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

Chair Lorenzen called the meeting of the State Board of Higher Education to order at 9:20 a.m.

The following Board members were present: Don Blair, Bridget Burns, Kirby Dyess, Henry Lorenzen, Tim Nesbitt, Geri Richmond, John von Schlegell, Gretchen Schuette, and Howard Sohn. Governor Kulongoski was absent due to a schedule conflict.

OUS staff present included: George Pernsteiner, Tom Andrees, Nancy Heiligman, Ryan J. Hagemann, Ben Rawlins, and Bob Simonton.

Others present included: Presidents Dan Bernstine, Philip Conn, Martha Anne Dow, Khosrow Fatemi, Dave Frohnmayer, Ed Ray, Elisabeth Zinser, and OHSU Provost Lesley Hallick.

Meeting attendees also included institution representatives, OUS staff, the press, and interested observers.

2. **APPROVAL OF MINUTES**

   - Executive Session, June 4, 2004

Chair Lorenzen asked for a motion to approve the minutes of the June 4, 2004, executive session. Director Blair moved to approve the minutes and Director Nesbitt seconded the motion. All those in favor: Directors Blair, Burns, Dyess, Nesbitt, Richmond, von Schlegell, Schuette, Sohn, and Lorenzen. Those opposed: none. Motion passed.

   - Regular Board Meeting, June 4, 2004

Chair Lorenzen asked for a motion to approve the minutes of the June 4, 2004, regular Board meeting. Director Richmond moved to approve the minutes and Director Blair seconded the motion. All those in favor: Directors Blair, Burns, Dyess, Nesbitt, Richmond, von Schlegell, Schuette, Sohn, and Lorenzen. Those opposed: none. Motion passed.
3. **ACTION ITEMS**

- Finance/Budget/Audit/Personnel/Real Estate Committee

Before turning to both the 2005-2007 Operating and Capital Budget requests, Chair Lorenzen asked FBAPRE Chair Blair to report on the other items from the FBAPRE Committee meeting. The agenda items were not considered in the order in which they appeared on the docket.

### a. 2005-2007 Biennial Operating Budget Request

**BOARD DOCKET:**

**Summary:**
The 2005-2007 operating budget request is built on the Board’s goal of providing access for Oregonians to high quality, affordable postsecondary education opportunities. The budget and policy package requests reflect the Board’s major long-term initiatives:

**Access and Affordability**

**ASET**—The cornerstone of the Board’s efforts to create access to an affordable education is the ASET proposal to provide financial aid to all qualified Oregonians, which will go forward to the Legislature in combination with the budget request.

**Funding Enrollment Growth**—The budget includes a package to provide state support for projected growth in student enrollment over the next biennium to begin to halt the decline in state support for resident students that has resulted in increasing class size and decreasing access.

**Excellence in Delivery and Productivity**

- **Connecting Higher Education to a Statewide Student-Service System**—This project would facilitate the electronic transfer of K-12 student transcripts to OUS institutions and community colleges admissions offices, and the creation of a statewide web-based course articulation service that would enable students to determine how courses taken at one college or university could be transferred to another. The projects will create greater efficiency in admissions processing and student course placement while also leading to improved secondary school performance by providing meaningful student-performance feedback to high schools.

- **Removing Institutional Transfer Barriers to Students**—This package would increase the successful transfer of community college students to OUS campuses through: 1) creation of an Oregon Dual Enrollment Framework; 2) creation of a fully transferable lower division common core of lower-division courses; and 3) creation of a fully transferable lower-division set of common student educational outcomes leading into an academic major.

- **Strategic Investment to Support Increased Student Access to College**—These policy initiatives include: 1) increasing the availability of the highest demand courses;
2) strategically expanding the availability of on-line courses to meet high student demand; 3) expanding accelerated high school course opportunities to create a statewide menu; 4) creating the foundation for a statewide framework for post-secondary access for every community; and 5) increasing the retention and graduation rates of current college students.

**Academic Excellence**

Faculty Recruitment and Retention – Compensation Increase—Faculty recruitment and retention is critical to enhancing academic excellence in the University System. Oregon competes nationally for talented teaching and research faculty, and OUS average faculty compensation ranks at or near the bottom of peer group averages. Oregon must commit to a long-term plan to narrow the gap in faculty compensation with other states and achieve parity with peer institutions.

**Economic Development**

Healthcare Workforce Initiative—The purpose of this policy package is to promote the strategic and sustainable expansion in the healthcare workforce. The project includes both nursing and allied health program development in collaborations between OIT, SOU, EOU, OHSU, and fourteen community colleges.

Retaining Top Students in Oregon—The principal goal of this proposal is to retain top students in Oregon by expanding the Honors College Programs at OUS institutions, supporting the policy initiatives of Academic Excellence and Economic Development. Honors opportunities leverage intellectual capital by appealing to the most competent and motivated students graduating from Oregon’s high schools. Applications currently exceed capacity by several-fold.

Engineering and Technology Investment Proposal—This policy package supports the Governor’s initiatives by creating economic opportunity in Oregon, building quality academic programs, providing access to college education, and managing for cost effectiveness.

The amounts requested in the policy package proposals are listed below. Additional detail on each of the proposals is provided in the docket.

<table>
<thead>
<tr>
<th>Policy Package Proposals</th>
<th>General Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Removing Transfer Barriers</td>
<td>409,000</td>
</tr>
<tr>
<td>Strategic Investments for Student Access</td>
<td>1,118,250</td>
</tr>
<tr>
<td>Healthcare Workforce Initiative</td>
<td>3,850,000</td>
</tr>
<tr>
<td>Faculty Recruitment and Retention</td>
<td>32,800,000</td>
</tr>
<tr>
<td>Student Enrollment Growth</td>
<td>14,700,000</td>
</tr>
<tr>
<td>Retaining Top Students in Oregon</td>
<td>2,549,178</td>
</tr>
<tr>
<td>Student Data System</td>
<td>2,786,000</td>
</tr>
<tr>
<td>Engineering and Technology Investment*</td>
<td>22,100,000</td>
</tr>
<tr>
<td><strong>Total General Fund Policy Packages</strong></td>
<td>$80,312,428</td>
</tr>
</tbody>
</table>
THE BUDGET REQUEST

The Essential Budget Level (EBL) for 2005-2007 represents the amounts necessary to continue 2003-2005 program levels forward through the next biennium. Once the Essential Budget Level is calculated, then policy package requests may be submitted for budget increases above the EBL to support high priority initiatives. For 2005-2007, agencies are also required to submit reduction scenarios equal to 10 percent of the EBL due to the state revenue shortfall.

The OUS budget request acknowledges the revenue constraints that the state faces during the short-term in the 2005-2007 biennium. Policy package requests have been developed to maximize the use of resources through strategic investments and education partnerships.

The budget also includes funding requests and tuition increases needed to cover projected cost increases at the Essential Budget Level. Required reduction options at 10 percent of the Essential Budget Level are outlined in the docket materials.

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>State General Fund</th>
<th>Lottery</th>
<th>Other Funds Limited</th>
<th>Other Funds Non-Limited</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Essential Budget Level</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2003-2005 Legislatively Adopted</td>
<td>667.4</td>
<td>8.1</td>
<td>1044.0</td>
<td>1986.3</td>
<td>3705.8</td>
</tr>
<tr>
<td>Reductions</td>
<td>-7.5</td>
<td></td>
<td></td>
<td></td>
<td>-7.5</td>
</tr>
<tr>
<td>Measure 30 Reductions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>74.9</td>
</tr>
<tr>
<td>2003-2005 Adjustments</td>
<td>74.9</td>
<td></td>
<td></td>
<td></td>
<td>74.9</td>
</tr>
<tr>
<td>Base Budget Adjustments</td>
<td>28.5</td>
<td>2.2</td>
<td>4.5</td>
<td>317.0</td>
<td>352.2</td>
</tr>
<tr>
<td>Essential Packages</td>
<td>21.5</td>
<td>0.1</td>
<td>-11.5</td>
<td>-0.1</td>
<td>10.0</td>
</tr>
<tr>
<td><strong>Total 2005-2007 Essential Budget Level</strong></td>
<td><strong>709.9</strong></td>
<td><strong>10.4</strong></td>
<td><strong>1,037.0</strong></td>
<td><strong>2,378.1</strong></td>
<td><strong>4,135.4</strong></td>
</tr>
<tr>
<td>Total Policy Packages</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>80.3</td>
<td></td>
<td>17.7</td>
<td></td>
<td>98.0</td>
</tr>
<tr>
<td><strong>2005-2007 OPERATING BUDGET REQUEST</strong></td>
<td><strong>$ 790.2</strong></td>
<td><strong>$ 10.4</strong></td>
<td><strong>$ 1,054.7</strong></td>
<td><strong>$ 2,378.1</strong></td>
<td><strong>$4,233.4</strong></td>
</tr>
<tr>
<td>Percent Change from Approved Budget</td>
<td>19.7%</td>
<td>28.4%</td>
<td>1.0%</td>
<td>15.4%</td>
<td>14.2%</td>
</tr>
</tbody>
</table>

The state provides funding to OUS through State General Funds and Lottery Funds. Other Funds Limited Revenues are comprised largely of tuition and resource fees and include a small amount of other revenues, including indirect charges to grants, investment earnings, and miscellaneous fees.
More than 50 percent of OUS funding comes from non-limited funding sources, which are not subject to expenditure limitation by the legislature. A portion of these funds are from unrestricted sources dedicated to self-support programs, including revenues from sales, designated operations such as non-credit courses, and auxiliary services such as dormitories, food services, student centers, book stores, and parking. Incidental Fees, Health Fees, Building Fees, and housing charges provide partial support for these programs.

The remaining Non-Limited Funds are from restricted sources that are identified for specific purposes, including gifts, federal, and private grants and contracts, student financial aid and student loan programs.

State lottery revenues support debt service on capital construction projects and Sports Action Lottery funds support athletic programs and scholarships for graduate students. **Staff Recommendation to the Board:**

Staff recommended that the Board approve the 2005-2007 OUS Biennial Operating Budget request, including Policy Packages reflecting the Board’s budget priorities, Essential Budget Level funding requirements, and 10 percent reduction options. The Senior Vice Chancellor for Finance and Administration is given authority to make funding adjustments if revisions in the estimates for the Essential Budget Level, revenue projections, or student enrollment information are necessary.

**BACKGROUND**

An excellent university system is essential to Oregon’s quality of life and to the well-being and prosperity of its citizens. Oregon’s ongoing disinvestment in higher education threatens to limit access to educational opportunities to a generation of Oregonians and to damage the long-term economic vitality of the state.

Over the past two biennia, the OUS financial situation has been dominated by severe reductions in state funding and large increases in tuition revenues to compensate for the losses. The table below shows the decreases in state General Fund appropriations and the increase in Other Funds Limited, comprised mainly of tuition and fee revenues.

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Other Funds Limited</th>
<th>Total Funds</th>
<th>Fund Splits</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999-01</td>
<td>2001-03 Final</td>
<td>2003-05 LAB</td>
<td>2005-07 Request</td>
</tr>
<tr>
<td></td>
<td>$ 626.2</td>
<td>$ 617.4</td>
<td>$ 543.2</td>
<td>$ 661.5</td>
</tr>
<tr>
<td></td>
<td>$ 600.8</td>
<td>$ 725.2</td>
<td>$ 990.8</td>
<td>$1,032.9</td>
</tr>
<tr>
<td></td>
<td>$ 1,227.0</td>
<td>$ 1,342.6</td>
<td>$ 1,534.0</td>
<td>$ 1,694.4</td>
</tr>
<tr>
<td></td>
<td>51%</td>
<td>46%</td>
<td>36%</td>
<td>39%</td>
</tr>
<tr>
<td></td>
<td>49%</td>
<td>54%</td>
<td>64%</td>
<td>61%</td>
</tr>
</tbody>
</table>

* in millions of dollars
Although the reductions in the past three years have been the most significant, the OUS share of the State General Fund budget has decreased almost continually since the 1987-1989 biennium as shown in the following table.

As state funding has declined, student enrollment has increased across the OUS, resulting in dramatic decreases in state funding per student since 1991 (when adjusted for inflation). Tuition increases have only partially offset the loss of state funding. The following table shows the shift in funding from the state to tuition revenues over time.

![OUS Share of State General Fund Appropriations](image)

<table>
<thead>
<tr>
<th>Biennium</th>
<th>OUS Share of General Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>87-89</td>
<td>12.2%</td>
</tr>
<tr>
<td>89-91</td>
<td>11.2%</td>
</tr>
<tr>
<td>91-93</td>
<td>10.3%</td>
</tr>
<tr>
<td>93-95</td>
<td>8.3%</td>
</tr>
<tr>
<td>95-97</td>
<td>6.3%</td>
</tr>
<tr>
<td>97-99</td>
<td>6.3%</td>
</tr>
<tr>
<td>99-01</td>
<td>6.9%</td>
</tr>
<tr>
<td>01-03</td>
<td>6.9%</td>
</tr>
<tr>
<td>03-05</td>
<td>6.1%</td>
</tr>
</tbody>
</table>

### OUS Revenue per Student FTE

**Campus Limited Revenues**

<table>
<thead>
<tr>
<th>Biennium</th>
<th>Tuition &amp; Fees</th>
<th>Other Revenue</th>
<th>State Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>91-93</td>
<td>$4,257</td>
<td>$587</td>
<td>$6,886</td>
</tr>
<tr>
<td>99-01</td>
<td>$5,288</td>
<td>$849</td>
<td>$4,000</td>
</tr>
<tr>
<td>01-03</td>
<td>$5,488</td>
<td>$764</td>
<td>$8,000</td>
</tr>
<tr>
<td>03-05</td>
<td>$5,858</td>
<td>$734</td>
<td>$12,000</td>
</tr>
</tbody>
</table>

Inflation-Adjusted 2002 Dollars
Annual tuition and fees increased rapidly in the early 1990s in response to state funding reductions as a result of the Measure 5 property tax limitation. Tuition rates were relatively flat in the mid to late 1990s as state funding increased and the Legislature imposed a cap on tuition increases. Tuition has risen again sharply since 2002 in response to the state revenue crisis and drop state funding.

**Enrollment Projections:**
Since 1994, fall enrollment in OUS institutions has increased by 30 percent, from 61,278 to 79,558 students. This increase of 18,280 students is roughly equivalent to adding an institution the size of Oregon State University during the decade. Resident enrollment grew even more quickly over this period, increasing by 45 percent from 43,650 to 63,191.
Increased enrollment has been due to 1) demographic and economic changes, 2) efforts to recruit more of Oregon’s high school graduates, and 3) concentration on improving student retention. The number of high school graduates in Oregon has increased steadily, but more importantly, opportunities for personal growth and prosperity and the health of Oregon’s economy have become dependent on the education level and skills of our citizens. The dramatic enrollment increase in recent years has created problems for campuses in a time of decreasing state resources.

Beyond 2005, enrollment projections show a steady but less dramatic increase. Enrollment growth appears to be moderating, likely due to barriers to access—for example, reductions in state funding, additional tuition increases without corresponding increases in student financial aid, and facilities capacity. Overall, enrollment demand is not expected to decline within the next twelve years.

Although Fall 2004 enrollment grew as expected, student FTE for the 2003-2005 biennium is now projected to be 2,617 less than the 147,390 FTE projected in July 2003 and used to build the current budget. The following table shows FTE enrollment by campus from 2001-02 projected through 2006-07.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>EOU</td>
<td>2,495</td>
<td>2,640</td>
<td>2,691</td>
<td>2,639</td>
<td>2,707</td>
<td>2,766</td>
</tr>
<tr>
<td>OIT</td>
<td>2,427</td>
<td>2,463</td>
<td>2,502</td>
<td>2,547</td>
<td>2,593</td>
<td>2,648</td>
</tr>
<tr>
<td>OSU</td>
<td>17,572</td>
<td>18,435</td>
<td>18,674</td>
<td>18,822</td>
<td>19,076</td>
<td>19,447</td>
</tr>
<tr>
<td>OSU-CC</td>
<td>133</td>
<td>172</td>
<td>244</td>
<td>219</td>
<td>234</td>
<td>242</td>
</tr>
<tr>
<td>PSU</td>
<td>15,972</td>
<td>17,491</td>
<td>18,297</td>
<td>18,936</td>
<td>19,465</td>
<td>20,022</td>
</tr>
<tr>
<td>SOU</td>
<td>4,647</td>
<td>4,648</td>
<td>4,671</td>
<td>4,701</td>
<td>4,745</td>
<td>4,845</td>
</tr>
<tr>
<td>UO</td>
<td>19,284</td>
<td>20,334</td>
<td>20,243</td>
<td>20,586</td>
<td>20,489</td>
<td>20,481</td>
</tr>
<tr>
<td>WOU</td>
<td>4,526</td>
<td>4,497</td>
<td>4,550</td>
<td>4,449</td>
<td>4,440</td>
<td>4,507</td>
</tr>
<tr>
<td>TOTAL</td>
<td>67,056</td>
<td>70,680</td>
<td>71,872</td>
<td>72,899</td>
<td>73,749</td>
<td>74,960</td>
</tr>
</tbody>
</table>

**ESSENTIAL BUDGET LEVEL**

The Essential Budget Level (EBL) is defined by DAS as an estimate of the cost to continue current legislatively approved programs into the next biennium. Briefly stated, it is 2003-2005 expenditures adjusted to provide the amount necessary to continue authorized programs and activities in 2005-2007. Technically, it is built on a base budget plus essential packages.

The Essential Budget Level does not include 2005-2007 cost increases for employee salaries and health benefits, which are budgeted separately by the Governor’s Office. The Emergency Board normally distributes these funds to agencies after the end of the Legislative Session when labor cost increases have been determined. At that time, the Emergency Board also allocates additional Other Fund Revenue expenditure limitation to the OUS for the portion of the labor cost increases covered by tuition dollars.

Also excluded from EBL are funding for enrollment growth and for any additional faculty salary increases, which are included in this budget request as policy packages.

Campuses are projecting that tuition revenue increases ranging from 4 percent to 6 percent in 2005-06 and from 3 percent to 6 percent in 2006-07 will be required to maintain current programs, cover increases in salary, benefits, and student enrollment, and avoid budget reductions. These increases, which will generate an estimated $1.046 million in Other Funds Limited Revenues in the Education and General Program, are based on the assumption that the state General Fund will cover the $50 million in cost increases identified in the following table, as well as the state-funded portion of salary and benefit increases. Campus revenue projections will be updated in August 2004 prior to submission of the Agency Request Budget.
The 2005-2007 EBL includes adjustments above the 2003-2005 Legislatively Approved Budget for projected cost increases as follows:

<table>
<thead>
<tr>
<th>Essential Budget Detail</th>
<th>General Fund</th>
<th>Other Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003-2005 Legislatively Adopted Budget</td>
<td>667.4</td>
<td>1,044.0</td>
<td>1,711.4</td>
</tr>
<tr>
<td>Measure 30 Reduction</td>
<td>(7.5)</td>
<td>-</td>
<td>(7.5)</td>
</tr>
<tr>
<td>Adjusted 2003-2005 LAB</td>
<td>659.9</td>
<td>1,044.0</td>
<td>1,703.9</td>
</tr>
<tr>
<td>PERS Increase</td>
<td>17.1</td>
<td>24.7</td>
<td>41.8</td>
</tr>
<tr>
<td>PEBB Health Insurance Roll up</td>
<td>4.4</td>
<td>6.4</td>
<td>10.8</td>
</tr>
<tr>
<td>Other Salary Adjustments*</td>
<td>2.4</td>
<td>(58.8)</td>
<td>(56.4)</td>
</tr>
<tr>
<td>New Building O &amp; M</td>
<td>3.0</td>
<td>4.8</td>
<td>7.8</td>
</tr>
<tr>
<td>Inflation</td>
<td>3.3</td>
<td>7.6</td>
<td>10.9</td>
</tr>
<tr>
<td>State Government Svc Charges</td>
<td>9.5</td>
<td>8.3</td>
<td>17.8</td>
</tr>
<tr>
<td>Restore one-time cut (COPs)</td>
<td>5.1</td>
<td>-</td>
<td>5.1</td>
</tr>
<tr>
<td>Debt Service</td>
<td>5.2</td>
<td>-</td>
<td>5.2</td>
</tr>
<tr>
<td>Total Adjustments</td>
<td>50.0</td>
<td>(7.0)</td>
<td>43.0</td>
</tr>
<tr>
<td>Essential Budget Total</td>
<td>709.9</td>
<td>1,037.0</td>
<td>1,746.9</td>
</tr>
</tbody>
</table>

*Reflects lower salary base than budgeted in 2003-2005

Note: Includes Education and General, Statewide Public Service Programs, and Debt Service. Excludes Capital Construction and Lottery Funds.

POLICY PACKAGES

The policy package requests were submitted by the Board Working Groups on Excellence in Education Delivery and Productivity, Academic Excellence and Economic Development, and by the Engineering and Technology Industry Council. In addition, staff submitted packages for student enrollment growth and faculty compensation.

Policy Package

Title: Removing Institutional Transfer Barriers to Students—$ 409,000

Policy Initiative: Excellence in Delivery and Productivity (More, Better, Faster)

Description: Increasing the successful transfer of community college students to OUS campuses through: 1) creation of an Oregon Dual Enrollment Framework; 2) creation of a fully transferable lower division common core of lower-division courses; and
3) creation of a fully transferable lower-division set of common student educational outcomes leading into an academic major.

**Expected Outcomes:**
- Increased number of Bachelor Degree recipients
- Increase the number of students who receive college credits from an Oregon community college
- Increased transfer student activity between OUS and community colleges
- Decreased student debt as a result of more efficient enrollment in courses at community colleges that are lower in cost to the student.

**Performance Indicators:**
- Graduation Rate
- Student Debt Ratio

**Budget Outline:**
New staffing:  1 limited duration professional staff position for 24 months
              1 FTE @ $159,000

Services and Supplies:  $ 500,000
Funding Request:  $250,000 with OUS contribution of $250,000

Travel and meeting expenses for 200 community college and OUS faculty, academic administrators, and key staff (such as registrars and transfer specialists) to attend week-long summer work session to achieve the following:

1. Statewide fully transferable common core of undergraduate general education courses;
2. Statewide fully transferable common core of undergraduate general education courses that lead into specific academic majors; and
3. Statewide framework for dual enrollment agreements between community colleges and OUS institutions.

A meeting will occur in July 2005 and be based upon initial work accomplished through meetings held at all OUS campuses and regionally for community college for faculty input and initial design work. Cost = $300,000

Follow up publications for students and resource materials for community college advisors, faculty department chairs, OUS student academic advisors, campus registrars, and high school advisors. Cost = $200,000

To create a statewide framework for successful OUS and community college dual enrollment agreements that lead to increased student success. For faculty-driven meetings leading to the development of a statewide common core of lower-division general education courses that can be transferred between all public colleges and
universities leading to the elimination of repeated general education courses and greater efficiency of courses offered and taken.

Capital Outlay: No capital expenses requested.
Total Request: $409,000 (Half of full budget and 1.0 FTE)

**Policy Package**

**Title:** Strategic Investment to Support Increased Student Access to College—$1.18 mil.

**Policy Initiative:** Excellence in Delivery and Productivity (More, Better, Faster)

**Description:** Investments to support expansion of services and offerings that increase capacity and educational opportunities for high school and post-secondary students. These initiatives include: 1) Increase the availability of highest demand courses; 2) Strategically expand the availability of on-line courses to meet high student demand; 3) Expand accelerated high school course opportunities to create a statewide menu; 4) Create the foundation for a statewide framework for post-secondary access for every community; and 5) Increase the retention and graduation rates of current college students.

**Expected Outcomes:**
- Increased number of Bachelor Degree recipients
- Increased number of high school students taking advanced courses leading to increased college enrollments
- Shortened time to degree resulting in lower average student debt (or in presence of continued tuition increases a slowing in the rate or student debt growth).

**Performance Indicators:**
- Freshmen to Sophomore Persistence
- Graduation Rate
- Student Debt Ratio

**Budget Outline:**

New staffing: 1 limited duration professional staff position for eighteen months
1 FTE @ $118,250

Services and Supplies: $ 2,000,000

For new courses to address courses with current excess student demand such as Writing. New courses will be offered both on-line and in traditional lecture format. Accelerated high school courses include offering additional Advanced Placement and College Credit Now in areas of unmet need and to pilot the development and implementation of a limited number of middle colleges (grades 10-14) and create a statewide K-16 task force to address the early development and implementation of an
options-type opportunity for students. The final category of expense will be to expand or implement proven best practices in the area of student retention to increase the number of OUS undergraduates who successfully complete their undergraduate degree with an emphasis placed upon student groups with the highest non-completion rates.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Cost</th>
<th>OUS Portion</th>
<th>Remaining Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campus retention efforts</td>
<td>500,000</td>
<td>250,000</td>
<td>250,000</td>
</tr>
<tr>
<td>Course availability</td>
<td>1,000,000</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td>Advanced high school courses</td>
<td>500,000</td>
<td>250,000</td>
<td>250,000</td>
</tr>
<tr>
<td>Total</td>
<td>2,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
</tr>
</tbody>
</table>

Campus retention efforts will be distributed in the form of challenge grants aimed at increasing the college graduation rates of students who represent the Oregon of 2004: older students (24 and above), students from diverse backgrounds, or first generation to attend college.

A committee comprised of OUS campus provosts, OUS Chancellor’s Office staff, and community college instructional deans will distribute the awards.

Course availability funding will be used to reduce the number of courses that have excess student demand. Priority of courses to be funded will be based upon the number of students that can be served, type of course (general education or within major), and evidence of collaboration between institutions (OUS and community colleges) to offer most effective and efficient delivery. A committee comprised of OUS campus provosts, OUS Chancellor’s Office staff, and community college instructional deans will allocate the funds. Evidence of excess student demand must be demonstrated in order to receive funds. Priority will be given to general education courses with highly demonstrated unmet student demand.

Advanced high school course funding is to support increased academic preparation of receipt of college credit by high school students. The funds will be used to support two concurrent activities. The first is to increase current opportunities for all students, with an emphasis placed upon increasing the number of students from diverse backgrounds who take AP (Advanced Placement) or IB (International Baccalaureate) courses. The second is to create a working group of stakeholders to investigate and develop a statewide effort that increases student opportunity to take accelerated courses while in high school.

Capital Outlay: No capital expenses requested.

Total Request: $1,118,250
Policy Package

Title: Healthcare Workforce Initiative: Productivity in Nursing Education and the Allied Health Professions—$3.85 million

Policy Initiative: Enhancement and expansion of the healthcare workforce to meet the critical shortage of healthcare workers in Oregon. This policy package complements the Governor’s Healthcare Workforce Initiative and the Oregon Consortium for Nursing Education.

Background and Problem Statement: The state is facing a critical shortage of nurses and allied health professionals. According to the Oregon Department of Employment Survey of September 2002, there were 1,700 unfilled R.N. positions and 117 open radiology positions. In 2010, the estimated demand for registered nurses will exceed supply by 22 percent. The demand for allied health professionals will exceed supply by 55 percent for clinical lab techs, 51 percent for radiologists, and 42 percent for dental hygienists. The healthcare workforce shortage threatens Oregon’s ability to provide quality healthcare services and attract and retain companies for economic recovery in the state.

The health services industry in the state employs over 100,000 people, generating $4 billion annually. The average salaries are $48,000 plus $13,000 in benefits. The current unfilled positions in healthcare mean a loss of $52 million annually to the Oregon economy. Health occupations will reach 11 percent of the job growth by 2012. The Oregon Healthcare Sector Employment Initiative identified education and training capacity as the most important reason for worker shortages. Solving the healthcare workforce problem is a top priority for Governor Kulongoski and affects every county in the state. Filling some of the highest paying positions is a significant pay back in tax dollars for increasing graduates.

Current Initiatives: General statewide collaborations are underway including: 1) Oregon Consortium for Nursing Education (OCNE) involving OHSU with EOU, OIT, SOU, and several community college partners; 2) the Oregon Community College Healthcare Action Plan (CCHAP) involving all community colleges in the state; 3) the Governor’s Healthcare Workforce Initiative; and 4) the Statewide Simulation Initiative. The six key elements of the Healthcare Workforce Initiative are:

1. Create a statewide network of simulation centers;
2. Ensure that existing telecommunications capacity around the state is operational;
3. Increase the number of healthcare faculty;
4. Encourage regulatory flexibility;
5. Encourage shared use of facilities and equipment;
6. Ensure the articulation of prerequisite courses among public and private colleges and universities.
This policy package addresses several of these key elements.

Meeting Oregon’s critical need for healthcare professionals throughout Oregon requires partnerships among universities, community colleges, and the private sector. This policy package directs immediate efforts to assure capacity development for faculty, facilities, and students to enhance accessibility, quality, and output.

EOU, OIT, and SOU, are working with OCNE/OHSU and community colleges to enhance and develop core curriculum for nursing and ensure articulation, as well as serving as centers for simulation equipment and training. Capacity building for addressing the nursing shortage is a major goal.

To increase the capacity of the allied health workforce, OIT is working with OHSU and the CCHAP members to develop core curriculum for transferability and develop networks for recruiting students. In addition, curriculum for distance delivery in the allied health programs will be shared to provide comprehensive geographic accessibility.

Therefore, this policy package meets the initiatives advocated by the Governor for economic development and academic excellence with significant opportunities for public/private partnerships. It also integrates with the following Committees of the State Board of Higher Education:

- Academic Excellence/Economic Development
- Excellence in Delivery and Productivity (More, Better, Faster)
- Access/Affordability

**Description:** The enhancement and expansion of the healthcare workforce project includes five major objectives:

1. To participate fully in activities to double the output of nursing and allied health professionals by 2010.
2. To assure a timely impact on the healthcare workforce needs and the economy through placement of graduates in the high paying unfilled positions (rural and urban) in the state.
3. To enhance the capacity in the core basic sciences in the rural/regional universities to assure meeting the goal of doubling the output of nurses and allied health professionals by 2010.
4. To cooperatively develop educational programs and applications to meet the need for professionals in healthcare information systems and the digitization initiatives in hospitals for patient management and diagnostics.
5. To enhance the OHSU/OCNE nursing curriculum through the integration of liberal arts and sciences and the development of minors and specializations.

The project includes both nursing and allied health program development in collaboration with Oregon Health & Science University and community colleges.
Nursing Initiative:

EOU, OIT, and SOU are partners in the OHSU School of Nursing consortium. A critical need to expand the capacity in the core courses in sciences such as chemistry and anatomy and physiology exists. Additional FTE and equipment are requested to meet this need. In addition, appropriate minors for students in the nursing major will be developed in areas such as Spanish, chemistry, business, computer science, music, and selected social sciences. SOU is especially qualified to take the lead in the development of these minors. With an updated cooperative agreement between OHSU and SOU and joint agreements with Rogue, Umpqua, and Southwestern Oregon Community Colleges, this initiative will provide the graduates in nursing with deeper knowledge in basic science, humanities, and the social sciences, and allow them to contribute more fully to the demands of the healthcare industry.

OIT will develop specialization areas (minors) for the nursing curriculum in the allied health areas such as medical imaging, clinical lab sciences, and medical information systems. EOU will also collaborate to develop minors, especially in Spanish to enhance the language skills of nurses in eastern Oregon. EOU has an alliance with Blue Mountain Community College to facilitate the expansion of clinical sites. Pre-nursing courses will be adapted for distance delivery to rural sites such as Burns.

OHSU has increased the number of faculty at SOU and OIT with the support of the local hospitals. Additional faculty resources for program design and implementation are requested. OHSU proposes to double the enrollment of nursing students at SOU and continue to develop expansion capacity at OIT. This is a major objective to serve the nursing needs of rural Oregon.

SOU currently has an enrollment of 96 students in nursing and graduated 50 in 2004. EOU has a capacity of 72 with 69 enrolled and a 2004 graduating class of 26. OIT is increasing the current enrollment of 18 to 27 for fall 2004. Additional FTE for teaching, program design, and curriculum development are requested.

