MINUTES FOR THE
REGULAR MEETING OF THE
STATE BOARD OF HIGHER EDUCATION

April 19, 2002

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CALL TO ORDER

The meeting of the State Board of Higher Education was called to order at 10:49 a.m. by President VanLuvanee.

ROLL CALL

On roll call, the following Board members answered present:

Mr. Kerry Barnett
Mr. Roger Bassett
Mr. Tom Imeson
Ms. Leslie Lehmann
Mr. Jim Lussier
Dr. Geri Richmond
Ms. Erin Watari
Ms. Phyllis Wustenberg
Mr. Tim Young
Mr. Don VanLuvanee

Absent: Mr. Bill Williams (business conflict)

APPROVAL OF MINUTES

The Board dispensed with the reading of the February 15, 2002, Board meeting minutes. Mr. Imeson moved and Mr. Lussier seconded the motion to approve the minutes as submitted. The following voted in favor: Directors Barnett, Bassett, Imeson, Lehmann, Lussier, Richmond, Watari, Wustenberg, Young and VanLuvanee. Those voting no: none.

PRESIDENT’S REPORT

Telecommunications Service Credit

Mr. VanLuvanee described how OUS employees Tim Johnston, PSU; Dave Barta, UO; and Shay Dakan, OSU, successfully secured $450,000 in telecommunications service credit for OUS and OHSU and more than $6.5 million to be refunded to other Oregon government and private business customers. He thanked them for a job well done.

SOU Presidential Investiture

Mr. VanLuvanee complimented SOU for an exemplary investiture of President Elisabeth Zinser on April 6. He also stated that, during the program, President Zinser presented the two University President’s Medals to Regina Cox and to Chancellor Joe Cox. The award honors those who have demonstrated high qualities of humanity, scholarship
Future Board Meeting Date Changes

Mr. VanLuvanee announced that the December Board meeting dates for 2003 and 2004 have been moved to an earlier date in the month. The 2003 Board meetings will be held on December 12, 2003, and the 2004 Board meetings will be held on December 10, 2004. He asked that anyone having a conflict with those dates, to please let the Board office staff know as soon as possible.

Mr. VanLuvanee thanked OHSU Provost Lesley Hallick and OHSU President Peter Kohler for a wonderful dinner and presentation. He announced the appointment of the Nominating Committee; Phyllis Wustenberg, chair, Tom Imeson and Geri Richmond. He explained that the Committee will make recommendations for President and Vice President of the Board in June 2002, and has agreed to take a proactive role with the Governor’s office in the nomination of future Board members.

Chancellor Cox reminded the Board of its commitment to rewarding institutional performance and achievement with real resources. He pointed out that significant efforts have been made by the campuses and performance indicators have moved up across all seven institutions. He noted that, unfortunately, currently there is no funding available to reward these achievements. However, he recommended the Board acknowledge these accomplishments and, when resources again become available, restore rewards for performance to institutions which have excelled against the benchmarks that the Board has set for them.

With regard to the budget re-balance, OUS Director of Government Affairs Grattan Kerans noted that Measure 13 on the May 21 ballot will be a significant factor. He stated that the Economic Stimulus Package, which originally had a $148 million impact in budget, has been re-analyzed to $131 million and may further decline. He cautioned, however, that the final amount is still unknown.

Chancellor Cox stated that the Chronicle of Higher Education has published, together with the AAUP, the annual National Faculty Salary Study. He said that there have been some gains made by institutions...
husbanding their own resources, making real sacrifices and commitments, within this System as well as beyond the System. However, he cautioned the Board to guard against eroding the modest gains they have made. He lauded the individual efforts that campuses have made to prioritize faculty salaries, recognizing that faculty guide the quality of higher education.

REPORT FROM IFS PRESIDENT

IFS President Elaine Deutschman stated that the Faculty Senate met two weeks ago at SOU during President Zinser’s investiture. She said that both President Zinser and Provost Hopkins-Powell welcomed the Senate to their campus and encouraged the Senate to be bold and assertive in advocating the cause of a good System of higher education. She stated that President Zinser urged faculty to focus on the importance of the students and the quality of programs in higher education.

