AGENDA

1. CALL TO ORDER/ROLL CALL/WELCOME

2. ACTION ITEMS
   a. Capital Construction Budget Request, 2005-2011 .......................................................... 1
      The 2005-2007 capital budget request recommended to the Board for approval totals $1,148,404,000 for the seven OUS campuses and University Centers. The capital construction program, covering the entire six-year period 2005-2011, totals over $2.7 billion.
      Staff is recommending adoption of an additional policy package to request a phase-out of the current legislative limit on OUS fee remissions. The package requests an increase in the cap on programmatic fee remissions for 2005-2007 and then elimination of the cap in 2007-2009. It also proposes to eliminate the cap on graduate assistant fee remissions next biennium. The policy package does not require any additional funding.

3. CHANCELLOR AND UNIVERSITY PRESIDENTS’ REPORT

4. REPORTS
   • Interinstitutional Faculty Senate (IFS)
   • Oregon Student Association (OSA)

5. PUBLIC INPUT

6. BOARD COMMENTS

7. DELEGATION OF AUTHORITY TO BOARD’S EXECUTIVE COMMITTEE

8. ADJOURNMENT

Note: All docket materials are available on the OUS website at: http://www.ous.edu/board/meetingmaterials.htm. Please contact the Board’s office at (541) 346-5795 if you have any questions regarding these materials. This agenda may be amended at any time prior to 24 hours before the Board meeting. Estimated starting times for the agenda items are indicated; however, discussions may commence, or action may be taken, before or after the suggested times. Any item on the agenda may be considered at any time out of order at the discretion of the President of the Board. During the meeting, the Board may convene in Executive Session to receive legal advice regarding any item on the agenda or for any reasons permitted under Oregon law.
CAPITAL CONSTRUCTION BUDGET REQUEST, 2005-2011

Executive Summary:
Each biennium, prior to the legislative session, the State Board of Higher Education submits a capital construction program to the Governor covering the ensuing three biennia. For the 2005-2007 period, a formally approved Capital Budget request is made. For the 2007-2009 and 2009-2011 periods, only a forecast of needs is shown. The 2005-2007 capital budget request recommended to the Board for approval totals $1,148,404,000 for the seven OUS campuses and University Centers. The capital construction program, covering the entire six-year period 2005-2011, totals over $2.7 billion.

At the Board’s request, staff were directed to revise the project priority recommendations based on three additional criteria:

1. Capital investments that support Operating Budget Priorities;
2. Projects that finish what we started; and
3. Maximize the use of leveraged dollars.

Currently, campus representatives are reviewing the revised recommendations. A summary will be sent in advance of the Board meeting to give each member an opportunity to fully review the docket information.

CAPITAL CONSTRUCTION BUDGET REQUEST, 2005-2011

Staff Report To The Board:
Each biennium, prior to the legislative session, the State Board of Higher Education submits a capital program summary to the Governor covering the ensuing three biennia. For 2005-2007, a formal capital budget request is presented; for the outlying period 2007-2011, a forecast of needs is identified.

The 2005-2007 capital budget recommended to the Board for approval totals $1,148,404,000 for the seven OUS campuses and University Centers. Approximately 21 percent of the request pertains to projects related to capital repair, code needs, and renovation. Fifty-four percent are related to Education and General projects that directly provide facilities for instruction, research, and service missions of the System. The remaining 25 percent is for projects carried out by Auxiliaries, including student facilities funded by the student building fee.

A supplement to the recommendation will be provided under separate cover and provides details of the requests by biennium, including information on the major issues, a summary of the outstanding and forecasted Article XI-F(1) bonds and Article XI-G bonds, funding for deferred maintenance, and an enumeration of proposed Certificates of Participation. Lists of exhibits and tables provide further detail.
Staff Recommendation to the Board:

Staff recommends that the Board authorize the Executive Vice Chancellor or designee to prepare and submit to the Department of Administrative Services a proposed 2005-2011 Capital Construction Program in accordance with this docket item and the supplemental materials included herein. Further, it is recommended that staff be authorized by the Board to apply for the necessary grants and seek the necessary bonding authority and Certificates of Participation authorizations to effect the projects and purchase the equipment and systems described in this docket item for the 2005-2007 biennium. In addition, staff recommends that the Executive Vice Chancellor or designee be authorized to make any technical adjustments required to the program during the ensuing period prior to the end of the 2005 Legislative session.