Allied Health Workforce/Center for Health Professions Initiative:

OIT is a center for the health professions. Baccalaureate programs in radiologic science, nuclear medicine, diagnostic medical sonography, vascular technology, dental hygiene, and health sciences are offered at the Klamath Falls campus. In addition, dental hygiene, medical imaging, and vascular technology are also offered as degree-completion programs on-line. Programs in clinical laboratory science and emergency medical technology are offered as joint degrees with OHSU in Portland. Beginning in the fall of 2005, dental hygiene will be offered in collaboration with Oregon Dental Services and Eastern Oregon University in La Grande and a degree in Respiratory Care Therapy will be offered at Rogue Community College. OIT has a strong track record of providing quality graduates in the health professions. Current enrollment is at 750 and approximately 329 students could not be admitted due to capacity limitations. The OIT Center for Health
Professions will target the allied health workforce demands through the following initiatives:

1. Double the graduates in allied health professions in five years.
2. Create a regional nucleus for undergraduate and allied health education in Oregon through the development of a consortium of community colleges with health professions programs.
3. Expand recruitment, enrollment, and distance delivery modes.
4. Develop an electronic database for tracking workforce needs, cooperating with community colleges and others to efficiently articulate students.
5. Develop healthcare information systems to assist hospital digitization, which includes PACS (Picture Archiving Computer Systems) and patient management systems.

Expected Outcomes – Nursing Initiative:

Southern Oregon University: The SOU-based program will graduate twice the current number of nurses possessing the BSN degree, and the output of nursing graduates across the three community colleges participating in nursing education with SOU and OHSU will at least double. Graduates will take their places in the nursing profession with deeper knowledge and skills drawn from basic science, the humanities and arts, and the social and cultural context within which they will be practicing. They will thereby contribute more fully to the increasingly complex demands upon the health care system. Nursing graduates will be more versatile in their readiness to assume a broader range of roles in which nurses will be needed in the future.

Oregon Institute of Technology: Output of nursing graduates from the OIT campus will double in five years. Nursing graduates will have certificates in a specialization option from the allied health area.

Eastern Oregon University: The number of clinical sites available in eastern Oregon will expand from one to ten. BSN students will graduate with specialties or minors in liberal arts, business, or Spanish.

All: The expansion of the basic sciences curriculum will augment the output of nursing graduates.

Expected Outcomes – Allied Healthcare Initiative:

- The number of graduates in the allied health professions will double by 2010 (2,700).
- The OIT/community college alliance will develop a curriculum (sciences/general education courses) that allows students a seamless articulation into a four-year program. Distance education courses will be developed and shared.
- An electronic database for sharing student information and workforce needs assessment will be completed.
Two medical information systems educational programs will be developed for enhancing the information technology education in the healthcare field (PACS and Healthcare Information Systems Management) that includes the use of technology for patient care records and dissemination of information. SOU and OIT will collaborate on this.

OUS Performance Indicators for Nursing:
- EOU, OIT, and SOU in collaboration with OHSU would be responsible for reporting performance data that would include (a) the increased number of graduates, (b) the degree of satisfaction of graduates and employers, (c) the sustainability of graduates in the nursing profession at selected intervals following graduation, and (d) indicators of national attention for the success of the new innovative curricula pioneered in Oregon. Research on outcomes of the nursing curricula and its positioning for quality integration between the liberal arts and sciences and the professional practice of nursing will be disseminated nationally.

OUS Performance Indicators for Allied Health Initiative:
- The following list of performance indicators may be used to monitor progress:
  1. Double graduates by 2010 – OIT target is 600.
  2. Time to graduation.
  3. Employer satisfaction – Target: 90 percent.
  4. Number of students with associate degrees enrolled in four-year degree completion programs – Target: 20 percent.
  5. Retention of students in the allied health professions programs at community colleges and at the baccalaureate level – Target: 70 percent.
## Budget Outline for Productivity in Nursing Education

### Southern Oregon University

<table>
<thead>
<tr>
<th>Description</th>
<th>2005-07</th>
<th>2007-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.0 FTE Assistant Professor (Sciences) w/OPE</td>
<td>$360,000</td>
<td>*$244,000</td>
</tr>
<tr>
<td>1.0 FTE Lab Assistant w/OPE</td>
<td>80,000</td>
<td></td>
</tr>
<tr>
<td>1.0 FTE Program Coordinator</td>
<td></td>
<td>90,000</td>
</tr>
<tr>
<td>Capital outlay</td>
<td></td>
<td>10,000</td>
</tr>
<tr>
<td>Services and supplies</td>
<td>22,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Lab equipment updates</td>
<td>30,000</td>
<td></td>
</tr>
<tr>
<td>Expansion of library periodicals</td>
<td>6,000</td>
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<tr>
<td>One-time start-up costs for equipment, computers, software, library books,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>curriculum development</td>
<td>50,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total biennium for SOU</strong></td>
<td>$548,000</td>
<td>$349,000</td>
</tr>
</tbody>
</table>

### Oregon Institute of Technology

**Phase-in costs:**
- Capital outlay/equipment: 50,000
- Services and supplies: 20,000

**Total biennium for OIT:**
- $250,000
- $195,000

*2.0 FTE during 2007-09

### Eastern Oregon University

<table>
<thead>
<tr>
<th>Description</th>
<th>2005-07</th>
<th>2007-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.0 FTE Assistant Professor (Sciences) w/OPE</td>
<td>$180,000</td>
<td>$180,000</td>
</tr>
<tr>
<td>1.0 FTE Lab Assistant w/OPE</td>
<td>80,000</td>
<td>80,000</td>
</tr>
<tr>
<td>1.0 FTE Program Coordinator</td>
<td>80,000</td>
<td>80,000</td>
</tr>
<tr>
<td>1.0 FTE Curriculum Designer</td>
<td>60,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Capital outlay</td>
<td></td>
<td>10,000</td>
</tr>
<tr>
<td>Services and supplies</td>
<td>7,000</td>
<td>5,000</td>
</tr>
<tr>
<td>One-time start-up costs for equipment, computers, software, library books,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>curriculum development</td>
<td>30,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total biennium for EOU</strong></td>
<td>$437,000</td>
<td>$415,000</td>
</tr>
</tbody>
</table>

**Total biennium for SOU/OIT/EOU**
- $1,235,000
- $979,000
Budget Outline for OIT Center for Health Professions

<table>
<thead>
<tr>
<th></th>
<th>2005-07</th>
<th>2007-09 (on-going)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program coordinator w/OPE</td>
<td>$ 95,000</td>
<td>$ 95,000</td>
</tr>
<tr>
<td>FTE for OIT and participating community colleges:</td>
<td>$ 720,000</td>
<td>$ 720,000</td>
</tr>
<tr>
<td>Assistant professors/outreach faculty (6)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical assistants w/OPE (3)</td>
<td>$ 240,000</td>
<td>$ 240,000</td>
</tr>
<tr>
<td>Supplies, services and travel</td>
<td>$ 100,000</td>
<td>$ 100,000</td>
</tr>
<tr>
<td>One-time capital outlay: computers, software, picture archiving systems, database software, medical equipment including simulations, distance delivery</td>
<td>$ 1,400,000</td>
<td></td>
</tr>
<tr>
<td>Start-up costs (travel, curriculum development)</td>
<td>$ 60,000</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$ 2,615,000</td>
<td>$ 1,155,000</td>
</tr>
</tbody>
</table>

Grand Total for Productivity in Nursing Education and OIT Center for Health Professions

$ 3,850,000 $ 2,134,000

Policy Package

Title: Faculty Recruitment and Retention - Compensation Increases – $32.8 million

Policy Initiatives: Academic Excellence and Economic Development

Faculty recruitment and retention is critical to supporting two of the Governor’s highest priorities: 1) preserving and enhancing Academic Excellence in the University System and, 2) promoting Economic Development through research. Oregon competes nationally for talented teaching and research faculty, and OUS average faculty compensation ranks at or near the bottom of peer group averages. Oregon must commit to a long-term plan to narrow the gap in faculty compensation with other states and achieve parity with peer institutions.

The following table, compiled by the Department of Administrative Services, compares average faculty salaries in Oregon with salaries at comparable universities nationwide. Oregon salaries range from 5 percent to 24 percent below the national averages.

Oregon Faculty Salaries Compared with National Averages, 2003-04

<table>
<thead>
<tr>
<th></th>
<th>Professors*</th>
<th>Associate Professors*</th>
<th>Assistant Professors*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Oregon University</td>
<td>-24%</td>
<td>-20%</td>
<td>-18%</td>
</tr>
<tr>
<td>Oregon Institute of Technology</td>
<td>-15%</td>
<td>-11%</td>
<td>-7%</td>
</tr>
<tr>
<td>Oregon State University</td>
<td>-16%</td>
<td>-6%</td>
<td>-5%</td>
</tr>
</tbody>
</table>
Oregon Faculty Salaries Compared with National Averages, 2003-04

<table>
<thead>
<tr>
<th></th>
<th>Professors*</th>
<th>Associate Professors*</th>
<th>Assistant Professors*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portland State U.</td>
<td>-21%</td>
<td>-11%</td>
<td>-13%</td>
</tr>
<tr>
<td>Southern Oregon U.</td>
<td>-23%</td>
<td>-20%</td>
<td>-10%</td>
</tr>
<tr>
<td>University of Oregon</td>
<td>-12%</td>
<td>-10%</td>
<td>-6%</td>
</tr>
<tr>
<td>Western Oregon U.</td>
<td>-20%</td>
<td>-16%</td>
<td>-19%</td>
</tr>
</tbody>
</table>

* Average Oregon faculty salary compared with average salary of faculty at same rank in comparable universities.


This policy package request is based on comparisons of total compensation, including salary and benefits, for OUS faculty with peer institutions in 2003-04. The following table compiled by OUS staff shows total compensation at OUS institutions as a percentage of the peer group averages. It also shows the ranking of each institution within the peer groups. Additional detailed comparisons by faculty rank at each institution are attached.

<table>
<thead>
<tr>
<th>2003-04 OUS Faculty Total Compensation Compared with Peers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of Peer Average</td>
</tr>
<tr>
<td>--------------------------</td>
</tr>
<tr>
<td>Oregon State University</td>
</tr>
<tr>
<td>Portland State University</td>
</tr>
<tr>
<td>University of Oregon</td>
</tr>
<tr>
<td>Eastern Oregon University</td>
</tr>
<tr>
<td>Southern Oregon University</td>
</tr>
<tr>
<td>Western Oregon University</td>
</tr>
<tr>
<td>Oregon Institute of Technology</td>
</tr>
</tbody>
</table>

**Description:**
The Faculty Recruitment and Retention package would bring OUS faculty to the average compensation levels of their peers over a six-year period, phasing in salary increases from 2005-07 through 2010-11. To meet the target, faculty compensation would have to increase by 2.2 percent annually in addition to normal cost of living increases.

The estimates for compensation increases were developed using the OUS Faculty Compensation Goal Setting Model, which analyzes the gap in compensation with peers at each institution and calculates the additional amounts needed to bring OUS faculty to the peer average. Staff also surveyed differences in cost of living among large OUS institutions and their peers and found that, in general, the cost of living was slightly
higher in Portland, Corvallis, and Eugene than the average costs in the cities of peer institutions.

**Expected Outcomes:**
- Increased ability to attract and retain top faculty
- Increases in grants and research dollars generated by faculty

**Performance Indicators:**
- Quality – Excellent Faculty: Average faculty compensation as a proportion of average faculty compensation at benchmarking institutions.
- Quality – R & D: Average R & D spending per faculty compared with average salary per faculty at doctoral-granting institutions

**Budget Outline:** Faculty Salary and OPE Costs

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
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<tbody>
<tr>
<td>2005-06</td>
<td>$10,800,000</td>
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<tr>
<td>2006-07</td>
<td>$22,000,000</td>
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</table>

2005-2007 Request $32,800,000 General Fund

Future Increases:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-08</td>
<td>$33,200,000</td>
</tr>
<tr>
<td>2008-09</td>
<td>$44,400,000</td>
</tr>
<tr>
<td>2009-10</td>
<td>$55,500,000</td>
</tr>
<tr>
<td>2010-11</td>
<td>$66,700,000</td>
</tr>
</tbody>
</table>
### 2003-04 Average Faculty Total Compensation at Peer Universities

#### Weighted Distribution of Faculty by Rank*

(Dollars in thousands)

<table>
<thead>
<tr>
<th>Institution</th>
<th>State</th>
<th>Prof</th>
<th>Assoc</th>
<th>Asst</th>
<th>Instr</th>
<th>All Ranks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Oregon State University</td>
<td>OR</td>
<td>105.1</td>
<td>85.2</td>
<td>74.5</td>
<td>54.3</td>
<td>87.4</td>
</tr>
<tr>
<td>2 Portland State University</td>
<td>OR</td>
<td>99.4</td>
<td>80.7</td>
<td>68.1</td>
<td>53.0</td>
<td>82.1</td>
</tr>
<tr>
<td>3 University of Oregon</td>
<td>OR</td>
<td>109.7</td>
<td>80.7</td>
<td>72.0</td>
<td>53.2</td>
<td>86.9</td>
</tr>
<tr>
<td>4 University of Arizona</td>
<td>AZ</td>
<td>113.3</td>
<td>81.4</td>
<td>72.4</td>
<td>-</td>
<td>88.3</td>
</tr>
<tr>
<td>5 University of California Santa Barbara</td>
<td>CA</td>
<td>141.5</td>
<td>91.3</td>
<td>78.2</td>
<td>-</td>
<td>102.8</td>
</tr>
<tr>
<td>6 University of California Davis</td>
<td>CA</td>
<td>136.0</td>
<td>91.3</td>
<td>78.5</td>
<td>-</td>
<td>101.0</td>
</tr>
<tr>
<td>7 University of Colorado Boulder</td>
<td>CO</td>
<td>118.7</td>
<td>87.3</td>
<td>75.2</td>
<td>55.0</td>
<td>93.0</td>
</tr>
<tr>
<td>8 University of Iowa</td>
<td>IA</td>
<td>125.5</td>
<td>86.6</td>
<td>77.4</td>
<td>-</td>
<td>95.6</td>
</tr>
<tr>
<td>9 Iowa State University</td>
<td>IA</td>
<td>115.1</td>
<td>88.4</td>
<td>74.9</td>
<td>50.5</td>
<td>91.8</td>
</tr>
<tr>
<td>10 University of Illinois Chicago</td>
<td>IL</td>
<td>122.4</td>
<td>89.4</td>
<td>77.5</td>
<td>61.6</td>
<td>96.0</td>
</tr>
<tr>
<td>11 Indiana University Bloomington</td>
<td>IN</td>
<td>126.5</td>
<td>89.0</td>
<td>76.4</td>
<td>-</td>
<td>96.4</td>
</tr>
<tr>
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<td>125.7</td>
<td>90.8</td>
<td>79.7</td>
<td>49.4</td>
<td>97.6</td>
</tr>
<tr>
<td>13 Indiana U/Purdue U at Indianapolis</td>
<td>IN</td>
<td>108.6</td>
<td>86.3</td>
<td>71.0</td>
<td>53.3</td>
<td>87.9</td>
</tr>
<tr>
<td>14 University of N. Carolina Chapel Hill</td>
<td>NC</td>
<td>126.4</td>
<td>90.4</td>
<td>76.2</td>
<td>80.0</td>
<td>98.2</td>
</tr>
<tr>
<td>15 North Carolina State</td>
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<td>82.4</td>
<td>73.7</td>
<td>48.6</td>
<td>83.9</td>
</tr>
<tr>
<td>16 SUNY Buffalo</td>
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<td>93.8</td>
<td>77.0</td>
<td>48.8</td>
<td>100.1</td>
</tr>
<tr>
<td>17 University of Memphis</td>
<td>TN</td>
<td>105.1</td>
<td>79.1</td>
<td>70.0</td>
<td>48.6</td>
<td>83.9</td>
</tr>
<tr>
<td>18 University of Washington</td>
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<td>113.8</td>
<td>82.4</td>
<td>76.1</td>
<td>53.3</td>
<td>90.0</td>
</tr>
<tr>
<td>19 University of Wisconsin Milwaukee</td>
<td>WI</td>
<td>105.8</td>
<td>83.9</td>
<td>74.5</td>
<td>52.2</td>
<td>87.2</td>
</tr>
</tbody>
</table>

**Weighted Average (without OUS universities)**

- Oregon State University % of average: 87.1% 97.8% 98.2% 100.3% 93.2%
- Portland State University % of average: 82.4% 92.6% 89.8% 97.9% 87.5%
- University of Oregon % of average: 90.9% 92.6% 94.9% 98.2% 92.6%

* Faculty distribution for each university is standardized to 35% professors, 30% associate professors, 30% assistant professors, and 5% instructors

### 2003-04 Average Faculty Total Compensation at Peer Universities

**Weighted Distribution of Faculty by Rank**

*(Dollars in thousands)*

<table>
<thead>
<tr>
<th>Institution</th>
<th>State</th>
<th>Prof</th>
<th>Assoc</th>
<th>Asst</th>
<th>Instr</th>
<th>All Ranks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Eastern Oregon University</td>
<td>OR</td>
<td>71.4</td>
<td>63.8</td>
<td>54.7</td>
<td>44.9</td>
<td>62.8</td>
</tr>
<tr>
<td>2 Southern Oregon University</td>
<td>OR</td>
<td>79.4</td>
<td>66.0</td>
<td>58.5</td>
<td>48.1</td>
<td>67.5</td>
</tr>
<tr>
<td>3 Western Oregon University</td>
<td>OR</td>
<td>81.0</td>
<td>69.0</td>
<td>58.5</td>
<td>50.4</td>
<td>69.1</td>
</tr>
<tr>
<td>4 California State Univ Stanislaus</td>
<td>CA</td>
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<td>64.1</td>
<td></td>
<td>82.0</td>
</tr>
<tr>
<td>5 Fort Hays State University</td>
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<td>54.7</td>
<td>47.6</td>
<td>65.3</td>
</tr>
<tr>
<td>6 University of Michigan Flint</td>
<td>MI</td>
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<td>66.5</td>
<td></td>
<td>77.2</td>
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<tr>
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<td>74.8</td>
</tr>
<tr>
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<td>69.1</td>
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<td></td>
<td>67.4</td>
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<tr>
<td>13 University of Wisconsin Parkside</td>
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<td>88.8</td>
<td>76.9</td>
<td>65.7</td>
<td></td>
<td>76.2</td>
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</table>

Weighted Average (without OUS universities)

<table>
<thead>
<tr>
<th>Institution</th>
<th>State</th>
<th>Prof</th>
<th>Assoc</th>
<th>Asst</th>
<th>Instr</th>
<th>All Ranks</th>
</tr>
</thead>
<tbody>
<tr>
<td>82.1% 90.1% 92.2% 94.4% 87.4%</td>
<td>OR</td>
<td>79.6</td>
<td>70.1</td>
<td>62.2</td>
<td>58.2</td>
<td>70.5</td>
</tr>
<tr>
<td>91.3% 93.2% 98.6% 101.2% 94.0%</td>
<td>OR</td>
<td>79.6</td>
<td>70.1</td>
<td>62.2</td>
<td>58.2</td>
<td>70.5</td>
</tr>
<tr>
<td>93.2% 97.4% 98.6% 106.0% 96.2%</td>
<td>OR</td>
<td>79.6</td>
<td>70.1</td>
<td>62.2</td>
<td>58.2</td>
<td>70.5</td>
</tr>
</tbody>
</table>

### 2003-04 Average Faculty Total Compensation at Peer Universities on OIT List

*(Dollars in thousands)*

<table>
<thead>
<tr>
<th>Institution</th>
<th>State</th>
<th>Prof</th>
<th>Assoc</th>
<th>Asst</th>
<th>Instr</th>
<th>All Ranks</th>
</tr>
</thead>
<tbody>
<tr>
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<td>OR</td>
<td>79.6</td>
<td>70.1</td>
<td>62.2</td>
<td>58.2</td>
<td>70.5</td>
</tr>
<tr>
<td>2 California State Polytechnic Pomona</td>
<td>CA</td>
<td>107.5</td>
<td>86.0</td>
<td>71.7</td>
<td></td>
<td>87.4</td>
</tr>
<tr>
<td>3 Colorado State University Pueblo</td>
<td>CO</td>
<td>71.5</td>
<td>57.6</td>
<td>56.5</td>
<td>29.0</td>
<td>60.7</td>
</tr>
<tr>
<td>4 Southern Polytechnic State University</td>
<td>GA</td>
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<td>75.2</td>
<td>62.0</td>
<td>53.8</td>
<td>74.1</td>
</tr>
<tr>
<td>5 Purdue University North Central</td>
<td>IN</td>
<td>92.0</td>
<td>72.7</td>
<td>58.4</td>
<td>49.3</td>
<td>74.0</td>
</tr>
<tr>
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<td>KS</td>
<td>81.6</td>
<td>68.8</td>
<td>56.9</td>
<td>47.2</td>
<td>68.6</td>
</tr>
<tr>
<td>7 Western Carolina University</td>
<td>NC</td>
<td>82.5</td>
<td>69.0</td>
<td>60.3</td>
<td></td>
<td>70.1</td>
</tr>
<tr>
<td>8 SUNY College of Technology at Alfred</td>
<td>NY</td>
<td>82.0</td>
<td>65.5</td>
<td>54.7</td>
<td>47.2</td>
<td>67.1</td>
</tr>
<tr>
<td>9 East Tennessee State University</td>
<td>TN</td>
<td>81.9</td>
<td>68.8</td>
<td>59.3</td>
<td>45.4</td>
<td>69.4</td>
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<tr>
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<td>72.8</td>
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<tr>
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<td>51.4</td>
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</tr>
<tr>
<td>12 West Virginia University Instit of Tech</td>
<td>WV</td>
<td>67.9</td>
<td>56.5</td>
<td>47.8</td>
<td>35.3</td>
<td>56.8</td>
</tr>
</tbody>
</table>

Weighted Average (without OIT)

<table>
<thead>
<tr>
<th>Institution</th>
<th>State</th>
<th>Prof</th>
<th>Assoc</th>
<th>Asst</th>
<th>Instr</th>
<th>All Ranks</th>
</tr>
</thead>
<tbody>
<tr>
<td>91.8% 98.4% 102.0% 121.3% 97.3%</td>
<td>OR</td>
<td>79.6</td>
<td>70.1</td>
<td>62.2</td>
<td>58.2</td>
<td>70.5</td>
</tr>
</tbody>
</table>

Oregon Institute of Technology % of average

91.8% 98.4% 102.0% 121.3% 97.3%
**Policy Package**

**Title:** Student Enrollment Growth - $14.7 million GF; $17.7 million Other Funds

**Policy Initiative:** Access and Academic Excellence

**Description:**
The Oregon University System has experienced rapid enrollment growth over the past ten years due to 1) demographic and economic changes, 2) efforts to recruit more Oregon high school graduates, and 3) concentration on improving student retention. At the same time, state funding has declined dramatically, resulting in sharp increases in tuition, increasing class sizes, and fewer services for students.

This policy package is necessary to help to mitigate additional tuition increases and to preserve access to higher education for Oregon's residents. This package would also help to diminish, but not end, the continuing erosion of state resources, course offerings, and infrastructure. The funding is important to maintaining a reasonable array of class offerings and student services and preventing further increases in student-faculty ratios. The ratio of students to full-time faculty at OUS institutions ranked among the highest of their peers in 2000-01 and has increased significantly since then, from 24.3 percent in fall 2000 to 27.9 percent in fall 2003.

An increase of 2,810 FTE fundable students is projected for 2005-2007 above the enrollment for the current biennium. The policy package request is based on the current state General Fund contribution per student, which is 54.9 percent of the peer median funding level as calculated by the Resource Allocation Model. If this request were based on 100 percent of the peer median funding level, the amount of the request for the enrollment growth would be $26.8 million. If the state were to provide 100 percent of the peer median funding for all fundable OUS students, the additional General Fund revenue required would be $370.9 million for the 2005-2007 biennium.

**Expected Outcomes:**
- Maintain access to the OUS for qualified Oregonians
- Maintain and improve graduate rates

**Performance Indicators:**
- Access - Percentage of first-time freshmen enrolling from Oregon high schools the fall following graduation
- Quality - Student Success: First-time full-time students completing a bachelor's degree

**Budget Outline:**

| Funding for 2,810 additional fundable FTE: | $ 14,700,000 | General Fund |
| Limitation for 2,873 total additional FTE: | $ 17,700,000 | Other Funds Limited |
Policy Package

Title: Retaining Top Students in Oregon – $ 2.5 million


Description: The principal goal of this proposal is to retain top students in Oregon by expanding Honors programs throughout the Oregon University System. Honors opportunities leverage intellectual capital by appealing to the most competent and motivated students graduating from Oregon’s 268 high schools. These students characteristically seek out challenging intellectual experiences that provide active, participatory learning experiences. The fact that applications exceed capacity for all Honors programs by several-fold is ample testimony of the momentum and reputation of these Honors opportunities. UO’s Clark Honors College is already one of 38 named Honors colleges in the country and OSU’s University Honors College is one of only a dozen degree granting Honors colleges. EOU’s Honors program is among the newest in the System and functions as an effective retention tool for their most ambitious students. The best way to keep top-students in-state and contributing to the state’s economy is to attract them to an OUS institution in the first place; unfortunately, too many high ability high school students currently leave Oregon to pursue their educations.

Honors colleges/programs serve our state’s highest achieving undergraduates by offering challenging courses with limited enrollment, taught by outstanding professors. Current Honors enrollments are UO 600, OSU 500, PSU 200, and EOU 55. UO and OSU’s honors programs are well established and successful, routinely attracting applicants with credentials comparable to those enrolling at the top ten universities in the country. An increase at each institution of approximately 50 students in 2005-06, and an additional 50 in 2006-07, will enable Oregon to keep more of its brightest young people within the state, not only for college but also for their careers. The Honors programs at the regional campuses and at OIT also draw motivated students with impressive academic credentials.

Considerable demand and substantial opportunity for quality growth exists and has been documented. Honors education depends upon the maintenance of high standards, thus the proposal to grow is predicated on the availability of attractive student financial aid packages. This proposal focuses on recruitment personnel to encourage applications from the large pool of qualified students who do not now consider honors programs and to increase yield among admitted students. Recruitment specialists will also facilitate outreach strategies to middle schools, high schools, and underrepresented student groups and geographical locations. Additional funds are requested to provide instructional capacity and to maintain student-faculty ratios in the face of growth.

Affordability of an OUS honors education continues to be a major appeal for all Oregon families seeking access to quality educational opportunities. OSU Honors, for instance,
report applications/admissions from 30 of Oregon’s 36 counties over the past three years while 18 percent of the 2004 entering cohort is from underrepresented minorities.

Honors opportunities throughout the OUS offer greater investment returns than those of their institutions-at-large. Among the performance indicators of note are that persistence to second year attendance in Honors is far greater that for the host institutions (e.g., 93 percent of OSU’s first-year Honors students return for their second year vs. institution average of 81 percent; EOU’s Honors students return at a rate over 90 percent). Also, both five and six year graduation rates for OSU and UO students who initially enroll in Honors programs run 20 or more points higher than institutional averages (80 percent vs. 60 percent). According to information provided by EOU, small-college Honors programs typically have an institutional graduation rate of approximately 92 percent nationwide.

**Expected Outcomes:** The most immediate effect of increased capacity in OUS Honors colleges/programs is to magnify the impact of existing patterns. As pointed out above, Honors students are more likely to complete degree programs than other students and they do so more efficiently. More high-achieving young Oregonians will remain in state if Honors capacity is available and attractive, adding to our corps of leadership talent. At least half of our current in-state Oregon Honors students would have left the state for college had it not been for Honors programs.

It is important to note that Honors students do not derive only from privileged backgrounds. To illustrate: At OSU, 41 percent of Honors students are receiving $1,000 or more of need-based financial aid. Provision of competitive financial aid packages is an important prerequisite for quality-growth.

Honors education produces a substantial economic dividend for the state. This dividend is realized in the form of increased individual earnings by students who enter Honors programs. This dividend flows from three facts: first, honors students graduate at rates well above institutional averages; second, honors graduates are far more likely to seek advanced degrees (70 percent of UO Honors graduates seek advanced degrees vs. 16 percent of all UO graduates; EOU sends two-thirds of its Honors graduates for additional education); and third, education level is directly related to income.

Viewed over a lifetime of employment, an individual with some college has expected earnings exceeding those of a high school graduate by more than $180,000, in 1999 dollars. A Bachelor’s degree confers an additional $440,000 in expected lifetime earnings and an advanced degree leads to a further increase of $400,000.

In addition to creating greater prosperity for Oregon, such alumni also make greater tax payments to the Oregon Treasury. For instance, UO Honors graduates will contribute 26 percent more in income tax payments during their working lives than their non-honors counterparts.
Honors expansion can also draw bright students from other states, who then are more likely to remain Oregon residents. Both UO and OSU report that 45 percent of out-of-state Honors students remained as Oregon residents after graduation, and studies of other states indicate that high-ability students are more likely than others to work in their home states after graduation if they attend a home-state university.

Many Honors students complete our programs to then attend graduate programs out of state, but many return to work; our ability to attract new Oregonians through Honors programs helps compensate for this aspect of the brain drain. Bear in mind that these are students who will attend the best graduate programs whether they graduate from OUS schools or from Stanford and Colorado—data indicate that top students are more likely to seek work in the states where they attended college.¹ So part of our job is to keep Oregon in their minds as undergraduates.

Expanding Honors addresses other key elements of concern to Oregon State Board of Higher Education. The presence of Honors-caliber students enhances the intellectual climate for students and faculty alike. Honors programs attract a diverse student body that has a tangible impact on Systemwide performance indicators. With expansion, Honors outreach can engage students earlier, enhancing contact with underrepresented student groups and geographic locations across the state. Honors opportunities create a close linkage between discovery and dissemination that engages students in the process of discovery, spurs faculty productivity and hones critical thinking skills. Removal of just half of the Honors cohort would erode retention and graduation rates of OUS institutions as Honors students have lower attrition, greater graduation rates, and leave campus prepared to assume positions of leadership in Oregon’s workforce.

OIT will create an Honors College for students who are involved in undergraduate research with the Oregon Renewable Energy Center. This will include participation in a required research seminar and preparation and presentation of research findings in an annual OREC Undergraduate Research Conference.

Southern Oregon University is presently engaged in a significant expansion of its distinguished Churchill Honors Program, directly addressing concerns about keeping more of Oregon’s top students in the state and strengthening their educational achievements. SOU’s new direction in Honors rests on considerable research about both innovation on other campuses nationwide and the specific characteristics of SOU students.

WOU will offer a set of writing intensive, low enrollment, discussion format courses, open only to Honors Program students, that completely satisfy the Honors student’s general education requirements. The second element of the program is a thesis requirement.

Performance Indicators:
Honors programs will increase the number of bright young Oregonians who seek their educations (and their futures) in Oregon.

- Expanded Honors programs will increase degrees awarded and graduation rates at OUS institutions;
- Expanded Honors recruiting will promote minority participation and campus diversity;
- Expanded Honors programs will improve freshman persistence to second year at OUS institutions;
- Over 50 percent of our students will work in Oregon at year 5 after graduation.
- 20 percent of students will be underrepresented minorities within 5 years.
- Over 80 percent of Oregon counties will be represented among Honors students within 5 years.
### Budget Outline:

**Budget Proposal: Oregon State University Honors College**

Expansion by 200 students over four year predicated on the availability of financial aid/tuition remissions to facilitate competitive recruitment.