She expressed the need to solicit from the state not just what the System can get by with, but what the System needs in order to ensure success. She stated the importance of conveying a single message to the legislature regarding the goals of the entire System. She conveyed the message from Senator Hannon and Representative Bastes at a recent IFS meeting wherein they stated that K-12 funding should never have come out of the General Fund. They stated that, if a separate, stable funding source for K-12 were established, other agencies funded from general revenues would get the support they need. She expressed the need to provide incentives for the governor and legislature to remain engaged in substantive dialog on new tax policy.

Ms. Deutschman expressed concern regarding increased class sizes, increased use of adjuncts, the growing student-to-faculty ratio and the decreasing number of class offerings as a few of the disturbing outgrowths of the budget crises that affect the quality of programs. She suggested that these and related issues be addressed while focusing on quality as the guiding principle. Higher education is facing increased demands for services and is producing increased returns on students’ investments in higher salaries on graduation.

Ms. Deutschman reported that the IFS Senators and faculty members have expressed concern regarding the proposal to increase presidential salaries. She said that, while they agree that presidential salaries must be comparable to that of peers, many pointed out that faculty salaries should also be comparable to peers. She said the
Senate felt that offering higher salaries to presidents is symptomatic of changes in the institutions over the past decade. She suggested that institution presidents should come from the existing faculty at the institution. She felt that implementing presidential salary increases during a period of budget uncertainty is unseemly and sends the wrong message to Oregonians. On behalf of the IFS, Ms. Deutschman requested that the Board postpone considering increases until they see what the legislature does and see the caliber of candidates the WOU presidential search brings at the current salary offering.

Ms. Deutschman concluded that the IFS has expressed an interest in participating in the strategic planning exercises and invited the Board to accept faculty expertise on academic issues available to the Committee.

REPORT FROM OSA BOARD

Julie Suchaneck, communication instructor for the Oregon Student Association (OSA) spoke on behalf of OSA President Tamara Henderson who was unable to attend the meeting. Ms. Suchaneck explained that OSA is preparing for a third special session in June. She expressed concern that OUS and the Community College System endured another series of cuts specifically in programs critical to marginalized students such as the Student Child Care Block Grant, which served over 400 student families and was effectively eliminated; and the Oregon Opportunity Grant, Oregon’s only need-based financial aid program which faces significant reduction.

Ms. Suchaneck explained that OSA defines access as an opportunity for all Oregonians to receive a post-secondary education at any Oregon university or community college. In addition, quality is defined not only as employability and challenging academic programs, but also in terms of environment. A quality education will provide a diverse campus and learning environment that works to retain and recruit diverse faculty and provide a discrimination-free atmosphere based on, amongst other factors, race, ethnicity and sexual orientation. She stated that OSA has identified the Student Child Care Block Grant, the Oregon Opportunity Grant and a new campaign, Education Not Incarceration as priority issues for the upcoming legislative session. She stated that OSA is working to encourage students to register and vote. In addition, students will be holding youth debates and meetings throughout the coming months to gain commitments from candidates for an affordable and accessible quality post-secondary education in Oregon.
Chancellor Cox presented a recommendation package for presidential compensation. He stressed that the immediate issue concerns the two searches currently underway. He noted that, with respect to executive compensation, the System has lost ground over the years. He appreciated the concerns Ms. Deutschman expressed earlier, but stated that, over the last four biennia OUS has made some progress with respect to faculty salary through funds that were specifically set aside by the legislature for that purpose and through the efforts of individual campuses. However, in that same period of time, the System has not kept up with respect to executive compensation. Now in the midst of two national searches, the Board needs to commit to meeting the market if it hopes to attract the kind of talent that the two committees seek. He stated that he has been working with the search firms to ascertain a sense of what the current market is. Both firms have advised that OUS is not currently competitive. He strongly urged the Board to consider offering a more competitive salary to both of these positions.

