1. Call To Order/Roll Call

2. Approval Of Minutes
   - November 15, 2002, Executive Committee Meeting Minutes
   - December 20, 2002, Board Meeting Minutes

3. President’s Report

4. Chancellor’s Report

5. Reports
   - IFS President
   - OSA President

6. **BOARD WORK SESSION** *(see tan section)*
   - **Action Item**
     a. **System Strategic Directions 2003-04**
        This Strategic Directions document is proposed for the period January 2003 through December 2004. It follows the themes discussed at the Board Renewal in July, 2002, and provides additional context for the Work Plan adopted by the Board in December 2002.

     b. **Board Work Plan and Committee Assignments**
        Following the Board Work Session and meetings of the Committees, there may be further action required by the full Board. (See Appendix “B”)

7. **BUDGET AND FINANCE COMMITTEE** *(see blue section)*
   - **Action Item**
     a. **Amendment to OAR 580-040-0040 Academic Year Fee Book 2002-03, Pertaining to Tuition Surcharges (Temporary Rule)**
        The staff recommends the Executive Committee of the Board approve a temporary rule change to the 2002-03 Academic Year Fee Book through the assessment of tuition surcharges for winter and spring terms 2002-03. These surcharges are in addition to the surcharges approved at the November Executive Committee meeting. (See Supplementary Material – Appendix “D”)
8. **FULL BOARD** *(see green section)*

**Action Item**

**a. Correction to the December 20, 2002, Agenda Item:**

**Confirmation of Institutional Degree Lists**

An action item appeared on the December 20, 2002, Board agenda entitled, “Confirmation of Degree Lists.” The docket item included the list of Board members and the institution degrees they were confirming as well as a recommendation to change the manner in which confirmation of degrees occurs.

10. **Other Committee Reports**

- Joint Boards Working Group
- OHSU
- Oregon College Savings Plan
- Oregon Council on Knowledge and Economic Development

11. **Public Input**

12. **Items From Board Members**

13. **Items From Presidents**

14. **Delegation Of Authority To Board’s Executive Committee**

15. **Adjournment**

*Note: All docket materials are available on the OUS website at: http://www.ous.edu/board/dockets.htm. Please contact the Board’s office at (541) 346-5795 if you have any questions regarding these materials.*
1. Call To Order/Roll Call

2. Action Items
   a. System Strategic Directions 2003-04
      This Strategic Directions document is proposed for the period January 2003 through December 2004. It follows the themes discussed at the Board Renewal in July, 2002, and provides additional context for the Work Plan adopted by the Board in December 2002.

   b. Board Work Plan and Committee Assignments
      Review the Work Plan approved by the Board at the December 2002, and agree on topics to be addressed by the System Strategic Planning Committee, the Budget and Finance Committee, and the Executive Committee.

3. Discussion Items
   a. Chancellor Goals and Objectives for 2003-04
      As the Board comes to final agreement on the System Strategic Directions for 2003-04, the Chancellor is preparing his Goals and Objectives. A preliminary discussion will be held with the Board on these.

   b. Board Advocacy During 2003 Legislative Session
      The Board has indicated that advocacy for higher education is a priority. There will be a presentation of themes already being used with Legislators. This will be followed by a discussion of Board members’ participation in the legislative process.

4. Report Item
   a. 2003-04 OUS Enrollment Report

5. Adjournment
System Strategic Directions 2003-04

Summary
This document contains the Strategic Directions proposed by the Board President for the period January 2003 through December 2004. It follows the themes discussed at the Board Renewal session in July 2002 and provides additional context for the Work Plan adopted by the Board in December 2002.

A. System Design: Examine the operating framework of the Board and the System, and strengthen the working relationships of the Board, System, and institutions:

1. Develop a Decision Structure to best achieve the goals of public higher education in Oregon.
   a. Clarify the decision-making structure of the Board of Higher Education
      1) Set an annual agenda
      2) Modify meeting format and frequency and the use of committees to improve Board effectiveness
      3) Assign to committees the appropriate strategic initiatives
      4) Review and update the Board Bylaws
   b. Articulate the roles of the Chancellor and the University presidents in development of policy recommendations for the Board and in implementation of Board policies and achievement of Board goals
   c. Develop appropriate System and institutional roles and relationships to improve the efficiency and effectiveness of both within an integrated system of higher education
      1) Adopt and promote the Flexibility Initiatives in the 2003 Legislative Session

2. Develop a Strategic Development Plan for OUS with which institutional plans should be compatible and supportive.
   a. Adopt a vision for OUS
   b. Develop a statement of the OUS goals and anticipated services to the citizens of Oregon
   c. Refine mission statements for each University and align with OUS vision and goals, identifying distinctions between and strengthening collaborative relationships among the institutions
d. Develop **policies** that include measurable outcomes and outline the respective OUS and University responsibilities for:

   1) Quality and enrollment management
   2) Increased diversity of students and faculty populations
   3) Access and admission standards
   4) Tuition and fees (see B.2 on Affordability)
   5) Academic program approval

e. Strengthen the role of the OUS and individual institutions working with the business community in support of Oregon’s **economic development**

f. Identify unmet higher educational needs of the state

3. Develop policies to facilitate and direct the System and the Universities to increase the effectiveness of their **partnerships** with:

   a. Oregon community colleges to optimize access through dual enrollment, articulation, and transfer
   b. Oregon K-12 Education to support seamless transitions through K-16
   c. Other Oregon state and local government agencies to maximize public services during times of restrained public funding

4. Explore effectiveness of current **governance** structures as needs arise.

   a. Local university advisory boards – assess possible scope of responsibilities in the light of progress with the Flexibility Initiatives presented to the 2003 Legislature, and determine whether formal Board policy statement is necessary
   b. Joint Boards – assess ability to achieve goals with Oregon community colleges and K-12 under the current structure

B. **Propose a new Higher Education Financial Strategy for Resource Acquisition (The Deal)**

   1. Establish an agreement with the State to define a foundation for funding the **quality** of OUS institutions that will be competitive nationally: by providing State support for OUS indexed at 80 percent of the average funding of peer institutions by 2003, growing to 85 percent in 2005 and 90 percent in 2007. Examine implications for Oregon public finance policy.
2. Improve **affordability** by increasing **financial aid** resources available to qualified Oregon residents through the Oregon Opportunity Grant, institutional aid programs, and System policy on tuition revenue set-aside.

