1. **CALL TO ORDER/ROLL CALL**

President Lussier called the meeting of the State Board of Higher Education to order at 7:37 a.m.

On roll call, the following Board members answered present:

- Mr. Kerry Barnett
- Mr. Don VanLuvanee
- Mr. Roger Bassett
- Ms. Erin Watari
- Ms. Leslie Lehmann (arrived at 7:43 a.m.)
- Ms. Phyllis Wustenberg
- Dr. Geri Richmond
- Mr. Tim Young
- Mr. Jim Lussier

Absent: Tom Imeson (business conflict) and Bill Williams (business conflict).

**Chancellor’s Office staff present:** Chancellor Richard Jarvis, Tom Anderes, Shirley Clark, Grattan Kerans, Ben Rawlins, Virginia Thompson, Diane Vines, and Susan Weeks.

**Others:** Dan Bernstine (PSU), Philip Conn (WOU), Bill Danley (IFS), Martha Anne Dow (OIT), Lesley Hallick (OHSU), Dixie Lund (EOU), Maddy Melton (OSA), John Moseley (UO), 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. **APPROVAL OF MINUTES**

- April 18, 2003, Board Meeting Minutes

The Board dispensed with the reading of the April 18, 2003, regular Board meeting minutes. Director Wustenberg moved and Director VanLuvanee seconded the motion to approve the minutes as submitted. The following voted in favor: Directors Barnett, Bassett, Lehmann, Richmond, VanLuvanee, Watari, Wustenberg, Young, and Lussier. Those voting no: none.

3. **BOARD PRESIDENT’S REPORT**

President Lussier welcomed the Board to the North Willamette Research and Extension Center and invited people to remain following the meeting to tour the facilities. He indicated that the evening before there had been a celebration of the service of President and Mrs. Phil Creighton. He observed that watching Salem and waiting for the
revenue forecast to be released seem to be high on everyone’s list of priorities. “Obviously, things aren’t getting better very fast. In fact, they are going in the other direction. We’ll keep monitoring these things and support the staff as we and they work through the various projections and budget shortfalls and the impact on the System,” he concluded.

4. **Chancellor’s Report**

Chancellor Jarvis thanked the presidents, members of the Oregon Student Association, and staff who have been working long and hard in Salem. “I think that we are getting the message out,” the Chancellor observed.

He reported on how gratifying it had been to attend the graduation ceremony of the Portland Teachers Program. “This is just a truly extraordinary program that links (the) community and PCC (Portland Community College) and Portland State University in the recruitment of teachers,” he explained.

**Presidents’ Reports**

Portland State University President Dan Bernstine reported that faculty member Jun Jiao, an expert in nanoscience, testified before the U.S. Senate Committee on Commerce, Science, and Transportation at the invitation of Senator Ron Wyden. Next week PSU will receive a *Top Ten Gross Award* from the Portland Business Alliance.

President Tim White reported that Ms. Myrlie Evers-Williams, the wife of the slain civil rights leader Medgar Evers, was on the Oregon State University campus to participate in an agreement between OSU-Cascades Campus and the Medgar Evers Institute. The purposes are to create a cooperative venture to support scholarship; to develop the scholars and issues of social justice and racial equality; and to provide for a student internship experience. OSU signed a $5 million, five-year cooperative relationship with the National Oceanic and Atmospheric Administration (NOAA) related to remote satellite sensing for the climate. “This is the first time that NOAA has done a competitive award and for our faculty to be the recipients of it underscores the strength and the pride that we have in that program.”

President Zinser indicated that the students in the Master’s of Teaching program at Southern Oregon University were conducting a conference on the possibilities in education. Student body president Danielle McNeill was elected vice president of the Pacific Division of the U.S. Student Association; Professor Roger Christiansen was elected to the American Association for the Advancement of Science (AAAS) as the executive director for the Pacific region; and interim Provost Charles Lane has just been elected to membership in the Science, Engineering, and Education Council of the University Space Research Association.

President Philip Conn observed that the end of the school year is a good time for festivals, concerts, and theatrical productions and there have been a lot of them on the
Western Oregon University campus, including Latino Awareness Week and an annual dance concert consisting of three nights of programs. In sports, WOU has won three conference championships: the baseball team won the conference championship and is playing in advanced games; and both the men’s and women’s NCAA teams have won the track competition for the West Coast and have sent ten finalists to the national championships.

At Oregon Institute of Technology, President Dow reported that the track team won the Cascade NAIA conference championship and track coach Ken Coffman was chosen the Coach of the Year. OIT is celebrating the 50th anniversary of Radiologic Science at the institution. There will be national speakers from the health industry, tours of the museum of equipment that dates back 50 years, and other interesting events. Faculty member Rees Stuteville has just authored a textbook on magnetic imaging.