He continued by urging the Board to continue its review of presidential performance and Chancellor performance on an annual basis and that performance weigh heavier than longevity in making determinations. He argued that the Board should continue to move away from the present salary schedule toward a compensation structure based solely on individual performance. What that means is there will be divergent compensation packages at institutions based on performance and record. He also suggested that the personnel committee, which is the Executive Committee of the Board, work with the new Chancellor to create minimum compensation. He noted that the Board will not be able to put together adequate compensation packages through the General Fund and suggested that the new Chancellor and the Board personnel committee work closely with each of the foundations on the respective campuses to that end. He cautioned, however, that there is no foundation available for the Chancellor’s salary, but with respect to the seven campuses, foundation funds would allow the Board, through creating bonuses, endowed chairs, and performance awards, to recognize specific contributions of individual presidents.

Chancellor Cox cautioned that there are some dangers in enhancing presidential compensations through other sources, but given the amount of General Fund support available, he recommended the Board accept the submitted proposal.
Mr. Imeson expressed his support for the recommendation. He felt that the Board needs to be in a position of dealing with presidential compensation but that they have not set the mark that needs to be set. He recognized that OUS can’t provide the necessary compensation discussed through state funding and felt that it would be appropriate to involve foundations and other similar entities in that discussion. He noted that more responsibility and pressure has been meted out to presidents. They have become more accountable for the success of their institutions both academically and with regard to achieving the funding goals, both inside state government and without.

Mr. Lussier agreed on the importance of providing a competitive level of presidential compensation. He argued that OUS is part of a national, and perhaps even an international economy when it comes to recruitment. He felt the current searches could provide an opportunity for the Board to look at presidential compensation systemwide.

Ms. Watari asked whether the foundations are in support of subsidizing presidential salaries. Chancellor Cox stated that he has negotiated with four of the foundations and they are supportive and recognize the president as essential to their foundations. Chancellor Cox noted, however, that not all foundations are in the position to provide much support, but they do have a desire to contribute and consider it their legal charge and responsibility to do so. He explained that the strategy is to pool funds together from multiple sources to achieve the ideal compensation. Traditionally, the General Fund has been used in conjunction with institutional resources. The addition of foundation support is being presented to complete the package, but not as a means to provide full or even primary support.

Ms. Watari expressed concern for presidents accepting money from direct sources arguing that it might constitute a conflict of interest. Chancellor Cox clarified that, as Chancellor, he is required by Board policy to report to the Board any compensation which he approves for an individual president. Ms. Watari asked whether the Board would have the ability to reject or to accept proposed sources. Chancellor Cox explained that the Board president has the ability to approve or disapprove forms of compensation for individual presidents.

Mr. Bassett moved and Ms. Lehmann seconded the motion to approve the presidential compensation recommendation as
submitted, noting that the Board remains committed to seek competitive compensation for all employees. The following voted in favor: Directors Bassett, Barnett, Imeson, Lehmann, Lussier, VanLuvanee, Watari, Wustenberg and Young. Those voting no: none. Director Richmond abstained.

**POLICY COVERING APPROVAL OF CHANCELLOR’S TRANSACTIONS**

Mr. Imeson explained that discussion of the Chancellor’s transactions was not the result of any problem, but was a preventive, cautionary measure to ensure that the Chancellor is not put in the position of approving payments or transactions that directly affect the Chancellor and transfers authority for such transactions to the Vice Chancellor for Finance and Administration.

**Staff Recommendation to the Budget and Finance Committee**

Staff recommended that the Board approve the policy creating a review and approval procedure covering the time reporting, travel expenses reimbursements, vacation payoffs, and procurement card purchases of the Chancellor.

**Budget and Finance Committee Recommendation to the Board**

Mr. Imeson reported that the Budget and Finance Committee approved the staff recommendation as submitted and recommended Board approval.

**Board Discussion and Action**

Mr. Imeson moved and Mr. Lussier seconded the motion to approve the recommendation as submitted. The following voted in favor: Directors Bassett, Barnett, Imeson, Lehmann, Lussier, Richmond, VanLuvanee, Watari, Wustenberg and Young. Those voting no: none.