3. Establish competitive benchmarks for the **compensation** of faculty, staff, and administrators so that Oregon can maintain a competitive position in the nation.

4. Pursue avenues for **new sources of revenue and/or expense reduction**.
   a. Partnerships with business and industry
   b. Increasing the use of philanthropy
   c. Developing enterprise opportunities
   d. Reducing overhead expenses, System-wide and institutionally
   e. Reviewing PERS and other related benefit expenses

5. Increase **flexibility in the use of non-state revenue** through the implementation of the Board-approved Flexibility Initiatives.

6. Seek authority to use Bond proceeds to fund all **delayed facilities’ maintenance** programs by 2004.

7. Continue to identify **unmet educational needs of the state** and prioritize suitable candidates for targeted initiative funding.

C. **Create and Promote a new Social Contract/Covenant with the citizens of Oregon and with State Government**

1. Document and promote the critical **importance of higher education** for all qualified Oregonians.

2. Provide a specific **strategic plan implementation schedule** to insure that OUS and the Universities meet the identified needs of the state.

3. Ask the citizens and government of the state to increase their **investment** in higher education (as proposed in The Deal).

4. Facilitate the increase of institutional specific **philanthropy**.

5. Create an OUS/citizen **advocacy program** for higher education in Oregon.
a. Business Support (AOI, Oregon Business Council, Chambers of Commerce, etc.)

b. Government (Governor and legislative leadership)

c. The general public

d. Other education sectors

Staff Recommendation to the Board
Staff recommends that the Board approve the System Strategic Directions 2003-04 as a blueprint for developing strategies to move the agenda of the Board forward.

(Board Action Required)
**Board Work Plan and Committee Assignments**

**SYSTEM GOALS, PRIORITIES AND DECISIONS: 12-24 MONTHS**

<table>
<thead>
<tr>
<th>System Design Strategy</th>
<th>Committee</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Develop an OUS policy on access and affordability.</td>
<td>SSP, Joint Boards</td>
<td></td>
</tr>
<tr>
<td>B. Within parameters set by the Board, approve an OUS policy on tuition for use by institutions in proposing tuition increases.</td>
<td>SSP, Flex Initiative</td>
<td></td>
</tr>
<tr>
<td>C. Develop an OUS policy on expediting academic program initiation and approval.</td>
<td>SSP, Flex Initiative</td>
<td></td>
</tr>
<tr>
<td>D. Across the System, promote collaborative partnerships with community colleges to:</td>
<td>SSP, Joint Boards</td>
<td></td>
</tr>
<tr>
<td>- Increase dual enrollments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Facilitate transfers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E. Continue to revise the existing OUS strategic plan by:</td>
<td>Vote:</td>
<td>12/20/02</td>
</tr>
<tr>
<td>- Approving the new Vision for OUS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Working toward differentiated mission statements for each institution</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F. Revisit the adopted OUS policy on Governance and use of University Advisory Boards for each institution in OUS</td>
<td>Defer SSP</td>
<td></td>
</tr>
<tr>
<td></td>
<td>consideration until</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Flex Initiative</td>
<td></td>
</tr>
<tr>
<td></td>
<td>outcome is determined</td>
<td></td>
</tr>
</tbody>
</table>

**Financial Strategy**

<table>
<thead>
<tr>
<th>Financial Strategy</th>
<th>Committee</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Propose legislation or amendments to existing statutes that would allow OUS and member institutions more financial flexibility.</td>
<td>B &amp; F/Flex Initiative</td>
<td></td>
</tr>
<tr>
<td>B. Outline possible new sources of revenue/expense reduction for OUS.</td>
<td>B &amp; F/Flex Initiative</td>
<td></td>
</tr>
<tr>
<td>C. Gain Legislative/Executive agreement on The Deal, to provide a funding floor to support the access-quality relationship.</td>
<td>B &amp; F/The Deal</td>
<td></td>
</tr>
<tr>
<td>D. Continue to pursue improvement in need-based student financial aid using other states, for example the state of Washington, as templates.</td>
<td>SSP, B&amp;F, Opportunity</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Grant Coalition</td>
<td></td>
</tr>
</tbody>
</table>
Social Contract/Covenant (Board)

A. Develop specific recommendations to modify the role and relationship between the State of Oregon and OUS.

B. Develop a comprehensive advocacy program for higher education targeted to the general public, government, and business.

C. Review status of Board policy and System practices regarding achieving competitive faculty, administrative, and staff salaries.
Summary
Oregon University System (OUS) enrollment reached 78,111 as of the fourth week of class, up 5.7 percent over fall 2001. For the fifth year in a row, OUS has reached all time enrollment almost matching exactly the OUS projections. All campuses except Southern Oregon University reached individual campus enrollment records. First time freshman participation continues to fuel the increases. The growth in new resident undergraduates has remained strong for five years, filling the enrollment pipeline and assuring large graduating classes for another five years. Specifically contributing to the growth are the large high school graduating class for 2002 and an increase in resident transfer and graduate enrollment. With the continued growth of high school graduates, a broadening gap in income between those with and without a bachelor's degree, and the trend toward a knowledge-based economy in Oregon, demand for higher education in Oregon will likely be tempered in the current decade only by affordability.