President Dixie Lund pointed out some very positive discussions occurring on the Eastern Oregon University campus at an all-day session called, “The Courage to Question.” She indicated that there appears to be a coming together on some very critical issues on the campus. Also, EOU will hold the fourth annual symposium that features student accomplishments; a type of competitive award for poster sessions where they conduct panel discussions and seminars. Dr. Mike Cannon has been named interim Dean of Distance Education. He has been directing the collaborative project through EOU, Blue Mountain Community College, and Treasure Valley Community College.

Provost Leslie Hallick said she was struck by the parallels in the conversations that the Board is having on access and those of Oregon Health and Science University’s Board. A large number of program closures have been announced and staff notifications will be distributed soon. “On the plus side, this has created an almost unprecedented set of discussions that the president has stimulated among the health systems in the Portland metropolitan area,” she continued. Research programs continue to grow and, at the end of April, were up 25 percent over the last year.

Provost John Moseley reported that James Ivory, director of Merchant Ivory Films, donated all of the papers from all of his films to the University of Oregon library. Mr. Ivory also met with students who have an interest in film. The annual Pioneer Awards dinner was held in Portland and this year’s Pioneer Award went to NBC Today Show news anchor Ann Curry, a graduate of the UO Journalism School and an Oregonian from Klamath Falls. President Frohnmayer, Vice President Davis, and Provost Moseley went around to classes and surprised several professors with the annual teaching awards.

5. REPORTS

IFS President

Interinstitutional Faculty Senate President Bill Danley began his IFS report by referring to trends. He observed that the trend with regard to faculty salaries has been “terrible.
The trend is that my friends on OUS campuses are starting to leave, and students are starting to notice the higher tuition, program reductions, and the lack of faculty members. Morale among the faculty is at an all-time low and the situation is deteriorating even as we speak here today."

On the positive side, Professor Danley indicated that, by supporting education in general and higher education in particular, Oregon can get back on its feet economically. He advocated for “a stable, broad-based, permanent tax structure that will fairly and predictably react to our changing needs without the constant crisis in revenue forecasts and impossible-to-balance budgets.” (The full text of the IFS report is on file in the Board’s office.)

OSA President

Maddy Melton, newly elected student body president at the University of Oregon and interim chair of the Oregon Student Association, addressed the Board on the Governor’s and Co-Chairs’ proposed budgets and the Board’s Statement on Commitment to Quality.

First, Ms. Melton reported a recent victory in the Co-Chair’s 2003-2005 budget. The Oregon Opportunity Grant was a priority in this budget; in the Governor’s budget, $2.8 million was added. These figures demonstrate a real victory for eligible students. A second program, the Student Childcare Block Grant, had not been funded in the fifth special session. OSA wants to be sure that the program is re-established so that when funding does come, they will be able to allocate to an established project.

On the Statement on Commitment to Quality, Ms. Melton reiterated remarks made previously by OSA representatives. “If the Board is going to draw a line on quality, we’d like a similar line drawn on access. It’s just as important to tell the public that our universities will remain quality institutions as it is equally important to tell the public that students that make the grades in high school will be able to attend a public institution in the state of Oregon, regardless of their economic status,” Ms. Melton underscored. (The text of the OSA report is available in the Board’s office.)

6. SYSTEM STRATEGIC PLANNING COMMITTEE
ACTION ITEM
a. Board Statement on Commitment to Quality

DOCKET ITEM
Joint Boards of Education Commitment to Quality

The link between enrollment and funding has a direct relationship to the quality of instruction offered by the public two-year and four-year colleges and universities in Oregon. In the absence of a state commitment to sustain quality in our postsecondary education systems, further declines in state funding will occur without regard to the quality of instruction offered.
By the 2003-04 fiscal year, both the State Board of Education and the State Board of Higher Education will implement policies setting maximum capacity levels of funded enrollment, based on and indexed to the level of state funding per full-time equivalent (FTE) student that existed for community colleges in 2001-02 and for OUS institutions for 2002-03.

The Joint Boards of Education are committed to the quality of the post-secondary educational experience and intend to demonstrate, through this funded enrollment level policy, that a “sustainable enrollment level” can be identified and must be tied directly to the funding allocated to public postsecondary education in any given fiscal period.

OUS Statement
In furtherance of its responsibility for Systemwide tuition policy in the Oregon University System, the State Board of Higher Education will assure that if a campus determines that it can enroll additional students beyond the limits of this enrollment-to-funding relationship—supported only by the tuition/fees of the enrollments—the institutions will take the necessary measures to assure that the quality of the student experience and the level of campus performance are maintained.

