1. **CALL TO ORDER/ROLL CALL**
President Lussier called the Board Renewal Work Session of the State Board of Higher Education to order at 3:52 p.m.

On roll call, the following Board members answered present:
- Mr. Kerry Barnett
- Ms. Rachel Pilliod
- Mr. Roger Bassett
- Dr. Geri Richmond
- Ms. Bridget Burns
- Ms. Phyllis Wustenberg
- Ms. Leslie Lehmann
- Mr. Jim Lussier

Absent: Tom Imeson (business conflict), Don VanLuvanee (personal conflict), and Bill Williams.

**Chancellor’s Office staff present:** Chancellor Richard Jarvis, Tom Anderes, Shirley Clark, Grattan Kerans, David McDonald, Ben Rawlins, Alayne Switzer, Christine Tell, Diane Vines, and Susan Weeks.

**Others:** Dan Bernstine (PSU), Philip Conn (WOU), Martha Anne Dow (OIT), Dave Frohnmayer, (UO), Dixie Lund (EOU), Tim White (OSU), and Elisabeth Zinser (SOU).

Meeting attendees also included other institutional representatives, members of the Chancellor’s Office staff, and interested observers.

2. **ASSESSMENT/EVALUATION ITEMS**
   a. **The Chancellor’s Evaluation**

President Lussier welcomed the Board to Central Oregon and the OSU-Cascades campus. He introduced the topic of the Chancellor’s evaluation by stating he and Chancellor Jarvis had been working together to set in place a process whereby the Chancellor can assess his progress in meeting agreed-upon goals. President Lussier thanked the Chancellor for the admirable job he did in the past year, given the turbulent budget process, two presidential searches, and turnover in the Governor’s office and legislature. He also acknowledged the outstanding product delivered at the universities, adding that this is the result of the good work of the Chancellor, the seven presidents, and “all of the people that work for you on the various campuses.” Chancellor Jarvis has successfully developed relationships by holding town hall meetings throughout the state, building constructive relationships with the new Governor and legislative leadership, and the citizenry of Oregon. “His tremendous listening and communication skills, as well has his sense of humor, have come in handy on more than one occasion as he’s gone throughout the state.”
In the next year, some of the strategies will be to continue to work on developing relationships with the Governor and legislative leadership to build an effective team approach to the legislative process. This would include tapping into the expertise that obviously exists on various campuses to build a solid strategy with reference to legislative issues. One area noted during a discussion with President Lussier and the Presidents Council is that the Board has a responsibility to make clear its direction and Board policies (e.g., tuition policy), providing clarity to the presidents as to the level of flexibility and delegation of authority.

President Lussier concluded by thanking the Chancellor for his performance, and adding that the Board would begin negotiation and discussions for a multi-year contract.

b. Presidential Evaluations and Structure for the Future

Chancellor Jarvis provided an overview for discussion of the proposed restructuring of presidential evaluations. Currently, presidential evaluations are linked to the institution’s performance indicators, where the Chancellor and president would meet to evaluate and discuss that institution’s and president’s performance during the previous year. The Chancellor and presidents have been evaluating the process and have proposed the following changes for discussion, with a more formalized process that would be brought forward in the near future as an Internal Management Directive (IMD) or Oregon Administrative Rule (OAR) for Board approval.

The key change is to assess the purpose of the evaluation process. This change would move the process from a short-term annual tactical process, which uses the previous year’s fluctuating statistics, to a multi-year longer-term view where the Board builds a stronger relationship with the president in determining and evaluating strategy.

Currently, each president is appointed to a one-year contract after successful completion of the initial contract. This process fundamentally leads to a tactical year-by-year review, only focusing on the prior year. Moving to a multi-year contract, with three-year contracts being the national norm, would provide opportunities for two types of reviews: a contractual reappointment review by the Board, and non-contractual reviews delegated by the Board to the Chancellor. The Board review would be substantial and would allow the Board to connect with a variety of constituencies on- and off-campus, led by a Board committee and staffed by the Chancellor’s Office and/or independent consultants. The off-year non-contractual evaluations would therefore become more routinized. This fundamental contractual change would provide the presidents with more security and would engage the Board “in the strategic direction to which that contract would lead.” Chancellor Jarvis underscored a multi-year contract would also provide the presidents with the tool to set goals for their institutions over a two, three, or four year period.