In addition to the across-the-board growth in credit enrollment, an estimated 200,000 students will enroll in OUS noncredit courses in 2002-03.

Eastern Oregon University
Fourth week enrollment at Eastern Oregon University is up 14.8 percent, the largest percentage increase of OUS campuses for the fourth year in a row. Resident first time freshman counts are up 16.7 percent from fall 2001, to 286 students; nonresident first time freshman enrollment is steady; and transfer and graduate enrollment has increased, despite losing headcounts to programs offered through the OSU Cascades campus. The total enrollment also reflects an increase in nonadmitted students as Eastern continues to expand its outreach role in a region encompassing nearly one quarter the area of Oregon.

Oregon Institute of Technology
OIT shows a 1.7 percent increase in enrollment, with a continued increase in new transfer students from within the state making up for a 5.9 percent decrease in resident first time freshmen. This may be due in part to Klamath Community College students matriculating to OIT, as well as OIT's unique mission drawing more transfer students from other parts of the state. OIT has taken over applied health services programs from Oregon Health and Science University, adding to their Portland presence. Since OIT graduates have a very high rate of employment after graduation, demand for their programs is likely to stay strong.

Oregon State University
With graduate level growth and strong retention, OSU managed a new all-time high enrollment of 18,774, up 4.1 percent overall, despite a lower undergraduate recruiting yield for the first time in four years. Campus administrative reorganization, expansion to central Oregon, and continued investments in engineering and research keep OSU in the public eye. The pharmacy program is now fully enrolled, finalizing the migration from an undergraduate to a professional level program.
Portland State University
Portland State continues to show increases in resident first time freshmen, with enrollment in that category up 10.6 percent. Strong growth for more than five years has allowed PSU to set a new OUS enrollment high of 21,841. Community college transfers and transfers from other OUS campuses are up significantly. PSU continues to support the Portland area, but is also attracting students from Oregon high schools and community colleges throughout the state and the west. Expanding partnerships with OHSU, a continued effort to attract and retain first time freshmen, and joint admission programs with the urban community colleges make PSU attractive to both in-state and out-of-state undergraduates and graduates.

Southern Oregon University
Southern Oregon University enrollment has remained relatively flat for the fifth straight year with an increase of nine students over fall 2001. An increase in first time freshmen and community college transfers has not been enough to replace the graduating seniors. Nonresident enrollment is down slightly, likely due to California’s commitment to providing financial aid to their residents. Key programs such as Theatre Arts continue to draw more students than can be accommodated. However, recruitment efforts have not resulted in the desired overall enrollment increase.

University of Oregon
Resident first time freshman enrollment increased again this fall, up 3.4 percent over last fall, and up more than 15 percent in two years. Nonresident freshman admits were also up, possibly reflecting the positive reviews by national publications, including a listing among America’s “best deals” in colleges. UO continues its increasing trend in resident undergraduates, but graduate enrollment is up as well. With the remodel of Gilbert Hall under way, classroom capacity is likely to be challenged until construction is completed.

Western Oregon University
At 5,048, Western Oregon University has grown 3.1 percent overall, with improvements in nearly all categories. Western exceeded the 5,000 enrollment mark only seven years after surpassing the 4,000 mark in 1995. With teacher education drawing more students, graduate enrollment continues to lead the increases, and now accounts for over 9.5 percent of the admitted students.

OSU Cascades Campus
Headcount enrollment at Cascades Campus met expectations, increasing from 245 to 387 in OUS programs offered through the Bend campus. Program offerings have expanded, and other partners offering coursework through Cascades include Linfield College and OHSU, which are not reflected in OUS reports. The dedication of Cascades Hall in September adds to the visibility of the campus, local support has been strong, and joint or co-enrollment with COCC students is growing.
Tables A through C provide the 2002 and 2001 enrollment statistics.

Table A. Summary of OUS Headcount Enrollment 2002-03

<table>
<thead>
<tr>
<th></th>
<th>Fall 2002</th>
<th>Fall 2001</th>
<th>Change Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate Resident</td>
<td>54,087</td>
<td>51,144</td>
<td>2,943</td>
<td>5.8</td>
</tr>
<tr>
<td>Undergraduate Nonresident</td>
<td>9,065</td>
<td>8,744</td>
<td>321</td>
<td>3.7</td>
</tr>
<tr>
<td>Graduate Resident</td>
<td>12,448</td>
<td>11,623</td>
<td>825</td>
<td>7.1</td>
</tr>
<tr>
<td>Graduate Nonresident</td>
<td>1,636</td>
<td>1,566</td>
<td>70</td>
<td>4.5</td>
</tr>
<tr>
<td>Law Resident</td>
<td>255</td>
<td>248</td>
<td>7</td>
<td>2.8</td>
</tr>
<tr>
<td>Law Nonresident</td>
<td>259</td>
<td>269</td>
<td>(10)</td>
<td>(3.7)</td>
</tr>
<tr>
<td>Vet Medicine Resident</td>
<td>54</td>
<td>55</td>
<td>(1)</td>
<td>(1.8)</td>
</tr>
<tr>
<td>Vet Medicine Nonresident</td>
<td>16</td>
<td>17</td>
<td>(1)</td>
<td>(5.9)</td>
</tr>
<tr>
<td>Pharm.D. Resident</td>
<td>216</td>
<td>146</td>
<td>70</td>
<td>47.9</td>
</tr>
<tr>
<td>Pharm.D. Nonresident</td>
<td>75</td>
<td>71</td>
<td>4</td>
<td>5.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>78,111</strong></td>
<td><strong>73,883</strong></td>
<td><strong>2,161</strong></td>
<td><strong>5.7</strong></td>
</tr>
</tbody>
</table>

Definitions:
1. "Resident" fee category includes any student assessed resident fee rates.
2. "Nonresident" fee category includes students assessed the nonresident fee rate.