#### Direct Student Expenditures

<table>
<thead>
<tr>
<th>FY 05-6</th>
<th>FY 06-7</th>
<th>FY 07-8</th>
<th>FY 08-9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate Teaching Assistantships (a)</td>
<td>10,000</td>
<td>15,000</td>
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<tr>
<td>Thesis/Study Abroad Stipend (b)</td>
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<td>25,000</td>
<td>30,000</td>
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<tr>
<td>Total Cost of Additional Coursework</td>
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<tr>
<td>Visiting Faculty</td>
<td>1.3</td>
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</tr>
<tr>
<td>OPE</td>
<td>32,850</td>
<td>32,850</td>
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<tr>
<td>Total Direct Student Expenditures</td>
<td>194,725</td>
<td>246,600</td>
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### Added Positions

<table>
<thead>
<tr>
<th>Position</th>
<th>FY 05-6</th>
<th>FY 06-7</th>
<th>FY 07-8</th>
<th>FY 08-9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internship/Mentorship Coordinator</td>
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<td>40,886</td>
<td>40,886</td>
<td>40,886</td>
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<tr>
<td>Faculty (one more every two years)</td>
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<td>70,090</td>
<td>140,179</td>
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<tr>
<td>Office Specialist</td>
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<td>40,886</td>
<td>40,886</td>
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<tr>
<td>Recruiting Specialist</td>
<td>66,280</td>
<td>66,280</td>
<td>66,280</td>
<td>66,280</td>
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<tr>
<td>Affiliated faculty (2 more each year)</td>
<td>16,000</td>
<td>32,000</td>
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<td>64,000</td>
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<td>Science Coordinator</td>
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</table>

### Services and Supplies (S&S)

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<thead>
<tr>
<th>FY 05-6</th>
<th>FY 06-7</th>
<th>FY 07-8</th>
<th>FY 08-9</th>
</tr>
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<tbody>
<tr>
<td>New faculty expenses</td>
<td>6,000</td>
<td>3,000</td>
<td>9,000</td>
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<tr>
<td>Internships</td>
<td>15,000</td>
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<td>25,000</td>
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<tr>
<td>Office supplies &amp; services</td>
<td>5,000</td>
<td>7,500</td>
<td>10,000</td>
</tr>
<tr>
<td>Thesis research</td>
<td>25,000</td>
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<td>30,000</td>
</tr>
<tr>
<td>Travel cost for recruiting</td>
<td>10,000</td>
<td>10,000</td>
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</tr>
<tr>
<td>Computer equip. for new faculty &amp; staff</td>
<td>8,000</td>
<td>-</td>
<td>2,000</td>
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</table>

### Grand Total Each Fiscal Year

<table>
<thead>
<tr>
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<th>FY 06-7</th>
<th>FY 07-8</th>
<th>FY 08-9</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 413,143</td>
<td>$ 380,643</td>
<td>$ 454,233</td>
<td>$ 525,233</td>
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</table>

### Grand Total each Biennium

<table>
<thead>
<tr>
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<th>FY 06-7</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 793,786</td>
<td>$ 979,465</td>
</tr>
</tbody>
</table>
Infrastructure Expenditures

Recruitment Specialist (e)
Salary and OPE
66,516  66,966  70,305  70,778
Travel  
10,000  10,000  10,000  10,000
Office Specialist 1
Salary and OPE
41,236  41,486  43,341  43,604
Fellowship Co-coordinator (f)
Salary and OPE
66,516  66,966  70,305  70,778
Office Space (g)
56,250

Total Infrastructure Expenditures
240,518  185,418  193,951  195,159

TOTAL COSTS OF EXPANSION
$ 435,243  $ 432,018  $ 525,551  $ 606,759

Biennium Budget

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 867,261</td>
<td>$1,132,310</td>
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</table>

Budget Proposal: Portland State University Honors Program Expansion
(Based on 50 more students each year for the next four years, 05-7 to 08-9)

<table>
<thead>
<tr>
<th>Added Positions</th>
<th>FTE</th>
<th>FY 05-6</th>
<th>FY 06-7</th>
<th>FY 06-7</th>
<th>FY 06-7</th>
</tr>
</thead>
<tbody>
<tr>
<td>New faculty (one more each two years)</td>
<td>1.0</td>
<td>70,090</td>
<td>70,090</td>
<td>140,179</td>
<td>140,179</td>
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<tr>
<td>Internship Coordinator</td>
<td>1.0</td>
<td>40,886</td>
<td>40,886</td>
<td>40,886</td>
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<td>Recruitment Specialist</td>
<td>1.0</td>
<td>70,090</td>
<td>70,090</td>
<td>70,090</td>
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</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>181,066</td>
<td>181,066</td>
<td>251,155</td>
<td>251,155</td>
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</table>

Services and Supplies (S&S)

<table>
<thead>
<tr>
<th>Added Positions</th>
<th>FY 05-6</th>
<th>FY 06-7</th>
<th>FY 06-7</th>
<th>FY 06-7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty fellowships</td>
<td>5,000</td>
<td>5,000</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Travel cost for recruiting</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Subtotal</td>
<td>10,000</td>
<td>15,000</td>
<td>20,000</td>
<td>20,000</td>
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Grand Total Each Fiscal Year

<table>
<thead>
<tr>
<th></th>
<th>FY 05-6</th>
<th>FY 06-7</th>
<th>FY 06-7</th>
<th>FY 06-7</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>191,066</td>
<td>196,066</td>
<td>271,155</td>
<td>271,155</td>
</tr>
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</table>

Grand Total each Biennium

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>387,131</td>
<td>542,310</td>
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</table>
Budget Proposal: OUS Regional Universities Honors Program Expansion  
(Based on 50 more students each year for the next four years, 05-6, 06-7, 07-8, 08-9)

<table>
<thead>
<tr>
<th></th>
<th>FY 05-6</th>
<th>FY 06-7</th>
<th>FY 07-8</th>
<th>FY 08-9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Honors Program</td>
<td>167,000</td>
<td>334,000</td>
<td>400,000</td>
<td>500,000</td>
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<tr>
<td>Grand Total each Biennium</td>
<td>$501,000</td>
<td>$900,000</td>
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TOTAL OUS POLICY PACKAGE REQUEST

2005-2007: $2,549,178  
2007-2009: $3,554,085

Policy Package

Title: Connecting Higher Education to a Statewide Student Service System – $2.8 mil.

Policy Initiative: Excellence in Delivery and Productivity (More, Better, Faster)

Description: A K-16 data system has been identified nationally (see NGA recommendation) as a critical component to a comprehensive student educational system. The K-12 system is under development and this concept would facilitate the electronic transfer of K-12 student transcripts to OUS institutions and community colleges admissions offices. The project would be pursued in two concurrent phases. Each would create a self-reliant benefit to students that could be easily linked to provide even greater statewide impact. One part is to create the data links that enable student data to be transferred between schools (K-12 and post-secondary). The second part is the creation of a statewide web-based course articulation service that would enable students to determine how courses taken at one college or university could be transferred to another. The projects will create greater efficiency in admissions processing and student course placement while also leading to improved secondary school performance by providing meaningful student-performance feedback to high schools. This will also empower students and their parents to become more informed about preparation for college.

Expected Outcomes:
- Increased number of Bachelor degree recipients;
- Increased number of high school students taking advanced courses leading to increased college enrollments;
- Shortened time to degree resulting in lower average student debt (or in presence of continued tuition increases, a slowing in the rate of student debt growth);
• Increased transfer student activity between OUS and community colleges; and
• Increased number of students enrolling in postsecondary education in Oregon.

Performance Indicators:
• Freshmen to Sophomore Persistence
• Graduation Rates
• Student Debt Ratio

Budget Outline:
New staffing: 1 limited duration professional staff position for 24 months
1 FTE @ $159,000 (included below in Project Planning and Management)

<table>
<thead>
<tr>
<th>K-16 Data System Budget</th>
<th>OUS Institutions</th>
<th>CO/ITS/IR</th>
<th>Total OUS</th>
<th>Community Colleges*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Planning and Management</td>
<td>69,400</td>
<td>337,000</td>
<td>406,400</td>
<td>82,200</td>
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<tr>
<td>Build Infrastructure for Transcript Transmission</td>
<td>48,000</td>
<td>485,000</td>
<td>533,000</td>
<td>200,500</td>
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<tr>
<td>Upgrading Reports to CC and K-12</td>
<td>0</td>
<td>400,000</td>
<td>400,000</td>
<td>278,000</td>
</tr>
<tr>
<td>Creating Web Documentation</td>
<td>20,400</td>
<td>215,200</td>
<td>235,600</td>
<td>94,000</td>
</tr>
<tr>
<td>Evaluation</td>
<td>39,500</td>
<td>261,500</td>
<td>301,000</td>
<td>62,500</td>
</tr>
<tr>
<td>Total (Assumes continued OUS IT support)</td>
<td>177,300</td>
<td>1,698,700</td>
<td>1,876,000</td>
<td>717,200</td>
</tr>
</tbody>
</table>

* not requested as part of OUS Policy Option Package. However, CCWD will submit their own request to be linked with this and K-12’s student data linkage requests.

The purpose of this package is to create a standard student record format that can be used to move student information in an electronic format from one district system to another. This record set will be consistent with that being developed for the College Student Admission Profile (CSAP) to move student information electronically from K-12 entities to community colleges and universities.

This system will provide consistent, comparable, and timely information on individual students relative to demographics, courses taken, programs, assessment results, etc. This individual student information will inform instruction, address the needs of the mobile student population, and increase the movement towards a common operation or student information system between districts.

The budget developed is based upon the sustained technical and software license support from the OUS/OSU IT division. Without that level of support it is projected that the total cost of the project would increase by $3.0 million.

Statewide Web-based Articulation Service
The ARTSYS® program was developed in Maryland for statewide use and is scheduled for implementation in New Jersey and Pennsylvania. It offers more services to students than the CAS® system developed in Ohio by adding information on academic majors offered at all participating schools through the use of search engine. ARTSYS® is a
database that is built upon current course articulation agreements between colleges and universities that are available locally and in many cases in paper form only. The cost of the system is a one-time purchase of $760,000 and an annual site license of $76,000. This would cover all community colleges and OUS campuses. More information on ARTSYS® can be found at www. http://www.umuc.edu/studserv/ugp_ss/artsys.html

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
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</thead>
<tbody>
<tr>
<td>Purchase software (including training by ARTSYS)</td>
<td>$760,000</td>
</tr>
<tr>
<td>Annual site license (2006)</td>
<td>76,000</td>
</tr>
<tr>
<td>Student employees to enter articulation data</td>
<td>50,000</td>
</tr>
<tr>
<td>Meetings for campus trainings</td>
<td>24,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$910,000</strong></td>
</tr>
</tbody>
</table>

**Total Policy Package Request:** $2,786,000

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### Policy Package

**Title:** Engineering & Technology Investment Proposal – Growing Opportunity in Oregon – $ 22.1 million G.F. ($13.85 million Capital Funding)

**Policy Initiative(s):** Creating Economic Opportunity in Oregon, Building Quality Academic Program, Providing Access to College Education, Managing for Cost Effectiveness (ED: R&D)

**Description:** This proposal builds on a partnership between the seven OUS campus and OHSU/OGI that goes back to July 1997 with the passage of SB 504. It continues the ETIC capacity and excellence strategy at the same time it focuses new investment on key economic opportunities that will provide quality jobs for Oregonians and help keep Oregon’s technical talent in Oregon. It requires no new legislation.

**Expected Outcomes:**

- Additional faculty and facilities need to give economic leverage, improve national rankings, and double number of work-ready graduates in Oregon.
- Increased quality and diversity (ethnic, geographic, gender) of students while increasing community college collaboration and removing barriers.
- A new method to quickly form industry-academic partnerships to mold and adapt global markets for Oregon economic advantage.
- Investments in areas with maximum economic impact:
  
  a. Analog and Mixed Signal
  b. Biomedical Engineering & Digital Hospital
  c. Computer Science & Information Technology
  d. Infrastructure / Transportation
  e. ONAMI / Nanoscience / Material Science
  f. OREC, Environmental Systems
  g. Pre-engineering / Community College
Performance Indicators:
- Degrees in Shortages Areas (#6)
- R&D (#10)
- Graduate Success (#8)
- Internships (#12)
- New Undergraduate Enrollment (#2)
- Total Credit Enrollment (#1)

Additional metrics:
- Student credit hours in target programs
- Undergraduate
- Graduate
- Average SAT/ACT percentile of freshmen
- Average GRE percentile of graduate students
- Women graduating
- Minorities graduating
- Licensing

Budget Outline:
This proposal would create 34.6 new faculty FTE including 4.0 at OHSU/OGI. The total operational outlay is $43.0 million – a $22.1 million increase over the current biennium. **This increase allows Oregon to exploit the opportunities described above, dramatically enhancing its ability to provide high quality jobs for Oregonians.** The proposed capital outlay is $13.85 million. In addition, we forecast $65.6 million in private support associated with the operational outlays and $28.2 million associated with the capital outlays. Table 1 provides a breakdown by campus.
## Table 1

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>State Funds ($M)</td>
<td>Private Support ($M)</td>
<td>Support Ratio</td>
<td>State Funds ($M)</td>
<td>Private Support ($M)</td>
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<tr>
<td>EOU</td>
<td>0.25</td>
<td>0.08</td>
<td>0.30</td>
<td>0.35</td>
<td>0.13</td>
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<tr>
<td>OGI</td>
<td>2.60</td>
<td>4.00</td>
<td>1.54</td>
<td>2.60</td>
<td>4.23</td>
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<tr>
<td>OIT</td>
<td>1.08</td>
<td>0.97</td>
<td>0.90</td>
<td>1.04</td>
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<tr>
<td>OSU</td>
<td>9.92</td>
<td>19.15</td>
<td>1.93</td>
<td>9.87</td>
<td>19.74</td>
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<td>PSU</td>
<td>4.96</td>
<td>5.83</td>
<td>1.18</td>
<td>5.13</td>
<td>7.69</td>
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<td>SOU</td>
<td>0.54</td>
<td>0.54</td>
<td>0.99</td>
<td>0.53</td>
<td>0.27</td>
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<tr>
<td>UO</td>
<td>1.80</td>
<td>4.24</td>
<td>2.36</td>
<td>1.05</td>
<td>1.76</td>
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<tr>
<td>WOU</td>
<td>0.25</td>
<td>0.08</td>
<td>0.30</td>
<td>0.25</td>
<td>0.13</td>
</tr>
<tr>
<td>Subtotal / Average</td>
<td>21.40</td>
<td>34.88</td>
<td>1.63</td>
<td>20.82</td>
<td>34.38</td>
</tr>
<tr>
<td>Other investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planning</td>
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<td>0.08</td>
<td></td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td>Research Fund</td>
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<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Pre-college RFP</td>
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<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Total</td>
<td>21.40</td>
<td>34.88</td>
<td>1.63</td>
<td>20.90</td>
<td>34.38</td>
</tr>
</tbody>
</table>

|                   | State Funds ($M) | Private Support ($M) | Support Ratio | State Funds ($M) | Private Support ($M) | Support Ratio | State Funds ($M) | Private Support ($M) | Support Ratio | State Funds ($M) | Private Support ($M) | Support Ratio |
|                   | 0.30            | 0.60                  | 2.00          | 0.40            | 0.80                  | 2.00          | 1.00            | 2.00                  | 2.00          | 1.00            | 1.50                  | 2.00          |

Other investments:
10 PERCENT REDUCTION PROPOSALS

State statute requires agencies to submit 10 percent reduction proposals to the Department of Administrative Services with the agency request budget. The potential reductions listed below must be viewed in the context of the severe reductions that the OUS has suffered over the past two biennia with state support for the Education and General Program dropping by $83 million since 1999-2001.

If tuition rates are increased to offset General Fund reductions, then a $12 million reduction would require a 2.8 percent increase in tuition above the tuition rate increases required to fund the Essential Budget Level.

<table>
<thead>
<tr>
<th>Instruction</th>
<th>Education &amp; General</th>
<th>Total General Fund</th>
<th>Education &amp; General</th>
<th>Total Other Funds Limited Revenue</th>
<th>Agricultural Experiment Station</th>
<th>Total AES General Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>Eliminate 88 course sections and 67 FTE. Close satellite instructional facilities serving students in rural areas and reduce distance ed course development - $1.45 million. Reduce temporary staffing of $1.2 million. Eliminate faculty recruitment funds by $250,000.</td>
<td>(in millions) $12</td>
<td>Student and Administrative Support</td>
<td>Reduce Student Services and Administrative Support, cutting 87 FTE. Reduce career services; eliminate new campus based financial aid; close two buildings; reduce library acquisitions, supplies, and equipment. Reduce Community College Partnership funding, recruiting, mailings, and outreach services. Defer classroom upgrades.</td>
<td>$12</td>
<td>Instruction</td>
</tr>
<tr>
<td>Experiment Service</td>
<td>Summary</td>
<td>Cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------</td>
<td>---------</td>
<td>-------</td>
<td></td>
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</tr>
</tbody>
</table>
| Reduction in statewide staffing level by 16 FTE in FY 05/06 (loss of a single FTE may affect two or more faculty positions so this may equate to a head count of 20-25 individuals) will:
- result in loss of faculty having joint appointments among research, teaching, and Extension
- jeopardize retention of some existing outside funding
- reduce ability to attract other outside funding
- Reductions in the Agriculture & Forestry programs will have a negative impact on state economy, especially in rural Oregon.
- Reductions in family and community development programming will reduce educational opportunities.
- Reductions in the 4-H program will impair educational opportunities for youth.
- Reduction in the Sea Grant program will impact environmental issues such as watershed restoration. | $3.7 |
| Forest Research Laboratory | Reduce the number of Graduate Research Assistants performing studies on forest health, wildlife habitat, productivity, wood use, watersheds, and protection issues, affecting the ability to research issues in Oregon's forests and watersheds. Elimination of 5 FTE. | $ .180 |
| Forest Research Laboratory | Eliminate PhD level faculty researchers performing studies on forest health, wildlife habitat, productivity, watersheds, wood use, and protection issues. Elimination of 2 FTE. | $ .203 |
| Forest Research Laboratory | Eliminate Information Technology positions in system security, database development, and web production, effecting safeguards from hackers and delays in analysis of data. Elimination of 2 FTE. | $ .140 |
| Statewide Public Service Programs | Total FRL General Fund | $ .523 |
| Other Funds Nonlimited | Reduce grants and contracts funded by the Federal government and other outside sources of revenue | $ 93.8 |
| Other Funds Nonlimited | Reduce the amount of housing and other services available to students. | $144.0 |
| Other Funds Nonlimited | Total Other Funds Nonlimited | $237.8 |

**BOARD DISCUSSION AND ACTION:**

Before turning to deliberation, Chair Lorenzen acknowledged State Representative Mary Nolan’s presence in the audience.

Chair Lorenzen also asked if there was any flexibility in structuring Director Nesbitt’s request for an additional policy package to moderate tuition increases. Chair Lorenzen
asked if it was possible to boost the General Fund portion of the Essential Budget Level and reduce the Other Funds Limited side. Acting Chancellor Pernsteiner offered that it was probably not possible. Chair Lorenzen asked Bill McGee, Oregon Department of Administrative Services, whether it was possible. McGee noted the Essential Budget Level was expenditure driven with clear statutory expectations as to what would be included. He observed additional funds for tuition would be best presented as a policy package as opposed to being included in the Essential Budget Level. Chair Lorenzen asked if the Board was stuck with how funds were allocated in the past budget and McGee noted the Board was.

Director Nesbitt requested a ninth policy package to moderate tuition that would limit proposed tuition increases to no more than the growth in personal income. Chair Lorenzen noted that the Board would consider any possible proposals when it moved to the discussion of policy packages.

Chair Lorenzen turned to the Essential Budget Level of the 2005-2007 Biennial Operating Budget Request and called for a motion to approve that portion of the request. Director von Schlegell moved to approve the Essential Budget Level portion of the 2005-2007 Biennial Operating Budget as set forth in the docket materials and Director Blair seconded the motion. All in favor: Blair, Burns, Dyess, Lorenzen, Nesbitt, Richmond, von Schlegell, Schuette, and Sohn. Opposed: none. Motion passed.

Chair Lorenzen and Chair Lorenzen noted this portion of the budget request followed a specific formula.

Chair Lorenzen turned to the consideration of the policy packages. He noted the ranking sheets and confirmed that the Excellence in Delivery and Productivity policy packages would be considered together. Chair Lorenzen suggested Board members rank the policy packages to start and Director von Schlegell requested confirmation that the cost numbers for the packages were still accurate.

President Ray asked how the process would consider the new budgeting model the Governor would use in constructing his budget. FBAPRE Chair Blair noted that Theresa McHugh and MardiLyn Saathoff of the Governor’s Office spoke to the FBAPRE Committee regarding the Governor’s expectations. He observed that the Governor expected the Board to present all perspectives and give him the full priority list. Director Blair also reiterated Chair Lorenzen’s comments about including a narrative commentary with the budget request to demonstrate the prioritization process. Chair Lorenzen asked for suggestions about how to proceed and Director von Schlegell observed that there might not be discussion if there was a vote and aggregation to start the process. Director Sohn returned to President Ray’s comments and inquired whether there should be any deliberation about strategy to increase the Board’s odds of success. Chair Lorenzen reiterated the charge to prioritize the policy packages in some fashion and thought it might be best to discuss the packages before ranking them. Director Sohn returned to his previous comments about whether it would be helpful to discuss the packages that prevented erosion in the OUS core separately from the
packages that represented enhancements. Director von Schlégell added that there might be difficulty in comparing policy packages from different working groups and suggested the Board might deliberate and prioritize under each working group. Director Nesbitt suggested the Board go around the table and have each Board member explain their prioritization. Director Schuette asked Director Sohn to reprise an earlier conversation about a higher education movement. Director Sohn offered comments about creating a climate of support for higher education in Oregon that would work to develop an interest in opportunities in Oregon. He commented that it would be designed to cultivate the notion that everyone has a stake in higher education. Director Schuette noted his comments resonated with her because they meshed with the work of the EDP Working Group. Director Sohn observed it was the easiest kind of movement to cultivate. Chair Lorenzen summarized previous discussions and commented that Board members should individually describe how they would rank the policy packages. He asked Director Sohn to start and asked Secretary Hagemann to capture commentary and language about the prioritization of packages.

Director Sohn noted the risk of making selections and priorities, but started with the student enrollment package. He mentioned it was a critical piece to avoid erosion on campuses. He moved to the faculty recruitment and retention package second, although he observed that he was unclear if the magnitude of the package was achievable. Director Sohn proceeded with the tuition moderation plan and the *More, Better, Faster* (MBF) package as a pretty close tie. He interjected that he could put ETIC first if the lens was economic prosperity. Director Sohn noted choices were difficult and could change depending on the moment.

Director Nesbitt placed the student enrollment package first and urged no compromise in the amount. He added that OUS could not continue to do more with less and noted the increased enrollment since the passage of Measure 5. He ranked the tuition moderation proposal second and noted that tuition was an important element of affordability. While he did acknowledge OSAC’s role in need-based aid, Director Nesbitt stated the Board sets the price for the service. He ranked the faculty recruitment and retention package fourth. He commented that he might rank it higher if it did not cost as much. Director Nesbitt placed the retaining top students proposal fifth, the healthcare workforce proposal sixth, and ETIC seventh. He noted that he might have ranked ETIC higher if it was not so costly.

Director Dyess noted her struggle with the ranking, but returned to fundamental concepts of budgets to guide her. She observed she started with what you could not do without. Director Dyess ranked the student enrollment package first and noted quality would suffer if this were not addressed. She turned to the faculty recruitment and retention package as second, although she noted that she was not sure if the magnitude was necessary. Director Dyess mentioned the difficulty she had between her third and fourth rankings, but ultimately placed the MBF package third and the retaining top students package fourth. She ranked tuition moderation fifth, ETIC sixth, and the healthcare workforce seventh. She hoped industry would continue to step up regarding
the ETIC program and noted the student enrollment package and faculty recruitment and retention would speak to the underlying issues of healthcare workforce.

Director Blair mentioned that he returned to the guiding principles and tried to rank those before he prioritized the packages. He stressed trying to fix what you already have was an important consideration for him. Director Blair noted that trying to make the System as efficient as possible was most important and led him to the More, Better, Faster package. He observed maintaining the quality in the System as his second objective and noted packages such as student enrollment and the faculty recruitment and retention resonated there. The third principle for Director Blair was access and affordability, followed by focusing on some new value-creation opportunities. He added two more criteria that guided his prioritization: confidence in the proposal and ability to deliver and the ability to leverage private funds. With this summary of guiding principles, Director Blair ranked the policy packages from More, Better, Faster, faculty recruitment and retention, student enrollment, tuition moderation, with the caveat that tuition might not be the most efficient method to deploy affordability, healthcare workforce, ETIC, and retaining top students.

Director Richmond noted the healthy discussion and observed she was changing her numbers with each new perspective. She noted that she was not including the faculty recruitment and retention package in her rankings. Heartened by the work and energy of the Provosts’ Council, Director Richmond folded retaining top students with the More, Better, Faster package and ranked it first. She continued with student enrollment next, followed by the healthcare workforce proposal. Director Richmond mentioned that she was persuaded by the need for the healthcare workforce proposal. Tuition moderation was ranked next for Director Richmond, followed by ETIC. Director Richmond mentioned her struggle with ETIC because she saw its value, but knew the Board was faced with tough decisions.

Director Burns observed the political nature of the decisions and started with student enrollment. She continued with tuition moderation as her second priority. Director Burns argued that tuition moderation would allow the Board to make investments in other areas and worried with tuition increases and fund balances, no movement on tuition moderation would be politically damaging. She continued with faculty recruitment and retention and placed the More, Better, Faster package fourth. Director Burns mentioned that she was unsure if the specific proposals were the best. She noted she was compelled by the strategic investments of retaining top students, ETIC, and the healthcare workforce.

Director von Schlegell returned to Director Blair’s comments and looked back to the Governor’s charge. He stressed the importance of the Board not negotiating against itself. Director von Schlegell placed student enrollment first and faculty recruitment and retention second. He turned next to tuition moderation, followed by the More, Better, Faster package. Director von Schlegell signaled his discomfort with the defensibility of More, Better, Faster. With a focus on energizing people about higher education,
Director von Schlegell placed retaining top students next. He concluded his rankings with ETIC and healthcare workforce, observing the leveragability of the proposals.

Director Schuette returned to Director Blair's comments about fixing what you already have and placed the More, Better, Faster package first. She followed that with student enrollment second, tuition moderation, and faculty recruitment and retention. She observed difficult choices remained, but she stated all the policy packages were worthy projects and hoped there would be a way to frame support for all of them.

Chair Lorenzen returned to the prioritization principles and observed he was struck by excellence and access. With that context, he ranked student enrollment first. Chair Lorenzen continued with faculty recruitment and retention, followed by healthcare workforce, More, Better, Faster, and retaining top students. He noted that after the first two critical policy packages, many of the others were not necessarily ranked ahead of one another. After retaining top students, Chair Lorenzen ranked ETIC next. He observed that he might fund it for less than the full amount requested. Chair Lorenzen placed the tuition moderation proposal last.

Chair Lorenzen asked for suggestions as to how to proceed. Director Sohn asked President Ray to reprise a previous conversation regarding prioritization. President Ray returned to the Governor's charge regarding ending the disinvestment of higher education. President Ray suggested a framework that considered the packages that address disinvestment and the packages that address investments in access, excellence, and economic development. He observed the framework would allow a prioritization that would resonate with the Governor. Chair Lorenzen commented that it would be a useful framework and Director Dyess observed that there are specific areas and different priorities for each. She noted that it might be useful to share certain rankings with the Governor if he wanted to prioritize a certain principle over others. Director Sohn reiterated Director Dyess' comments and argued for selective association with the Governor's priorities.

Director Blair presented a different approach. He observed throughout the presentations, while there might be a desire to invest in something new, OUS was faced with a serious problem of disinvestment. He noted that the Governor would balance priorities regardless of Board action and if the Board believed that stopping erosion was the number one priority, it should say so. Director Blair stressed the most important element was how the communication was crafted and that the Board should present some key focal points and allow a subcommittee or OUS staff to draft a document with Board insights.

Chair Lorenzen noted that the student enrollment package and faculty recruitment and retention, representing disinvestment, were at the top for nearly each Board member. He asked if the Board should present those two packages as the priorities to stem disinvestment and present the others as sound proposals. Director Sohn asked for the presidents' perspective on disinvestment. President Dow stressed the student enrollment and faculty recruitment packages, but also observed there was a
tremendous market need for educated citizens. President Zinser mentioned the tuition moderation proposal and student enrollment, yet took time to highlight that the healthcare workforce proposal deserved further attention. Director von Schlegell reiterated that the Board should not negotiate against itself and noted two distinct categories of priorities: disinvestment and investment. He continued that the prioritization should consider each of the three areas under the broad headings of disinvestment and investment. He stated, “I think our job as the Board of Higher Education is to set priorities, communicate those priorities to the Governor, and then let him take it from there.”

Chair Lorenzen suggested a focus on the two “disinvestment” proposals, followed by a narrative outlining the benefit of each of the other policy packages. He stressed the importance of outlining the thought process that accompanied the prioritization. Chair Lorenzen confirmed that he would separate out the student enrollment package and faculty recruitment package as the top priority to stop the erosion. President Frohnmayer observed that those two packages did impact the Governor’s other priorities as well. Director Burns provided a preliminary compilation of the rankings and added that it might not be as cut and dry as disinvestment and investment. Director Blair cautioned the Board about getting too specific and reiterated his suggestion to collect the sensibility of the group and hand over drafting responsibilities to a subcommittee. Chair Lorenzen asked about timeframe and Director Blair mentioned that the drafting would not involve elimination of any of the packages. Director von Schlegell noted the Board had done what the Governor’s Office wanted it to do and Director Blair added it was important to achieve closure and move toward a document that summarized the Board’s process. Director Richmond observed that she did not want to move too far from the duty to submit a prioritized list and Director Dyess suggested there might be a problem if the Governor’s priority list was different from the Board’s priority list.

Pernsteiner summarized the Board’s progress and offered a possible prioritization framework. He noted close consensus emerged from the discussion, dividing the proposals into three possible categories. Pernsteiner observed the first category of providing stability that included student enrollment, faculty recruitment, and tuition moderation. He continued with the notion of “doing what we do, but doing it better,” and argued the More, Better, Faster and retaining top students packages would fit into this category. Finally, Pernsteiner added another group consisted of packages designed to make strategic investments. He stated that his suggestion worked as a rough categorization, OUS staff could work around that to craft a narrative for the budget submission. Director Dyess mentioned that ETIC and healthcare workforce packages were not new investments. Director von Schlegell returned to disinvestment and investment concepts. Chair Lorenzen clarified the two categories might be stopping disinvestment and developing additional capability. Director Dyess added that More, Better, Faster was really different than ETIC or healthcare workforce. Director Schuette noted that creating categories did not capture the power and persuasiveness of the Board’s conversation. President Ray suggested adding to Pernsteiner’s observations of disinvestment and investment and noting access, excellence, and economic development under the investment heading.
Director Nesbitt returned to the More, Better, Faster package and observed it was one of the only packages that dealt with the faster element of the Board’s vision. He mentioned that he tried to anticipate the dynamic of the Ways & Means Committee and the objectives of the More, Better, Faster package might resonate there. He noted the legislature likes to see agencies do more with less. Director Schuette added that it would be important to also stress More, Better, Faster would not sacrifice quality. Director Sohn asked if disinvestment was a strategically wise term to use with the legislature. Director Blair observed that the Board was, despite previous discussion about a drafting committee, trying to draft the narrative. Chair Lorenzen asked if the Board was prepared to entertain a motion to accept the policy packages and Pernsteiner noted that several amendments had been made. He asked Heiligman to review amendments to the policy packages. Heiligman reviewed the amendments, including the change to the enrollment growth package, the reduction to the student data system, and the new tuition moderation policy package. She also noted the changes to possible use of savings and fund balances. Heiligman observed the policy packages totaled approximately $105 million. She also noted the changes to Other Funds Limited to reflect the changes, including amendments from retaining top students and the tuition moderation. She observed these would change Other Funds Limited to $5.4 million. Pernsteiner noted if a motion were made absent the prioritization, he would suggest a motion with the numbers Heiligman shared. Director Sohn moved to accept the policy packages as presented and amended by staff and Director Nesbitt seconded the motion. All those in favor: Directors Blair, Burns, Dyess, Lorenzen, Nesbitt, Richmond, von Schlegell, Schuette, and Sohn. Those opposed: none. Motion passed. Chair Lorenzen noted Director Richmond did not participate in the discussion or rank the faculty recruitment and retention package.