A multi-year contract would enable the Board to address the difficult situation of presidential compensation. Because of the state’s economic difficulties, the current
annual contractual process only provides the allocation of cost-of-living increases and/or bonuses. In circumstances where presidential salaries have fallen behind peer institutions, these salaries cannot be addressed until a new president is hired. Moving to a multi-year contract provides the opportunity to negotiate a compensation package, not as a bonus or merit, but as an appropriate rate of compensation.

Total presidential compensation is a combination of state funded salary plus what is known as the “expenses incident to position.” This total compensation includes supplemental non-state funding provided by the university’s foundation. The Chancellor proposed moving to a process that is more publicly accountable for the compensation of public employees wherein the Board sets the target compensation for the presidential package, recognizing that state funding and non-state funding would be required. There is a national recognition that state funding will be capped, either formally or informally, and that there will be additional elements to presidential compensation that will come from non-state funds. Responding to a question from Director Richmond, Chancellor Jarvis added that a dialog with the particular university’s foundation would occur prior to the Board setting the level of compensation. Director Richmond emphasized that “it would be unfortunate if it looked as if the responsibility for presidential salaries is shifting from the state to private funds.” Noting that if there is less pressure on the state to shoulder the major portion of the compensation, the responsibility will regrettably shift to the private sector. Chancellor Jarvis added that with a multi-year contract, there would by necessity, be a contingency element. Counselor Rawlins affirmed that because the multi-year contract would span two biennia, the “contract would be contingent upon the continued funding by the state.”

Director Barnett expressed his preference that “we leave open the possibility of the president of the Board participating in the ‘off-year’ evaluation. The other comment is that...if that off-year evaluation showed some serious problems or issues, it presumably would be brought to the Board and could lead to either the Board taking intermediate action on recommendations brought forth by the Chancellor, or conducting a more comprehensive evaluation to determine whether formal action should be taken.” President Lussier agreed and added it is extremely beneficial to receive good communication from the presidents on the happenings of each campus on an annual basis, and the progress of the goals for that campus and presidency.

Chancellor Jarvis emphasized that the setting and status of institutional performance indicator targets be presented in a separate and explicit manner from the presidential personal performance evaluations. “Performance indicators would be part of an annual Board meeting as part of the setting of targets for the institution and not buried in the performance of an individual year,” he explained.

Director Lehmann stated that this would be an improvement both in terms of clarity for the president, the campus, and the Board, but would also make clear to the foundations what the Board’s role is in setting compensation, thereby making the contractual process a strategic tool as opposed to just checking through a routine list. She indicated
this would give the Board an opportunity to express those mission-oriented, leadership objectives for each presidency.

President Lussier noted that in setting compensation, other than seeking more funding from the state, which is problematic, achieving a higher rate of compensation will not be achieved without the use of foundation funds. “How do we engage the enthusiasm and participation of the foundation?” he mused. “It is awkward when, in recruiting for a new president, the in-coming individual is paid substantially more than the former president. This process must be changed.”

President Lussier asked for observations from the presidents:

In regard to the university foundations, President Zinser, SOU, stated that it would be incumbent on the presidents to speak with their foundations in the near future to advise them of this proposed change in the compensation process so that “the foundation leadership does not hear of it in such a way where they feel like it’s being imposed on them.” She emphasized that this is not the intent of the proposed policy. Chair Lussier agreed and added that the foundations may ask what their role will be in the search process, if they are to be responsible for providing funds toward the new president’s compensation. This is an issue that needs to be resolved during this process.

President Conn said that this new process would be a significant improvement over the hiring process he experienced when coming to WOU. When negotiating his contract, he was surprised to find out that he would be employed one year at a time; his previous employment at other state systems was for an initial three-year contract. With multi-year contractual agreements, the Oregon University System would become far more competitive, and would provide the means to set goals and strategies that would be meaningful.

President Frohnmayer, UO, advised that from what he has been hearing around the AAU circles (Associated American Universities), the market is very different than it was even five years ago. Recent executive compensation packages around the nation provide exhaustive provisions for income protection in the event of disability and sabbaticals upon the conclusion of a presidential term. Continuing, President Frohnmayer added that there are routinely provisions for spousal compensation for presidents, some of which can be very substantive. “The Board should be prepared for the eventuality of negotiations with a prospective president’s agent, who are used increasingly for the protection of not only the prospective candidate but also for the Board. The things that people worry about—fringe benefits, health protection, children’s tuition breaks, and all these kinds of things—are routine and at a level that simply would not have passed the front page test in Oregon newspapers in the past but are now part of the culture. These are relevant to the competitiveness of this System in the future in attracting top quality candidates,” he concluded.

