3+</strong></td>
<td><strong>8</strong></td>
</tr>
<tr>
<td>History (World)</td>
<td>3+</td>
<td>6-8</td>
</tr>
<tr>
<td>Human Geography</td>
<td>3+</td>
<td>4</td>
</tr>
<tr>
<td>Japanese Lang &amp; Culture</td>
<td>3+</td>
<td>12-15</td>
</tr>
<tr>
<td>Latin</td>
<td>3+</td>
<td>12-15</td>
</tr>
<tr>
<td>Macro Economics</td>
<td>3+</td>
<td>4</td>
</tr>
<tr>
<td>Micro Economics</td>
<td>3+</td>
<td>4</td>
</tr>
<tr>
<td>Music Theory</td>
<td>4+</td>
<td>8</td>
</tr>
<tr>
<td><strong>Physics 1: Algebra Based</strong></td>
<td><strong>4+</strong></td>
<td><strong>5-8</strong></td>
</tr>
<tr>
<td><strong>Physics 2: Algebra Based</strong></td>
<td><strong>4+</strong></td>
<td><strong>5-8</strong></td>
</tr>
<tr>
<td>Physics C - Mechanics</td>
<td>4+</td>
<td>4</td>
</tr>
<tr>
<td>Physics C - Elect &amp; Magn</td>
<td>4+</td>
<td>4</td>
</tr>
<tr>
<td>Psychology</td>
<td>3+</td>
<td>4</td>
</tr>
<tr>
<td>Spanish Language &amp; Culture</td>
<td>3+</td>
<td>12-15</td>
</tr>
<tr>
<td>Spanish Literature &amp; Culture</td>
<td>3+</td>
<td>4</td>
</tr>
<tr>
<td>Statistics</td>
<td>4+</td>
<td>4</td>
</tr>
</tbody>
</table>

**Notes:**

1. For AP exam titles not listed here, students should contact individual institutions for credit information.
2. Individual institutions will identify specific course articulations for their campus.

### COMMITTEE RECOMMENDATION TO THE BOARD

The Academic and Strategies Committee recommends that the policy on Advanced Placement and International Baccalaureate Statewide Course Credit be approved by the State Board of Higher Education.

*(Board action required.)*
Institutional Governance for Oregon’s Technical and Regional Universities

Senate Bill 270 (2013) established institutional governing Boards for University of Oregon and Portland State University and provided an option to for Oregon State University to choose a institutional governing Board. Oregon State University exercised this option in July 2013 and institutional governing boards at all three campuses will assume their full authorities on July 1, 2014.

SB 270 transfers many powers currently held by the State Board of Higher Education to institutional governing boards, including:

- **Management of Campus Leadership**—SB 270 grants institutional governing boards the authority to appoint, reappoint, and remove the university president.

- **Ability to Issue Revenue Bonds for Capital Construction Projects**—SB 270 establishes that universities with governing boards are considered public bodies and are permitted to issue revenue bonds in accordance with current law (ORS chapter 287A). SB 270 includes specific provisions to protect the State of Oregon and to ensure that universities do not issue bonds that they will be unable to repay. SB 270 ensures that revenue bonds issued by a university with a governing board are not an indebtedness of the State of Oregon and are not payable from, and may not be secured by, a pledge of or lien on any amounts that a university with a governing board is required to pay to the State Treasurer for current bond debt. SB 270 stipulates that a university with a governing board may not sell, transfer, or lease real or personal property that was acquired, constructed, or improved with the proceeds of outstanding state bonds, absent the prior consent of the State Treasurer.

- **Ability to Set Tuition and Fees Within Limits Established by the Legislature**—SB 270 allows institutional governing boards to establish, eliminate, collect, and manage, tuition and mandatory enrollment fees. When setting tuition and fees, SB 270 requires that institutional governing boards include enrolled students and the recognized student government of the university in the decision making process. SB 270 prevents an institutional governing board from increasing resident tuition and mandatory enrollment fees by more than 5% annually, unless it receives prior approval from either the Higher Education Coordinating Commission or the Legislature.

SB 270 also provided a pathway for Oregon’s Technical and Regional Universities (TRU) to establish institutional boards upon request and endorsement of the State Board of Higher Education. The legislation outlines a clear timeline beginning on March 1, 2014, for considering any TRU requests and follows a prescriptive process for the decision and if applicable, the appointment of members of the institutional governing board(s). Institutional boards, if endorsed, would assume governing authority for their respective TRU institution on July 1, 2015.
At the September 2013 Board retreat, the University Governance Work Group, an ad hoc committee of the Board, was appointed and charged to produce two deliverables: 1) support the legislature’s Special Committee on University Governance and Operations created in SB 270, and 2) optimize technical and regional university governance, including consideration of any potential petition for institutional boards. The work group met through March 2014 and submitted their findings to the full Board on March 31.

During that period, the technical and regional universities developed and submitted business plans in support of their requests for institutional boards. These business plans were reviewed in light of the following consideration criteria:

I. Institutional Leadership, Oversight & Accountability
   1. For each university, how would an institutional board specifically improve student success, and advance regional/state interests relative to alternative governance structures? What is the specific benefit?
   2. Can the university recruit a high-caliber board to provide appropriate leadership, oversight, and accountability?
   3. Does the university have a realistic transition plan to implement an institutional board by July 1, 2015? How does this compare to a small system scenario, in which a small central administration and revamped TRU Board provide oversight?

II. Fiscal Implications
   1. For each university, what are the incremental organizational costs (board, staff, and outsourced) directly attributable to institutional boards?
   2. For each university, what are the incremental revenues (philanthropy, corporate partnerships, research, state appropriations, etc.) directly attributable to institutional boards?
   3. What are the net incremental costs/savings directly attributable to institutional boards?
   4. How do the net incremental costs/savings affect the university’s financial sustainability?

III. Institutional Mission & Identity
   1. Under an institutional board, would the university be able to develop and implement a mission aligned with state and regional objectives? Is the campus’ current mission adequately developed in preparation for a transition?
   2. Is there evidence an institutional board would substantially benefit esprit de corps community sense of ownership, and ability to attract students, faculty, and strategic partners?
On March 1, 2014, Western Oregon University submitted its formal request for an institutional board to the State Board of Higher Education. Eastern Oregon University, Oregon Tech, and Southern Oregon University followed suit on March 4, 2014, in presentations to the University Governance Work Group. The full Board met in special session on March 31, 2014, to review the requests for institutional governing boards, receive public input, and discuss the benefits and challenges of a governance transition for each TRU institution. The Board will consider these requests and vote to endorse or not endorse during the April 4, 2014, regularly scheduled Board meeting.