COMMITTEE DISCUSSION AND ACTION:
Chair Bassett indicated that the Board Statement on Commitment to Quality is a significant statement, both to the Board of Higher Education and to the Board of Education, which is expected to take action on the item as well. The Committee voted to recommend approval of the statement by the full Board.

When both Boards adopt the statement, it will become the major focus of a meeting of the Joint Boards with the Governor. It will also become a part of the OUS discussions with legislative leaders as work continues toward final budget recommendations. “We’re looking here for more than just numbers—we’re looking for an understanding that relates quality and budget and enrollments with the Governor and those legislative leaders as the session wraps up.”

Continuing, Director Bassett indicated that when the quality statement is adopted, it will “anchor our immediate future decisions on 2003-2005 funding allocations to this commitment on quality. We were reminded yesterday and again this morning, I think very effectively, that we need to find similar anchors for access and affordability and that until we have a balance both logically and in fact among those elements, then we really aren’t yet at the point where we have either stable or a sustainable interrelationship among these three very important variables in the equation.”

The Committee voted to approve the Statement on Quality and forward it to the Board for final approval.
BOARD DISCUSSION AND ACTION:
Directors Wustenberg, Lussier, and Barnett stressed the importance of the Statement on Quality to make clear that there is an interrelationship between the various factors—quality, access, and affordability—and “we’re illuminating quality because it seems to be one of these areas needing some education. We’re not doing anything here to emphasize quality at the expense of access or affordability, but rather we are creating a balance and...a way of thinking about this,” Director Barnett explained. “The issues present themselves differently. The metrics are different,” he concluded.

President Lussier added that the “Board has a stewardship function of not only making higher education accessible, but then delivering on the promise that brought the students to the campuses—which is the quality component.”

Director Bassett moved and Director Lehmann seconded the motion to approve the SSP Committee recommendation that the Board adopt the Statement on Commitment to Quality.


CONSENT ITEM
a. Authorization to Award an Honorary Degree, SOU

DOCKET ITEM:

Summary
Board of Higher Education policy permits institutions, with the concurrence of their faculty, to award honorary degrees. Each institution proposing the award of honorary degrees has received the Chancellor’s approval of criteria and procedures for selection that ensure the award honors distinguished achievement and outstanding contributions to the institution, state, or society.

Southern Oregon University
Southern Oregon University requested authorization to award an honorary doctorate to Ben Tyran at its June 2003 Commencement ceremony.

Ben Tyran’s highly distinguished business career spans over 50 years. His educational preparation began at Ryder College where he earned a Bachelor’s in Business Education in 1944. He taught high school for a year before signing on with the Arabian American Oil Company to work in Saudi Arabia, New York, and San Francisco as an accountant, economic analyst, and marketing account executive. He returned to school, completing a Master’s in Business Administration at New York University in 1950, and soon thereafter pursued doctoral program coursework at American University.

After serving as a shipping industry analyst with the Labor Management Maritime Committee in Washington, D.C., Tyran moved to San Francisco where he served as general sales manager for the American Independent Oil Company. He moved on to
found the International Petroleum Supply Company, serving as president and chief executive officer. In 1962, Tyran joined Natomas, Inc., where he served as director and vice president in charge of developing oil activities. As his career continued to evolve, Tyran was increasingly sought out to assume positions of oil industry leadership. For example, he founded the Isle of Man Petroleum Ltd.; served as managing director of the West Indies Oil Company; and director of the Independent Indonesian American Petroleum Company. Finally, culminating a long career of executive entrepreneurship, Tyran became president and director of Natomas Canada, and director of Independent Petroleum Supply (Eastern, Tokyo, and Riyadh). For the decade that followed his retirement until the mid-1980s, Tyran actively consulted with Natomas and other companies and agencies on all aspects of the international oil industry.

Tyran’s retirement has been characterized by dedicated service to Oregon, where he has long resided. At the state level, Tyran served as president of the Council for Economic Development in Oregon and accompanied more than one Governor’s trade missions to the Middle East and Japan. Locally, for many years he led the Economic Development Commission of Ashland, and later joined the board of Rogue Valley Manor.

SOU has enjoyed a long-time relationship with Tyran. He was a member and then president of the foundation board from 1979-1983. Two endowments given to the School of Business for lectureships and scholarships, attest to his personal generosity. Tyran’s legacy also includes his visionary advocacy for SOU’s full development as a distinctive university.

Staff Recommendation to the System Strategic Planning Committee
Staff recommended the Board authorize SOU to award an honorary doctorate to Ben Tyran at its June 2003 Commencement ceremony.