Director Richmond stated that it is important to follow up on what President Frohnmayer said. There are areas that are impacted other than just monetary compensation and
whether or not there is state and non-state funding available. In her experience, she was more interested in laboratory space, start-up funds, etc., than what her level of salary was to be. Those issues need to be addressed, also.

President White, OSU, added that the contract policy needs to include flexibility, and that the contract should be built around the individual’s relationship to the community and familial needs.

Director Wustenberg asked how the Internal Revenue Service interprets compensation items such as free college education for children. Counselor Rawlins stated that he would need to research this and advise the Board at a later date.

In conclusion, Lussier stated that issues to be addressed are how to approach the foundations, level of involvement of those foundations in presidential searches, and broadening the scope to look at not only salary but compensation schemes and benefits.

c. Preliminary Examination of Board Self-Evaluation

President Lussier invited the Board to dialog on the results of the self-evaluation. He commented that he was interested to see the areas in which the responses indicated a difference of opinion on the part of the Board members. In response to Director Richmond’s question, Lussier informed the Board that the questions were compiled from a larger questionnaire published by the Association of Governing Board of Colleges and Universities (AGB). It was commented that several Board members would like to have another evaluation that is geared to Oregon rather than national.

Director Pilliod noted, in reference to question 28 on leadership (“If you have not already done so, would you be willing to serve as a committee chair or Board officer?”), the comment was “I would have loved the chance. However, students are not seen as equals.” Noting that all Board members serve because of an interest in higher education, she asked how the Board members would respond to that comment.

Director Barnett noted that student terms are two years, and therefore historically this may have prevented students from serving as a committee chair or officer. However, it is an issue that should be addressed as the new committee structure is set. Lussier added that, to his knowledge, there is nothing in the IMDs or Board policies that would restrict any official Board member from serving in any capacity.

Director Richmond said that her opinion has evolved over the years to be that, as a faculty member serving on the Board, although she does not represent the faculty to the Board, she cannot serve as a committee chair. She added that she has also questioned the appropriateness of serving on the Executive Committee when evaluating the Chancellor and President Frohnmayer, as they are essentially her bosses. Therefore, “I am very comfortable not having a faculty member serve as a head of a committee or on the Executive Committee.” She advised Director Pilliod, “I think there are just too many
conflicts of interest that go beyond financial that you just are much better to stay away from in that respect.” She added that she has always felt that the student opinions are valued.

Director Wustenberg stated that, “even if we do come in with an interest, we have the responsibility of representing the citizens of the whole state, and to see things in the whole picture. To say that the students represent only the student bodies of the universities is a misconception; the students provide valuable insight and comments and remind the Board of what its total responsibility is.”

Director Burns said that in reading the Board bylaws, she understands why there is the issue of conflict of interest on the part of the faculty Board member. However, she indicated that she doesn’t believe there is a conflict of interest that pertains to student Board members. The student Board members don’t represent just students and have been appointed to the Board by the Governor the same as all Board members. She questioned why students have not served on the Executive Committee or in Board leadership. In this time of transition, she anticipates that she and Director Pilliod will demonstrate their abilities and experience necessary to fill those roles. “This is a unique time to reevaluate the way students serve on the Board,” she indicated.

President Lussier added that “there are three positions on the Board that are designated and can only be filled by faculty or students, so in that respect you are a little different than we because we can’t fill a student position with a non-student on the Board—but that’s the only difference.” It was clarified that the faculty position can be filled with a non-faculty person.

Director Bassett said that one particular shortcoming in the Board’s organization or performance that needs attention is in the area of Board deliberations. He believes that in attempting to accomplish everything on a given agenda, the quality of discussions are cut short and the constituencies affected by the Board’s decisions are not adequately heard nor their issues addressed. Unless the Board can reconcile between the need to deliberate and the brevity of the meetings, the items under discussion will only be accommodated, not solved.

President Lussier agreed and pointed out that going through the self-evaluation and seeking the university presidents input can improve the deliberation—make it more specific and with an ultimate outcome that provides clarity and measurable outcomes to guide the direction in which the System will go.

Tim White noted that physical plant understanding seems to be low (pertaining to question 12 “Are you acquainted with the major aspects of physical plant needs at all institutions...”). Lussier agreed, but added that even though the Board members visit and tour each campus, he questions whether or not Board members need to be knowledgeable about each individual campus or is the Board only responsible for the general approach that affects all seven campuses. White emphasized that the physical
plant (facilities and campus master plans) is of strategic importance to the System, and that he sees having the Board not be knowledgeable as a “red flag.”