Table B. Summary of Institution Headcount Enrollment Changes 2002-03

<table>
<thead>
<tr>
<th>Institution</th>
<th>Fall 2002</th>
<th>Fall 2001</th>
<th>Change Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Oregon University</td>
<td>3,418</td>
<td>2,978</td>
<td>440</td>
<td>14.8</td>
</tr>
<tr>
<td>Oregon Institute of Technology</td>
<td>3,139</td>
<td>3,088</td>
<td>51</td>
<td>1.7</td>
</tr>
<tr>
<td>Oregon State University</td>
<td>18,774</td>
<td>18,032</td>
<td>742</td>
<td>4.1</td>
</tr>
<tr>
<td>OSU Cascades Campus</td>
<td>387</td>
<td>245</td>
<td>142</td>
<td>58.0</td>
</tr>
<tr>
<td>Portland State University</td>
<td>21,841</td>
<td>20,185</td>
<td>1,656</td>
<td>8.2</td>
</tr>
<tr>
<td>Southern Oregon University</td>
<td>5,478</td>
<td>5,469</td>
<td>9</td>
<td>0.2</td>
</tr>
<tr>
<td>University of Oregon</td>
<td>20,044</td>
<td>19,008</td>
<td>1,036</td>
<td>5.5</td>
</tr>
<tr>
<td>Western Oregon University</td>
<td>5,030</td>
<td>4,878</td>
<td>152</td>
<td>3.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>78,111</strong></td>
<td><strong>73,883</strong></td>
<td><strong>4,228</strong></td>
<td><strong>5.7</strong></td>
</tr>
</tbody>
</table>
Table C: First Time Freshman Enrollment 2002-03

<table>
<thead>
<tr>
<th></th>
<th>Resident</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2002</td>
<td>2001</td>
</tr>
<tr>
<td>Eastern Oregon University</td>
<td>286</td>
<td>245</td>
</tr>
<tr>
<td>Oregon Institute of Technology</td>
<td>334</td>
<td>355</td>
</tr>
<tr>
<td>Oregon State University</td>
<td>2,623</td>
<td>2,804</td>
</tr>
<tr>
<td>Portland State University</td>
<td>1,180</td>
<td>1,067</td>
</tr>
<tr>
<td>Southern Oregon University</td>
<td>709</td>
<td>667</td>
</tr>
<tr>
<td>University of Oregon</td>
<td>2,363</td>
<td>2,286</td>
</tr>
<tr>
<td>Western Oregon University</td>
<td>752</td>
<td>747</td>
</tr>
<tr>
<td>Total</td>
<td>8,247</td>
<td>8,171</td>
</tr>
</tbody>
</table>

Actual and Projected Fall Enrollment, 1995 - 2011
1. **Call To Order/Roll Call**

2. **Approval Of Minutes**
   - October 18, 2002, System Strategic Planning Committee Meeting Minutes

3. **Report Item**
   a. **The Status of the 2000-01 Bachelor’s Degree Recipients: One Year Later**
      Reports the findings of a survey of randomly selected bachelor’s graduates who completed degrees in 2000-01. Provides information about how recent graduates rate the quality of their education, proportion employed, sources of financial assistance, and degree pathways. Displays aggregated System performance data for three performance indicators (graduate success, graduate satisfaction, and internships) over the last five years. (See Appendix “C”)

4. **Discussion Items**
   a. **Oregon Council for Knowledge & Economic Development Recommendation**
      OCKED is proposing changes to Oregon statutes to amend the missions and functions of the Oregon University System and the State Board of Higher Education to promote the creation, dissemination, and commercialization of ideas to benefit the economy. The Board is being asked to endorse their recommendation.

   b. **System Strategic Directions – Work Plan and Committee Assignment**
      This Strategic Directions document is proposed for the period January 2003 through December 2004. It follows the themes discussed at the Board Renewal in July, 2002, and provides additional context for the Work Plan adopted by the Board in December 2002.

5. **Adjournment**
The Status of the 2000-01 Bachelor’s Degree Recipients: One Year Later

Background
In the mid-1990s, both Oregon legislators and leaders in the business community began asking questions about how well prepared today’s college graduates are for the demands of the contemporary workplace and knowledge-based economy. These questions corresponded with a shift in concern about workplace readiness, heretofore largely confined to elementary and secondary schooling. This consideration reflected the growing importance of a college education and highly educated workforce to support Oregon’s plan for economic diversification.

To fill gaps in campus information about whether graduates found employment and were prepared for the workplace, the Chancellor’s Office of the Oregon University System initiated the first systematic study of recent graduates in 1996 (for graduates in 1994-95). We asked questions about what graduates were doing, the employment sector and location of their jobs, whether what they are doing relates to their degrees, and if their academic studies provided ample opportunities to gain practical experience. The focus of this report is the satisfaction of the 2000-01 bachelor’s graduates within a year after crossing the stage to receive their bachelor’s degrees.