COMMITTEE DISCUSSION AND ACTION:
The SSP Committee received additional information from Vice President Ron Bolstad. The Committee voted unanimously to approve the staff recommendation and forward it to the Board for similar action.

BOARD DISCUSSION AND ACTION:
President Zinser made a few additional comments on behalf of the request and indicated that Mr. Tyran had “made wonderful contributions to the state and to our university and has quite a distinguished business career that is very inspiring to students in all fields.”

Mr. Bassett moved and Mr. VanLuvanee seconded the motion to approve the Committee recommendation to permit SOU to award an honorary degree to Mr. Tyran at the June commencement exercises. Those voting in favor of the motion: Directors Barnett, Bassett, Lehmann, Richmond, VanLuvanee, Watari, Wustenberg, Young, and Lussier. Those voting no: none.
7. **BUDGET AND FINANCE COMMITTEE**

President Lussier, reporting for Committee Chair VanLuvanee, summarized the discussions held at the Budget and Finance Committee meeting. The topics under discussion were: comparison between the Co-Chairs’ budget and the Governor’s budget, and topics around Oregon State University Extension Service. The Committee asked for periodic reports back to the Chancellor on those issues. Finally, the Committee talked about the connection between state funding, tuition levels, and enrollment levels. “Vice Chancellor Anderes gave a good analysis from a statistical or financial perspective on how those elements interrelate. He will move towards some modeling of the various factors, which I think will be very helpful in continuing to analyze the fluidity between all of the various factors and how we can measure them,” Chair Lussier concluded.

8. **FULL BOARD ACTION ITEMS**

a. **Report of Nominating Committee and Election of Officers**

Director VanLuvanee reported that the Nominating Committee had met and were prepared to make their report. Director VanLuvanee indicated that the Committee “felt that we have good leadership in place and with the trials and tribulations of the state government, it was unwise to propose any major changes in the slate of officers.”

The Committee recommended the following Executive Committee members and Board Officers:

- **Board President:** Jim Lussier
- **Board Vice President:** Leslie Lehmann
- **Other Officers:** Don VanLuvanee, Chair, Budget and Finance Committee; Kerry Barnett, Vice Chair, Budget and Finance Committee; Roger Bassett, Chair, System Strategic Planning Committee; and Phyllis Wustenberg, Chair, Investment Committee.

Director VanLuvanee moved and Director Young seconded the motion to approve the slate of officers. Those voting in favor: Directors Barnett, Bassett, Lehmann, Richmond, VanLuvanee, Watari, Wustenberg, Young, and Lussier. Those voting no: none.

b. **Affirmation of Presidential Search Procedures, OSU**

**DOCKET ITEM:**

*Summary*

It is anticipated that in early June the Board will be conducting interviews with finalists for the position of president of Oregon State University. The Board was asked to affirm the principles, procedures, and criteria for selection established by the Board. Members of the public were provided further opportunity to comment on these procedures and criteria at the meeting of the Board of Higher Education.
**Background**

In accordance with ORS 192.660(1)(a)(D), to consider the employment of a public employee in executive session, the vacancy in that office must have been advertised; must have followed regularized procedures for hiring that have been adopted by the public body; and the standards, criteria, and public directives to be used in hiring the chief executive officer must have been adopted by the governing body in meetings where there has been an opportunity for public comment.

The conduct of the OSU presidential search has followed the Board’s Internal Management Directive 1.140 as well as The Presidential Search Process adopted by the Board in public session, re-affirmed at the time the Search Committee was appointed at the December 2002 meeting of the Board. The criteria for selection of the president are based on the Board’s Internal Management Directives 1.102, 1.103, and 1.120 and on the following advertised demonstrated qualities:

- Visionary leadership in a large, complex organization;
- Capacity to lead effectively in an environment characterized by collaboration and shared governance;
- Ability to work creatively in forming and nurturing strong partnerships with a wide variety of constituents within the institution including students, faculty, and staff and outside the institution including foundations, businesses, and political leaders;
- Commitment to multiculturalism and diversity in all aspects relevant to the OSU culture as well as achievement in affirmative action and equal educational and employment opportunities;
- Significant experience and achievement in securing resources and other important forms of support from external organizations and individuals; and,
- A record of a high level of commitment to the maintenance and enhancement of the unique environment of the university within which the development, study, testing, and communication of ideas can occur.

Applicants will have appropriate credentials with an earned doctorate or other appropriate terminal degree or extraordinary accomplishment in a field of teaching, research, and service in one of the major areas of endeavor at OSU.