Director Lehmann said that question 6 (“Do you find any conflict between our responsibility for the welfare and advancement of the various institutions in your System and your responsibility to the citizens of your region, state, or nation?”) was interesting in that three responses indicated feelings of some internal conflict. Director Burns said that even in her position as a student and a Board member, she must overlook those interests and address issues as a Board member.

Director Wustenberg stated that, pertaining to question 30 and rating their participation as Board members, “if Board members don’t feel they are doing a good job, they were derelict in their duty.” She indicated that being a Board member has been a positive experience and that all Board members are trying hard to do their job. President Lussier agreed and said that the Executive Committee might together review the comments and suggestions and compile four or five areas that should be considered during the next year in order to improve Board performance.

Director Lehmnan said that she feels the Board is putting good emphasis on strategic planning, clarification, and strategic hydraulics, and have received positive public expression of that. But, there is more work to be done. She feels the need for more clarity between System decisions and campus-level decisions. What are the reasons behind the level of turnover and retention rate of campus administrators and faculty?

Director Richmond reiterated that she would like to see a questionnaire more directed towards specific issues confronting the Board (for example, autonomy). Director Lussier acknowledged her concerns and added that this was just an initial step. He recommended forming a committee that would draft a self-evaluation more tailored to this Board.

Director Barnett agreed and added that a “confidential self-assessment of the role each of us plays on the Board that could be followed up with a one-on-one conversation between the president and each individual to talk about leadership roles, process, and how Board meetings are run would be a helpful mechanism for getting feedback to the Board. I think that needs to be a more confidential interaction as opposed to ‘publishing the results.’” Director Lussier affirmed his comments and added that the ultimate goal of a self-evaluation is one that helps pinpoint areas for added value or correction. He concluded by asking the Board to email either him or Director Lehmann with their comments and suggestions, and priorities for the coming year.
3. **DISCUSSION ITEMS**  
a. Joint Boards and the K-16 Connection

**DOCKET ITEM:**  
*Executive Summary*

**How is K-12 student learning aligned with public university admission in Oregon?**

- Following directions set by the Board of Higher Education in 1993, proficiency standards for entry into the Oregon University System (OUS) have been developed and aligned with Oregon’s K-12 standards. Student proficiency levels have been benchmarked at grades 3, 5, 8, and 10 indicating students’ preparation in K-12 for postsecondary education.
- State assessments at the high school level in English, math, and science and commonly used national assessments have been aligned with proficiency standards for entry into OUS.
- Oregon is the first state to have accomplished this K-16 alignment and have it supported in policy by the Joint Boards of Education.

**How does alignment impact the preparation of students for success in college?**

- *The First Year Study* found that (1) students who met standards in high school were more likely to succeed in their first year of college than those who did not meet standards; (2) evidence of proficiency, including the 10th grade benchmark performance information, can serve as a planning tool for the last two years of high school; and (3) while there is no single perfect predictor of first-year college success, there is a positive relationship among the high school GPA, SAT I, and evidence of proficiency (performance on state high school assessments).
- In order to ensure the rigor of the high school coursework that students complete in the process of preparing for college, *The OUS Course Approval Process* was redesigned to require high schools to map course content to college entry standards.

**What legislative and policy changes affect alignment?**

- The federal No Child Left Behind (NCLB) legislation requires states to develop or adopt standards in reading/language arts, math, and science and assess these areas at the high school level by 2006-07. Assessments must involve multiple measures of learning, including higher-order thinking and understanding.
- New graduation requirements adopted by the State Board of Education in March 2002, require that all students have an education plan and profile that prepares them for postsecondary opportunities in college or work.
- In June 2003, the Oregon Legislative Assembly adopted HB 2744 that focuses the direction of school reform on requiring state-level assessments in English, math, and science, and specifying establishment of performance standards only (minus required assessments) in second languages, social sciences, and the arts. This
legislation streamlines Certificate of Initial Mastery (CIM) requirements and delays implementation of the Certificate of Advanced Mastery (CAM).

Where are we headed?