Heiligman added that Board action was required for the 10 percent reduction proposals as presented by staff. Chair Lorenzen called for a motion to approve the 10 percent reduction proposals. Director Sohn moved to approve the 10 percent reduction proposals and Director Burns seconded the motion. All those in favor: Directors Blair, Burns, Dyess, Nesbitt, Richmond, von Schlegell, Schuette, Sohn, and Lorenzen. Those opposed: none. Motion passed.

Before moving forward with the agenda, Chair Lorenzen commented on the drafting process. Chair Lorenzen asked Secretary Hagemann to gather and garner the essence of the discussion to reflect the Board’s consensus. Director von Schlegell recommended Pernsteiner review and participate in drafting the document and Director Dyess suggested Neil Bryant’s involvement.
b. **2005-2007 Biennial Capital Budget Request**

**BOARD DOCKET:**

*Executive Summary:*
Each biennium, prior to the legislative session, the State Board of Higher Education submits a capital construction program to the Governor covering the ensuing three biennia. For the 2005-2007 period, a formally approved Capital Budget request is made. For the 2007-2009 and 2009-2011 periods only a forecast of needs is shown. The 2005-2007 capital budget request recommended to the Board for approval totals $1,106,354,000 for the seven OUS campuses and University Centers. The capital construction program, covering the entire six-year period 2005-2011, totals over $2.7 billion.

The Finance committee will be reviewing the capital request prior to the Board meeting and will develop recommendations based on a variety of factors including funding availability, project priority by campus and Systemwide, adherence to Board priorities, etc. A summary of the committee findings and recommendations will be sent in advance of the Board meeting to give each member an opportunity to fully review the docket information and the committee findings.

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

The 2005-2007 capital budget recommended to the Board for approval totals $1,106,354,000 for the seven OUS campuses and University Centers. Approximately 21 percent of the request pertains to projects related to capital repair, code needs, and renovation. Fifty-four percent are related to Education and General projects that directly provide facilities for instruction, research, and service missions of the System. The remaining 25 percent is for projects carried out by Auxiliaries, including Student Facilities funded by the student building fee.

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

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

BOARD DISCUSSION AND ACTION:

Senior Vice Chancellor Anderes provided an overview of the capital budget request, including the referenced materials and background information. He noted the two lists of prioritized projects and the items that would require Board attention. Anderes mentioned a two-year biennial request for all fund sources, the Education & General projects that would require new funding, the deferred maintenance projects, and the six-year plan. Anderes noted the six-year plan was a requirement, but was not an absolute commitment. Anderes stated the presentation would include a discussion of funding strategy. Anderes turned to OUS Director of Capital Construction Bob Simonton for the presentation.

Simonton outlined the elements of the capital budget presentation: the four types of project categories, how the projects were funded, and the total request in relation to the Board’s priorities. He observed the Board is the steward of half of all of the state-owned facilities in Oregon and in order to keep the System competitive and operational, capital investments are authorized every two years. He outlined the capital request including Education & General projects, auxiliary projects, Systemwide projects, which would include deferred maintenance, and student building fee funded projects.

For reference, Simonton noted that since 1995, the state has contributed about 18 percent of the total capital budget. He commented there was little chance of achieving the $1.1 billion request and revealed the prioritization system used to rank the Education & General projects. Simonton stated the system considered several criteria: is the project in the campus master plan, are Board priorities addressed, does the project reduce the operational costs or deferred maintenance, is there a demonstrated need for the project, is the mission critical, and how was the project ranked by the campus? Separate from the overall ranking, Simonton broke the Education & General projects out according to the Board priorities of access, excellence, reinvestment, and targeted investment for economic growth. He reviewed the top three projects under each of the headings.
Anderes noted the capital budget presentation was the first phase and the second phase would address deferred maintenance. Director Nesbitt asked why certain projects were under one heading and not other headings. Simonton reported the campuses were charged with choosing one heading under which to place the projects. Simonton commented that he chose the top three projects in order to convey a sense of context to Board members. Pernsteiner added the phase two deferred maintenance discussion was driven by the $500 million backlog in deferred maintenance projects. Simonton moved to report on the deferred maintenance requests. He observed that, as with most colleges and universities, many OUS buildings were built in the fifteen-year window between 1960 and 1975. Simonton added the real issues were with the building subsystems. He noted studies that examined building subsystems and identified $500 million worth of necessary replacements. He explained that when subsystems are replaced in a timely fashion, it is characterized as capital repair, but when there is a delay, it is deferred maintenance. Simonton introduced the facility condition index to demonstrate the dire deferred maintenance situation. He added that he ranked the deferred maintenance projects according to the facility condition index and included an analysis of projects that could include energy savings.

Simonton mentioned that OUS worked with DAS, LFO, and the Department of Energy to address the difficulty in attracting General Funds and Article XI-G bonds. He outlined a new funding strategy for deferred maintenance through participation in the State Energy Loan Program. Simonton added that part of the loan repayment would be through energy savings of new construction. He outlined the recommended solution to OUS deferred maintenance would be to break the $500 million into $100 million increments over five biennia. Director Blair asked what the deferred maintenance would total over the course of the proposed five biennia. Simonton observed, in addition to the $500 million backlog, there would be approximately $40 million per year. Director Blair clarified that even with $500 million there would still be a $400 million deficit in ten years. Anderes noted that both were included in the deferred maintenance request. He explained the various funding mechanisms proposed to accommodate the backlog and future maintenance issues. Director Blair and Pernsteiner confirmed that it would require $158 million per year over the next five biennia to catch up with deferred maintenance.

Director Nesbitt asked about competition and ceilings for the SELP loans. Simonton reported he was negotiating with the Department of Energy about the ceiling. Director Nesbitt also asked about the availability of energy trust monies for projects designed to reduce energy costs. Director Blair asked about the business energy tax credit and Simonton stated that he used the tax credit for select projects because the state would not be happy if OUS used the credit to remove $50 to $100 million in tax revenue. Anderes confirmed the next step would be Board approval.

Director Blair asked whether or not private donations for deferred maintenance had been explored and Simonton noted that if there was any type of private support, the project was removed from the deferred maintenance list and added to the capital budget.
request. Pernsteiner commented that Simonton’s presentation might offer a strategy to attack deferred maintenance. He noted infrastructure might be a discrete element that the Board could attack and remedy. Pernsteiner observed that it might be a way to get to the underpinnings of what makes the campuses function. He added that the Board could not put all of the deferred maintenance as the first priority because nothing else would get done, but if the critical deferred maintenance projects were prioritized, there might be a chance to make some progress. Director Dyess commented on sustainability and the development of a state theme to contextualize the opportunities. Simonton provided examples of sustainable projects. President Ray recommended the Board discuss trade-offs between pieces in preparation of legislative questions. Chair Lorenzen commented that the prioritization of the capital budget was a daunting task and suggested OUS staff work on a prioritized proposal for Board consideration. Director Sohn agreed and added that it might be possible for the Board to offer some principles to guide the prioritization. Pernsteiner suggested additional context for the capital budget discussion. He noted the concepts “preserving what we have,” “finish what we have started,” “partner for the future,” and “importance of leveraging other people’s money” might help rank the capital projects. Director Sohn stated they were good criteria, but noted crisis avoidance might be added.

Pernsteiner continued by noting that over the past five biennia, OUS received between $42 and $102 million for capital projects. Director Dyess added that she was amazed at what some faculty accomplish considering the facilities and suggested building on competitive advantages in constructing the capital request. Director Schuette asked if Pernsteiner’s and Dyess’ additions would be incorporated into existing criteria. She mentioned that she was trying to clarify what the criteria were in order to permit OUS staff to prioritize properly. Director Blair reiterated President Ray’s observations about trade-offs and linkages between the operating and capital budgets. President Ray asked if there was any flexibility to approach bonding or funding differently and Pernsteiner added he was unsure if it was possible to introduce new legislative concepts. Simonton noted the necessity of a constitutional amendment to modify bond requirements. Director Blair distinguished between two proposals, one to eliminate the one-to-one match and the other to use some of the funding to secure bonding. Pernsteiner noted the restrictions on the funding. Chair Lorenzen summarized the discussion and suggested OUS staff develop a list of priorities and be prepared to offer comments on each of the projects at an August meeting. Director Richmond added that it would be helpful to have the projects outlined on the website in order to permit Board members to research the projects.

c. Quarterly Managerial Report

BOARD DOCKET:

The quarterly reports noted below focus on current unrestricted funds (including budgeted operations of the Education and General, and Statewide Public Service Programs; designated operations; service departments; clearing funds; and auxiliary enterprises).
• Comparison of Current Projections to Initial Budget
• Comparison of Year to Date Financial Activity to Prior Year
• Tracking of Monthly Cash Balances

The reports contain data from unaudited accounting records and include a review of OUS operations as of March 31, 2004.

OUS universities are responsible for monitoring their financial activity. The Controller's Division requested university management to verify the amounts in the managerial reports, to update annual projections, and to identify and provide explanations to significant variances. The Controller's Division reviewed the managerial reports and variance explanations provided by each university for reasonableness, and compiled the managerial reports of each university into a series of consolidated OUS-wide reports.

After reviewing the series of current unrestricted funds reports received from each university, we noted the following:

**Comparison of Current Projections to Initial Budget:**
This report compares the fiscal year-end projections, as of March 31, to the FY 2003-04 operating budget approved by the Board in October 2003. We noted the following:

**Education and General (E&G)**

The initial budget approved by the Board expected $815 million in revenues and $831 million in expenditures. The $16 million of excess expenditures over revenues was to be funded through $14 million of fund balances and $2 million in COP proceeds. As of March 31, projected revenues are $23 million less than expected, and projected expenditures are $54 million less than expected. If projections are accurate, the E&G fund balance at the end of the fiscal year will increase by $15 million, which is $31 million more than budgeted.

The reduction in expected revenues results primarily from revisions to the E&G “Other Revenue” forecast. Other revenue forecasts provided by each university were based on the information available at the beginning of the fiscal year. Revisions to other revenue forecasts include reducing OSU’s other revenue estimate by $15 million, and the effects of moving self-sustaining programs from the E&G funds to designated operation funds. An example includes the AHA International program that merged with UO on July 1, 2003. This program, with March 31 fiscal year to date revenues of $5.5 million, was originally included in the E&G Other Revenues, but was subsequently moved to designated operations.

The reduced “other revenues” for the E&G program are partially offset by a $3 million increase in indirect cost recoveries as a result of higher than expected Federal grant and contract activity and slightly higher student tuition and fee revenues of $2 million.

Reduced expenditure projections are attributable to:
• The hesitancy of university departments to fully expend budgets in light of funding uncertainties that existed at the beginning of the fiscal year, especially the uncertainty of the passage or non-passage of ballot measure 30.
• The $15 million reduction in projected expenditures as a result of the $15 million reduction in the OSU other revenue estimate.
• Programs originally reported in E&G that are now part of designated operations.
• The timing of the debt repayment relating to the pension obligation bond funding of PERS costs.

Other variances in revenue and expenditure projections are attributable to information that was not known (e.g., actual enrollments) at the time that the initial budget was prepared for the Board.

Designated Operations

Designated operations are self-sustaining student activities ancillary to the budgeted operations for instruction. Common examples include monies received and spent for fieldtrips, non-credit conferences, workshops and seminars, and international education. The total initial budget approved by the Board for all designated operations expected $30 million in revenues and $30 million in expenditures.

Current projections are approximately $41 million in revenues and $40 million in expenditures. The increases result primarily from programs (such as AHA International) originally included in the E&G budget that were considered self-sustaining and therefore moved to designated operations. The designated operations are projected to have a $1 million operating surplus by June 30, 2004.

Service Departments

Service departments, such as printing and motor pool, are internal service centers that charge university departments for their service. Service departments are expected to be self-supporting. The initial budget projected total internal service revenues and expenditures to be approximately $46 million. Due to less than expected use of internal service departments by the universities, consistent with conservative spending seen in other types of expenditures, current projections are that service department revenues for the year will be $40 million and expenditures for the year will be $41 million with a $1 million operating deficit as of June 30, 2004.

Clearing Funds

Clearing funds are used to more efficiently process certain cash receipts and expenditures, and to distribute the revenues and expenditures to the appropriate funds at a later date. The net result by the end of the fiscal year is that all revenues and expenditures are “cleared” from the clearing funds by recording the transaction in the appropriate fund.
Auxiliary Enterprises

Auxiliary enterprises are self-funded and self-supporting activities that are not directly related to instruction. Examples include Housing, Intercollegiate Athletics, Parking, Health Service, Student Unions, etc. The budget approved by the Board contained revenue and expenditure forecasts of $253 million. Current information adjusts projected revenues to $248 million and projected expenditures to $246 million. This results in a $2 million projected operating surplus by June 30. The primary reasons for the reduction in forecasted revenues and expenditures, mainly attributed to UO, are (1) fewer than expected students utilizing student housing and (2) decreased revenue from post season activity in football.

Beginning Fund Balance Adjustments

The beginning fund balance adjustments reflect the recording in our accounting records of the cumulative effect of the change in accounting principle in the FY2003 audited financial statements; specifically, the capitalization and depreciation of capital assets of auxiliary enterprises.

The beginning fund balance of current unrestricted funds includes E&G, Designated Operations, Service Departments, Clearing Funds, and Auxiliary Enterprises. Reports from UO included the correction of an error in the classification and reporting of monies generated through administrative overhead charges against self-supporting units within the UO. These monies were recorded within a separate fund in the Auxiliary Enterprise fund group but should have been recorded within the Education and General fund group. The adjustment for the prior year effect was an increase to the beginning fund balance in the Education and General fund group and a reduction of the beginning fund balance in the Auxiliary Enterprise fund group of $8.7 million. Current year activity was also adjusted to reflect the proper classification within the Education and General funds. A detailed analysis of this activity from its inception through the current year is underway and is to be completed in early July. It is not expected that this analysis will have a material effect on the amounts adjusted. Because the fund balances from these two fund groups are combined in this report, the adjustment did not affect the amounts presented.

Comparison of Year to Date Financial Activity to Prior Year:
This report compares the actual revenues and expenditures through March 31 of this fiscal year to the same period in the prior fiscal year. Significant differences between the two years were attributable to:

1) The financial activity (e.g., revenue recognition or payment of expenditures) may be recorded at a different time this year compared to last year (timing differences).
2) The accounting for revenues and expenditures of a program may be different than the prior year (accounting changes).
3) The actual revenues and expenditures changed compared to last year.
Changes in the amount of revenues and expenditures from last year that appear significant include:

**Education and General**

Government appropriations received by universities through March 31, 2004, were 16 percent, or $48 million, less compared to the same period one year ago. This decrease relates to $20 million in permanent appropriation reductions and $28 million in allocation timing differences that will reverse in the last quarter of the fiscal year. Appropriation decreases were mostly offset by (1) the 12 percent, or $42 million, increase in student tuition and fee revenues, and (2) higher indirect cost recoveries of $4 million due to increased Federal grant and contract activity. Wages and benefits remained flat as temporary PERS savings were offset by increased benefit costs.

**Designated Operations**

Increases in both revenues and expenditures are due to the movement of self-sustaining activities from the E&G program to designated operations.

**Service Departments**

No significant increases or decreases

**Clearing Funds**

No significant increases or decreases

**Auxiliary Enterprises**

The increased revenues compared to the same period last year mainly reflect (1) a change in the accrual method of NCAA revenue for interim reporting of PAC-10 television revenues earned but not yet paid to OSU Athletics, and (2) the inclusion of housing management revenue for PSU which had been managed by an external party in previous years.

**Tracking of Monthly Cash Balances:**

This report is used to monitor the cash balances of the current unrestricted fund groups on a monthly basis. The cash balances at March 31, 2004, were comparable to prior months and to the same periods in prior years.

**Conclusions:**

Based on our analysis of the reports provided by the universities, we conclude that the fiscal status of OUS current unrestricted funds at March 31, 2004, is stable.
Staff Recommendation to the Board:
Staff recommended that the Board accept the above management reports for March 31, 2004. The next series of management reports will be prepared for the quarter ending June 30, 2004, and will be presented to the Board in September 2004.

Oregon University System
Comparison of Current Projections to Initial Budget
Current Unrestricted Funds
March 31, 2004
(in thousands, except percentages)

<table>
<thead>
<tr>
<th></th>
<th>Column 1</th>
<th>Column 2</th>
<th>Column 3</th>
<th>Column 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Initial Budget</strong></td>
<td>Approved by the</td>
<td>Current Projections for 12 Months Ending June 30, 2004 as of March 31, 2004</td>
<td>Variance ($): Favorable (Unfavorable)</td>
<td>Variance (%): Favorable (Unfavorable)</td>
</tr>
<tr>
<td><strong>12 Months Ending June 30, 2004</strong></td>
<td>Board for</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td><strong>Column 2 less Column 1</strong></td>
<td><strong>Column 3 divided By Column 1</strong></td>
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<tr>
<td>Educational and General</td>
<td>815,087</td>
<td>791,987</td>
<td>(23,100)</td>
<td>-3%</td>
</tr>
<tr>
<td>Government Appropriations</td>
<td>322,285</td>
<td>321,213</td>
<td>(1,072)</td>
<td>0%</td>
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<td>Student Tuition and Fees</td>
<td>389,460</td>
<td>391,630</td>
<td>2,170</td>
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<td>Indirect Cost Recovery</td>
<td>38,764</td>
<td>41,786</td>
<td>3,022</td>
<td>8%</td>
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<tr>
<td>Other</td>
<td>64,578</td>
<td>37,358</td>
<td>(27,220)</td>
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<td>Designated Operations</td>
<td>29,577</td>
<td>41,250</td>
<td>11,673</td>
<td>39%</td>
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<td>Service Departments</td>
<td>46,339</td>
<td>39,628</td>
<td>(6,711)</td>
<td>-14%</td>
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<tr>
<td>Clearing Funds</td>
<td>-</td>
<td>6</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Auxiliary Enterprises</td>
<td>252,869</td>
<td>247,991</td>
<td>(4,878)</td>
<td>-2%</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>1,143,872</strong></td>
<td><strong>1,120,862</strong></td>
<td><strong>(23,010)</strong></td>
<td><strong>-2%</strong></td>
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<tr>
<td><strong>Less: Expenditures and Transfers Out, Net</strong></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Educational and General</td>
<td>(831,437)</td>
<td>(777,356)</td>
<td>54,081</td>
<td>7%</td>
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<td>Designated Operations</td>
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<td>(40,319)</td>
<td>(10,742)</td>
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<td>Service Departments</td>
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<td>(41,464)</td>
<td>4,875</td>
<td>11%</td>
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<td>Clearing Funds</td>
<td>-</td>
<td>(11)</td>
<td>(11)</td>
<td></td>
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<tr>
<td>Auxiliary Enterprises</td>
<td>(252,869)</td>
<td>(246,005)</td>
<td>6,864</td>
<td>3%</td>
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<td><strong>Total Expenditures</strong></td>
<td><strong>(1,160,222)</strong></td>
<td><strong>(1,105,155)</strong></td>
<td><strong>55,067</strong></td>
<td><strong>5%</strong></td>
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<td><strong>Net Operating Surplus (Deficit)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(16,350)</td>
<td>15,707</td>
<td>32,057</td>
<td>196%</td>
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<tr>
<td><strong>Fund Additions/(Deductions)</strong></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td>340</td>
<td>340</td>
<td></td>
</tr>
<tr>
<td><strong>Beg. Fund Balance Adjustments</strong></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>127,773</td>
<td>127,773</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Beginning Fund Balance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>124,454</td>
<td>124,454</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Ending Fund Balance</strong></td>
<td><strong>235,877</strong></td>
<td><strong>266,274</strong></td>
<td><strong>32,397</strong></td>
<td></td>
</tr>
</tbody>
</table>
## Oregon University System
### Comparison of Year to Date Financial Activity to Prior Year
#### Current Unrestricted Funds

**March 31, 2004**

*(in thousands, except percentages)*

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Column 1</th>
<th>Column 2</th>
<th>Variance ($)</th>
<th>Variance (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Unrestricted Funds</td>
<td>March 31, 2004</td>
<td>March 31, 2003</td>
<td>Column 1 less Column 2</td>
<td>Column 3 divided by Column 2</td>
</tr>
<tr>
<td>Educational and General</td>
<td>674,769</td>
<td>676,508</td>
<td>(1,739)</td>
<td>0%</td>
</tr>
<tr>
<td>Government Appropriations</td>
<td>247,622</td>
<td>295,469</td>
<td>(47,847)</td>
<td>-16%</td>
</tr>
<tr>
<td>Student Tuition and Fees</td>
<td>383,219</td>
<td>341,193</td>
<td>42,026</td>
<td>12%</td>
</tr>
<tr>
<td>Indirect Cost Recovery</td>
<td>27,217</td>
<td>23,087</td>
<td>4,130</td>
<td>18%</td>
</tr>
<tr>
<td>Other</td>
<td>16,711</td>
<td>16,759</td>
<td>(48)</td>
<td>0%</td>
</tr>
<tr>
<td>Designated Operations</td>
<td>31,604</td>
<td>24,895</td>
<td>6,709</td>
<td>27%</td>
</tr>
<tr>
<td>Service Departments</td>
<td>29,071</td>
<td>27,065</td>
<td>2,006</td>
<td>7%</td>
</tr>
<tr>
<td>Clearing Funds</td>
<td>5,090</td>
<td>5,306</td>
<td>(216)</td>
<td>-4%</td>
</tr>
<tr>
<td>Auxiliary Enterprises</td>
<td>198,083</td>
<td>183,778</td>
<td>14,305</td>
<td>8%</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>938,617</td>
<td>917,552</td>
<td>21,065</td>
<td>2%</td>
</tr>
</tbody>
</table>

### Less: Expenditures and Transfers Out, Net

<table>
<thead>
<tr>
<th>Expenditures and Transfers Out, Net</th>
<th>Column 1</th>
<th>Column 2</th>
<th>Variance ($)</th>
<th>Variance (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational and General</td>
<td>(546,683)</td>
<td>(554,411)</td>
<td>7,728</td>
<td>1%</td>
</tr>
<tr>
<td>Designated Operations</td>
<td>(31,790)</td>
<td>(25,675)</td>
<td>(6,115)</td>
<td>-24%</td>
</tr>
<tr>
<td>Service Departments</td>
<td>(30,708)</td>
<td>(29,587)</td>
<td>(1,121)</td>
<td>-4%</td>
</tr>
<tr>
<td>Clearing Funds</td>
<td>(3,705)</td>
<td>(3,121)</td>
<td>(584)</td>
<td>-19%</td>
</tr>
<tr>
<td>Auxiliary Enterprises</td>
<td>(173,148)</td>
<td>(160,033)</td>
<td>(13,115)</td>
<td>-8%</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>(786,034)</td>
<td>(772,827)</td>
<td>(13,207)</td>
<td>-2%</td>
</tr>
</tbody>
</table>

### Net Operating Surplus (Deficit)

<table>
<thead>
<tr>
<th>Net Operating Surplus (Deficit)</th>
<th>Column 1</th>
<th>Column 2</th>
<th>Variance ($)</th>
<th>Variance (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Additions/(Deductions)</td>
<td>440</td>
<td>(1,080)</td>
<td>1,520</td>
<td></td>
</tr>
<tr>
<td>Beg. Fund Balance Adjustments</td>
<td>127,773</td>
<td>(773)</td>
<td>128,546</td>
<td></td>
</tr>
<tr>
<td>Beginning Fund Balance</td>
<td>124,454</td>
<td>277,166</td>
<td>(152,712)</td>
<td></td>
</tr>
</tbody>
</table>

### Ending Fund Balance

<table>
<thead>
<tr>
<th>Ending Fund Balance</th>
<th>Column 1</th>
<th>Column 2</th>
<th>Variance ($)</th>
<th>Variance (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>405,250</td>
<td>420,038</td>
<td>(14,788)</td>
<td></td>
</tr>
</tbody>
</table>
# Oregon University System

## Tracking of Monthly Cash Balances

### Current Unrestricted Funds

**March 31, 2004**

(in thousands, except percentages)

<table>
<thead>
<tr>
<th>Total Current Unrestricted Funds</th>
<th>FY2004</th>
<th>FY2003</th>
<th>FY2002</th>
<th>FY2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>183,616</td>
<td>162,614</td>
<td>146,449</td>
<td>124,712</td>
</tr>
<tr>
<td>August</td>
<td>167,375</td>
<td>150,599</td>
<td>147,357</td>
<td>102,502</td>
</tr>
<tr>
<td>September</td>
<td>199,071</td>
<td>194,860</td>
<td>182,415</td>
<td>158,730</td>
</tr>
<tr>
<td>October</td>
<td>205,715</td>
<td>203,024</td>
<td>184,170</td>
<td>158,309</td>
</tr>
<tr>
<td>November</td>
<td>178,043</td>
<td>179,047</td>
<td>162,563</td>
<td>140,221</td>
</tr>
<tr>
<td>December</td>
<td>177,366</td>
<td>173,508</td>
<td>156,844</td>
<td>116,563</td>
</tr>
<tr>
<td>January</td>
<td>223,184</td>
<td>216,405</td>
<td>191,177</td>
<td>166,245</td>
</tr>
<tr>
<td>February</td>
<td>203,508</td>
<td>190,345</td>
<td>165,717</td>
<td>139,005</td>
</tr>
<tr>
<td>March</td>
<td>248,659</td>
<td>219,675</td>
<td>181,989</td>
<td>147,548</td>
</tr>
<tr>
<td>April</td>
<td>211,652</td>
<td>190,345</td>
<td>165,717</td>
<td>139,005</td>
</tr>
<tr>
<td>May</td>
<td>182,764</td>
<td>163,172</td>
<td>127,685</td>
<td>102,502</td>
</tr>
<tr>
<td>June</td>
<td>188,971</td>
<td>154,283</td>
<td>129,065</td>
<td>100,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Educational &amp; General</th>
<th>FY2004</th>
<th>FY2003</th>
<th>FY2002</th>
<th>FY2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>112,066</td>
<td>103,549</td>
<td>93,249</td>
<td>77,836</td>
</tr>
<tr>
<td>August</td>
<td>98,973</td>
<td>94,491</td>
<td>74,603</td>
<td>59,317</td>
</tr>
<tr>
<td>September</td>
<td>132,433</td>
<td>133,474</td>
<td>96,919</td>
<td>90,281</td>
</tr>
<tr>
<td>October</td>
<td>140,480</td>
<td>138,847</td>
<td>127,540</td>
<td>105,168</td>
</tr>
<tr>
<td>November</td>
<td>115,427</td>
<td>124,719</td>
<td>97,136</td>
<td>82,808</td>
</tr>
<tr>
<td>December</td>
<td>117,631</td>
<td>118,285</td>
<td>98,883</td>
<td>86,364</td>
</tr>
<tr>
<td>January</td>
<td>160,335</td>
<td>155,743</td>
<td>142,461</td>
<td>124,924</td>
</tr>
<tr>
<td>February</td>
<td>140,409</td>
<td>130,807</td>
<td>108,113</td>
<td>98,138</td>
</tr>
<tr>
<td>March</td>
<td>179,623</td>
<td>156,144</td>
<td>117,474</td>
<td>95,558</td>
</tr>
<tr>
<td>April</td>
<td>150,101</td>
<td>142,785</td>
<td>104,647</td>
<td>86,949</td>
</tr>
<tr>
<td>May</td>
<td>113,073</td>
<td>95,580</td>
<td>77,885</td>
<td>60,000</td>
</tr>
<tr>
<td>June</td>
<td>113,705</td>
<td>102,844</td>
<td>77,041</td>
<td>60,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>14,434</td>
<td>13,778</td>
<td>15,197</td>
<td>13,959</td>
</tr>
<tr>
<td>August</td>
<td>14,030</td>
<td>12,399</td>
<td>12,230</td>
<td>12,803</td>
</tr>
<tr>
<td>September</td>
<td>12,855</td>
<td>12,518</td>
<td>12,653</td>
<td>13,929</td>
</tr>
<tr>
<td>October</td>
<td>12,853</td>
<td>12,149</td>
<td>13,110</td>
<td>14,873</td>
</tr>
<tr>
<td>November</td>
<td>12,433</td>
<td>11,348</td>
<td>14,093</td>
<td>14,435</td>
</tr>
<tr>
<td>December</td>
<td>12,686</td>
<td>11,444</td>
<td>12,879</td>
<td>14,181</td>
</tr>
<tr>
<td>January</td>
<td>12,453</td>
<td>11,049</td>
<td>14,506</td>
<td>14,976</td>
</tr>
<tr>
<td>February</td>
<td>12,212</td>
<td>11,511</td>
<td>13,684</td>
<td>14,358</td>
</tr>
<tr>
<td>March</td>
<td>11,659</td>
<td>11,490</td>
<td>13,972</td>
<td>14,908</td>
</tr>
<tr>
<td>April</td>
<td>11,402</td>
<td>12,630</td>
<td>15,685</td>
<td>15,276</td>
</tr>
<tr>
<td>May</td>
<td>12,149</td>
<td>13,210</td>
<td>15,276</td>
<td>15,276</td>
</tr>
<tr>
<td>June</td>
<td>14,364</td>
<td>14,229</td>
<td>15,627</td>
<td>15,627</td>
</tr>
</tbody>
</table>

---

[Graphs showing tracking of cash balances for different months and years for Oregon University System.]
### Service Departments

<table>
<thead>
<tr>
<th>Month Ending</th>
<th>FY2004</th>
<th>FY2003</th>
<th>FY2002</th>
<th>FY2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>3,722</td>
<td>3,717</td>
<td>4,364</td>
<td>6,315</td>
</tr>
<tr>
<td>August</td>
<td>3,398</td>
<td>3,340</td>
<td>4,436</td>
<td>6,220</td>
</tr>
<tr>
<td>September</td>
<td>2,387</td>
<td>2,438</td>
<td>4,414</td>
<td>6,191</td>
</tr>
<tr>
<td>October</td>
<td>1,735</td>
<td>2,560</td>
<td>4,679</td>
<td>7,028</td>
</tr>
<tr>
<td>November</td>
<td>3,452</td>
<td>2,216</td>
<td>4,947</td>
<td>5,988</td>
</tr>
<tr>
<td>December</td>
<td>2,991</td>
<td>1,523</td>
<td>4,467</td>
<td>5,088</td>
</tr>
<tr>
<td>January</td>
<td>2,373</td>
<td>2,746</td>
<td>5,148</td>
<td>5,490</td>
</tr>
<tr>
<td>February</td>
<td>3,099</td>
<td>2,907</td>
<td>4,771</td>
<td>4,681</td>
</tr>
<tr>
<td>March</td>
<td>3,970</td>
<td>2,881</td>
<td>4,104</td>
<td>5,011</td>
</tr>
<tr>
<td>April</td>
<td>2,816</td>
<td>4,111</td>
<td>5,148</td>
<td>5,011</td>
</tr>
<tr>
<td>May</td>
<td>2,915</td>
<td>3,678</td>
<td>6,460</td>
<td>5,148</td>
</tr>
<tr>
<td>June</td>
<td>4,470</td>
<td>4,749</td>
<td>5,060</td>
<td>5,490</td>
</tr>
</tbody>
</table>

### Clearing Funds

<table>
<thead>
<tr>
<th>Month Ending</th>
<th>FY2004</th>
<th>FY2003</th>
<th>FY2002</th>
<th>FY2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>11,290</td>
<td>10,460</td>
<td>9,665</td>
<td>8,490</td>
</tr>
<tr>
<td>August</td>
<td>13,457</td>
<td>11,763</td>
<td>29,408</td>
<td>28,021</td>
</tr>
<tr>
<td>September</td>
<td>1,363</td>
<td>4,487</td>
<td>32,878</td>
<td>20,998</td>
</tr>
<tr>
<td>October</td>
<td>546</td>
<td>6,125</td>
<td>2,798</td>
<td>2,760</td>
</tr>
<tr>
<td>November</td>
<td>4,788</td>
<td>1,874</td>
<td>15,729</td>
<td>16,700</td>
</tr>
<tr>
<td>December</td>
<td>169</td>
<td>2,592</td>
<td>13,947</td>
<td>(1,970)</td>
</tr>
<tr>
<td>January</td>
<td>454</td>
<td>2,278</td>
<td>(6,427)</td>
<td>(2,226)</td>
</tr>
<tr>
<td>February</td>
<td>953</td>
<td>3,933</td>
<td>6,551</td>
<td>3,221</td>
</tr>
<tr>
<td>March</td>
<td>(2,236)</td>
<td>(622)</td>
<td>9,539</td>
<td>11,610</td>
</tr>
<tr>
<td>April</td>
<td>(573)</td>
<td>(3,143)</td>
<td>(3,530)</td>
<td>(3,530)</td>
</tr>
<tr>
<td>May</td>
<td>9,114</td>
<td>4,946</td>
<td>4,250</td>
<td>(1)</td>
</tr>
<tr>
<td>June</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
</tr>
</tbody>
</table>

### Auxiliary Enterprises

<table>
<thead>
<tr>
<th>Month Ending</th>
<th>FY2004</th>
<th>FY2003</th>
<th>FY2002</th>
<th>FY2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>42,104</td>
<td>31,110</td>
<td>23,974</td>
<td>18,112</td>
</tr>
<tr>
<td>August</td>
<td>37,517</td>
<td>28,606</td>
<td>26,680</td>
<td>16,141</td>
</tr>
<tr>
<td>September</td>
<td>50,033</td>
<td>41,943</td>
<td>35,551</td>
<td>27,331</td>
</tr>
<tr>
<td>October</td>
<td>50,101</td>
<td>43,343</td>
<td>36,043</td>
<td>28,480</td>
</tr>
<tr>
<td>November</td>
<td>41,943</td>
<td>38,890</td>
<td>30,658</td>
<td>20,290</td>
</tr>
<tr>
<td>December</td>
<td>43,889</td>
<td>39,664</td>
<td>26,668</td>
<td>12,880</td>
</tr>
<tr>
<td>January</td>
<td>47,569</td>
<td>44,589</td>
<td>35,489</td>
<td>23,081</td>
</tr>
<tr>
<td>February</td>
<td>46,835</td>
<td>41,727</td>
<td>32,598</td>
<td>18,607</td>
</tr>
<tr>
<td>March</td>
<td>55,643</td>
<td>49,782</td>
<td>36,900</td>
<td>20,461</td>
</tr>
<tr>
<td>April</td>
<td>47,906</td>
<td>42,393</td>
<td>30,423</td>
<td>30,423</td>
</tr>
<tr>
<td>May</td>
<td>44,881</td>
<td>38,492</td>
<td>24,658</td>
<td>24,658</td>
</tr>
<tr>
<td>June</td>
<td>57,065</td>
<td>39,726</td>
<td>30,494</td>
<td>30,494</td>
</tr>
</tbody>
</table>
BOARD DISCUSSION AND ACTION:

Chair Lorenzen counseled because all Board members were present at the FBAPRE Committee meeting, action could be swift with regard to the FBAPRE items in front of the full Board. Chair Lorenzen asked for a motion to approve the Quarterly Managerial Report as adopted by the FBAPRE Committee. Director Schuette moved to approve the Quarterly Managerial Report as approved by the FBAPRE Committee and Director von Schlegell seconded the motion. All those in favor: Blair, Burns, Dyess, Nesbitt, Richmond, von Schlegell, Schuette, Sohn, and Lorenzen. Those opposed: none. Motion passed.

d. Tuition Mitigation Plan

BOARD DOCKET:

Background:
At the June 2004 meeting, the Board approved the 2004-05 Academic Year Fee Book with the following modification: Western Oregon University’s tuition will remain the same as 2003-04. The Board also requested that staff develop a tuition mitigation plan to lessen the impact of structural changes and rate increases on resident undergraduate students.