**NEW STUDENT HOUSING AND RENOVATION PROJECT (OIT)**

Mr. Imeson explained that OIT has requested the Board’s authorization to seek approval from the State Emergency Board per Article 11F 1 Bond Expenditure Limitations to construct a new on-campus student housing facility and also to renovate the current residence hall to be completed by Fall of 2003.
Staff Recommendation to the Budget and Finance Committee

Staff recommended that the Board approve OIT’s request for the new student housing and renovation project and authorize the Vice Chancellor for Finance and Administration to seek authorization from the State Emergency Board for a new project expenditure limitation of $10.4 million for issuances of Article XI-F(1) bonds to finance the project.

Budget and Finance Committee Recommendation to the Board

Mr. Imeson reported that the Budget and Finance Committee approved the staff recommendation as submitted and recommended Board approval.

Board Discussion and Action

Mr. Imeson moved and Mr. Young seconded the motion to approve the recommendation as submitted. The following voted in favor: Directors Bassett, Barnett, Imeson, Lehmann, Lussier, Richmond, VanLuvanee, Watari, Wustenberg and Young. Those voting no: none.

UNIVERSITY CENTER RENOVATION (PSU)

Mr. Imeson noted that the University Center renovation at PSU had been previously approved by the Board and was approved in the 2001 legislative session. This proposal reduces of the cost for the project, which was determined not to be feasible to complete as originally envisioned.

Staff Recommendation to the Budget and Finance Committee

Staff recommended that the Board approve PSU’s request to seek Legislative Emergency Board authorization to revise the project limitation from $9.5 million to $9 million of Article XI-F(1) Bond expenditure limitation, and change the scope of the project to allow for the renovation of space in the University Center building for the Student Health and Counseling Center in lieu of constructing an additional floor onto the Smith Memorial Student Center.
Budget and Finance Committee Recommendation to the Board

Mr. Imeson reported that the Budget and Finance Committee approved the staff recommendation as submitted and recommended Board approval.

Board Discussion and Action

Mr. Imeson moved and Mr. Young seconded the motion to approve the recommendation as submitted. The following voted in favor: Directors Bassett, Barnett, Imeson, Lehmann, Lussier, Richmond, VanLuvianee, Watari, Wustenberg and Young. Those voting no: none.

REVISED TO APPROVED COP PROJECT: ADMINISTRATIVE SYSTEMS UPGRADE (OSU)

Mr. Imeson explained that OSU has requested Board approval to use Certificates of Participation (COP) funds from the upgrade of the SCT Banner administrative system software, which was approved by the Board and the legislature in 2001-2003 biennial budget to an upgrade of the administrative system’s hardware and the SCT Banner productions systems, the data warehouse and testing systems, and for the acquisition of a job scheduling product to automate submission of data or production jobs.

Staff Recommendation to the Budget and Finance Committee

Staff recommended that the Board approve OSU’s request to revise the scope of the proposed upgrade of the Administrative Systems at OSU, to be financed by Certificates of Participation (COP) in the amount of $1,000,000, using existing COP expenditure limitation. If approved by the Board, this project is scheduled as part of a May 2002 COP financing sale.

Budget and Finance Committee Recommendation to the Board

Mr. Imeson reported that the Budget and Finance Committee approved the staff recommendation as submitted and recommended Board approval.

Board Discussion and Action

Mr. Imeson moved and Mr. Young seconded the motion to approve the recommendation as submitted. The following voted in favor: Directors Bassett, Barnett, Imeson, Lehmann, Lussier, Richmond,
Mr. Imeson explained that OSU and OUS have worked to provide a revised deficit reduction plan, which would eliminate the deficit by June 30, 2009. Ms. Wustenberg asked if there had ever been any interest paid on the deficit. Dr. Anderes explained that the interest is paid annually through the operating funds.

**Staff Recommendation to the Budget and Finance Committee**

Staff recommended acceptance and adoption of the OSU plan with the following conditions and caveats:

1. Continued oversight by the Chancellor and the Vice Chancellor for Finance and Administration, including interim reviews as deemed appropriate, who must seek Board approval of any deviation from the approved plan.

2. Annual review by the Board to verify deficit measurement and comparison to OSU’s committed target at each fiscal year end.