- Results of a decade of alignment of K-16 standards and assessments with OUS expectations of student preparation for admission, and outcomes of *The First Year Study* linking college success with high school performance, indicate that evidence of proficiency significantly enhances information traditionally provided in the admission process.
- When the Board of Higher Education directed development of the Proficiency-based Admission Standards System (PASS) in 1993, PASS was expected to become the primary admission policy when K-12 reform and OUS alignment made that feasible. Given the lengthy evolution of reform, changes in legislation and policy in the state and nation, and significant resource constraints in the K-12 schools and OUS, staff propose that the Board clarify its policy position, as follows:

  *Evidence of applicants’ proficiency will be required in fall 2006 to complement rather than replace current undergraduate admission requirements. For this policy to become effective, implementation of an integrated data transfer system between Oregon high schools and postsecondary institutions is necessary.*

- Based on recent progress by the K-12/community colleges/OUS partnership that is designing an integrated data transfer system, and a plan for piloting the prototype among high schools and postsecondary institutions in 2003-04, we can be reasonably confident that the gap between planning and implementation will close in the next three years. In the meantime, the Board of Higher Education will have reaffirmed the importance of proficiency attainment as preparation for college, Oregon high schools will receive the policy clarifications they seek from OUS, and OUS universities will have clear Board-established parameters within which to make refinements in their undergraduate admission strategies.

BOARD DISCUSSION:
President Lussier asked for clarification on the CIM and the CAM and their dependence on PASS. Dr. Clark advised that PASS is indirectly very dependent on the same sets of assessments as the CIM and the CAM. However, it’s not dependent on the student having actually been awarded the CIM. There is no relationship with the CAM because the CAM was put on a slower track for development and relates to assisting students to think through their longer-term career goals. In reality, we are moving in tandem with the CIM and the CAM, yet allowing for custom tailoring at the campus level, to include campus-based measures. For example, EOU has implemented the Eastern Portfolio; Oregon State wants to move forward with the requirement of the Insight Essay, which lends itself also to writing proficiency; and the University of Oregon also has a focus in the writing area.
In response to Director Lehmann’s query, Dr. Clark advised the PASS requirements would be supplemental to the standard university admissions requirements (i.e., SAT/ACT and high school GPA minimum requirements). Director Wustenberg observed that with regard to the SAT and GPA scores, that GPA scores can be markedly different between high schools, and grade inflation can be a factor. She asked if the SAT is a better predictor of college eligibility.

Dr. Tell replied that in the “First Year Study,” the relationship between the high school GPA and the first year performance is the highest at a .51 level, but the SAT-I equivalent to the state assessments with first year college performance is at a .38 and a .39 level, respectively. However, the information from proficiency is substantially different. For example, 34 percent of the students currently attending OUS universities did not pass the 10th grade benchmark assessment in math knowledge skills, yet they did achieve a GPA to allow them admission to OUS institutions, and their SAT scores were also comparable. It is different, yet complementary information that allows for more accurate academic advising once students are in the System.

Director Wustenberg expressed concern regarding the high school practice of inflating grades and allowing students to take pass/fail classes in order to maintain their high GPA scores. Dr. Tell responded that when the “First Year Study” results are shared with high schools across the state, the high schools provide feedback. This feedback has revealed concern about the disparity between the entering high school GPA and the subsequent first year performance at the universities. They learned where the student had met or not met standards and, for the first time, the feedback from the high schools affirmed that this information was extremely helpful in communicating with teachers, with departments, etc., particularly in math and science.

Director Pilliod asked if information was obtained relating to the availability of baccalaureate and the international baccalaureate, and Advanced Placement programs compared to the level of progress experienced by the student after completion of their first year at a university. Mr. McDonald advised that national data shows that students who engage in a more rigorous curriculum during high school (such as the AP or international baccalaureate) perform to a greater degree at every institution to which they enroll, whether it be liberal arts, regional institutions, comprehensive research universities, or private universities.

Director Pilliod further queried as to whether or not admissions boards at the universities take into account the level of classes taken by the incoming student. Mr. McDonald replied that, unfortunately, half of Oregon high schools do not offer AP classes, so the average student applying to an OUS university has not taken an AP course. Also, of those high schools that do offer AP classes, the majority only offer one AP class wherein fewer than 15 students typically enroll. Therefore, the typical in-state student entering an OUS university is void of an AP experience, and there are only 15 international baccalaureate programs offered in the state, again affecting a very limited number of students.
Due to time constraints, discussion items b. (Lessons Learned from the WOU and OSU Searches—Implications for Procedural Changes) and c. (Governance and the Intent of SB 271 and SB 437) were postponed until September 2003.

4. **ADJOURNMENT**
The Board meeting adjourned at 5:30 p.m.

Virginia L. Thompson  
Secretary of the Board

James T. Lussier  
President of the Board