2004-05 Tuition Mitigation Plan Proposal:
The following plan was developed in response to the Board’s request:

- Per term charges for resident undergraduate tuition at all levels of credit hour carrying load for 2004-05 will not exceed charges levied at comparable levels for spring term 2004 by more than 15 percent.

- The impact on campuses with planned increases for resident undergraduate students in excess of 15 percent will be mitigated by the allocation of $1.4 million in reductions resulting from the Chancellor’s Office review. Funds will be allocated by the Chancellor’s Office in such a manner as to minimize the relative impact of lost tuition revenue on the affected campuses. The balance of any revenue shortfall that remains following application of Chancellor’s Office funds will be covered out of campus fund balances.

- It is understood that this is a one-year plan and that all structural changes and tuition rates approved by the Board in the 2004-05 Academic Year Fee Book will take effect beginning fall term 2005, along with any additional changes resulting from adoption of the 2005-06 Academic Year Fee Book.

Staff Recommendation to the Board:
Staff recommended that the Board adopt the 2004-05 Tuition Mitigation Plan as proposed.
Board Meeting #736—Minutes
July 16, 2004

BOARD DISCUSSION AND ACTION:

Chair Lorenzen proceeded to the tuition mitigation plan as presented and approved by the FBAPRE Committee. He noted the FBAPRE Committee’s recommendation was slightly different than the docket materials, and called for a motion to approve the tuition mitigation plan as amended by the FBAPRE Committee. Chair Lorenzen deferred consideration of the tuition mitigation plan until the OSA Representative could address the Board.

Chair Lorenzen returned to the tuition mitigation when Kelly Thoen, OSA representative and PSU student, arrived. Thoen thanked the Board for its time and spoke to the recommendation to fund the proposed tuition mitigation plan with Chancellor’s Office and campus funds. She noted that students felt that the Chancellor’s Office should return all funds from the fund balance that resulted from tuition dollars to students. Quoting previous dockets, Thoen observed using the entire tuition-based fund balance for students would provide credibility with the legislature. After her comments, Chair Lorenzen returned to his call for a motion to approve the tuition mitigation plan as amended by the FBAPRE Committee. Director Nesbitt moved to approve the tuition mitigation plan as amended and Director Blair seconded the motion. All in favor: Blair, Burns, Dyess, Nesbitt, Richmond, von Schlegell, Schuette, Sohn, and Lorenzen. Opposed: none. Motion passed.

Before moving forward, Director Nesbitt acknowledged the contribution of the students and praised the Board for its action that spoke to accountability to students. Chair Lorenzen thanked Director Nesbitt for his comments and noted the fundamental issue of disinvestment in higher education. President Frohnmayer added that it might be useful to reduce the discussion to operational issues. He noted the delicate balance with regard to fund balance between overspending and under-spending. President Frohnmayer observed the two changes contributing to the terrain of higher education: the gutting of financial assistance available through the Oregon Student Assistance Commission and the extent to which OUS institutions are dependent on tuition. He continued that questions regarding enrollment also impacted the delicate balance. Director Schuette echoed President Frohnmayer’s comments and mentioned the importance of clarity when the Board addressed fund balances. Director Burns also acknowledged the comments of the student representative. President Ray asked for a more comprehensive approach to all of the elements impacted in the budget.

e. OHSU Resolution—Request to Consent to Easement to City of Portland

BOARD DOCKET:

Background:
The Oregon Health and Science University was originally created as a part of the Oregon University System. When the Oregon Legislature authorized OHSU to become a private corporation, the OUS was authorized to execute leases of the land occupied by OHSU to OHSU for 99 years, with automatic 99-year renewals. These leases are
terminable only on limited bases, to include a reversion to the OSBHE should OHSU cease to operate as a university.

As it expands, OHSU is desirous of granting a series of land easements to the City of Portland. Given the above description of the legal title to the land, the City of Portland desires assurances from the OSBHE that in the (unlikely) event of termination of the Ground Lease, and the resulting reversion to the State of Oregon and the OSBHE, the Board will accept, acknowledge, and allow the easements to continue.

There are four such easements and associated requests. They are:

1) A conservation easement over an approximately 45-acre tract located in the Marquam Hill area and depicted on Attachment A
2) A utility easement in the Marquam Hill area depicted in Attachment B
3) A sanitary and stormwater easement in the Marquam Hill area depicted in Attachment C
4) A right-of-way easement to accommodate the aerial tram terminus on the Marquam Hill campus depicted in Attachment D

OHSU offers, and staff recommended, the Board accept as consideration, the shared commitments of OUS and OHSU in the development of its Marquam Hill campus and the associated benefit to the citizens of Oregon.

A resolution expressing your authorization is attached. OUS General Counsel recommended your approval and authorization for counsel to convey your consent to the City of Portland.

Resolution – Easements to the City of Portland

RESOLUTION FOR GRANTING OF EASEMENTS INVOLVING LANDS HOUSING OHSU TO THE CITY OF PORTLAND

WHEREAS, the Oregon State Board of Higher Education (OSBHE) is the fee simple owner of lands housing the Oregon Health and Science University (OHSU); and

WHEREAS, the OSBHE has granted leases for said land to OHSU for a period of 99 years, with 99-year renewals; and

WHEREAS, these leases are conditional on OHSU’s continued use of the lands as a university, thus creating a reversionary interest in the State of Oregon and the OSBHE; and

WHEREAS, OHSU desires to grant a series of land easements to the City of Portland to include: (a) a conservation easement, (b) a utility easement, (c) a sanitary and storm water easement, and (d) a right-of-way easement for construction and operation of a TRAM (all as more specifically identified in the attachments hereto); and
WHEREAS, the City of Portland has expressed its desire to receive the assurances that in the event of lease termination the OSBHE will permit said easements to continue;

NOW THEREFORE, BE IT RESOLVED by the State Board of Higher Education of the State of Oregon as follows:

The State Board of Higher Education General Counsel is authorized to execute notice to the City of Portland expressing the OSBHE’s resolve that in the event of reversion the identified easements shall be permitted to continue.

Staff Recommendation to the Board:
Staff recommended the Board adopt the above resolution authorizing General Counsel to execute notice to the City of Portland expressing the OSBHE’s resolve that in the event of reversion the identified easements shall be permitted to continue.
Attachment D (right-of-way easement)
BOARD DISCUSSION AND ACTION:

Chair Lorenzen called for a motion to approve the OHSU resolution as recommended by the FBAPRE Committee. Director von Schlegell moved to approve the OHSU resolution as recommended by the FBAPRE Committee and Director Schuette seconded the motion. All in favor: Blair, Burns, Dyess, Nesbitt, Richmond, von Schlegell, Schuette, Sohn, and Lorenzen. Opposed: none. Motion passed.

- Full Board

a. OAR 580-040-0100 to 580-040-0295 Board’s Financial Powers

BOARD DOCKET:

Summary:
The purpose of this revision is to change references from OSSHE to OUS and to add “information technology” to the established rules for procurement of goods and services.

Background:
In 2003, Senate Bill 437 gave OUS the authority to acquire telecommunications and information technology independent of Department of Administrative Services oversight. Because the Chancellor’s Office is undergoing substantial restructuring, Legal Services determined that mention of information technology services should just be added to the current portion of the rules that address general goods and services acquisition with the understanding that a more thorough revision of the totality of the purchasing rules would be undertaken once the structure of the system office was known. The Chancellor’s Legal Affairs Office, therefore, created a rough draft for discussion purposes and review was solicited from campus attorneys, purchasing managers and directors of business affairs. Agreement was unanimous to follow the aforementioned approach and accept the revision as originally drafted.

On June 15, 2004, OUS held a public hearing. No testimony or further input was received.

Staff Recommendation to the Board:
Staff recommended that the Board revisions to OAR 580-040-0100 through OAR 580-040-0295 be adopted as printed below.

Personal Services Contracts

580-040-0100
Screening and Selection for Personal Services Contracts
(1) The Department of Higher Education periodically requires the services of an individual or firm to perform personal or professional services. These rules set forth the screening and selection process to be used for all such contracts, except where a University System institution has adopted its own screening and selection rules, and
except for contracts covered by OAR 580-050-0020 (Architectural and Engineering Services).

(2) The Department of Higher Education will contract for personal or professional services when the specialized skills, knowledge and resources are not available within the Department; when the work cannot be done in a reasonable time with the Department's own workforce; when an independent and impartial evaluation of a situation is required by a contractor with recognized professional expertise and stature in a field; when it will be less expensive to contract for the work; or when grants require subcontracting.

(3) For the purposes of this rule, the term:
(a) "Director" means the Director of Legal Services of the Department of Higher Education, or designee;
(b) "Department" means the Department of Higher Education on its own behalf or acting on behalf of a State University or a University System Institution; "State System Institution" means a college and university that is a part of the Oregon State System of Higher Education—Oregon University System;
(d) "Contractor" means an individual or firm selected to perform personal or professional services for the Department of Higher Education and with whom the Department may contract;
(e) "Personal Services Contract" means a contract for personal or professional services performed by an independent contractor.
(f) “AOUS” means the Chancellor's Office and the institutions of the Oregon University System.

(4) Formal Selection Procedure: This procedure will be used whenever the estimated payment to the contractor exceeds $25,000. Exceptions to this procedure are specified in sections (5), (6), (7) and (8). The amount of the contract may not be manipulated to avoid the need for informal or formal procedures.
(a) Announcement: The Department will give notice of intent to contract for personal services in a trade periodical or newspaper of general circulation. The notice shall include a description of the proposed project, the scope of the services required, project completion dates and a description of special requirements, if any. The notice will invite qualified prospective contractors to apply. The notice will specify when and where the application may be obtained, to whom it must be returned, and the closing date. The Department will provide notices to the Office of Minority, Women and Emerging Small Business.
(b) Application: The application will consist of a statement that describes the prospective contractor's credentials, performance data and other information sufficient to establish contractor's qualification for the project, as well as any other information requested in the announcement.
(c) Initial Screening: The Director will evaluate the qualifications of all applicants and select a prospective contractor whose application demonstrates that the contractor best fulfills the provisions of paragraph (d)(B) of this section.
(d) The Final Selection Procedure:
(A) Interviews: The Director will interview, through any appropriate medium, the finalists selected from the initial screening.
(B) Award of Contracts: The Director will make the final selection based on applicant capability, experience, project approach, compensation requirements, and references.

(5) Informal Selection Procedure: This procedure may be used when the estimated payment for the proposed services to be performed by the contractor does not exceed $25,000, or, at the Director's discretion, when the informal selection procedure will not interfere with competition among prospective contractors or reduce the quality of services or increase costs.

(a) Selection: The Department will contact a minimum of three prospective contractors known to the Department to be qualified to offer the sought-after services. An estimated fee will be requested, and the selection will be made by the Director based upon the factors described in paragraph (4)(d)(B) of this rule. If three quotes are not received, the Department will make a written record of its efforts to obtain quotes.

(6) Personal Services Contracts not exceeding $5,000: The Department may enter into Personal Services Contracts not exceeding $5,000 without following the procedures identified elsewhere in this rule. However, the Department will make reasonable effort to choose the most qualified contractor. The amount of the contract is not to be manipulated to avoid the need for informal or formal procedures.

(7) Department may negotiate with a single source if the services are available only from one contractor, or the prospective contractor has special skills uniquely required for the adequate performance of the services;

(8) Emergency Appointment Procedure: The Director may select a contractor without following any of the above procedures when conditions require prompt action to protect life or property. In such instance, the recommended appointment and a written description of the conditions requiring the use of this appointment procedure shall be submitted to the Director. The Director will determine if an emergency exists, declare the emergency and, when appropriate, approve the appointment.

(9) The Department will maintain a file with the office of the Director of Legal Services, on the selection process for all Personal Services Contracts entered on behalf of Department that will include:

(a) The method and copy of announcement;
(b) The names of firms/individuals and cost estimates considered;
(c) A justification of need for the contract;
(d) The basis for selection;
(e) Rationale by which rates were established;
(f) How reasonableness of price was determined;
(g) A copy of the resulting contract and any subsequent amendments.

(10) University System institutions using this rule will maintain a file on the selection process for all Personal Services Contracts entered on behalf of the institution and notify Director of location of the files required in this section. Such files will contain:

(a) The method and copy of announcement;
(b) The names of firms/individuals and cost estimates considered;
(c) A justification of need for the contract;
(d) The basis for selection;
(e) Rationale by which rates were established;
(f) How reasonableness of price was determined;
(g) A copy of the resulting contract and any subsequent amendments.
Competitive Procedures for Purchasing, Procurement and Contracting of Goods and Services

**580-040-0200**

**Purpose**

The purpose of the rules outlined in Oregon Administrative Rules Chapter 580, Division 040, Sections 0200 through 0295, is to:

1. Establish competitive procedures that are flexible enough to allow campuses to purchase and contract in a way that most suits their institutional organization;
2. Reduce prior approvals and ensure accountability through auditing;
3. Generate and retain only necessary documentation;
4. Develop procedures that will allow campuses to use the most appropriate procurement methods and encourage innovation;
5. Allow campuses to work cooperatively with each other and other governmental units; and
6. Allow institutions to do business more easily with local and regional vendors.

Stat. Auth.: ORS Ch. 351
Stat. Implemented: ORS 351.070
Hist.: HEB 6-1995, f. & cert. ef. 11-2-95

**580-040-0205**

**Code of Ethics**

(1) The following Code of Ethics shall act as a guideline for employees to follow in contracting and purchasing.

(a) Give first consideration to the objectives and policies of OSSHE OUS and the institution.

(b) Strive to obtain the maximum value for expenditures.

(c) Grant all competitive suppliers equal consideration insofar as state or federal statutes and institutional policies permit.

(d) Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.

(e) Demand honesty in sales representation whether offered through the medium of an oral or written statement, an advertisement, or a sample of the product.

(f) Encourage all segments of society to participate by demonstrating support for emerging small, disadvantaged, and minority-owned and women-owned businesses and Qualified Rehabilitation Facilities.

(g) Consistent with the provisions of ORS 244, decline personal gifts or gratuities from any current or potential supplier of goods or services to OSSHE OUS or its institutions.

(h) Refrain from knowingly engaging in any outside matters of financial interest incompatible with the impartial, objective and effective performance of duties. Activities
that may create a conflict of interest must be addressed in accordance with the procedures outlined in OSSHE-OUS's Internal Management Directives.

(i) Receive written consent of originator of proprietary ideas and designs before using them for competitive purchasing purposes.

(j) Foster fair, ethical, and legal trade practices.

(2) The Code is for use only by OSSHE-OUS and its institutions and creates no enforceable obligations for contractors, proposers, bidders or other parties doing business with OSSHE-OUS nor may it be used by contractors, proposers, bidders or other parties doing business with OSSHE-OUS who are challenging actions taken by OSSHE-OUS, its institutions, officers, employees, or agents.

Stat. Auth.: ORS Ch. 351
Stat. Implemented: ORS 351.070
Hist.: HEB 6-1995, f. & cert. ef. 11-2-95

580-040-0210
Delegation of Authority
(1) Institutions of OSSHE-OUS may follow the procedures in OAR 580-040-0223 to 580-040-0295 or may develop and promulgate their own procedures by Administrative Rule for purchasing and contracting provided that such procedures ensure competitive practices. Procedures developed by the campuses must be approved by the OSSHE-OUS Vice Chancellor for Finance and Administration prior to adoption.

(2) Notwithstanding section (1) of this rule, institutions shall be subject to:
(a) OAR 580-040-0223;
(b) OAR 580-040-0228;
(c) OAR 580-040-0290;
(d) OAR 580-040-0292; and
(e) OAR 580-040-0295.

(3) For those institutions following OAR 580-040-0223 to 580-040-0295, the Oregon State Board of Higher Education delegates authority to each OSSHE-OUS president to develop guidelines and oversee practices regarding the purchasing and procurement of, and contracting for, goods and services including information technology and telecommunications at each respective campus consistent with these rules.

(4) OAR 580-040-0223 to 580-040-0295 provide procedures to be used for purchasing and contracting except for:
(a) Contracts covered under the following Oregon Administrative Rules:
(A) OAR 580-040-0100 -- Screening and Selection for Personal Services Contracts; or
(B) OAR 580-050-0032 to 580-050-0042 -- Facilities contracting; or
(b) Where an OSSHE-OUS institution has adopted its own rules, consistent with OAR 580-040-0223 to 580-040-0295, to cover purchasing and contracting.

Stat. Auth.: ORS Ch. 351
Stat. Implemented: ORS 351.070
Hist.: HEB 6-1995, f. & cert. ef. 11-2-95
580-040-0215

Definitions
The following definitions shall apply to all Oregon Administrative Rules contained in this division unless the context requires otherwise:

(1) "Bid": A competitive offer, which is binding on the bidder, in which price, delivery (or project completion) and conformance with specifications and the requirements of the Invitation to Bid or other competitive bidding method will be the predominant award criteria.

(2) "Bidder": A person or entity offering to supply goods or services to OSSHE OUS or any of its institutions in response to an Invitation to Bid or other competitive bidding method.

(3) "Closing": The date and time announced in the solicitation (e.g., Invitation to Bid or Request for Proposals) as the deadline for submitting bids or proposals.

(4) "Competitive Process": The process of procuring goods and services by fair and open competition, under varying market conditions, with the intent of minimizing opportunities for favoritism and assuring that contracts are awarded equitably and economically using various factors in determining such equitability and economy.

(5) "Competitive Quotes": The solicitation of offers from competing bidders. The solicitation may be accomplished by advertisement and/or by OSSHE OUS or any of its institutions initiating a request to vendors to make an offer. The solicitation and the offer may be in writing or oral.

(6) "Contract": The written agreement, including OSSHE OUS's or any of its institution's solicitation document and the accepted portions of a bid or proposal, between OSSHE OUS or any of its institutions and the contractor describing the work to be done and the obligations of the parties. Depending upon the goods and services being procured, OSSHE OUS or any of its institutions may use "contract" as meaning a purchase order, price agreement, or other contract document in addition to OSSHE OUS's or any of its institution's solicitation document and the accepted portions of a bid or proposal.

(7) "Contract Price": The total of the awarded bid or proposal amount, including any approved alternates, and any fully executed change orders or amendments.

(8) "Contractor": The individual, firm, corporation or entity awarded the contract to furnish OSSHE OUS or any of its institutions the goods, services, or work procured through a competitive process.

(9) "Days": Calendar days, including weekdays, weekends and holidays, unless otherwise specified.

(10) "Electronic Data Interchange (EDI)": The movement of electronic information from computer to computer. The electronic transfer of standard business transaction information between organizations in a structured application.

(11) "Emergency": Not reasonably foreseeable circumstances that create a substantial risk of loss, damage, interruption of services or threat to the public health or safety that requires prompt execution of a contract to remedy the condition.

(12) "Emerging Small Business (ESB)": The meaning given in ORS 200.005(3) and (4).

(13) "Facsimile": Electronic equipment that communicates and reproduces both printed and handwritten material. If used in conjunction with a reference to a document (e.g., facsimile bid), the term refers to a document (in the example given, a bid) that has been transmitted to and received by OSSHE OUS or any of its institutions via facsimile.
(14) "Invitation to Bid": The solicitation of competitive, written, signed, and sealed bids in which specification, price and delivery (or project completion) are the predominant award criteria.

(15) "Minority Business Enterprise (MBE)": The meaning given in OAR 125-030-0000.

(16) "Opening": The date, time and place announced in a solicitation for the public opening of written, sealed bids or proposals.

(17) "OSSHE": Oregon State System of Higher Education. "OUS": Oregon University System - Based on context can refer to either the University System administrative offices, and/or the institutions of the Oregon University System.

(18) "Price Agreement": A nonexclusive agreement in which the contractor agrees to provide specific items or services to OSSHE OUS or an institution at a set price during a specified period of time.

(19) "Proposal": A competitive offer, binding on the proposer and submitted in response to a Request for Proposals, where proposal evaluation and contract award are based on criteria such as proposer qualifications and experience, product features and characteristics, service quality and efficiency and conformance with the specifications and requirements of the solicitation. Price may be an evaluation criterion for proposals, but will not necessarily be the predominant basis for contract award.

(20) "Proposer": A person or entity who submits a proposal in response to a Request for Proposals.

(21) "Qualified Vendor Listing": A list of vendors identified from a Request for Qualifications or Request for Information who are able to provide specific goods or services. Vendors on the list are not, however, under contract to provide those goods or services.

(22) "Request for Information (RFI)": A written document soliciting information regarding products or services that OSSHE OUS or an institution is interested in procuring. An RFI should describe the purpose of the procurement and the method to be used in evaluating the responses received.

(23) "Request for Proposal (RFP)": The solicitation of written, competitive proposals or offers, to be used as a basis for making an acquisition, or entering into a contract when specification and price will not necessarily be the predominant award criteria.

(24) "Request for Qualifications (RFQ)": A written document soliciting information regarding the qualifications of providers of services OSSHE OUS or an institution is interested in procuring. An RFQ should describe the services that are needed and the method to be used in evaluating the responses received.

(25) "Requirements Contract": An agreement in which a single contractor agrees to supply all of OSSHE OUS's or any of its institution's requirements for specific goods, equipment, or services that arise during a specified time period.

(26) "Responsible Bidder or Proposer": Has the meaning given in OAR 580-040-0275.

(27) "Responsive Bid or Proposal": Has the meaning given in OAR 580-040-0277.

(28) "Retainer Agreement": An agreement by which, pursuant to a formal Request for Proposals or bid process, multiple contractors are authorized to provide specific supplies or equipment to or perform specific services for OSSHE OUS or its institutions in response to requests for price quotations.

(29) "Single Seller": The only vendor of a particular product or service reasonably available. If OSSHE OUS or one of its institutions chooses to procure a particular
product or service that is only available from one vendor, documentation must be maintained to support the determination that the product or service is available only from that one seller.
(30) "Solicitation Document": An Invitation to Bid or Request for Proposals, which includes all documents, whether attached or incorporated by reference, utilized for soliciting bids or proposals.
(31) "Women Business Enterprise (WBE)": The meaning given in OAR 125-030-0000.
(32) "Work": The furnishing of all materials, equipment, labor, and incidental necessary to successfully complete any individual item or the entire contract and the timely carrying out and completion of all duties and obligations imposed by a contract.

Stat. Auth.: ORS Ch. 351
Stat. Implemented: ORS 351.070
Hist.: HEB 6-1995, f. & cert. ef. 11-2-95

580-040-0220
Designation of Purchasing Agents and Contract Officers
Each institution president shall designate staff authorized to enter into purchasing and contracting agreements for the institution. Such staff, referred to as authorized personnel, shall be the only individuals who may procure supplies, equipment, and services and enter into contracts.
(1) The chief administrative officer of each institution shall keep a list, either by name or by title, of those designated authorized personnel along with a description of the types and amounts of procurements and contracts they are authorized to enter into.
(2) Purchasing and contracting agreements issued by individuals not designated as authorized personnel shall be void.
(3) Authorized personnel shall be responsible for ensuring that the proper procedures, as detailed in OAR 580-040-0223 to 580-040-0295, are followed for all institutional procurements. Institutions may take appropriate action in response to expenditures authorized contrary to OAR 580-040-0223 to 580-040-0295. Such actions include, but are not limited to, providing educational guidance, imposing disciplinary measures, and holding individuals personally liable for such expenditures.

Stat. Auth.: ORS Ch. 351
Stat. Implemented: ORS 351.070
Hist.: HEB 6-1995, f. & cert. ef. 11-2-95

580-040-0223
Applicable Model Public Contract Rules
The following provisions of the Attorney General's Model Public Contract Rules shall be applicable to the bidding, awarding, and administration of public contracts of OSSHE and any of its institutions:
(1) OAR 137-030-0010(5) -- Compliance and exceptions to terms and conditions of solicitation documents;
(2) OAR 137-030-0012 -- Bids or Proposals Are Offers;
(3) OAR 137-030-0030(2) and (3) -- Identification and Receipt of bids or proposals;
(4) OAR 137-030-0050 -- Request for Change or Protest of Solicitation Specifications or Contract Provisions;
Processes for Procurement of Goods and Services including Information Technology and Telecommunications Equipment and Services

(1) OSSHE OUS shall establish several basic processes for the procurement of goods and services:
(a) Formal;
(b) Informal;
(c) Emergency;
(d) Single Seller;
(e) Intergovernmental;
(f) Procurement Cards;
(g) Price Agreements;
(h) Retainer Agreements;
(i) Requirements Contracts; and/or
(j) Qualified Vendor Listings.

(2) For each of the processes used in the procurement of goods and services, authorized personnel shall retain documentation, either hard copy or electronic, supporting the process and the actions taken to fulfill the guidelines of that process consistent with the requirements of OAR 580-040-0295. Such documentation shall be subject to audit.

(3) The formal procurement process shall be used, unless other exemptions apply, for all purchases of supplies, equipment, and services where the estimated cost exceeds $50,000.
(a) Multiple contracts, purchase orders, or purchasing requisitions shall not be issued separately with the intent to circumvent the formal purchasing process.
(b) The formal process may be accomplished in either of two ways the institution selects:
(A) Invitation to Bid -- The formal bid process will require that the invitation to bid be advertised in a manner that is likely to reach bidders. The advertisements shall include information regarding the goods or services to be purchased and the time schedule for the receipt of such goods or services. The contract under this process shall be awarded to the lowest responsive and responsible bidder who meets the specifications of the contract.

(B) Request for Proposal (RFP) -- The formal Request for Proposal process shall follow the same guidelines as the formal bid process except that the specifications and price will not necessarily be the predominant award criteria. Award criteria shall be detailed in the Request for Proposal.

(4) The informal procurement process may be used for all purchases of supplies, equipment, and services where the estimated cost exceeds $5,000 but does not exceed $50,000 and where OSSHE-OSU or any of its institutions chooses not to follow the formal procurement process. The informal procurement process may also be used for any procurement regardless of the estimated cost if use of the informal procurement process will not interfere with competition among prospective contractors, reduce the quality of services, or increase costs.

(a) The informal process may be accomplished through the solicitation of competitive quotes from at least three vendors. Solicitation may be accomplished by advertisement and/or by OSSHE-OSU or any of its institutions initiating a request to vendors to make an offer. Written, oral, or electronic quotes may be solicited.

(b) When procuring goods or services through the solicitation process, information regarding vendors contacted, basis for selection, prices of various vendors and other information pertinent to the solicitation must be clearly documented. If three vendors are not reasonably available, the justification for soliciting fewer vendors shall be documented.

(5) When procuring supplies, equipment and services through an emergency process, the designation of such emergency may only be authorized by an institution president or chief financial officer. The procurement process to be used will be at the discretion of authorized personnel, but must be documented. Such documentation must justify the use of such emergency process.

(6) When purchasing supplies, equipment and services from a single seller, institutions are not required to follow competitive procedures. Institutions shall, at the time of initial procurement, specify their intent, if any, to procure future upgrades or other compatible items through that vendor. Institutions shall document findings to support the determination that the product is available from only one seller.

(7) Regardless of dollar value, OSSHE-OSU and its institutions may contract with, and purchase goods and services from, other State of Oregon agencies, local government units, federal government units, or any other governmental entity without the use of competitive procedures. However, contracts with other states and foreign governments must be approved by the Oregon Attorney General's office.

(8) Procurement cards, or other methods of direct purchasing, may be used for any purchase where the estimated cost does not exceed $5,000.

(9) Following appropriate competitive procedures, OSSHE-OSU and its institutions may enter into price agreements with vendors to provide specific items at a set price during a specified period of time. OSSHE-OSU and its institutions may also purchase using State
of Oregon or other governmental unit price agreements as authorized personnel deem appropriate without the use of competitive procedures.

(10) **OSSHE OUS** and its institutions may enter into retainer agreements with vendors using appropriate competitive procedures that take into account, at a minimum, the qualifications and reputation of the vendors, price structure, ability and willingness to respond to requests from one or more colleges and universities, location, and such other factors as authorized personnel deem appropriate.

(a) A Request for Proposals (RFP) or bid process shall be used in selecting vendors for specific retainer agreements.

(b) Vendors may be selected to provide specific goods or services based on availability, responsiveness, quality, geographic location, track record, price, etc. Selection of vendors from the retainer agreement may be based on quotes or on the specific nature of the goods or services to be provided. The agent or officer should solicit prices from at least two vendors under the retainer agreement, or document the reason for not doing so.

(c) Authorized personnel shall maintain appropriate records of the competitive process used to select a vendor from the list of vendors with current retainer agreements in force at the time the selection is made.

(11) Consistent with these rules, **OSSHE OUS** and its institutions may enter into requirements contracts to supply all of **OSSHE OUS’s** or an institution’s requirements for specific goods, equipment, or services that arise during a specified time period.