**Budget and Finance Committee Recommendation to the Board**

Mr. Imeson reported that the Committee approved the staff recommendation with the additional requirement that the Vice Chancellor for Finance and Administration, on behalf of the Chancellor, will provide at each Board meeting an update on progress toward this goal and recommended Board approval.

**Board Discussion and Action**

Mr. Imeson moved and Mr. Lussier seconded the motion to approve the recommendation as submitted with the additional requirement that the Vice Chancellor for Finance and Administration, on behalf of the Chancellor, will provide at each Board meeting an update on progress toward this goal. The following voted in favor: Directors Bassett, Barnett, Imeson, Lehmann, Lussier, Richmond, VanLuvanee, Watari, Wustenberg and Young. Those voting no: none.

Mr. Imeson explained that the Budget and Finance Committee received a report on the fiscal status of budgeted operating funds and everything seems to be in order with respect this year.
Ms. Lehmann explained that the Board has already approved the temporary rule for vacation and sick leave for academic personnel who transferred to OIT from OHSU and this recommendation is to make permanent the rule that was previously adopted.

Staff Recommendation to the System Strategic Planning Committee

Staff recommended the Board amend OAR 580-021-0030, Vacation and OAR 580-021-0040 Sick Leave Plan for Academic Personnel, as permanent rules.

System Strategic Planning Committee Recommendation to the Board

Ms. Lehmann reported that the System Strategic Planning Committee approved the staff recommendation as submitted and recommended Board approval.

Board Discussion and Action

Ms. Lehmann moved and Ms. Wustenberg seconded the motion to approve the recommendation as submitted. On a roll call vote, the following voted in favor: Directors Bassett, Barnett, Imeson, Lehmann, Lussier, Richmond, VanLuvanee, Watari, Wustenberg and Young. Those voting no: none.

Ms. Lehmann explained that the System Strategic Planning Committee discussed recommendations from the Internal Audit Quality Assurance Review that the Board establish an Audit Committee of the Board as a separate committee and that the Internal Audit director report directly to the Chancellor. While the Committee agreed with the need to establish a focal point on the Board for accountability regarding audit concerns, it decided to initially assign that responsibility to the Executive Committee and allow the Executive Committee to determine how much time is involved in that function. If they determine there is a need for a separate committee, the Executive Committee would then make that recommendation and would determine the appropriate reporting relationship. At least once a year the Executive Committee would review an audit report.

Staff Recommendations to the System Strategic Planning Committee:

(1) Staff recommended the Board establish a Board Audit Committee; and
(2) Staff recommended that the Internal Audit director report directly to the Chancellor.

System Strategic Planning Committee Recommendation to the Board

Ms. Lehmann reported that the System Strategic Planning Committee recommended the Executive Committee accept initial responsibility of the audit function to determine how much time is involved and, if it is determined there is need for a separate committee, the Executive Committee would then make that recommendation and would determine the appropriate reporting relationship. The Committee also recommended that the Executive Committee be presented for review an audit report at least once each year and recommended Board approval.

Board Discussion and Action

Ms. Lehmann moved and Mr. Young seconded the motion to approve the recommendation as presented by the System Strategic Planning Committee. The following voted in favor: Directors Bassett, Barnett, Imeson, Lehmann, Lussier, Richmond, VanLuvanee, Watari, Wustenberg and Young. Those voting no: none.

NEXT STEPS IN THE STRATEGIC PLANNING PROCESS

Ms. Lehmann noted that this item is actually a report and not an action item as stated on the agenda. She reported on the Strategic Planning Work Session discussion regarding System goals and the funding structure effect on priorities of access and quality. She noted there were suggestions for possible changes to enable a more sustainable plan for the future and to more effectively empower the individual institutions. She stated that the Board members expressed interest in moving forward with this discussion deliberately but quickly given the imminent budget and tuition decisions facing the Board. The Committee agreed to summarize key points that would enable Board members and campuses to identify priorities, including appropriate decision points, that would enhance success, noting that the Board will work with the facilitator in organizing those ideas into a written document. She also requested assistance from Vice Chancellor Anderes in organizing the questions into a budget format which can be further discussed with the presidents.
Staff Recommendation to the System Strategic Planning Committee

Staff recommended that the Board authorize Eastern Oregon University to establish a program leading to the B.A./B.S. in Biochemistry. The program would be effective fall term 2002, and the OUS Office of Academic Affairs would conduct a follow-up review in the 2007-08 academic year.