**Staff Recommendation to the Board**

Staff recommended the Board affirm the principles, procedures, and criteria for selection of the president of Oregon State University as stated above.

**BOARD DISCUSSION AND ACTION:**

Mr. Ben Rawlins, OUS General Counsel, explained the purpose of the item. “There are limited items for which you (the Board) can go into executive session and one is the consideration of the credentials of a proposed executive officer of an institution. To do that, Attorney General interpretations have reaffirmed the fact that there needs to be the opportunity for public comment on the criteria and the method of selection that you will use.” He explained that the Board had already, to a greater or lesser degree,
acknowledged all aspects of principles, procedures, and criteria for selection of the president of Oregon State University, but the action today would reaffirm it, thus ensuring that the Board would be able to interview and evaluate the candidates for president in executive session.

Director Lehmann moved and Director Barnett seconded the motion to approve the staff recommendation. Those voting in favor: Directors Barnett, Bassett, Lehmann, Richmond, VanLuvanee, Watari, Wustenberg, Young, and Lussier. Those voting no: none.

9. **OTHER REPORTS**

   **Joint Boards Working Group**
   Director Bassett reported that the Joint Boards Working Group (JBGW) continues to grow in its effectiveness. “It is an evolutionary process,” he said, “because it involves staff of three different agencies and members of two Boards.” He went on to explain why there hadn’t been a meeting of the full Joint Boards. “There is no such meeting planned in the immediate future. I draw your attention to the motion today that this Board was able to discuss and debate and decide this statement as did the other Board. [NOTE: this was in reference to the Joint Statement on Commitment to Quality.] That achieves the same decision result.”

   **OHSU**
   In the absence of Director Imeson, OHSU Provost Hallick provided a report and indicated that this year, OHSU is awarding an honorary degree to Dr. Haile Debas, who is the retiring dean of the medical school at University of California at San Francisco and vice president of their health system.

   **Oregon College Savings Plan**
   Director Lehmann reported that the Treasurer’s Office sent out a notice last week to the College Savings Plan Board indicating a milestone had been achieved. The assets in the Oregon College Savings Plan had achieved the $100 million mark.

   **Oregon Council on Knowledge and Economic Development**
   There was no report from OCKED.

   **OSU Presidential Search Committee**
   Director Barnett indicated that the search process was moving forward with visits of finalists anticipated during the first full week of June. This will include a special meeting of the Board to interview finalists.

   **EOU Presidential Search Committee**
   Director Bassett reported that the EOU Search Committee had completed the organizational stages of the search process. He indicated that there would be campus and community forums in the coming weeks. Appreciation was expressed to President Creighton, interim President Dixie Lund, and others on the campus for their dedication to getting the search off to a good start before the end of the school year.
Legislative Report

Mr. Grattan Kerans, Director of Government Relations, updated the Board on legislative affairs. “We’ve experienced, in the last 21 months, the largest reduction in General Fund, in percentage terms, in 70 years. In effect,” Mr. Kerans explained, “we are experiencing a rolling depression.” Continuing, he pointed out that the issue for OUS going forward in the legislative process is to provide for the Ways and Means leadership and the legislative leadership on the impacts for OUS of whatever emerges in terms of further budget cuts or reductions—or, optimistically, what would happen if there were funds available to provide some small relief from the cut levels of either of the budgets (the Co-Chairs’ or the Governor’s).

Continuing, Mr. Kerans explained that part of the problem with obtaining more accurate revenue forecasts is that they are trying to predict what the national and international impact will be on personal income tax in Oregon. A further impact is that the unemployment rate has gone from four to eight percent, which also has a dramatic impact on tax receipts.

10. Public Input

There was no input from the public.

11. Items from Board Members

Directors Young, Richmond, and Lehmann thanked Directors Bassett and Lussier and President Jill Kirk of the Board of Education for their work on the Joint Boards Working Group.

Director Watari thanked President Zinser for providing an opportunity to meet a Southern Oregon University alumnus who donated a large amount of wireless technology to The Smithsonian Institute in Washington, D.C. She also acknowledged that Portland State University hosted a briefing on Native American Law that she was unable to attend since it conflicted with the Board meeting.

President Lussier observed that the most important ceremonies were being held on the campuses–commencements. “These provide,” he said, “opportunities to see that people do graduate, they do get educated, they become citizens, in spite of all the arduous tasks that we have to do. It’s a very, very positive time of year.”

12. Delegation of Authority to Board’s Executive Committee

Associate Board Secretary Switzer 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 July 18, 2003. 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.

13. **ADJOURNMENT**
The Board meeting adjourned at 9:01 a.m.

Virginia L. Thompson  
Secretary of the Board

James T. Lussier  
President of the Board