(12) **OSSHE OUS** or its institutions may contract directly with a vendor listed on a qualified vendor list if only one vendor meets **OSSHE OUS’s** or an institution’s needs and if the RFI or RFQ informed potential vendors that direct contracting could occur. If more than one vendor meets **OSSHE OUS’s** or an institution’s needs, solicitations shall follow the appropriate procedures. However, solicitation may be limited to the qualified vendor listing.

(13)(a) Notwithstanding any of the procedures in this rule, **OSSHE OUS** and its institutions are authorized to develop alternative formal procurement methods that meet the following objectives:

(A) Respond to innovative business and market methods; or

(B) Contribute to institution productivity improvement and process redesign; or

(C) Result in comprehensive cost-effectiveness and productivity for the institution; and

(b) Provide open consideration to more than one vendor using evaluation criteria that may include, but are not limited to, cost, quality, service, compatibility, product reliability, operating efficiency, expansion potential, vendor experience and reliability, commitment to support regional business development and support for innovation.

Stat. Auth.: ORS Ch. 351
Stat. Implemented: ORS 351.070
Hist.: HEB 6-1995, f. & cert. ef. 11-2-95

580-040-0228
Procurement of Telecommunications Equipment and Services

The procurement of telecommunications equipment and services shall be in accordance with the provisions of Oregon Laws 1995, Chapter 634, and any delegations or other agreements made between **OSSHE OUS** and the Department of Administrative Services.
These delegations and agreements shall include, but not be limited to, the following:

(1) Implementation of Oregon Laws 1995, Chapter 634, will not impede cooperative efforts using local expertise and infrastructure to enhance local and regional economic development.

(2) With regard to OSSHE OUS, the following matters are exempt from the Department of Administrative Services' authority under Oregon Laws, Chapter 634:

(a) Broadcasting licensed by the Federal Communications Commission or its successor;

(b) Two-way radio systems operated as part of campus security;

(c) Local Area Networks except to the extent that they must be able to communicate with other networks outside OSSHE OUS and its institutions;

(d) On-campus networks except for the replacement and/or major enhancement of the telephone system;

(e) Contracts or grants for projects in which the contracting or granting entity requires use of a certain type of communication, equipment, or application;

(f) Research into telecommunications that expands or extends knowledge rather than the commercial application of that knowledge; and

(g) Development and offering of courses intended to be promulgated by electronic distance education technology, including the Internet.

Stat. Auth.: ORS Ch. 351
Stat. Implemented: ORS 351.070
Hist.: HEB 6-1995, f. & cert. ef. 11-2-95

Exemptions

(1) Institutions need not follow, regardless of value, competitive procedures for the following:

(a) Contracts for the provision of educational services.

(b) Single seller goods and services. When purchasing from a single seller, institutions shall document findings to support the determination that the product is available from only one seller.

(c) Brand-name goods and services or product prequalification. Institutions may specify brand name in the procurement of goods and services if that particular product or service has specific documentable attributes not found in other products. In addition, when specific design or performance specifications must be met for a product to be purchased, an institution may specify a list of qualified products by reference to the prequalified product(s) of particular manufacturers or sellers.

(d) Advertising and media services contracts.

(e) Price-regulated goods and services. Institutions may, regardless of dollar value, contract for the direct purchase of goods or services where the rate or price for the goods or services being purchased is established by federal, state or local regulatory authority.

(f) Purchases under federal contracts. When the price of goods and services has been established by a contract with an agency of the federal government pursuant to a federal contract award, OSSHE OUS and its institutions may purchase the goods and services in accordance with the federal contract without subsequent competitive
bidding. In addition, specific equipment that is expressly required under the terms of the
contract and that is only available from one source is exempt from competitive
procedures.

(g) Copyrighted materials. Institutions may purchase copyrighted materials without
competitive bid and regardless of dollar amount. Copyrighted materials covered by this
exemption may include, but are not limited to, textbooks, workbooks, curriculum kits,
reference materials and audio, visual, and electronic media.

(h) Investment contracts.

(i) Food contracts. This exemption shall apply exclusively to the procurement of food
and food-related products.

(j) Periodicals, library books and library materials.

(k) Maintenance services for the useful life of goods. Institutions may purchase
maintenance services for the useful life of goods directly from the vendor of those
goods.

(l) Used personal property.

(m) Goods purchased for resale.

(n) Intercollegiate athletic programs. OSSHE OUS and its respective institutions may
specify a product by brand name or make or the products of particular manufacturers or
sellers when procuring equipment and supplies used in intercollegiate or interscholastic
athletic programs.

(o) Media for athletic programs.

(p) Athletic contest agreements.

(q) Cadaveric organs.

(r) Hotel sites for large conferences and workshops.

(s) Dues, registrations, and membership fees.

(t) Gasoline, diesel fuel, heating oil, lubricants, and asphalt.

(u) Purchases of supplies, maintenance, and services for ocean-going vessels when
they are in other than home port.

(v) Equipment repair and overhaul.

(w) Goods and services purchased in foreign countries.

(2) Exemptions from competitive procedures may be granted for a particular contract or
contracts not otherwise exempted under these rules by the president or chief financial
officer of the institution. Sufficient documentation must be retained regarding the need
for such exemptions.

Stat. Auth.: ORS Ch. 351
Stat. Implemented: ORS 351.070
Hist.: HEB 6-1995, f. & cert. ef. 11-2-95

580-040-0235

Basis for Awarding of Contracts

OSSHE OUS and its respective institutions shall award contracts based on various
factors that shall be identified in the notice of contract. Such factors may include, but not
be limited to, price; quality; life cycle costing; vendor experience and reliability; support
for regional business development; support for productivity innovation; performance
specifications; and timeliness.

Stat. Auth.: ORS Ch. 351
580-040-0240
Determination of Contractual Terms and Conditions
Except to the extent OSSHE OUS has established mandatory contract provisions, OSSHE OUS and any of its institutions are authorized to determine the terms and conditions of solicitations and contracts, provided such terms and conditions are not contrary to statutory or regulatory requirements applicable to OSSHE OUS.
Stat. Auth.: ORS Ch. 351
Stat. Implemented: ORS 351.070
Hist.: HEB 6-1995, f. & cert. ef. 11-2-95

580-040-0245
Contract Amendments (including change orders and extra work)
A amendment for additional work or product that is reasonably related to the scope of work under the original contract, including change orders, extra work, field orders, or other change in the original specifications that increases the original contract price or length of time, may be made with the contractor without competitive bidding provided that the amendment does not materially alter such a contract or that the increase in the value of the contract does not change the required method of procurement.
Stat. Auth.: ORS Ch. 351
Stat. Implemented: ORS 351.070
Hist.: HEB 6-1995, f. & cert. ef. 11-2-95

580-040-0255
Pre-Bid and Pre-Proposal Conferences
(1) Pre-bid or pre-proposal conferences may be scheduled. Each pre-bid and pre-proposal conference shall be described in the corresponding solicitation document as "voluntary" or "mandatory." If such a conference is designated as "mandatory," it shall be required for a bidder or proposer to attend in order to submit a bid or proposal for the corresponding contract.
(2) The bidder or proposer may authorize a representative other than himself/herself to attend the pre-bid or pre-proposal conference.
Stat. Auth.: ORS Ch. 351
Stat. Implemented: ORS 351.070
Hist.: HEB 6-1995, f. & cert. ef. 11-2-95

580-040-0260
Acceptance of Bids and Proposals by Facsimile or Electronic Data Interchange
OSSHE OUS and any of its institutions may determine if it is appropriate for bids and proposals to be accepted by facsimile or Electronic Data Interchange. Institutions shall establish the conditions for solicitations, either individually or by type of solicitation. When OSSHE OUS or any of its institutions chooses to accept bids or proposals by facsimile, it shall follow the requirements outlined in OAR 137-030-0013(3). When
ORSA 040-0275
Responsible Bidders; Responsibility Investigation

(1) A "responsible bidder or proposer" is an individual, firm, corporation or entity who has the capability in all respects to perform fully the contract requirements, the integrity and reliability that will assure good faith performance, and who has not been disqualified by OSAHE OUS or any of its institutions.

(2) OSAHE OUS or any of its institutions has the right, prior to awarding any public contract, to make such investigation as is necessary to determine whether a bidder is responsible.

Stat. Auth.: ORS Ch. 351
Stat. Implemented: ORS 351.070
Hist.: HEB 6-1995, f. & cert. ef. 11-2-95

ORSA 040-0277
Responsive and Nonresponsive Bids or Proposals; Acceptance and Rejection

(1) A "responsive bid or proposal" is one that complies in all material respects with an Invitation to Bid or Request for Proposals and with all prescribed bidding and proposal procedures and requirements. A "nonresponsive bid or proposal" is one that does not meet all material aspects of an Invitation to Bid or a Request for Proposal or that does not comply with all prescribed bidding and proposal procedures and requirements.

(2) OSAHE OUS or any of its institutions shall accept, and consider for award, only those bids or proposals that are responsive as defined in this rule. Nonresponsive bids or proposals shall be rejected.

(3) Nothing in this rule shall limit the ability of OSAHE OUS or any of its institutions to monitor contractor or vendor performance during the term of a contract.

Stat. Auth.: ORS Ch. 351
Stat. Implemented: ORS 351.070
Hist.: HEB 6-1995, f. & cert. ef. 11-2-95

ORSA 040-0280
Rejection of Individual Bids or Proposals

(1) This rule applies to rejections, in whole or in part, of individual bids or proposals. OSAHE OUS or any of its institutions may reject, in whole or in part, any bid or proposal not in compliance with all prescribed bidding procedures and requirements, and may reject for good cause any bid or proposal upon a written finding by OSAHE OUS or the institution that it is in the public interest to do so.

(2) Reasons for rejecting a bid or proposal include but are not limited to finding that:
(a) The bidder or proposer has not prequalified as required in the Invitation to Bid or Request for Proposal, or is disqualified under ORS 200.075, 279.037, or these rules; or
(b) The bidder or proposer has been declared ineligible by the Commissioner of the Bureau of Labor and Industries under ORS 279.361; or

(c) The bid or proposal is nonresponsive, that is, it does not conform in all material respects to solicitation document requirements, including all prescribed public procurement procedures and requirements; or

(d) The supply, service or construction item offered in the bid or proposal is unacceptable by reason of its failure to meet the requirements of the solicitation documents or permissible alternates or other acceptability criteria set forth in the solicitation documents; or

(e) The bidder or proposer is nonresponsible, i.e., is not capable of satisfying the terms and conditions of the public contract in a timely manner due to financial incapacity, inability to obtain bonding, loss of license, poor performance history or other objective cause; or

(f) The bidder or proposer within the last five years has been found, in a civil, criminal, or administrative proceeding, to have committed or engaged in fraud, misrepresentation, price-rigging, unlawful anti-competitive conduct or similar behavior; or

(g) The bidder or proposer has been determined responsible (i.e., adjudicated by a court, or as determined in writing by OSSHE OUS or any of its institutions in the case of a public contract) for more than one breach of a public or private contract or contracts in the last three calendar years before the scheduled date of the bid or proposal opening; or

(h) The bid or proposal security has not been submitted or properly executed as required by the solicitation documents; or

(i) The bidder or proposer has not met the emerging small business, disadvantaged business, minority business and women business enterprise requirement, if any, established by OSSHE OUS or any of its institutions, and has not made a good faith effort in accordance with ORS 200.075 to comply with the requirements prior to the time bids or proposals are opened; or

(j) The bidder or proposer has failed to certify in accordance with OAR 580-040-0292(3); or

(k) Other circumstances of the particular bid or proposal, or bidder or proposer, indicate that acceptance of the bid or proposal would impair the integrity of the selection process or result in an imprudent contract by OSSHE OUS or the institution.

(3) For purposes of this rule, the business registry of bidders or proposers shall be subject to scrutiny, i.e., confirmation of ownership or identification of officers and directors, in order to identify previously disqualified bidders or proposers, and thus prevent any subterfuge, change of apparent ownership or other adjustments in formal appearance, to avoid application of this rule or of the disqualification provisions of ORS 279.037 to 279.045 and these rules.

Stat. Auth.: ORS Ch. 351
Stat. Implemented: ORS 351.070
Hist.: HEB 6-1995, f. & cert. ef. 11-2-95
Bidder or Proposer Disqualification

(1) As used in this rule:

(a) "Disqualification" means the debarment, exclusion or suspension of a person from the right to submit bids or proposals in response to OSSHE OUS or institution solicitations for a reasonable, specified period of time named in the order of disqualification. A contractor or vendor so debarred, excluded or suspended is disqualified.

(b) "Person" means an individual, partnership or corporation. Disqualification attaches to and follows the individual, so that an individual who is a partner in a partnership or an officer or principal in a corporation that is disqualified may not reform the business entity as a way of avoiding the disqualification.

(2) The following are grounds for bidder or proposer disqualification:

(a) The person does not have sufficient financial ability to perform the contract. If a bond is required to ensure performance of a contract, evidence that the person can acquire a surety bond in the amount and type required shall be sufficient to establish financial ability;

(b) The person does not have equipment available to perform the contract;

(c) The person does not have key personnel available of sufficient experience to perform the contract; or

(d) The person has repeatedly breached contractual obligations to public and private contracting agencies.

(3) As provided in ORS 200.075, the following are grounds for suspension of a bidder's, proposer's, contractor's, or subcontractor's right to bid, propose or participate in a public contract:

(a) If the person has entered into any agreement representing that a disadvantaged, minority, women or emerging small business enterprise, certified pursuant to ORS 200.055, will be performing or supplying materials under a public improvement contract without the knowledge and consent of the certified enterprise;

(b) If a person exercises management and decision-making control over the internal operations, as defined by ORS 200.075(1)(b), of any subcontractor that is certified disadvantaged, minority, women, or emerging small business enterprise;

(c) If the person uses a disadvantaged, minority, women or emerging small business enterprise to perform contracting services or provide supplies under a public improvement contract to meet an established DBE/MBE/WBE/ESB goal, when the enterprise does not perform a commercially useful function, as defined by ORS 200.075(3), in performing its obligations under the contract.

(4) OSSHE OUS or any of its institutions may make such investigation as is necessary to determine whether there are grounds for disqualifying a person. If a bidder or proposer, or prospective bidder or proposer, fails to supply such information promptly as requested by OSSHE OUS or an institution, such failure is grounds for disqualification.

(5) Any information voluntarily submitted by a bidder or proposer, or prospective bidder or proposer, pursuant to an investigation under section (4) of this rule, or in a prequalification statement, or in a prequalification request submitted pursuant to these rules, shall be deemed a trade secret pursuant to ORS 192.501(2), if requested by the
person submitting the information and verified to be a trade secret by OSSHE OUS or one of its institutions.

(6) The bidder or proposer, or prospective bidder or proposer, will be notified in writing by personal service or certified mail of OSSHE OUS's or one of its institution's decision to disqualify the person from bidding or proposing with OSSHE OUS or the institution. The notice shall contain:

(a) The effective date of the disqualification and the effective period of disqualification;
(b) The grounds for disqualification from bidding or proposing; and
(c) A statement of the person's appeal rights and applicable appeal deadlines.

(7) If a person wishes to appeal OSSHE OUS's or any of its institution's decision to disqualify, the person must notify OSSHE OUS or the institution, as appropriate, in writing within three business days after receipt of the notification.

Stat. Auth.: ORS Ch. 351
Stat. Implemented: ORS 351.070
Hist.: HEB 6-1995, f. & cert. ef. 11-2-95

580-040-0290
Purchasing Policies Governing the Acquisition of Goods and Services from Qualified Rehabilitation Facilities
OSSHE OUS and its institutions shall purchase goods and services from Qualified Rehabilitation Facilities in accordance with the provisions of ORS 279.835 to 279.855 and applicable Administrative Rules.

Stat. Auth.: ORS Ch. 351
Stat. Implemented: ORS 351.070
Hist.: HEB 6-1995, f. & cert. ef. 11-2-95

580-040-0292
Affirmative Action; General Policy
(1) The general policy of OSSHE OUS and its institutions shall be to expand economic opportunities for Minority Business Enterprises, Women Business Enterprises and Emerging Small Businesses by offering the contracting and subcontracting opportunities available through OSSHE OUS and institution contracts. Notice of all contract and bid request solicitations using the formal process outlined in OAR 580-040-0225 shall be provided to the Advocate for Minority, Women and Emerging Small Business and the Oregon Department of Administrative Services for the Oregon Opportunity Register and Clearinghouse when any other solicitation is sent.

(2) OSSHE OUS shall not knowingly contract with or procure goods or services from any organization, business entity or individual that discriminates on the basis of age, disability, national origin, race, marital status, religion, sex or sexual orientation.

(3) Bidders and proposers shall certify, as part of the bid or proposal documents accompanying the bid or proposal on a public contract, that such bidder or proposer has not discriminated against minority, women or emerging small business enterprises in obtaining any required subcontracts.

Stat. Auth.: ORS Ch. 351
Stat. Implemented: ORS 351.070
Hist.: HEB 6-1995, f. & cert. ef. 11-2-95
580-040-0295
Record Keeping Requirements

(1) Documentation of all purchasing and contracting transactions will be made available for inspection by OSSHE OUS Internal Audit Division upon request.

(2) Authorized personnel shall maintain documentation, whether written or electronic, regarding all purchasing and contracting transactions.

(a) For purchases not exceeding $5,000, only a vendor invoice must be retained.

(b) For purchases where the cost exceeds $5,000 but does not exceed $50,000, the following must be retained:

   (A) The method of procurement;
   (B) The names of firms/individuals and cost estimates considered;
   (C) The basis for selection or awarding of contract;
   (D) Other information pertinent to the solicitation; and,
   (E) Any other documentation required by these rules.

(c) For purchases where the estimated cost exceeds $50,000, the following must be retained:

   (A) The method of procurement;
   (B) A copy of the announcement requesting bids or proposals;
   (C) The names of firms/individuals and cost estimates considered;
   (D) The basis for selection or awarding of contract;
   (E) A copy of the resulting contract and any subsequent amendments;
   (F) Other information pertinent to the solicitation; and,
   (G) Any other documentation required by this rule.

Stat. Auth.: ORS Ch. 351
Stat. Implemented: ORS 351.070
Hist.: HEB 6-1995, f. & cert. ef. 11-2-95

BOARD DISCUSSION AND ACTION:

Chair Lorenzen called on OUS General Counsel Ben Rawlins to outline the proposed administrative rules. Rawlins noted the proposed changes were a result of Senate Bill 437 that provided OUS with the authority to purchase telecommunications and information technology. Previously, this purchasing was centralized through the Oregon Department of Administrative Services, Rawlins observed. Rawlins noted the amendments to the rule add the terms “telecommunications and information technology” to OUS Division 40 administrative rules on financial powers. While more substantive changes are planned for the future, Rawlins added, these brief changes give OUS authority to make these acquisitions. Chair Lorenzen called for a motion to approve the proposed rule amendments as outlined in the docket materials. Director Dyess moved to approve the proposed rule amendments, and Director Blair seconded the motion. On roll call vote, all in favor: Blair, Burns, Dyess, Nesbitt, Richmond, von Schlegell, Schuette, Sohn, and Lorenzen. Opposed: none. Motion passed.
b. Charge of the Oregon University System Provosts’ Council

BOARD DOCKET:

1. The Provosts’ Council is responsible for making recommendations to the Oregon University System (OUS) Board regarding proposed new undergraduate degrees, new undergraduate certificate programs, degree name changes, and all other substantive changes to undergraduate academic programming at the OUS universities. (Note: The term “OUS universities” includes Oregon Health & Science University in this charge.)

2. The Provosts’ Council will also consider and make recommendations for new master’s degree proposals for programs related to the undergraduate missions of the OUS universities. In addition, all proposed graduate programs will be brought to the Provosts’ Council concurrent with the Graduate Program Council for consideration and approval.

3. The Provosts’ Council is responsible for considering and, where appropriate, for making policy recommendations to the OUS Board regarding community college and K-12 program articulation, student retention policies, and other questions or concerns which directly affect the quality of academic programs at OUS universities.

4. Because the Provosts’ Council plays a key role in recommending and implementing Board policy affecting academic programming at the OUS universities, OUS staff officers will work closely with the Council and with its chairperson to ensure effective communication regarding Board policies and their implementation.

5. The Provosts’ Council will seek ways to work collaboratively in regard to state and federal grant opportunities and other initiatives that strengthen both the University System as a whole and the individual universities. At this time, such cooperative projects include the board approved ‘MBF’ and ‘AEED’ initiatives.

6. The Provosts’ Council is charged with the responsibility of establishing guidelines to govern its operation.

BOARD DISCUSSION AND ACTION:

Chair Lorenzen asked the Board to consider a walk-on item regarding the authority of the Provosts’ Council and turned to Director Richmond for a brief explanation. Director Richmond observed that with elements of the Chancellor’s Office reorganization, the Board needed to act in order to extend authority to an entity to approve academic programs under the reorganized Chancellor’s Office structure. She noted the creation of the Provosts’ Council and one of the primary responsibilities of the Council to review, evaluate, and provide recommendations to the Board on academic programs. While this
authority was delegated to the Academic Affairs Division in the past, Director Richmond recommended delegating this authority to the Provosts’ Council. She distributed documents outlining the delegation and asked OUS General Counsel Ben Rawlins to explain the parameters of the delegation.

Rawlins explained the Board’s power to approve academic programs is statutory. He observed the Board historically delegated that power. Rawlins added that because the reorganization eliminated the entity that was previously charged with the power to examine academic programs, a new delegation was required. He noted the new documents provide for the delegation, specifically offering that the charge authorized the Provosts’ Council to promulgate additional rules of operation. Director Schuette asked if there were any differences in what was delegated to the Provosts’ Council and what had been delegated to the Academic Affairs Division. She noted some provosts were confused about their charge and some in other sectors were unclear as to how to interact with the Chancellor’s Office with regard to academic issues. Rawlins noted the charges mirror one another with the exception of the consideration of graduate programs. In previous discussions, he observed, the charge of the Provosts’ Council was focused on undergraduate programs. Director Blair asked why that change was made and Director Richmond replied it was designed to allow the new Graduate Program Council the latitude to make the substantive recommendations, but permit the Provosts’ Council to remain in the loop. Director Blair asked if there was unnecessary duplication of effort and noted that he did not want to see overlapping and redundant organization amid the reorganization of the Chancellor’s Office. Director Richmond confirmed she was comfortable with the organization as proposed and Rawlins noted the organization would accomplish objectives without overlapping. Director Schuette inquired where other sectors would turn for answers to academic questions and Rawlins noted the responsibility of the Provosts’ Council and its rotating chairperson, observing that some details were yet to be ironed out. President Ray added the specific and distinct charge of the Graduate Program Council. Chair Lorenzen asked for motion language to approve the delegation of authority to the Provosts’ Council. Director Richmond suggested that the Provosts’ Council be charged with the responsibility of establishing guidelines as outlined in the charge document. Chair Lorenzen called for a motion to empower the Provosts’ Council through a delegation of authority as outlined in the distributed documentation. Director Dyess moved to approve the delegation of authority and Director Blair seconded the motion. All in favor: Blair, Burns, Dyess, Nesbitt, Richmond, von Schlegell, Schuette, Sohn, and Lorenzen. Opposed: none. Motion passed.

4. CONSENT ITEMS

a. EOU, Bachelor of Music

BOARD DOCKET:

Eastern Oregon University proposes to replace its existing B.A./B.S. in Music degree program with a Bachelor of Music degree program, effective 2004. Other Bachelor of
Music programs in the Oregon University System are offered by PSU, UO, and WOU; related undergraduate music programs (B.A./B.S. in Music) are offered by OSU, PSU, SOU, UO, and WOU.

The focus of the new degree program will combine performance and pedagogy into one comprehensive four-year degree plan that EOU music faculty believe will enhance recruitment, increase course enrollments, and enhance retention to graduation. Students will be better prepared for the diversity of musical opportunities available to those who have studied performance, pedagogy, music history and literature, and music theory and composition. Upon completion, graduates will be qualified to enter post-baccalaureate teacher licensure programs at EOU or elsewhere in Oregon. Many EOU music students wish to become educators and intend to remain in Eastern Oregon (or live in other rural areas); this program, with its emphasis on multiple competencies, prepares students for smaller school settings where breadth and versatility are practical necessities. While the program has been deliberately designed to serve needs of students planning to teach in school settings, the Bachelor of Music’s sequence of methods courses also provides pre-professional training for those students who decide to pursue a private studio teaching and/or performance career. EOU music faculty assert that the economic reality for most performing musicians is that they will be teaching in one setting or another, at some point in their careers.

Students in the proposed program will be required to complete 180 credit hours in the following areas: performance and performance practice, 38-40 credits; theory and musicianship, 33-36 credits; and general education, 60 credits. Ten courses related to both instrumental and choral music pedagogy are currently taught as humanities courses and will be re-designated as part of this curriculum.

In addition to meeting institutional undergraduate admission requirements, students interested in this major would meet with EOU faculty during their senior year in high school (if traditional age) to clarify intent, and would also need to audition on their musical instrument to determine acceptability of playing level for admission and subsequent placement decisions. No enrollment limitations will be imposed at this time. The Bachelor of Music will be primarily an on-campus program due to vocal and instrumental, individual and ensemble performance requirements, and the need for in-person instruction in voice and instruments. As is the case with currently graduating students in the B.A./B.S. in Music program, faculty will continue to track outcomes, including entry into graduate and professional programs and careers in performance.

Currently there are ten music faculty members at EOU; there is no anticipated need for additional regular faculty or support staff in the first four years of the proposed program’s implementation. Library resources, including music reference and media materials and access to scores, books, and materials through the Summit consortium, are adequate for the program. Facilities: electronic equipment, classrooms, practice rooms, faculty studios, and rehearsal and performance spaces are available and in use. The curricular plan for the Bachelor of Music actually results in streamlining the inventory of music courses at EOU. Faculty in the department will continue to offer
general education courses to EOU students; and serve students in the elementary education program, multimedia majors; and maintain a music minor.

All appropriate University committees and the OUS Academic Council have reviewed the program and resolved inter-campus concerns.

Staff Recommendation to the Board:
Staff recommended that the Board authorize Eastern Oregon University to establish a program leading to the Bachelor of Music and phase out the existing B.A./B.S. in Music.

BOARD DISCUSSION AND ACTION:
See page 424.

b. OHSU, Master of Clinical Research

BOARD DOCKET:

Oregon Health & Science University proposes to offer an instructional program leading to the Master of Clinical Research degree, effective immediately. No other university in Oregon offers a program in clinical research per se. Related programs that provide, as part of the curriculum, training in clinical research science are the Oregon Master of Public Health program (joint among OHSU, Oregon State University and Portland State University) and OHSU's Master of Medical Informatics. However, the Master of Public Health focuses on public health (epidemiology and statistics) vs. patient-oriented or practice-oriented research. The Master of Medical Informatics is based on medical information storage and retrieval and related computer applications, but is not comprehensive enough to meet needs of most clinical scientists. OHSU's recently established Certificate in Human Investigations relates integrally to the proposed program, but it stops short of the in-depth training promised in the new Master's program. Thus, the proposed program fills a void in training programs for clinicians who seek comprehensive experiences in patient-based research. It also fulfills aims of the NIH-funded K-30 training program at OHSU and helps realize OHSU's mission to be a nationally-recognized leader in clinical research.

Students completing the Master of Clinical Research degrees will be prepared to: (a) successfully compete for federal, foundation, and industry funding for research; (b) conduct clinical research, publish and disseminate their findings, thereby enhancing OHSU's stature as a leader in biomedical research; and (c) conduct research that will enhance the health of Oregonians. These better-qualified clinical investigators will increase the likelihood of attracting new grants to Oregon and OHSU, and perhaps stimulate additional collaborations between medicine and industry.

The curriculum will build directly upon courses in the Human Investigations program equivalent to 21 credits. Additional elements are: 7-8 credits in two required core courses in either the public health biostatistics series or the medical informatics series;
10-12 elective credits from public health and preventive medicine and medical informatics curricula; and 6 credits in a capstone project; for a total of 45 program credits. The capstone project replaces a traditional thesis. Under the mentorship of an active senior clinical researcher, a student trainee will undertake a clinical research project resulting in a publishable manuscript, a NIH grant application, or other useable product. It is intended that the mentored experience be similar to an internship for the trainee. OHSU aims to produce a cadre of academic clinician faculty who will be well prepared to spend a significant portion of their time conducting funded clinical research.

To be eligible for the Master of Clinical Investigations program, students must have doctoral level attainment, e.g., M.D., M.D./Ph.D., Ph.D. Pharm.D, D.O., D.D.S., D.M.D., D.C., O.D., or N.D., and should be serving as faculty or staff at OHSU or another healthcare facility in Oregon or the region. A major source for the estimated cohort of seven to ten student trainees per year is the pool of graduates of the Certificate in Human Investigations program where maximum enrollment of new students is 27 students per year. (Currently, there are 86 students enrolled overall, the majority of whom are affiliated with OHSU or jointly affiliated with partner institutions and agencies.)

The need for the program is evidenced by a disturbing national and local trend; namely, over the past decade the number of clinicians who are choosing research careers in health and applying for federal grants has diminished dramatically. This trend runs directly counter to the need for investigators to conduct clinical trials, epidemiological studies, translational research, health services and outcomes research, studies using large databases, and other clinical studies. Advances emanating from the basic biomedical and laboratory sciences are increasing exponentially. Employment opportunities for fully-prepared clinical investigators are strong in academe, industry, and government.

Fourteen current faculty members representing a wide range of specializations at OHSU will apply portions of their time to create, conduct, and evaluate the clinical research curriculum. They will be led by two key clinical research faculty, one in public health and preventative medicine, and the other in medical informatics and clinical epidemiology. The program coordinator for the Certificate in Human Investigations will provide administrative oversight for the proposed program as well. State-of-the-art library and information services will be provided by the Biomedical Information Communication Center (BICC), one of four branches of the OHSU library. The BICC facility will also be used for course delivery using instructional and learning technologies that combine traditional approaches with distance learning modalities. Substantial budgetary support for faculty salary and tuition offsets for the proposed program will come from a five-year grant awarded by NIH to implement the training program in clinical investigation. It is expected that NIH will continue to support programs such as the Certificate in Human Investigations and the Master of Clinical Research because of national concern about the training gap and shortage of clinical researchers.

An external review team, composed of Stephen Hulley, Professor and Chair, Department of Epidemiology and Biostatistics, University of California-San Francisco;
Lori Bakken, Administrator, Clinical Investigator Preparatory Program and Assistant Professor, Department of Medicine, University of Wisconsin-Madison; and Noel Weiss, Professor of Epidemiology and Senior Scientist, Fred Hutchison Cancer Research Center, University of Washington evaluated the program in May 2004 and produced a strongly supportive report. Major strengths of the program were noted as including: highly qualified faculty and inspired program leadership in companion graduate programs; curricular flexibility and breadth well suited to the competencies required of a clinical investigator; ample opportunity for student interaction and interdisciplinary networking; and institutional support characterized by financial resources infrastructure and “vision to grow the research enterprise.” Reviewers also provided advice on how to structure faculty mentoring of students for successful career development and advancement of individual research interests. In response, OHSU plans to ensure that students have two mentors each: a “methods” mentor and a “topic” mentor, as well as access to a biostatistician as they learn the craft of research.

All appropriate OHSU committees and the OUS Academic Council have positively reviewed the proposed program.

**Staff Recommendation to the Board:**
Staff recommended that the Board authorize Oregon Health & Science University to establish a program leading to the Master of Clinical Research, effective immediately.

**BOARD DISCUSSION AND ACTION:**

See page 424.

**c. OIT, M.S. Manufacturing Engineering Technology**

**BOARD DOCKET:**

Oregon Institute of Technology proposes to offer an instructional program leading to the M.S. in Manufacturing Engineering Technology, to begin implementation immediately, with full ramp-up of two-year course cycles at all three sites: Klamath Falls (OIT campus), Portland (OIT Metro Center), and Seattle (Boeing) by June 2006. At present, OIT offers a B.S. in Manufacturing Engineering Technology degree program at these sites. The baccalaureate program has been accredited by the Accreditation Board for Engineering and Technology (ABET) since 1985; ABET has not yet established criteria for Master’s programs in engineering technology.