System Strategic Planning Committee Recommendation to the Board

Ms. Lehmann reported that the System Strategic Planning Committee approved the staff recommendation as submitted and recommended Board approval.

Board Discussion and Action

Ms. Lehmann moved and Mr. Young seconded the motion to approve the recommendation as presented by the System Strategic Planning Committee. The following voted in favor: Directors Bassett, Barnett, Imeson, Lehmann, Lussier, Richmond, VanLuvanee, Watari, Wustenberg and Young. Those voting no: none.

Staff Recommendation to the System Strategic Planning Committee

Staff recommended that the Board authorize Portland State University to establish a program leading to the graduate certificate in Addictions Counseling, effective spring term 2002. The OUS Office of Academic Affairs would conduct a follow-up review in the 2007-08 academic year.

System Strategic Planning Committee Recommendation to the Board

Ms. Lehmann reported that the System Strategic Planning Committee approved the staff recommendation as submitted and recommended Board approval.

Board Discussion and Action

Ms. Lehmann moved and Mr. Young seconded the motion to approve the recommendation as presented by the System Strategic Planning Committee. The following voted in favor: Directors Bassett, Barnett, Imeson, Lehmann, Lussier, Richmond, VanLuvanee, Watari, Wustenberg and Young. Those voting no: none.
Staff Recommendation to the System Strategic Planning Committee

Staff recommended that the Board authorize Portland State University to establish a program leading to the graduate certificate in Marriage and Family Counseling, effective spring term 2002. The OUS Office of Academic Affairs would conduct a follow-up review in the 2007-08 academic year.

System Strategic Planning Committee Recommendation to the Board

Ms. Lehmann reported that the System Strategic Planning Committee approved the staff recommendation as submitted and recommended Board approval.

Board Discussion and Action

Ms. Lehmann moved and Mr. Young seconded the motion to approve the recommendation as presented by the System Strategic Planning Committee. The following voted in favor: Directors Bassett, Barnett, Imeson, Lehmann, Lussier, Richmond, VanLuvanee, Watari, Wustenberg and Young. Those voting no: none.

Staff Recommendation to the System Strategic Planning Committee

Staff recommended that the Board authorize Portland State University to establish a program leading to the graduate certificate in Real Estate Development, effective spring term 2002. The OUS Office of Academic Affairs would conduct a follow-up review in the 2007-08 academic year.

System Strategic Planning Committee Recommendation to the Board

Ms. Lehmann reported that the System Strategic Planning Committee approved the staff recommendation as submitted and recommended Board approval.

Board Discussion and Action

Ms. Lehmann moved and Mr. Young seconded the motion to approve the recommendation as presented by the System Strategic Planning Committee. The following voted in favor: Directors Bassett, Barnett, Imeson, Lehmann, Lussier, Richmond, VanLuvanee, Watari, Wustenberg and Young. Those voting no: none.
Staff Recommendation to the System Strategic Planning Committee

Staff recommended that the Board approve the appointment of Russ McKinley to the Forest Research Laboratory Advisory Committee, OSU.

System Strategic Planning Committee Recommendation to the Board

Ms. Lehmann reported that the System Strategic Planning Committee approved the staff recommendation as submitted and recommended Board approval.

Board Discussion and Action

Ms. Lehmann moved and Mr. Young seconded the motion to approve the recommendation as presented by the System Strategic Planning Committee. The following voted in favor: Directors Bassett, Barnett, Imeson, Lehmann, Lussier, Richmond, VanLuvanee, Watari, Wustenberg and Young. Those voting no: none.

Staff Recommendation to the System Strategic Planning Committee

Staff recommended that the 2003-04 academic year Portland State University's undergraduate admission policy GPA requirement of 2.50 be approved.