These data suggest both the System’s capacity to provide quality undergraduate programs as well as the student’s perception about the academic and professional benefits of a higher education experience. In addition to providing baseline measures of graduate satisfaction, these data, in conjunction with campus-specific surveys, help to focus campus improvement efforts.

Findings for 2000-01 Bachelor’s Graduates
The OUS awarded 9,590 bachelor’s degrees in academic year 2000-01. Using the lists of graduates provided by the campuses, the University of Oregon’s Oregon Survey Research Laboratory (OSRL) randomly selected bachelor’s degree recipients to serve as the representative sample of that larger population. OSRL conducted a total of 1,004 telephone interviews with recent bachelor’s graduates.

Recent OUS bachelor’s graduates are satisfied and “loyal customers.”

- The mean quality rating was 4.0 on a 5-point scale (1 as “poor” and 5 as “excellent”);
- If they had to begin all over again, 77 percent would choose the same OUS university; and
- 84 percent would choose an OUS university to further objectives in the future.

Nearly all graduates are engaged productively in this downturn economy.

- Most graduates are employed in either full- (68 percent) or part-time (15 percent) jobs;
One in ten say they are furthering their education as their primary commitment, but twice as many respondents are taking some classes and working; and
Only 4 percent say they are “looking for work,” suggesting their jobless rate was lower than the jobless rate for the state of Oregon in summer 2002, the time of the survey.

OUS bachelor’s graduates contribute to Oregon’s economy.

- 80 percent of the graduates employed took jobs in Oregon; and
- The average annual salary for full-time employment ranged between $30,000 and $45,000.

Bachelor’s graduates say OUS experience added skills and competencies to their portfolios.

- Nearly all say their OUS experience contributed to the improvement of their critical thinking, oral communication, and writing skills;
- 64 percent participated in an internship, with slightly more than half indicating that the experience led to paid employment; and
- Of those employed full- or part-time, 15 percent draw upon second language skills to communicate with customers, clients, students, or employees in their workplaces.

OUS graduates exercised choice in pathways to a bachelor’s degree — some held on to the traditional means.

- Most begin and complete a degree at different institutions, on average in 4.9 years;
- 57 percent enter as transfer students — two-thirds of those entering from community colleges;
- Only four in ten enter as freshmen and complete at the same institution;
- 36 percent are first in their immediate families to earn a bachelor’s degree, with most beginning at a community college.

Students are bundling available fund sources to pay for college.

- Nearly two-thirds borrowed money by taking out federal loans (65 percent);
- Slightly less than half (48 percent) received support from their families;
- 61 percent received aid in the form of a grant or scholarship; and
- The median loan amount was $17,000 for those borrowing from government and/or private sources.

Performance Summary (1996 compared to 2002)
Learner needs are driving the OUS concept of productivity. Performance of the System and OUS institutions is tracked for (1) recent graduate satisfaction or rating with the overall quality of the education they received, (2) proportion of students completing an internship, and (3) proportion of recent graduates who are successful — all who are productively engaged in a job, furthering their education, or other activity. The
proportion that indicate they are “looking for work” reflect the challenges stemming from the nexus of individual characteristics, learning experience, and economic conditions.

Compared to previous findings for 1994-95 graduates one year later (1996), these recent bachelor’s graduates in 2000-01 one year later (2002) suggest that the System’s institutions are doing a better job at meeting their needs:

▪ Recent graduates give slightly higher ratings of the overall quality of OUS education they received (improving from a mean of 3.7 in 1996 to 4.0 in 2002 on a 5-point scale where 5.0 is “excellent”);
▪ More graduates completed internships (climbing from 49.8 percent in 1996 to 64.0 percent in 2002, a 29 percent increase); and
▪ More graduates found work after receiving their baccalaureates (increasing from 74 percent in 1996 to 83 percent in 2002).

The information about the preferences of recent graduates for OUS institutions to future career and personal objectives suggest opportunities for campuses to expand linkages with alumni.

(No Board action required.)
Oregon Council for Knowledge and Economic Development Recommendations

Summary
The Oregon Council for Knowledge and Economic Development (OCKED) has recommended changes to the Oregon Revised Statutes to direct the missions and functions of the Oregon University System and State Board of Higher Education to promote the creation, dissemination, and commercialization of ideas to benefit the economy. Staff recommends the Board support this recommendation.

Background
The Oregon Council for Knowledge and Economic Development (OCKED) was established by the 2001 legislature under Senate Bill 273. The mission of the Council is to promote knowledge-based economic development in the State of Oregon.

At the October 18, 2002, meeting of the Oregon State Board of Higher Education, the Board received the background and draft recommendations of the Council. These recommendations were subsequently presented as part of the Oregon Business Plan Summit on December 9, 2002.

Included in these recommendations are proposed changes to the Oregon Statutes to direct the missions and functions of the Oregon University System, the State Board of Higher Education, the Oregon Health & Science University and the Oregon Economic and Community Development Department to promote the creation, dissemination, and commercialization of ideas to benefit the economy. The proposed OUS changes are attached.

At the December 20, 2002, Board meeting, the Board President asked the System Strategic Planning Committee to consider the proposed changes to the OUS mission and functions and make a recommendation to the full Board.

Recommended Changes

351.001 Legislative findings. The Legislative Assembly finds that:

(1) For its political well-being, Oregon needs wise and effective leadership and an informed citizenry.

(2) For its economic well-being, Oregon needs able and imaginative men and women for the direction and operation of all its institutions, for the production of goods and services and for the management of its fiscal affairs. Oregon also needs alert and informed consumers.

(3) For its cultural advancement, Oregon needs creative talent as well as appreciative and discriminating readers, viewers and listeners. Oregon also needs people who understand the diverse patterns of behavior, communication
and belief that make up the common cultures of the various communities in which we all must function.