(Board action required.)
2005-2007 Operating Budget – Policy Package Request

Staff is recommending adoption of an additional policy package to request a phase-out of the current legislative limit on OUS fee remissions. The package requests an increase in the cap on programmatic fee remissions for 2005-2007 and then elimination of the cap in 2007-2009. It also proposes to eliminate the cap on graduate assistant fee remissions next biennium. The policy package does not require any additional funding.

A group of campus financial aid officers, budget officers, legislative liaisons, and OUS staff have been meeting to discuss fee remissions and potential changes to the current limits. The Department of Administrative Services has advised us that a request to change the fee remission limits must be in the form of a policy package.

This package is submitted to the Board as a placeholder pending campus review. Any necessary revisions will be presented to the Board at the August meeting.

Policy Package Request

Title: Adjusting Limits on Fee Remissions

Policy Initiative: Access and Affordability

Description:
OUS is requesting an adjustment to the limits on fee remissions that were imposed in the last Legislative Session. A 2003 Legislative Budget Note set the following expectations for the System:

“Fee Remissions
The legislatively adopted budget includes $112 million of fee remissions. This total includes $65 million of programmatic fee remissions and $47 million of graduate fee remissions. The Department will limit fee remission awards to these levels, and campuses will not enter into commitments for fee remissions in excess of these totals, unless total enrollment exceeds the enrollment projections the Department most recently reported to the Subcommittee, and the intent to award fee remissions in excess of these amounts is reported to the Emergency Board or Legislative Assembly before the excess fee remission awards are committed. The adopted budget supports programmatic fee remissions equal to 8 percent of gross tuition revenue. The Subcommittee expects the Department to limit programmatic fee remissions to no more 8 percent of gross tuition revenue.”

This package requests that the limits on programmatic fee remissions be phased out with the Systemwide limits set at 10 percent of gross tuition revenue for 2005-2007 and the cap eliminated in 2007-2009. We are requesting that the $47 million biennial limit on
graduate assistant fee remissions be eliminated in 2005-2007. These changes in the fee remission limits would be based on the following OUS actions:

- Board review of the fee remission programs for alignment with OUS policy objectives and accountability requirements; and
- Periodic reporting on fee remission programs and results to the Legislature.

**Programmatic Fee Remissions**

Fee remissions, or tuition discounts, are an enrollment and access tool commonly used by universities across the nation. Fee remission use differs by campus and is employed by OUS institutions to promote enrollment objectives, including:

Access – Campuses use fee remissions to support OUS initiatives to recruit students of diverse backgrounds, such as under-represented minorities, high achievers, and talented researchers. International students participate as part of reciprocal agreements that provide significant benefit to OUS students.

Affordability – Fee remissions serve as a form of supplemental financial support for low-income students. From 1999-00 through 2001-02, 70 percent of fee remission recipients also received some form of need-based financial aid. If students who participated in reciprocal exchange programs are excluded, then 91 percent of fee remission recipients were also eligible for need-based financial aid. In 2002-03, campuses used fee remissions to offset the impact of sudden tuition increases upon low-income students.

**Graduate Assistant Fee Remissions**

Graduate students hired as graduate teaching assistants, research assistants, or graduate fellows are exempt from payment of tuition up to the first 16 credits per term. These fee remissions are a part of the compensation packages for graduate students who are employed by the institutions and are more closely related to compensation and hiring policies than to tuition policy. The cap on graduate assistant fee remissions unnecessarily constrains an institution’s ability to manage their human resources effectively.

**Expected Outcomes:**

- Maintain access to the OUS for qualified Oregonians
- Increase diversity at OUS campuses

**Performance Indicators:**

- Access: Percentage of first-time freshmen enrolling from Oregon high schools the fall following graduation
- Access: Students of color enrolled as undergraduates at OUS institutions
**Budget Outline:**
This policy package requires no increase in General Funds or Other Funds Limited Revenue.

(Board action required.)