System Strategic Planning Committee Recommendation to the Board

Ms. Lehmann reported that the System Strategic Planning Committee approved the staff recommendation as submitted and recommended Board approval.

Board Discussion and Action

Ms. Lehmann moved and Mr. Young seconded the motion to approve the recommendation as presented by the System Strategic Planning Committee. The following voted in favor: Directors Bassett, Barnett, Imeson, Lehmann, Lussier, Richmond, VanLuvanee, Watari, Wustenberg and Young. Those voting no: none.

Ms. Lehmann reported that the System Strategic Planning Committee received an interesting and positive report on progress made regarding diversity issues. She noted that, due to lack of time, the
Committee requested staff to return for further discussion at a future Board meeting.

**JOINT BOARDS WORKING GROUP**

Mr. Lussier noted that the JBWG hasn’t met since January but will be meeting May 17. Some issues facing the JBWG are the nurse shortage issue, linkages with P-14, and issues related to HB 2015.

**OHSU**

OHSU Provost Lesley Hallick stated that OHSU sustained a 10 percent cut last July, is facing an additional 7.4 percent cut and is currently facing the consequences of those cuts.

**OREGON COLLEGE SAVINGS PLAN**

Ms. Lehmann stated that the Oregon College Savings Plan currently has assets just under $50 million and recently has expanded to include U.S. Bancorp as an accounts manager, providing greater accessibility. Referring to a flyer that was provided, Ms. Wustenberg asked about the reference to a 15 percent charge. PSU Vice President for Finance and Administration George Perneiter explained that the 15 percent referred to is the reduction of fee for the prior year’s fee level. Ms. Lehmann noted that the maximum amount that can be placed into an account has been increased.

**OREGON COUNCIL ON KNOWLEDGE AND ECONOMIC DEVELOPMENT**

Mr. Imeson reported that the Oregon Council on Knowledge and Economic Development has had two meetings since the February Board meeting in Eugene. He explained there are three committees of the Council; one dealing with workforce, which he co-chairs with Jill Kirk, Board of Education Chair; a committee on capital formation; and a committee dealing with technology transfer. He explained that presently most of the work is at the committee level but OCKED will be developing recommendations aimed at the next legislative session with a report which the Council hopes to produce by the beginning of November.

**PUBLIC INPUT SESSION**

No one signed up to speak for the public input session.

**ITEMS FROM BOARD MEMBERS**

Several Board members thanked Provost Hallick and OHSU for hosting the Board meetings and Board dinner, remarking on how warm and inviting the dinner was and complimenting the interesting presentation. Board members also welcomed President VanLuvanee back and congratulated UO on its sports program successes.

**ITEMS FROM PRESIDENTS**

Several presidents warmly thanked Provost Hallick and OHSU for hosting the meetings and dinner. SOU Provost Sarah Hopkins-Powell
conveyed President Zinser’s expression of gratitude for the support of the Board, campuses and others who attended the recent investiture. She also congratulated Chancellor and Regina Cox on receiving the awards.

DELEGATION OF AUTHORITY TO BOARD’S EXECUTIVE COMMITTEE

Board Secretary Vines read the statement pertaining to delegation of authority to the Board’s Executive Committee:

“Pursuant to Article II, Section 5 of the Bylaws of the Board of Higher Education, the Board delegates to the Executive Committee authority to take final action as here designated or deemed by the Committee to be necessary, subsequent to the adjournment of this meeting and prior to the Board's next meeting, which is scheduled for June 21, 2002. The Executive Committee shall act for the Board in minor matters, and in any matter where a timely response is required prior to the next Board meeting.”

Board members agreed to the delegation of authority as stated.

ADJOURNMENT

Mr. Lussier motioned and Ms. Lehmann seconded the motion to adjourn. The following voted in favor: Directors Barnett, Bassett, Imeson, Lehmann, Lussier, Richmond, Watari, Wustenberg, Young and VanLuvanee. Those voting no: none.

The Board meeting adjourned at 12:10 p.m.

Diane Vines
Secretary of the Board

Don VanLuvanee
President of the Board