(4) For its survival, Oregon needs citizens who understand the interdependence of human beings and our shared dependence on the resources provided by our natural environment.

(5) Oregon needs people who, in the roles of parents and teachers and in other capacities, are able to transmit the state’s and the nation’s ideals and heritage to future generations.

(6) For their personal well-being, individual Oregonians need to cultivate an advanced literacy essential to leading productive and rewarding lives. This includes the capacity to think logically and critically; to internalize and exemplify humane values; to write, speak and figure clearly and accurately; to understand, in some depth, a variety of psychological, historical, cultural, aesthetic and scientific concepts and theories; and to master a range of occupational, professional, avocational, social and personal skills. [1993 c.240 §1]

351.003 Additional findings. In addition to making the findings under ORS 351.001, the Legislative Assembly finds that:

(1) Oregonians need access to post-secondary education opportunities throughout life in a variety of forms.

(2) To meet the societal and individual needs described under ORS 351.001, Oregonians have created and sustained, from territorial days to the present, many and diverse institutions of higher education, both independent and state-assisted.

(3) These institutions have developed the intellectual capacity of Oregonians and have prepared thousands of them for productive and fulfilling careers.

(4) These institutions provide educational access to all segments of Oregon’s diverse population, including many students for whom higher education creates the first opportunity for their entry into the mainstream of society.

(5) These institutions provide basic and applied research, both basic and applied, that and actively promote the commercialization of research into generates new knowledge and applies it to the development of new products and processes essential for Oregon’s economic growth.

(6) These institutions provide public service activities that engage the professional expertise of their faculties to solve social problems.
(7) These institutions share with our communities many cultural activities and services of immense importance to the quality of life enjoyed by Oregonians.

(8) These institutions are expanding the times, places and formats of course offerings.

(9) Oregonians’ diverse educational needs will be best met in an environment in which public and independent schools are recognized as critical for meeting those needs. [1993 c.240 §2; 2001 c.964 §1]

351.005 Higher education an important public purpose. Giving due consideration to the historical and continuing interest of the people of the State of Oregon in encouraging deserving and qualified citizens to realize their aspirations for higher education, the Legislative Assembly declares that higher education for residents of Oregon who desire it and are qualified to benefit from it is critical to the welfare and security of this state and this nation and consequently is an important public purpose. [1993 c.240 §3]

351.007 Intent to promote and enhance higher education. The Legislative Assembly declares its intent to promote and enhance higher education in a manner that:

(1) Enables citizens of all ages, backgrounds and levels of income to participate in the search for knowledge and individual development.

(2) Stresses undergraduate teaching as a high priority.

(3) Provides for selected graduate and professional programs that address state, national and global needs.

(4) Encourages high quality research and scholarship, both basic and applied, by its faculty and students.

(5) Fosters diversity of educational opportunity.

(6) Promotes service to the public.

(7) Makes effective and efficient use of human, physical and financial resources.

(8) Encourages cooperation with other educational institutions. [1993 c.240 §4]

351.009 Mission of higher education. The Legislative Assembly declares that the mission of all higher education in Oregon is to:
(1) Enable students to extend prior educational experiences in order to reach their full potential as participating and contributing citizens by helping them develop scientific, professional and technological expertise, together with heightened intellectual, cultural and humane sensitivities and a sense of purpose.

(2) Create, collect, evaluate, store and pass on the body of knowledge necessary to educate future generations.

(3) Provide appropriate instructional, research and public service programs to enrich the cultural life of Oregon and to support and maintain a healthy state economy. [1993 c.240 §5]

(4) Recognize and support the concept that universities give rise to the next generation of ideas and serve as an engine for economic development.

Sec. 1. Board duties regarding measurements, admission standards, degree models, access to services, educational opportunities and credit transfer. The State Board of Higher Education shall:

(1) Continue development of accountability and performance measures with indicators in broad goal areas, including but not limited to:
(a) Enhancing existing quality;
(b) Expanding access;
(c) Maintaining reasonable cost-effectiveness; and
(d) Ensuring employability.

(2) Continue development of a proficiency-based admission standards system that aligns with school reform requirements for kindergarten through grade 12 under ORS chapter 329 in order to improve student performance and better articulate expectations of student learning among the educational sectors.

(3) Continue experimentation with and implementation of various accelerated baccalaureate degree models at state institutions of higher education in applicable programs. The models may include but need not be limited to early entry and post-secondary options and models that are jointly developed with the State Board of Education.

(4) Continue development of strategies to provide the broadest possible access to educational services for both on-campus and off-campus learners by using technology as well as traditional options.

(5) Continue to work with businesses, industries and agencies to offer increased opportunities for students to participate in internships, practica and service learning experiences. The board shall continue to explore faculty internship opportunities with businesses, industries and agencies.
(6) Continue to work with the State Board of Education to develop policies and procedures that ensure maximum transfer of academic credits between community colleges and state institutions of higher education. [1997 c.653 §1]

(7) Foster both basic research and applied research. Work closely with businesses and economic development entities to expand the commercialization of ideas into companies and jobs for the State of Oregon.