Nationally, there are 63 master’s programs in Manufacturing Engineering, but only 12 master’s programs in Manufacturing Engineering Technology, none of which are offered on the West Coast (Arizona State University and Brigham Young University offer the closest programs). Related master’s programs are offered by OSU (Manufacturing Systems Engineering) and PSU (Mechanical Engineering) in the Northwest region.
The driving thrust for this program is job creation related to the revitalization of economy of Oregon and the Northwest that manufactures high-value products for export. Thus, the first objective of the program is to provide an advanced education in manufacturing engineering technology that includes an emphasis on agile manufacturing (quickly launching a product) and product life management through use of new computer-intensive tools for design, manufacturing, product and financial data management, and overall planning of the product’s life cycle. The second objective is to meet expressed needs of employers, recent graduates and adults with bachelor’s degrees working in globally competitive manufacturing industries for improved knowledge and skills that translate into higher earnings, career advancement, and job security. Boeing in Seattle has repeatedly asked OIT to offer this master’s specialization in Washington and has offered an initial three-year contract (extendable) to support provision of the program to its employees.

OIT’s curricular philosophy emphasizes the universality and global applicability of manufacturing principles, and, like the manufacturing discipline it represents, of design program content and delivery formats to meet needs of a changing industry by being lean and agile. The curriculum will consist of four content areas: (1) engineering science and design technology; (2) manufacturing software and computer integration; (3) advanced manufacturing materials and processes technology; and (4) business, financial, and management processes. Students will take 30 credits from the four areas while specializing in at least one area; for 12 credits they will also research an original thesis or project from problem definition to execution, testing and evaluation, to documentation. The required 45 credit total will include a three credit graduate seminar. To flesh out the curriculum, OIT is in the process of developing 18 new courses. Program delivery will be a hybrid mode of in-person, on-site, online and video formats, and weekend scheduling. The individual courses will be offered in two-year cycles so that students working full-time can complete the program while attending half-time.

The ideal preparation for the proposed program is completion of an ABET-accredited bachelor’s program in engineering technology. However, OIT is prepared to accept students with a B average or better in baccalaureate work and an academic record/evidence that indicates ability to succeed in this graduate specialization. OIT anticipates attracting its own bachelor’s graduates who are seeking advanced opportunities, as well as Boeing’s and other industry employees who seek continuing technical education. Numerous letters from industry representatives in Oregon and Washington and regional engineering societies attest to the need for greater access to programs that reflect the global changes in manufacturing (that is, the resurgence of manufacturing in the region will not be composed of the same jobs that have gone overseas). In spite of Oregon’s recent economic travails, the Oregon Employment Department’s ten-year forecast (2003) nevertheless projects slow but continued growth in engineering and managerial services at the fifth highest rate among employment sectors.

Currently, five ranked faculty members (including OIT President Emeritus Lawrence Wolf) form the core in place to offer the program. Each will teach at least one graduate
course in the program annually at their home sites and an additional course at a second
delivery site, typically as part of their regular loads. Graduate adjunct faculty (experts
concurrently employed) and teaching assistants will augment the regular faculty as
needed. Incremental costs of adjunct faculty, library material enhancements, and
computer software and hardware will be met through institutional resource reallocation,
tuition/fees revenues, and support from Boeing.

In accordance with Board policy, an external review of the program was conducted by
Warren Hill, Dean, College of Applied Science and Technology, Weber State University;
Albert McHenry, Dean, College of Technology and Applied Sciences, Arizona State
University East; and Mark Stratton, Education Community Relations Manager, Society
of Manufacturing Engineers. The team expressed strong support for the program, noting
the close alignment of the proposal with OIT’s mission, the relative uniqueness of the
program in the region, the outstanding group of faculty, and the strengths of OIT’s
existing relationships with community colleges. The team identified greatest strengths
as “the existing ties with industry, particularly Boeing, and the strong presence in the
Portland area with the community colleges.” They noted the major challenge appears to
be in marketing the program to a wide variety of students in multiple locations to
achieve the needed critical mass to enable the program to thrive. In addition, reviewers
brain-stormed many ideas for OIT’s consideration to enable the program to grow and
succeed.

All appropriate OIT committees and the OUS Academic Council have positively
reviewed the proposed program.

*Staff Recommendation to the Board:*
Staff recommended that the Board authorize Oregon Institute of Technology to establish a
program leading to the M.S. in Manufacturing Engineering Technology, to be effective
immediately.

**BOARD DISCUSSION AND ACTION:**

See page 424.

**d. UO, B.A. Medieval Studies**

**BOARD DOCKET:**

The University of Oregon proposes to offer its existing Medieval Studies option
(academic major), housed since 1992 within the B.A. in Humanities program, as an
independent major. With independent status, the Medieval Studies major will
incorporate both the major and the existing minor in the same coordinated program.

The Medieval Studies program benefits undergraduate and graduate students, the
faculty, and the University’s distinctiveness in several ways. The “Humanities: Medieval
Studies Option” is one of a limited number of majors that requires students to take
courses in a variety of departments, from philosophy to music, and integrate that knowledge into a cross-disciplinary grounding in a subject. It ensures that students experience the depth of history and analyze problems with more than one culture and time period in view. A full Medieval Studies major lends distinctiveness to UO, since only approximately 20 undergraduate medieval studies major programs exist in the country and this is the only one in Oregon. The closest program on the West Coast was recently begun at the University of California, Berkeley. Graduate students, particularly some enrolled in interdisciplinary master’s and Ph.D. in English programs who take a medieval emphasis, also benefit from opportunities to teach in their special field and participate in the intellectual life of the Medieval Studies program. Finally, faculty with medieval expertise from disparate fields have the opportunity to teach specialized classes and create a community of interest around the major.

The course of study is intentionally broad. Students will fulfill UO requirements for the B.A., including selection of 12 Medieval Studies courses from at least three departments for a total of 48 credits in the major. Half of these courses must be upper-division. A senior seminar is encouraged but not required; Latin is advised for students who intend to pursue graduate study in the field. Graduates of the option program have gone on to graduate schools or taken employment in fields that require humanities knowledge and/or good analytic and integrative skills.

At this time there are 21 majors and eight minors in the Medieval Studies option. This represents rapid growth in recent years. The goal is to build to a total of 30 to 35 majors in the near future. Based on recent enrollment patterns and inquiries, this seems attainable. Faculty and international program staff are establishing a medieval studies summer program at the University of Cambridge with their partner, the Arizona Center for Medieval and Renaissance Studies at Arizona State University. Faculty from all three universities will teach in the program.

Since students select courses for the major from an available inventory (approximately 34 courses), there are no additional faculty costs to the separate major beyond nominal off-sets for the director’s salary and support staff. A special allotment for medieval studies library resources has been in place since the early 1990s.

All appropriate UO committees and the OUS Academic Council have positively reviewed the proposed transformation of the Medieval Studies option into an independent Medieval Studies major.

*Staff Recommendation to the Board:* Staff recommended that the Board authorize UO to change the status of the Medieval Studies option to the B.A. in Medieval Studies, effective immediately.

**BOARD DISCUSSION AND ACTION:**

See page 424.
e. Report of Grievances Filed Under OAR 580-021-0050(12)

BOARD DOCKET:

MEMORANDUM

TO: Oregon State Board of Higher Education

FROM: Jon Yunker, Acting Chancellor

DATE: July 1, 2004

RE: REPORT OF GRIEVANCES FILED UNDER OAR 580-021-0050(12)

The Board’s grievance procedure for unclassified employees with faculty rank, Oregon Administrative Rule 580-021-0050(12), requires each institution to report annually the number, basis, and outcome of all formal grievances filed under the institutional procedures adopted pursuant to the rule. This report does not include grievances filed under procedures contained in collective bargaining contracts. The institutions reported, as follows, for the 2002-2003 academic year:

EOU: No grievances were filed.

OIT: No grievances were filed.

OSU: Seven grievances were filed by one faculty member.

In the first grievance, the faculty member claimed he was entitled to an annual review for the most recent year because he alleged his third year review was inadequate. The Faculty Grievance Committee recommended the faculty member be given the review and the president concurred. In the second grievance, the faculty member claimed he was denied promotion and tenure. The president concurred with the recommendation of the Faculty Grievance Committee to uphold the denial of promotion and tenure. The third grievance was denied by the dean and was not appealed by the faculty member. The Faculty Grievance Committee recommended denial of the fifth grievance, relating to a performance review, and the president concurred. OSU determined the fourth, sixth, and seventh grievances were moot: two because of the faculty member’s resignation.

PSU: One grievance was filed.

A faculty member alleged unfair treatment and irregularities in the 2002 promotion process. The grievance was withdrawn after completion of the 2003 promotion process.
**SOU:** No grievances were filed.

**UO:** One grievance was filed.

A faculty member contested the denial of a promotion and tenure. The president and Promotion-Tenure-Retention Appeal Committee reviewed the grievance. Both the committee and the president concurred with the provost’s decision to deny promotion and tenure.

**WOU:** One grievance was filed.

A faculty member alleged the University had wrongfully terminated him. The Western Oregon University American Federation of Teachers, Local 2278, assisted the faculty member. In an arbitration decision, the grievance was denied. The University was found to have just cause and to have acted properly in terminating the faculty member’s employment.

**BOARD DISCUSSION AND ACTION:**

See page 424.

f. **Annual Institution Reports to the Chancellor**

**BOARD DOCKET:**

MEMORANDUM

TO: Jon Yunker, Acting Chancellor

FROM: Benjamin E. Rawlins, General Counsel

DATE: July 1, 2004

Re: Annual Institution Reports to the Chancellor

A) OAR 580-46-040(2)(A) Foundations

B) IMD 4.010(9) Outside Activities; Related Compensation

**Foundations:** Copies of the Foundation Audit Reports for the Foundations at Oregon Institute of Technology, Oregon State University, Portland State University, Southern Oregon University, University of Oregon, and Western Oregon University for the fiscal year ending June 30, 2003, are on file in the Office of General Counsel. A copy of Eastern Oregon University’s Foundation Audit Report for the year ending December 31, 2002, is also on file in the Office of General Counsel.

**Outside Activities and Related Compensation:** All campuses within Oregon University System reported they had no outside activities and related compensation
pursuant to IMD 4.010(9), and no changes in policy with the exception of Portland State University that added a required signature block for the School/College Dean to review applications for external employment. Investigators applying for outside funds are required to indicate that they are aware of and in compliance with University policy on conflict of interest and outside employment.

BOARD DISCUSSION AND ACTION:

Chair Lorenzen turned to the consent agenda and called for a motion to approve the consent agenda. Director Nesbitt moved approval of the consent agenda and Director Sohn seconded the motion. All in favor: Blair, Burns, Dyess, Lorenzen, Nesbitt, Richmond, von Schlegell, Schuette, and Sohn. Opposed: none. Motion passed.

5. REPORT ITEMS

a. Annual Report on Student, Faculty, and Staff Racial/Ethnic Diversity

Due to scheduling, Chair Lorenzen asked to forgo committee reports and proceed with the discussion of the capital budget and the Annual Report on Student, Faculty, and Staff Racial/Ethnic Diversity. Chair Lorenzen turned to OUS Director of Diversity Planning & Programs Yvette Webber-Davis for the Annual Report on Student, Faculty, and Staff Racial/Ethnic Diversity.

BOARD DOCKET:

Executive Summary
For several years, the Oregon University System (OUS) has worked to enlighten State Board of Higher Education members, university populations, and the general public about the importance, appropriateness, and dynamics of higher education diversity efforts. Annually, the Board receives an update of initiatives, relevant state and national trends, and progress made toward enhanced OUS racial/ethnic diversity. The purposes of the 2004 OUS Diversity Report are:

1 – to inform the newly configured State Board of Higher Education about the broad scope of diversity issues within OUS
2 – to provide an overview of current university initiatives that support diversity considerations within the missions of public higher education
3 – to monitor the progress made in enhancing the diversity of students, faculty, and staff within OUS (Note: A comprehensive data review of OUS progress was conducted for the 2003 OUS Diversity Report Student, Faculty, and Staff Racial/Ethnic Diversity: A Retrospective of Five- and Ten-Year Progress. The current report includes an update of the related data.)

The report includes an overview of the relevance of diverse educational environments and descriptions of the current initiatives within OUS to enhance the representation, inclusion, and engagement of diverse racial/ethnic populations. The issues associated
with higher education diversity are multifaceted. Within OUS, the vision for diversity is a comprehensive and ongoing consideration that extends beyond mere numeric representation. Initiatives relating to representation seek to provide opportunity, enhance campus environments, and fulfill the mission of public higher education institutions as dynamic establishments that support surrounding communities and guide the production and attainment of knowledge that moves society forward. Activities that promote inclusion and engagement (i.e., quality of experience) seek to create environments that are progressive and responsive, provide benefits for all OUS populations, and that celebrate the achievements and contributions of all participants.

Selected OUS Data Highlights (fall 2003 compared with five- and ten-year data from 1992 through 2002)

Student Enrollment

- The total enrollment of African American, American Indian/Alaska Native, Asian/Pacific American, and Hispanic/Latino students was 10,543 (13.3 percent) in fall 2003. This represents an increase from 10,068 (12.9 percent) in fall 2002 and 6,813 (10.7 percent) in fall 1992.

- The total enrollment of students reporting more than one race was 700 (0.9 percent) in fall 2003. This represents an increase from 678 (0.9 percent) in fall 2002 and 212 (0.3 percent) in fall 1997 (these data are unavailable for fall 1992).

Degrees Awarded

During 2002-03, African American, American Indian/Alaska Native, Asian/Pacific American, and Hispanic OUS students earned 1,724 (11.3 percent) degrees. This total represents an increase from 1,477 (10.8 percent) during 2001-02.

From 1991-92 through 2001-02, a total of 113,814 degrees were earned by OUS students at all levels. During this period, 11,653 degrees were awarded to African American, American Indian/Alaska Native, Asian/Pacific American, and Hispanic/Latino students, representing 10.2 percent of all OUS degrees.

Full-Time, Ranked, Instructional Faculty

A total of 267 (11.2 percent) African American, American Indian/Alaska Native, Asian/Pacific American, and Hispanic/Latino full-time, ranked, instructional faculty worked within OUS during fall 2003. This represents an increase from 264 (10.4 percent) in fall 2002 and 126 (5.2 percent) in fall 1992. The representation of African American, American Indian/Alaska Native, Asian/Pacific American, and Hispanic/Latino full-time, ranked, instructional faculty more than doubled in the ten-year period from 1992 to 2002.
As OUS continues to address the needs of an increasingly diverse society, recommendations include the incorporation of diversity considerations throughout statewide and OUS strategic planning, ongoing monitoring and flexibility of student-related diversity efforts aligned with the changing national dynamics of higher education diversity, continuation and enhancement of outreach and opportunity in K-16 efforts, continuation and enhancement of faculty diversity efforts, and continued research into the educational and societal benefits of higher education diversity.

Introduction
Since 2000, the Oregon University System (OUS) annual diversity report has provided both a) a “vision” for diversity with continuing themes regarding the enhancement of representation, inclusion, and engagement, and b) an overview of the progress made in racial/ethnic diversity within the populations of OUS students, faculty, and staff. Diverse educational environments are beneficial to all involved and provide a rich arena for a robust exchange of ideas through effective attention to the traditional public university missions of teaching, learning, research, and community service. The paradigm for this framework is provided in Figure 1 below. The purposes of this report are:

1 – to inform the newly configured State Board of Higher Education about the broad scope of diversity issues within OUS
2 – to provide an overview of current university initiatives that support diversity considerations
3 – to monitor the progress made in enhancing the diversity of students, faculty, and staff within OUS (Note: A comprehensive data review of OUS progress was conducted for the 2003 OUS Diversity Report Student, Faculty, and Staff Racial/Ethnic Diversity: A Retrospective of Five- and Ten-Year Progress. The current report includes an update of the related data.)

Figure 1
The Benefits of Diversity
Societal, Workforce, and Personal Benefits

Institutional engagement
Inclusion
Representation

Benefits to students

Benefits to faculty & staff
The issues associated with diversity are multifaceted. Within OUS, the vision for diversity is a comprehensive and ongoing consideration that extends beyond mere numeric representation. The report includes brief descriptions of the initiatives taken within OUS institutions to enhance representation, inclusion, and engagement.

**Representation**
Each OUS institution has enhanced the representation of diverse populations within the campus environment. *Within the OUS vision of diversity, initiatives relating to representation seek to provide opportunity, enhance campus environments, and fulfill the mission of public higher education institutions as dynamic establishments that support surrounding communities and guide the production and attainment of knowledge that moves society forward.* Campus initiatives seek to include diverse populations within outreach efforts to students in the K-12 pipeline in order to enhance awareness of, and preparation for, higher education. Admission offices actively seek to provide information and recruit students of diverse backgrounds. OUS institutions engage in efforts to educate university search committees regarding outreach to diverse faculty/staff employment candidates.

**Inclusion and Engagement**
With representation (i.e., quantity) being but one factor in comprehensive efforts to provide enhanced campus diversity, each OUS institution provides opportunities to facilitate the incorporation of considerations of diversity into the fabric of the campus community. *Within the OUS vision of diversity, activities that promote inclusion and engagement (i.e., quality of experience) seek to create environments that are progressive and responsive, provide benefits for all OUS populations, and that celebrate the achievements and contributions of all participants.* Examples of these initiatives include campus-wide diversity councils; the enhanced participation of faculty, staff, and students of color throughout the institutions; attention to the incorporation of diversity considerations into the curriculum; events that encourage awareness and celebration of the contributions of diverse individuals and communities; and the production of institutionally- and student-sponsored events that enhance the learning environment.

**Oregon Diversity**
Like many states, Oregon is experiencing increased diversity within its population. Figure 2 provides an overview of race/ethnicity distributions within the general population, among Oregon’s public high school graduates, and within the population of first-time freshmen students within OUS institutions.
Oregon has an increasingly diverse population, with Hispanics representing the largest growth.

- Hispanics accounted for 9 percent of Oregonians in 2002, up from 4 percent in 1990.
- Oregon’s African American, Asian, and American Indian populations have remained relatively stable.

Increasing numbers of students of color are in the K-12 pipeline.

- From 1992 to 2002, the enrollment of Oregon’s public K-12 students of color increased from 12.5 percent to 21.4 percent. The largest increase has been among Hispanics, which grew from 5.3 percent to 12.2 percent.
- Of Oregon’s 67,591 Hispanic students in public K-12 during 2002-03, more than half were enrolled in grades K-5.
- Students of color constituted more than 16 percent of Oregon’s public high school completers in 2002-03.
- High school dropout rates are a lingering concern. Overall, 4.9 percent of Oregon’s high school students dropped out in 2002-03 but higher rates were experienced among African Americans (9.0 percent), American Indians (6.3 percent), and Hispanics (9.1 percent).
OUS enrollments of African American, American Indian, Asian/Pacific Islander, and Hispanic students continue to increase. (Note: These data do not include Oregon community college enrollments).

- In fall 2003, students of color represented 15.3 percent of all OUS first-time freshman enrollment (up from 13.6 percent in 2002).
- Students of color represent approximately 13.3 percent of total OUS enrollment (up from 12.9 percent in 2002).

DATA

Considerations of Race/Ethnicity Data - A Period of Transition

Background
A growing diversity within the U.S. population, combined with awareness of the need to move forward in recognizing the mixed-race heritage of many people, has precipitated changes in the way in which race/ethnicity data are captured. These changes are most evident in the collection of year 2000 U.S. Census data in which respondents were afforded, for the first time in this country’s history, the opportunity to self-identify more than one race. Respondents could mark as many discrete racial categories as they desired. Census 2000 records indicate that 97.6 percent of the U.S. population reported one race, and 2.4 percent reported two or more races. The West Coast has the largest concentration in this country of people who elect to report more than one race, at 40 percent of those reporting two or more races. By comparison, the South had 27.1 percent of “two or more races” respondents; the Northeast had 18 percent; and the Midwest had 15 percent. (Census 2000 Brief – “The Two or More Races Population: 2000”)

In addition to the modification in the ability to report more than one race, the 2000 Census included the opportunity for respondents to indicate Hispanic/Latino ethnicity along with a racial category(ies). Another change in the Census related to the separation of the Native Hawaiian population from the previously used Asian/Pacific Islander population. These changes represent advances in the recognition of the uniqueness associated with many populations within this country. Census experts caution, however, that comparisons with previous Census data or data collected from other sources may not be accurate – particularly for those reporting multiple designations of race that cannot effectively be compared with data collected in earlier years.

Data collection mechanisms for educational and other types of race/ethnicity reporting have not yet been modified to reflect the changes found in the 2000 Census. The current federal educational data reporting standards, including the Integrated Postsecondary Education Data System (IPEDS), are consistent with pre-2000 Census data. For this reason, there is not currently a match between 2000 Census and educational data sources. For example, educational reporting still broadly maintains a) discrete categories for the collection of race/ethnicity data with no ability to designate more than one race; b) the inclusion of Native Hawaiians in the Asian/Pacific Islander
category; and c) Hispanic/Latino as a discrete category with no opportunity to identify race in addition to Hispanic/Latino ethnicity. There have been delays with the establishment of a modified race/ethnicity collection and reporting mechanism standard by IPEDS; however, it is anticipated that these changes will occur within the next few years. Once the new standards are established, institutions may re-survey existing populations and reconcile existing data with a new format. It is advised, also, that educational institutions pose the race/ethnicity data collection question in a standard (either a one- or two-question) format in order to gather comparable data. Decisions are yet to be firmly established at the federal level regarding the use of a multiple check format (consistent with the 2000 Census collection) versus the opportunity to check one box designating more than one race within collection standards. Research has found that differing results are garnered depending upon the format used. Given the likely expense that will be associated with this endeavor, OUS and other educational entities are waiting for the national standards to be established before attempting to modify the existing collection formats.

OUS Race/Ethnicity Data
There is recognition within OUS of the enhanced designations of racial/ethnic diversity. Consistent with national trends—particularly on the West Coast—OUS is experiencing increasing numbers of individuals who desire to indicate more than one race. The 2003 and 2004 OUS Diversity Reports include the data reported by students within OUS institutions who designate more than one race. It should be noted that OUS student race/ethnicity data are collected via the application for admission forms designed and utilized by each OUS institution. Given the variation in the questions posed to collect race/ethnicity data on these forms, the fact that self-reporting race/ethnicity is optional, and the fact that people in general may not have a complete understanding of the differences in data collection for various purposes, these data may not be comparable with future internal and external collections of race/ethnicity data once a new standardized protocol is established.

Current compilations of OUS data for faculty/staff, collected as an optional response item to assist with affirmative action employment plan purposes, adhere to the previously established (pre-Census 2000) format. The legacy nature of a large portion of the faculty and staff race/ethnicity data (i.e., data collected historically during an era when people tended to consistently report only one race/ethnicity) differs from the more fluid collections of student data. The possible re-surveying of OUS populations, mentioned above, will eventually provide an opportunity to capture updated race/ethnicity information for faculty/staff as well. As OUS representatives work to address issues of reliability and validity in preparation for modified data collection, and make changes in accordance with federally required data collection and reporting protocols once these standards are established, future reports of race/ethnicity should provide additional detail for all OUS populations of students, faculty, and staff.

There have been increases over the years in the numbers of students, faculty, and staff who decline to respond to race/ethnicity data requests. These data are listed within the tables included as appendices to this report. Student enrollment tables in this report
include a column that identifies students who designate more than one race. However, Systemwide data for degrees awarded and faculty/staff representation are currently maintained, and included within this report, under the pre-Census 2000 standard.

**Comparative OUS Data**

A comprehensive review of five- and ten-year trends in OUS data was completed in the 2003 OUS Diversity Report. The following provides a brief update of the data and, for additional comparative purposes, includes five-year comparators.

**Total Student Enrollment**

During fall 2003, total OUS enrollment reached 79,558 students (see Appendix A), an increase from 78,111 students in fall 2002. Figure X indicates that the enrollment of African American, American Indian/Alaska Native, Asian/Pacific American, and Hispanic/Latino students was 10,543 (13.3 percent) in fall 2003, up from 10,068 (12.9 percent) in fall 2002, and 8,441 (12.5 percent) in fall 1999. As noted earlier, a growing number of students either report more than one race or have unspecified race. The total enrollment of students reporting more than one race was 700 (0.9 percent) during fall 2003, a numeric increase from 678 (0.9 percent) in fall 2002, and 454 (0.6 percent) in fall 1999.

**Enrollment by Race/Ethnicity 1999 to 2003**

![Graph showing enrollment by race/ethnicity 1999 to 2003](image)

The enrollment of first-time freshmen African American, American Indian/Alaska Native, Asian/Pacific American, and Hispanic/Latino students represented 1,511 (15.3 percent) of all first-time freshmen during fall 2003 (see appendix B). This enrollment is up from 1,406 (13.5 percent) in fall 2002; however, the number of first-time freshmen students
reporting more than one race was 106 (1.1 percent) in fall 2003, down from 143 (1.4 percent) in fall 2002.

**Degrees Awarded**
During the 2002-03 academic year, a total of 1,724 (11.3 percent) African American, American Indian/Alaska Native, Asian/Pacific American, and Hispanic/Latino students received OUS degrees (see Appendix C). As illustrated in Figure X, this total is up from 1,477 (10.8 percent) during 2001-02, and 1,368 (10.6 percent) during 1998-99.

**Degrees Awarded 1998-99 to 2002-03**

![Graph showing degrees awarded from 1998-99 to 2002-03](image)

**Faculty/Staff Representation**
During fall 2003, the total OUS workforce of 14,936 people (6,999 men and 7,937 women) included 210 (1.4 percent) African Americans; 544 (3.6 percent) Asian/Pacific Americans; 372 (2.5 percent) Hispanics; 151 (1 percent) American Indians/Alaska Natives; 11,890 (79.6 percent) Caucasians; 979 (6.6 percent) International faculty/staff; and 790 (5.3 percent) faculty/staff with Unknown race/ethnicity.

One common measure of faculty representation relates to those who hold full-time, ranked, instructional positions. Appendix D includes institutional and System totals for this population by race/ethnicity. Information is included within the appendix for international faculty as well. During fall 2003, a total of 267 (11.2 percent) African Americans, American Indians/Alaska Natives, Asian/Pacific Americans, and Hispanics were represented among OUS full-time, ranked, instructional faculty. This
representation increased from 264 (10.4 percent) in fall 2002, and 218 (7.2 percent) in fall 1999.

**Full-Time Ranked Instructional Faculty**

1999-2000 to 2003-04

![Graph showing the number of full-time ranked instructional faculty from 1999-2000 to 2003-04 for Black, non-Hispanic, American Indian/Alaska Native, Asian/Pacific American, Hispanic/Latino, Unspecified, and International faculty.]

**OUS Diversity Initiatives**

Considerations of higher education diversity enhancement activities are complex and evolving. Attention must be provided to educational factors (preparation and achievement), societal and cultural needs, the provision of opportunities for advancement, and compliance with pertinent court rulings. Student-focused efforts including outreach activities, admissions practices, scholarships, social, and academic support services, as well as faculty/staff – related initiatives, are important factors in the attraction and retention of diverse populations and in the provision of educational value to all higher education participants.

Consistent with university missions and the needs of the populations served by OUS institutions, OUS representatives engage in activities and initiatives to support enhanced diversity and to promote the educational benefits of diverse campus environments. Appendix E includes university mission statements (with selected diversity-related statements highlighted) from institutional websites. Following is an overview of current diversity initiatives, provided by university representatives, within each institution.
Eastern Oregon University (EOU)

Campus-wide Initiatives
EOU’s Diversity Committee is composed of elected members drawn from throughout the campus community. The committee’s mission and goals are closely aligned with the university mission and strategic plan with regard to representation, inclusion, and engagement of people of diverse backgrounds. The committee has recently addressed issues for an inclusive curriculum and diversity in the University’s Cornerstones Program. This academic year, the Provost has asked the Diversity Committee to:

1) assess the outcomes of current practices in terms of recruitment, retention, and advancement of diverse faculty, staff, and students; and
2) make recommendations to improve outcomes.

Student Outreach and Support
The Vice President for Student Affairs and staff are proactive in seeking solutions to enhance programs for diverse students. The Office of Student Affairs has organized and hosted two retreats to assist staff in building awareness and understanding of the various areas of diversity.

The Office of Admissions/New Student Programs has increased efforts to recruit students of color. An increase in the number of multicultural applicants demonstrates the progress being made. The Admissions and Native American Program offices have provided opportunities for admission counselors to attend conferences targeting students of color. One staff member in the Admissions/New Student Office is responsible for outreach to students of color and for the planning and implementation of the “Making College Happen” program.

The Native American Multicultural Student Service Office develops and delivers a variety of student services to ethnically diverse students. Student clubs and organizations host a range of programs designed to build awareness of cultural diversity. These groups work together to increase opportunities to build bridges of friendship and cultural understanding.

The Student Health Center staff has developed programs to address gender and culture specific health issues. These programs include outreach and information to campus cultural clubs, organizations, and diversity interest groups.

EOU supports several important outreach programs that address the K-12 pipeline. One such program is the Native American Adolescent Mentorship Program (NAAMP). The NAAMP is a volunteer mentoring program that connects college students and community members with Native American youth. The primary goals of the program are to build friendships, increase self-esteem, decrease absenteeism, and promote post secondary education. This collaborative program between EOU, the Pendleton School District, and the Confederated Tribes Umatilla Indian Reservation (CTUIR), is supported
by the three partners. Earlier this year, the NAAMP was awarded a three-year JUMP Grant from the U.S. Department of Justice.

The School of Education & Business and the Native American Program work together to recruit, retain, and graduate students in the field of teaching. The Native American Teacher Education Program (NATEP) encourages students at the undergraduate and graduate level to complete teacher licensure and return to their own community or communities with high native/minority enrollments.

The Northeast Oregon Area Health Education Center (NEOAHEC) offers programs to middle and high school aged students, and targets students from diverse backgrounds to participate in these programs.

- **MEDQUEST**: Brings high school students to attend a five-day residential camp at Eastern Oregon University. MedQuest is a "hands-on" exploration designed to introduce students to career opportunities in health care.
- **MEDSTARS**: An advanced camp for students who have attended an introductory health career camp or have been in an intensive health occupations class at their school and have a definite goal to pursue a degree in the health field.
- **EOU SCIENCE CAMP**: A week long camp for youth between the ages of nine and 14. Campers have five days of hands-on activities in Chemistry, Physics, Geology, and Biology plus recreational activities.

**Faculty/Staff Initiatives**
The Provost/Vice President for Academic Affairs supports ongoing initiatives to enhance diversity at EOU. Attention has been focused on improving the faculty candidate search process and identifying best practices.

At the request of the Provost, a revised *Search Process and Procedures Handbook* has been prepared by the Director of Human Resources and the Affirmative Action Officer (AAO). Included in all searches is a step where the AAO meets with search chairs and committees to review the legal parameters and institutional goals for recruiting a diverse faculty. In addition, the AAO works with the Human Resource Office and the Provost to assess methods and outcomes in the recruitment, advancement, and retention of diverse faculty.

Each fall the Provost and the Center for Teaching, Learning, and Assessment present a faculty orientation program designed for new and returning faculty, on policies and procedures covering various topics including Affirmative Action and Disability Services Programs, tenure, promotion, third year interim review, and annual evaluation. School Deans are encouraged to take action-orientated steps to ensure that topics of diversity are an integral part of teaching and learning. EOU faculty members who work on reforming the general education curriculum have implemented recommendations on how to best address diversity within the general education framework. The EOU Cornerstones Program has expanded its definition for the international experience to include areas of diversity within the United States.
The President provides ongoing support for a committee and center that work to address areas of concern for women and students of color. The President’s Commission on the Status of Women presents workshops and sponsors speakers. Annually, the Commission organizes a weeklong program to raise awareness of women’s issues in the celebration of International Women’s Week. The Commission has also been instrumental in the development and support of the Women’s Resource and Research Center.