(No Board action required.)
1. Call To Order/Roll Call

2. Approval of Minutes
   • October 20, 2002, Budget & Finance Committee Meeting Minutes

3. Action Item
   a. Amendment to OAR 580-040-0040 Academic Year Fee Book 2002-03, Pertaining to Tuition Surcharges (Temporary Rule)
      The staff recommends the Executive Committee of the Board approve a temporary rule change to the 2002-03 Academic Year Fee Book through the assessment of tuition surcharges for winter and spring terms 2002-03. These surcharges are in addition to the surcharges approved at the November Executive Committee meeting. (See Supplementary Material – Appendix “D”)

4. Discussion Items
   a. Initial Review of the Implications of the Governor’s Biennial Budget Recommendation
   b. System Strategic Directions – Work Plan and Committee Assignments
      This Strategic Directions document is proposed for the period January 2003 through December 2004. It follows the themes discussed at the Board Renewal in July, 2002, and provides additional context for the Work Plan adopted by the Board in December 2002.

7. Adjournment
Amendment to OAR 580-040-0040 Academic Year Fee Book 2002-03, Pertaining to Tuition Surcharges (Temporary Rule)

Report to the Board
The staff recommends the Board approve a temporary rule change to the 2002-03 Academic Year Fee Book through the assessment of tuition surcharges for winter and spring terms 2002-03. These surcharges are in addition to the surcharges approved at the November Executive Committee meeting.

In December 2002, the State of Oregon Office of Economic Analysis reported that the State General Fund would fall short by $111.8 million more than had been previously estimated. Rather than return to the Legislature for a sixth time for resolution, the Governor invoked his authority to make across-the-board cuts in Executive Branch agencies. The result is an additional $9.1 million reduction to the Oregon University System (OUS) General Fund appropriation for 2001-2003, to be absorbed in the last six months of the biennium.

Enrollment demand at the OUS institutions continues at an all time high. The growth, coupled with the series of general fund reductions over five special sessions of the Legislature this biennium, has resulted in a decline in the amount of total resources per student that institutions have available for instruction and support services.

In January 2003, voters will decide the outcome of a proposed income tax surcharge to help offset the reductions outlined by the Fifth Special Session of the Legislature. Contingent upon the income tax surcharge issue failing in the January Special Election, the Executive Committee of the Board, at its November 2002 meeting, approved a temporary rule change to the 2002-03 Academic Year Fee Book granting institutions the authority to assess tuition surcharges winter and spring term 2003. That action was ratified by the full Board in December 2002.

Faced with these continuing deteriorating conditions, institutions are reviewing their options for addressing the most recent $9.1 million reduction. They are responding by various means including: imposing further cuts to services; enlarging class sizes; reducing section and course offerings; and offsetting reductions with use of fund balances. One additional option is to generate offsetting income by increasing student tuition rates through a supplemental tuition surcharge.

Some institutions have determined further cuts would result in severe impacts to their ability to carry out their respective missions. As a result, it is necessary for them to assess a supplemental tuition surcharge to allow them to sustain an adequate level of service to their students.

Need for the Temporary Rule:
The conditions precipitating the need for the tuition surcharges were unknown at the time the original tuition and fees were approved by the Board in July 2002. The continued eroding economic condition of the State of Oregon resulted in two
additional Special Sessions of the Legislature after the 2002-03 Academic Year Fee Book was adopted. Subsequent forecasts by the Office of Economic Analysis have resulted in yet further state General Fund reductions imposed by the Governor. It is necessary for certain institutions of the OUS to offset these reductions of state General Fund with other revenues. Tuition is the only source of revenues capable of generating adequate resources to address this critical need.

The timing for this amendment is critical. Registration for winter term 2003 began in mid-November. There are two options in dealing with the timing of tuition and fee assessment. One is to assess the supplemental tuition surcharge to students already enrolled winter term 2003, as well as spring 2003. The other option is to assess a larger surcharge in spring term 2003 only.

Three institutions are proposing to assess the supplemental tuition surcharge to partially offset their portions of the $9.1 million reduction directed by the Governor in December 2002.

OSU intends to assess the surcharge winter and spring terms 2003 at $3 per credit hour for undergraduates and $4 per credit hour for graduates up to the plateau credit hour levels. The winter term assessment will not be made until after the January 28, 2003, special election in conjunction with the potential tuition surcharge assessment related to the Measure 28 outcome. The supplemental surcharge will not be assessed on students at the OSU-Cascades Branch Campus.

SOU will assess the surcharge spring term 2003 at $5 per credit hour for resident undergraduates and $2.25 per credit hour for resident graduates up to the plateau credit hour levels. Incremental hours above the plateau will be assessed the per credit hour rates. No supplemental surcharge will be assessed to nonresidents.

UO may assess the surcharge spring term 2003 at up to $3 per credit hour on all students for all credit hours. UO will only assess the surcharge if two conditions exist: 1) Measure 28 fails at the January 28, 2003, special election; and, 2) the UO determines that the additional revenue generated by the supplemental surcharge is necessary to break even in budgeted operations during the current fiscal year. The supplemental surcharge will not be assessed on Law students.

**OAR 580-040-0040 Academic Year Fee Book**

(Underlined material is added; brackets denote deletion.)

The document entitled Academic Year Fee Book, dated July 19, 2002, and amended November 15, 2002, is hereby amended by reference as a temporary rule to incorporate assessment of supplemental tuition
surcharges to mitigate the reductions directed by the Governor as a result of the December 2002 Economic Forecast.

Through the amendment, the Board adopts, as a temporary rule, the document entitled Supplemental Tuition Surcharges 2002-03, memos of attachment amending the draft document, and other amendments and attached schedules noted in this agenda item. Consideration of the permanent rule will occur at the earliest possible meeting of the Board of Higher Education consistent with permanent rule-making requirements.

Staff Recommendation to the Board
Staff recommends that the Board amend OAR 580-040-0040 to reflect the ability of universities to implement tuition surcharges in both the winter and spring terms of FY 2003 in response to the additional ($9.1 million) reduction in General Funds.

(Board action required. Roll call vote.)
Action Item

Correction to the December 20, 2002, Agenda Item: Confirmation of Institutional Degree Lists

January 17, 2003
Oregon State Board of Higher Education
Correction to the December 20, 2002, Agenda Item: Confirmation of Institutional Degree Lists

Summary
An action item appeared on the December 20, 2002, Board agenda entitled, “Confirmation of Degree Lists.” The docket item (listed below) included the list of Board members and the institution degrees they were confirming as well as a recommendation to change the manner in which confirmation of degrees occurs.

From December 20, 2002, Board Docket

Background
ORS 351.070 states:

(3) The board may, for each institution under its control:

(f) Confer, on the recommendation of the faculty of each such institution, such degrees as usually are conferred by such institutions, or as they deem appropriate.

For a number of years, the Board has interpreted the above referenced ORS to mean that the full Board would approve faculty recommendations for confirmation of degrees and diplomas. However, in the minutes of July 18 and 19, 1932, it is noted that the Board agreed to the following:

In order to establish a uniform procedure in the Board’s consideration of lists of applicants for degrees, the Board directed that a committee of one for each of the institutions under the control of the Board be appointed by the Board at its April meeting and visit the respective institutions with power to act for the Board in considering recommendations for degrees.

Other minutes of Board action indicated that the lists of individuals upon whom degrees were conferred continued to come to the full Board for approval. In examining ways to streamline Board operations, and upon advice of legal counsel, it appeared redundant for Board members to sign the authorization of degree granting and then have the full Board approve the lists. Staff recommended that, following approval of the list of graduates for 2001-2002, presented below, that the Board return to the practice of accepting the signature of the Board member assigned to an institution as confirmation of the degree without further formal action by the Board.

Staff Report to the Board
In accordance with Board procedures, the following members represented the Board in approving candidates for degrees and diplomas for the
graduating classes at the designated institutions during the 2001-02 academic year and summer session:

   Eastern Oregon University
     Phyllis Wustenberg

   Oregon Health and Science University
     Tim Young

   Oregon Institute of Technology
     Don VanLuvanee

   Oregon State University
     Leslie Lehmann
     Tom Imeson

   Portland State University
     James T. Lussier

   Southern Oregon University
     Erin Watari

   University of Oregon
     Geraldine Richmond
     Tim Young

   University of Oregon Law School
     Tim Young

   Western Oregon University
     Roger Bassett

**Staff Recommendation to the Board**
Staff recommended that the Chair of the Board be authorized to verify, on information from the institution President and/or from attendance of a Board member at an institution graduation and his/her subsequent signature, confirmation of degrees and diplomas.

The motion that was made, seconded, and approved read as follows:

It was moved by Director Lehmann and seconded by Director Young that the Board approve the staff recommendation. Those voting in favor: Directors Barnett, Bassett, Lehmann, Lussier, Richmond, Watari, Wustenberg, and Young. Those voting no: none.
Staff Recommendation to the Board
The motion did not include language confirmation of the 2001-02 academic year and summer session degrees. Therefore, staff recommends that the Board confirm the action of Board members in approving degrees and diplomas.

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

Minutes

Executive Committee Meeting, November 15, 2002
Regular Board Meeting, December 20, 2002
System Strategic Planning Committee Meeting,
   October 18, 2002
Budget and Finance Committee Meeting,
   October 18, 2002

January 16 & 17, 2003
Oregon State Board of Higher Education

Appendix “A”
Board Work Plan and Committee Assignments

Board Work Session
Supplemental Materials

January 16 & 17, 2003
Oregon State Board of Higher Education

Appendix “B”
The Status of the 2000-01 Bachelor’s Degree Recipients: One Year Later

System Strategic Planning Committee
Supplemental Materials

January 16 & 17, 2003
Oregon State Board of Higher Education

Appendix “C”
Amendment to OAR 580-010-0040 Academic Year Fee Book 2002-03, Pertaining to Tuition Surcharges (Temporary Rule)

Budget & Finance Committee
Supplemental Materials

January 16 & 17, 2003
Oregon State Board of Higher Education

Appendix “D”
The Board of Higher Education authorizes institutions to assess supplemental tuition surcharges effective winter and spring terms 2003. These surcharges are in addition to those approved by the Board Executive Committee November 15, 2002, and ratified by the full Board December 20, 2002.

Conditions for Surcharge Assessment
Supplemental tuition surcharges are related to mandated General Fund reductions directed by the Governor as a result of the December 2002 economic forecasts in which the state general fund was projected to have a $111 million shortfall. The State General Fund appropriation for the Oregon University System is reduced $9.1 million. These reductions are independent of the previously authorized surcharges that are contingent upon the outcome of the January 28, 2003 special election.

Students Subject to Surcharge
Tuition surcharges will be assessed to resident and nonresident undergraduate, graduate, and professional student categories.

Tuition surcharges may be applied to distance education for credit courses at the discretion of the institution.

Application of Surcharge
The tuition surcharge is established to support costs of instruction and instruction support.

Timing of Assessment
Institutions have the option of when the surcharge will be assessed. The surcharge may be assessed against winter term enrollment, or deferred until the spring term 2003.

Each institution assessing the supplemental surcharge authorized by this action is expected to broadly inform its students of the supplemental tuition surcharge rate structure and the timing of the fee assessment.

Tuition Surcharge Rates
Tuition surcharge rates and the timing of assessment are detailed in the accompanying schedules.

Links to Tuition Surcharge tables:

Oregon State University – Corvallis
Oregon State University – Corvallis (Professional Programs)
Southern Oregon University – Ashland
University of Oregon -- Eugene