**Oregon Institute of Technology (OIT)**

**Campus-wide Initiative**
OIT has a diversity initiative that is focused on increasing the number of women enrolled in engineering-related fields, including engineering technology and computing.

**Student Outreach and Support**
OIT efforts include introducing elementary through high school girls to careers in science and engineering, supporting female science and engineering students on campus, and encouraging female engineering students to seek a career as an engineering faculty member.

The WISE (Women in Science and Engineering) program is a women in engineering day conference which provides an opportunity for high school girls to meet professional female engineers on campus and to explore engineering careers. The “Saturday Experience” program is a series of Saturday programs on campus for students from local schools to create an interest in mathematics, science, and engineering. The “I’m Going to College” program brings sixth-grade female students to campus to expose them to college life, including an opportunity to tour the campus and attend a class in their area of interest. This program also includes a meeting with parents as a follow-up activity in their own elementary school. OIT also has a week-long summer residential program for junior high school students, TWIST (Teen Women in Science and Technology), which introduces them to engineering skills and careers.

For female science and engineering students on campus, OIT supports the SWE (Society of Women Engineers) organization. Regular social gatherings bring female engineering students into direct contact with other female engineering students and faculty members and provide an opportunity for them to explore the breadth of engineering and technology disciplines on campus.

**Faculty/Staff Initiative**
OIT has a National Science Foundation (NSF) funded program for the development of female faculty members for engineering, PFFEMS (Preparing Future Faculty in Engineering, Mathematics and Science). This program includes an active Learning Communities effort, as well as opportunities for development of teaching skills and educational pedagogies for the teaching fellows supported by the program.
Oregon State University (OSU)

OSU continues a range of diversity initiatives that enhance the ability to sustain an inclusive and supportive campus environment; to improve the capacity to be proactive and responsive; and to embrace a sense of community and acceptance.

Campus-wide Initiatives

- **Diversity and the Strategic Plan**: In support of the priorities outlined in the recently adopted OSU Strategic Plan, the Office currently known as Multicultural Affairs will be renamed, and will have a Director of Community and Diversity. A national search is underway to fill this important role. The breadth and depth of the scope of the Office has been expanded in support of moving OSU up to the next level of diversity commitment. The director position will be appointed by the president and will report to both the president and provost. The Office will have a campus-wide purview, and will be both “environmental” and “ecological” in its service. The director will be designated a key member of the leadership team and will serve on the University cabinet.

- **The Campus Climate Assessment**, sponsored by the Office of Multicultural Affairs and the Faculty Senate, will be conducted during spring term, 2004. Students, faculty, staff, and administrators assisted in refining the survey instrument. The results will provide data to assist in the development and implementation of the Strategic Plan, including unit level and university-wide Diversity Action Plans.

- **Diversity Action Plan**: An OSU Diversity Action Plan is underway in support of the OSU Strategic Plan. A draft of the planning process follows:

  **Process Overview**

  All Oregon State University academic and administrative entities will participate in the Diversity Action Plan process. Plans will be submitted centrally through the administrative unit leader (e.g., academic dean, vice president, vice provost, president). The unit leader will provide direction to those reporting through her/him regarding the submission of plans. In addition, each unit leader is to develop a plan that will detail their contribution to the university’s plan (e.g., the Office of the Provost will have its own plan, apart from those developed by academic units). The goal of the process is to construct and implement a broadly focused plan that will enhance and sustain the University’s success relative to diversity.

  The elements involved in the development of the Oregon State University Diversity Action Plan are:

  1. Describe (clarify) categories of diversity to be addressed
  2. Develop criteria (standards) for successful Diversity Action Plans
  3. Develop a template to guide the development and evaluation of Diversity Action Plans
  4. Develop a charge to units for Diversity Action Plans. The charge will describe components of Oregon State University’s Diversity Action Plan, specifying dimensions that units are to address:
a. Diversity mission statement
b. Climate initiatives (e.g., environment relative to work, learning, living)
c. Knowledge and skill development (initiatives to foster cross-cultural competency at all levels of the university)
d. Faculty recruitment and retention (including promotion and tenure), staff recruitment and retention, and student recruitment and retention (including graduation) initiatives
e. Outreach/service/partnership initiatives (communities with which units will connect, will include fundraising)
f. Assessment/research/evaluation initiatives
g. Student support and development initiatives
h. Faculty/staff support and development initiatives
i. Accountability plan (including qualitative and quantitative measures)
j. Alignment initiatives (efforts to connect the work of the unit with others who share comparable goals and initiatives)

5. Develop a list of resources to guide units during the planning process
6. Involve key stakeholders and constituents in the process
7. Check for responsiveness to the needs and utilization of the skills of stakeholders
8. Check for alignment with standards adopted to define successful Diversity Action Plans.

There will be an accountability and feedback

Each unit will be supported and encouraged based upon their readiness to engage in the planning process

There will be a consistent method by which each plan will be evaluated

There will be short-, medium-, and long-range initiatives (stated in measurable, behavioral terms)

- **Partnership for Diversity**: OSU was a founding member and major player in forming this community-based collective to bring diversity programs to the Corvallis area. The first program featured Jane Elliott, developer of the internationally known approach for teaching the damaging effects of discrimination in education, business, and society in general. In addition to OSU, the Partnership includes Hewlett Packard, CH2M Hill, Linn Benton Community College, Corvallis city government, Benton County government, Corvallis Martin Luther King, Jr. Commission, Community Alliance for Diversity, Safeway, and Corvallis Oddfellows.

- **Brown vs. Board of Education Observance**: Several university units, community groups, and local schools are planning a two week event in May 2004 commemorating the 50th anniversary of the landmark Brown vs. Board of Education U.S. Supreme Court decision that declared state enforced race segregation in education unconstitutional. A variety of activities are planned including an Opening Ceremony on May 17, a keynote speaker, a panel display entitled "No Easy Road: Unlearning Discrimination in Oregon," various artistic activities, videos relating to the struggle to overcome segregation, and panel
discussions. The purpose of the event is to raise awareness of the continuing relevance of the challenge of the Brown case, the ongoing struggle against persistent de facto segregation in housing and its relationship to education, and the implications for all who work on behalf of equality of opportunity.

**Student Outreach and Support**

Community Outreach Programs have been held in Hispanic, African American, and Asian/Pacific American communities to promote middle and high school persistence and postsecondary education. The community-based programs invited families and community leaders to attend, since many educational decisions are family based. OSU students played major roles in providing information to participants on student life and activities.

PROMISE (Professional and Managerial Internships in State Employment) is a summer program that is in its 12th year of providing students of color with opportunities to gain professional, managerial or technical skills, and experience in positions at the University or in state, county, and local governments. Interns acquire valuable career development strategies and provide opportunities for participating departments and agencies to increase diversity and diversity awareness in their worksites. Sponsors attest to the value of working with students from diverse racial and ethnic backgrounds. Upon completion of the internship, many departments retain interns for full year employment and maintain contact for future employment. Former interns have secured positions in Oregon universities and state, county, and city governments and agencies upon graduation. In helping students of color realize their career potentials, PROMISE is one of OSU’s most effective avenues for demonstrating its commitment to diversity. The program is supported by Human Resources Department (financial and oversight), the Office of the President (financial) and Intern sponsors at the University, state, county, and local government levels. The PROMISE Task Force provides guidance for the program.

**Faculty/Staff Initiatives**

- **The Faculty Diversity Initiatives** actively recruit and support minority graduate students with “Minority Group Graduate Student Pipeline Support Fellowships” and the “Minority Faculty Doctoral Advancement Fellowship” as one approach to faculty diversity.
- **The Diversity Hiring Initiative** requires applicants for all leadership positions to demonstrate commitment to diversity. Hiring administrators throughout the University with the capacity and the will to further diversity initiatives enhances the ability to meet inclusive goals.
- **The Office of Affirmative Action and Equal Opportunity** continues to provide information and work with search committees to attract a diverse pool of employment applicants through improved marketing and communication methods. The office has also developed a guide to assist search committees in the implementation of the Diversity Hiring Initiative.
Portland State University (PSU)

The President and the Provost further diversity through the Portland State University (PSU) Presidential Initiative established in 1999. The goals of this initiative include 1) the creation of an institutional environment, curricula, and scholarship that enhance learning about diversity and respect for diversity and equality; 2) increases in the representation of both in-state and out-of-state students of color within the campus community; 3) increases in the participation of underrepresented groups in the faculty, staff, and administration; and 4) increases in the number of sustained and mutually beneficial connections with diverse communities. Activities and outcomes that support the President’s Initiative are reported on the President’s Corner at http://www.president.pdx.edu/Initiatives/diversity/diversityhome.shtml

Outcomes
Positive results of the President’s Diversity Initiative are reflected in the following areas:
- Between 1999 and 2003, the number of faculty of color (full-time instructional) has increased by 32.8 percent—64 in 1999 to 85 in 2003. During this period, those faculty (full-time instructional) who identified as white/European increased by 5.5 percent.
- As of 2003-04, 21 departments were participating in the Diversity Incentive Plan funding opportunity;
- During 2003-04, the Focus on Diversity Series will host six events;
- During 2003-04, the Diversity Film Fest will host five events and is available to undergraduate students as the basis for a one-credit course.

Campus-wide Initiatives
The following campus-wide activities are associated with the President’s Diversity Initiative:
- The Diversity Action Council (DAC) – comprising 33 presidentially-appointed faculty, staff, and students – designed the Diversity Action Plan that highlights actions, key personnel, timelines, and rationales that support each of the Diversity Initiative Goals. In efforts to include all levels of the institution in related activities, the DAC reports regularly to the Council on Academic Deans and the Faculty Senate.

- The DAC sponsors and collaborates with campus offices to deliver activities throughout the year that: investigate the perceptions of faculty, staff and students on the campus, raise awareness, and facilitate opportunities for discussion of the various effects of diversity. Examples of these activities include the following and others listed within the student and faculty/staff sections below.
  - **The Diversity Liaison Network**: Faculty representatives of each unit (academic and nonacademic) hear about upcoming diversity activities and share their departmental diversity activities.
  - **The Diversity Newsletter**: A quarterly newsletter highlighting diversity events and diversity discussions. For more details see “Diversity Activities” on website cited above.
The Focus on Diversity Series: A monthly series addressing current and ongoing issues regarding diversity. For more details, see “Diversity Activities” on the website cited above.

- To further the goal of increasing the number of faculty of color, the DAC has established the Diversity Hiring Resource Team (DHRT). Through the work of this team, institutional representatives have learned to define positions as broadly as possible to ensure a diverse pool of candidates. The provost meets with each dean and search committee chair to review the pool and either approves it or encourages broadening the search to obtain a diverse group of candidates. This, combined with the work of the Affirmative Action Office in determining underutilization or under representation, has helped PSU develop new ways to improve the recruitment and retention of faculty of color.

Student Support and Outreach
- During 2003-04, PSU supported programs that enhance the progress of Latino high school students towards higher education by bringing them together with current Latino PSU students mentors.
- Students receive diversity mini-grants for campus-wide diversity activities. For summaries of student mini-grants, see “Diversity Activities” on the website cited above.
- Special Connections is an annual event for graduate students of color at PSU to talk with undergraduate students of color about pursuing graduate work at PSU.

Faculty/Staff Initiatives
- Academic departments receive incentive funds for departmental tenure track hires that document both diversification of the candidate pools and hiring of diverse faculty.
- Research addressing issues of diversity is encouraged among the faculty and funded by the Presidential Initiative through mini-grants. Thirteen mini-grants were funded in 2003-04; this is more than double the number awarded during the previous academic year. For summaries of mini-grant descriptions, see “Diversity Activities” on the website cited above.
- The position of Faculty in Residence for Diversity is an annual appointment that allows a tenure track faculty member to devote a portion of their time to furthering the diversity activities at PSU.
- The DAC sponsors:
  - Connections: Monthly informal meetings for faculty and staff of color at PSU; this group has 317 individuals on their listserv.
  - [http://www.president.pdx.edu/Initiatives/diversity/connections03.html](http://www.president.pdx.edu/Initiatives/diversity/connections03.html).
  - Diversity Hiring Resource Team: A resource team available to all departments to provide suggestions for writing position descriptions that reflect an openness to diverse candidates; suggestions for interviewing candidates that reflect an openness to diverse candidates; and suggestions for ways to retain diverse candidates. For more details see “Diversity Activities” on the website cited above.
Southern Oregon University (SOU)

Southern Oregon University (SOU) has implemented various strategies to enhance diversity on campus and in the community. Major diversity initiatives include the following.

Campus-wide Initiatives
The Multicultural Executive Council is composed of faculty and staff and serves as a decision-making group for issues of concern for the SOU multicultural community. A faculty member who serves as Faculty-in-Residence for multicultural student affairs and the Diversity Scholars Program chairs the Multicultural Executive Council and is the primary contact for multicultural students.

The Multicultural Library is a self-service library containing U.S. ethnic literature, gay and lesbian U.S. literature, and secondary sources. The Library is open to students and staff.

The Welcoming Diversity and Controversial Issues/Conflict Resolution Program provides opportunities for representatives of the SOU community to interact and engage with members of the surrounding community. Groups of faculty, staff, and students have been trained as Welcoming Diversity Workshop and Controversial Issues Facilitators. Trainees become “multipliers” of their newly developed diversity skills by facilitating diversity workshops in the University and the larger community.

Native American Materials and Services: Southern Oregon University’s Library has a premier collection of materials relating to Native Americans of North America and has deemed the selection and acquisition of materials relating to North American Indians as a collecting focus (along with Shakespeariana).

Of the Oregon University System regional universities, the SOU Library has the largest collection of Native American materials, with over 8,700 books and videos dealing with Native North America. The Library maintains subscriptions to 26 periodicals pertaining to Native Americans, and collects newsletters from the federally recognized tribes of Oregon. The Library also subscribes to the online database, HRAF Bibliography of Native North America.

Designated a center for Native American materials, the Library recently received substantial collections of Native American materials. Helen Redbird-Smith, an alumna of SOU and Professor Emeritus of Western Oregon University, donated an extraordinary collection of 1,400 monographs, sound recordings, research papers, ephemera, reference materials, and documents relating to North American tribes. The Douglas Martin Collection contains over 1,000 books collected by this scholar of Indian-White relations during his lifetime.
The Library is also involved in an IMLS funded digitization project to create the Southern Oregon Digital Archive (SODA) of materials relating to the ethnohistory and environment of the unique Siskiyou/Cascade/Klamath bioregion. The First Nations Collection of SODA now numbers 400 web-accessible hard-to-find public domain documents, books, and articles relating to the indigenous peoples of this area. The collection has been developed in consultation with representatives from tribes. Some of the groups represented in SODA include the Alsea, Coos, Cow Creek Band of Umpqua, Hupa, Klamath, Modoc, Shasta, Siuslaw, Takelma, Tututni, and Yahuskin nations.

Native American Studies: Recruitment efforts have been broadened and enhanced at SOU with the establishment of the Director of Native American Studies position, in addition to the Native American Academic Coordinator. SOU offers both a 24-credit Minor and a 36-credit Certificate in Native American Studies. With the development of the Center for First Nations Studies, recruitment efforts have expanded to the international level within indigenous populations. Southern Oregon University participates in numerous high school and community visitations and maintains close regional interactions with the nearby tribal Education Departments and federally recognized Northern California tribes.

During 2003, Southern Oregon University joined the Ashland Community Diversity Alliance (ACDA), a local organization whose membership includes employers, community organizations, and individuals. The ACDA is dedicated to increasing awareness, fostering cultural competency, and promoting leadership in cultural diversity development. In the fall of 2003, SOU hosted ACDA’s first community event to inform the community about the ACDA’s mission and invite interested parties to join the Alliance.

In November 2003, SOU actively participated in the annual Oregon Diversity Institute Conference held at Rogue Community College. A number of faculty, staff, and students attended the two-day event. In addition, SOU faculty, staff and students presented or co-presented with other institutions seven workshops on the following topics: student harassment over issues of race and sexual identity; the impact of heterosexism in the classroom; Native American programs; using silence as a teaching tool for diversity; issues facing lesbian, gay, bisexual, and transgender people; creating an inclusive/multicultural curriculum; and campus safety and violence against women.

SOU is represented at the annual Oregon Indian Education Association (OIEA) Conference and in the current year (2003-04) will partner with the Klamath Tribes to host the event in early April. Further, SOU is represented at Oregon Indian Coalition on Post-Secondary Education (OICPSE), the Oregon Indian Education Youth Conference, the Oregon/National Tribal Educational Contractors Association, and the National Congress of American Indians. Currently, both Native American Studies faculty are members of the Board of Directors for OIEA and participating members of the Oregon American Indian/Alaska Native Education Council.
Student Outreach and Support
The Southern Oregon University Minority Outreach Program has identified a number of travel activities, events, and programs as recruitment strategies for this academic year. SOU will send a representative to various conferences and college fairs such as the Cesar Chavez Conference, MeCha, Hoopa Valley High School fair, and others. English as a Second Language (ESL) classroom visits to local middle and high schools have given SOU the opportunity to speak to minority students about admission to a college, financial aid, scholarships, and housing. Each January, SOU participates in financial aid workshops in Spanish at local high schools. In addition, Upward Bound and Education Talent Search groups from Oregon and northern California attend campus preview programs annually. Lastly, phone calls and mailings have been another way to contact prospective minority students.

The Native American Advisory Council and the Board of Directors for the Center for First Nations Studies continue to assist SOU in the identification and elimination of institutional barriers to student success. Membership consists of local Native American community/tribal members, faculty, NASU officers, members of OICPSE, and OTECA. Faculty are assisting in the development of reflective curriculum in a number of areas, including teacher education and continuing licensure, utilizing coursework from the Native American Studies Program.

Southern Oregon University hosts Konaway Nika Tillicum Native American Youth Academy, for grades 6-12, each summer. The Academy is an in-residence early-intervention program for recruitment, retention, collegiate academic preparation, cultural relevancy, and leadership. The Academy is a collaborative effort between SOU and OSU’s American Indian Science and Engineering Society. Participation includes all nine federally recognized Tribal Education Departments, all Title III Indian Education programs, Johnson O’Malley programs, urban/rural American Indian programs, and National/International First Nations peoples.

Latino Academy/Academia Latino is a weeklong residential camp at SOU for Latino students in the southern Oregon region who have completed grades 6-8. The camp provides classes, lectures, cultural experiences, and recreational activities. These outreach programs create college readiness and a sense of community for multicultural students.

The main goals of the Diversity Scholars Program are to admit and award scholarships to cohorts of women and men who enhance institutional diversity, including racial/ethnic diversity, to enrich the teaching and learning environment. The program supports 90 Diversity Scholars through mentoring and advising. A faculty member in residence is responsible for overseeing student multicultural activities, including the mentoring for all students of color in the Diversity Scholars Program.

The mission of the Multicultural Student Center is to provide safe, supportive, and enriching environments to multicultural students who historically and/or presently have experienced racism and prejudice in the United States. The Multicultural Student
Coalition was established to facilitate collective activities among the multicultural student organizations housed in the Multicultural Student Center. Presently, the Multicultural Student Coalition is comprised of the leaders of the multicultural student unions, associations, and clubs; the Multicultural Student Center coordinator; the Multicultural Student Center technician; and the Associate Director for Multicultural and Student Activities. The following student organizations are part of the Coalition: Black Student Union (BSU); Latino Student Union (LSU); Native American Student Union (NASU); Lesbian, Bisexual, Gay, Transgender Allies Student Union (LBGTA); International Student Union (ISU); Ho'opā’a Hawaii; and the Challenge Student Club (students with disabilities).

Disability Awareness Week 2003, presented by the Challenge Student Club, is an example of the type of activities facilitated collaboratively by the Multicultural Student Coalition. The mission of the Challenge Student Club is to provide group support and encouragement for students with disabilities; to raise awareness of the needs and challenges of students with disabilities; to promote interaction between students with and without disabilities; and to encourage continued relational growth between students with disabilities and the university community. Disability Awareness Week consists of five days of activities intended to increase awareness and appreciation of the contributions of people with disabilities and their impact on campus and in the community. In 2003, activities included a community resource and vendor faire, demonstrations by various service animals, a performance by a wheelchair dance troupe, and a student/faculty panel presentation. These events were the result of collaboration between the Challenge Club and faculty, staff, students, and community members—with and without disabilities.

Resource Centers: Demonstrating its commitment to diversity on campus, the SOU student government, in collaboration with Student Affairs, continues to support the Women’s Resource Center, Queer Resource Center, and Non-Traditional Student Resource Center.

- The **Women’s Resource Center** (WRC) offers educational programs and support services to enhance the quality of life for Southern Oregon University women. The center serves as a resource for students, faculty, staff and community of all genders. The WRC maintains an extensive library and collection of community resource information; takes a leadership role in prevention of sexual assault; and offers work-study, volunteer, and practicum opportunities to SOU students.

- The **Queer Resource Center** provides support services for lesbian, bisexual, gay, and transgendered students, faculty, and staff. The QRC also provides educational and recreational programs to the campus community.

- The **Non-Traditional Student Resource Center** provides services to non-traditional students defined as individuals age 25 or older who are single, married or divorced, with or without children. Services include access to computers and other resources, meeting space, and information on jobs and scholarships.
Faculty/Staff Initiatives

- **Recruitment**: The Office of Human Resource Services developed a directory of recruitment resources for academic and administrative departments that are engaged in a search to fill faculty, administrator and support staff positions. In addition to standard local, regional and national publications, the recruitment resource directory has been expanded to include college placement offices, minority organizations and publications, community organizations, and web sites that offer special services for providing information to minority applicants about position openings.

- **Recruitment of Minority Faculty**: SOU’s collective bargaining agreement with the Association of Professors at SOU provides for financial enhancements to enable departments and schools to compete for qualified faculty minorities.

- The **Inclusive Curricula Faculty Learning Community** project is intended to transform the existing curriculum. This initiative – sponsored by the inclusive Curriculum Task Force, the Provost’s Office, and the Center for Teaching and Learning – is using a model developed by the New Jersey Project. Through this program, faculty members transform their existing courses using inclusive frameworks and teaching pedagogies.

- The **New Faculty Mentor Program**, sponsored jointly through the Provost’s Office and the Center for Teaching and Learning, pairs new faculty with senior faculty members who serve as mentors. The purpose of this program is to provide a support network to nurture new faculty retention and success.

University of Oregon (UO)

The University of Oregon (UO) has developed a multi-faceted approach to diversity with efforts ranging from broad initiatives designed to increase campus community awareness, to educational and research programs and centers that focus on issues of diversity, to concerted efforts to attract and retain an increasingly diverse student body and workforce, to resources and services that support members of the increasingly diverse University community. The University’s diversity website ([http://diversity.uoregon.edu/](http://diversity.uoregon.edu/)) provides a valuable array of diversity information and links to events, educational centers and programs, student organizations, services, scholarships, staff training workshops, and committees and councils that are available to current as well as prospective students, faculty, and staff. Some examples and highlights of the University’s on-going diversity building efforts are described here.

**Campus-wide Initiatives**

The following initiatives establish diversity as one of UO’s core values.

- A search for a new position of Vice Provost for Institutional Equity and Diversity to provide leadership, guidance, and direction for all University equity and diversity matters concerning faculty, students, and staff, concluded successfully with the hiring of Vice Provost Gregory Vincent. Professor Vincent joined the University of Oregon administrative team in January 2004 and will work with other administrators,
faculty, staff, and students in the on-going effort to increase appreciation of the
critical importance of diversity in providing a comprehensive educational experience,
and will work to enhance collaboration among the University’s many diversity
stakeholders to ensure effective communication regarding diversity initiatives and
accomplishments throughout the campus community.

- The Center on Diversity and Community (CODAC), established in 2001 as an
  interdisciplinary research center that promotes inquiry, dialogue, and understanding
  on issues of racial, ethnic, and cultural diversity, continues to promote new diversity
  scholarship within and across fields of study <http://www.uoregon.edu/~codac/>.
- The Ethnic Studies Program examines the construction and context of ethnicity in
  the United States with a primary focus on Americans of African, Asian, Latino/a, and
  Native American descent. Program scholars are committed to promoting the
  recruitment and retention of faculty and students of color and curricular changes that
  address an increasingly heterogeneous society <http://darkwing.uoregon.edu/~ethnic/>.
- The Oregon Consortium for International and Area Studies, formed in 2000, provides
  support for the following multidisciplinary and international programs: Asian Studies
  Program, European Studies Program, International Studies Program, Latin American
  Studies program, and Russian and East European Studies are included at
  <http://www.uoregon.edu/~ocias/what.htm>.
- Center for Indigenous Cultural Survival, created in 2001, serves as a research and
  service institute focusing on indigenous peoples worldwide <http://www.uoregon.edu/~cics/center.htm>. In addition, it provides liaison to the
  tribes of Oregon and will provide stewardship for the Many Nations Longhouse at
  <http://www.uoregon.edu/~committees/longhouse/programs.htm>.
- Long-standing diversity efforts and programs include the President’s Council on
  Race and the Center for Asian and Pacific Studies <http://darkwing.uoregon.edu/~caps/>.

The following initiatives are intended to increase campus community awareness of
diversity.

- The University continues consideration and implementation of recommendations
  made in a report by Western Michigan University President Elson Floyd, who was
  invited to campus to consult on the university’s agenda of increasing diversity on
  campus (e.g., the appointment of Vice Provost for Institutional Equity and Diversity
  Gregory Vincent noted previously).
- In January 2002, the University invited Dr. Susan Rankin, Penn State University, to
  campus to share her analysis and results of the 2001 Campus Climate Assessment
  survey in which the University participated, and to conduct focus groups to identify
  issues and challenges the campus faces.
- Other initiatives to increase campus community awareness of diversity include the
  Affirmation of Community Values statement <policies.uoregon.edu/ch1affirmation.html> and the Bias Response Team,
  coordinated within the Office of Student Life, designed to help the community and its
  members address effectively incidents of bias or hate.
Student Outreach and Support

Primarily through its Office of Admissions http://admissions.uoregon.edu/, the University has devoted significant effort to increasing the number of students of color at the University. At the same time, the University has enhanced its efforts to support the academic success and retention of students of color who enroll with the University <http://admissions.uoregon.edu/diversity.html>. Specific recruitment programs include the following.

- **Reach for Success** is an annual event that brings approximately 250 middle-school-aged students of color and their parents to the UO campus for a day of activities to help students understand that going to college is possible and how the classes they take in middle and high school can lead to a university education.
- **Connections** is the UO’s primary recruitment and visitation program for students of color that focuses on multiple small- to medium-sized visits <http://www.uoregon.edu/~stl/parent/connectionsfall2002.pdf>.
- A full-time **Native American Enrollment Coordinator** position was created with primary responsibility for assisting Native American students in the process of exploring college options, applying and being admitted to the UO, paying for college, and graduating.
- The University proposed the **Residency by Aboriginal Right** program in which members of 44 bands and tribes who have a historic relationship to the land that became Oregon are granted in-state residency for tuition purposes.
- The **Native American Summer Bridge Program**, launched and coordinated by the English Department, brings students to campus for an academic program aimed to ensure their success in later studies and focusing, in part, on Native American literature.
- A day-long **Native American Education Gathering (Lobiital Hoskanga)** brings Native American high school students from around the state to campus to explore college benefits and opportunities, including the transitional support available to Native American students.
- In 1998, the University secured federal support for a **Ronald McNair Program** to enhance diversity in graduate programs.
- The Office of Admissions employs **multicultural recruiters/ambassadors** who call and give weekly campus tours to prospective students of color.
- In 2002, the University, in partnership with the nine federally recognized tribes of Oregon, secured federal support for a comprehensive model for recruitment, support, pre-service training, and in-service mentorship of American Indian teachers serving American Indian communities.
- In 2003, the University and the nine-federally recognized tribes of Oregon joined to break ground on a new Many Nations Longhouse. The new facility will be dedicated in the fall of 2004.
- The Linguistics Department, in partnership with the federally recognized tribes of Oregon, has secured funding for the **Northwest Indian Language Institute** that will provide for the teaching of the indigenous languages of the region.
Faculty/Staff Initiatives

- Since the inception of the Underrepresented Minority Recruitment Plan in 1994, the Provost’s Office has allocated more than $2,191,500 for minority recruitment. The plan allows departments to enhance offers to minority candidates and improve retention and support of minority faculty by funding activities supporting faculty development.

- New Faculty Orientation was expanded with a strengthened focus on the opportunities and challenges created by an increasingly diverse institutional community.

- A position was added to the Teaching Effectiveness Program to assist faculty members as they seek to work effectively in an increasingly multicultural teaching and learning environment.

- Diversity, inclusion, and engagement continue to be a focus of attention for both deans and department heads in retreats and work sessions.

- The Office of Human Resources offers a variety of workshops annually that concern diversity and maintaining an inclusive, respectful, and discrimination-free working and learning environment <http://hr.uoregon.edu/training/>.

Western Oregon University (WOU)

The location of Western Oregon University (WOU) in the mid-Willamette Valley places it in one of the state’s fastest growing Hispanic population centers. It is estimated that well over ten percent of the population in Polk and Marion counties is now of Hispanic descent. This fact, coupled with the University’s commitment to ethnic diversity, has resulted in numerous program initiatives.

A student retention effort has been developed for “at risk” students. This “freshman year experience” program identifies and supports students during their critical first year in college by providing personal and academic counseling as well as academic support services in a variety of academic subject areas including math, science, speech, and writing.

High school outreach continues to be an important means of attracting students of color to WOU. Western offers specialized counseling and advising in selected Salem high schools to students indicating they are interested in going to college. This counseling service is offered as a continuing service by volunteering bilingual faculty members.

Campus-wide Initiatives

The general education curriculum has been modified for all students seeking a B.S. degree to include a cultural diversity course requirement. Each B.S. student is required to complete six hours of course work (two courses) emphasizing topics and subjects of cultural diversity.

An interdisciplinary minor in Chicano-Chicana studies has been developed and implemented to provide students with increased opportunities to study issues of race, culture, and ethnic diversity.
Student Outreach and Support
WOU has instituted a number of initiatives to provide increased access to students of diverse ethnicity with special sensitivity to providing support for the growing numbers of college bound Hispanic students.

- **Diversity Achievement Scholarships**: Consideration for this scholarship opportunity is given to any new freshman and transfer student from Oregon whose cultural background, life or work experience, or academic preparation and achievement is likely to enhance the diversity of campus life in and outside of the classroom.

- **Upward Bound**: WOU is co-partnering with selected Marion and Polk county high schools through its Upward Bound Program to increase high school to college participation rates. This four-year renewable, federally funded grant gives the University access to 65 high school students per year. The program strengthens both academic and personal skills necessary for success in college. Upward Bound operates ten months a year on-site in the high schools and for eight weeks each summer on-campus where students live in the University’s residence halls and receive classroom instruction that includes regular university faculty. The three-year average of graduating Upward Bound students being admitted to college is 85 percent and their three-year average college retention rate for these same students is 96 percent.

- **The SEP Program**: The WOU Student Enrichment Grant Program supports students of diverse ethnic backgrounds with academic and career advising services, and special learning equipment (i.e., laptop computers, calculators, cassette recorders, etc.) to make the transition from high school to college easier. SEP also offers free courses for academic credit in math and other academic skill areas to improve the probability of academic success. A peer mentoring and an academic bridge program, sponsored by the University in conjunction with SEP, offer students support on a year-round basis. This program carries an 85 percent graduation rate.

- **Student Retention Program**: The WOU Office of Academic Advising and Learning Center supports a freshman year program of tutoring and counseling to deal with the inevitable personal and academic issues that often develop for students of color as they enter a majority academic and social environment. The program serves upwards of 70 students annually and yields retention rates consistent with the freshman to sophomore retention rates of majority students.

Faculty/Staff Initiatives
The WOU Office of Human Resources and Affirmative Action offers regularly scheduled orientation seminars for new faculty and staff in order to improve campus awareness and commitment to enhancing the learning environment for ethnically diverse student populations.

Bilingual faculty members from a number of disciplines and students studying Spanish have developed student support programs with high-need area high school students and their families to provide both special instruction in English and a social support network to encourage students and families in regard to seeing college as an attainable personal goal.
WOU places great importance on effective teaching and scholarly research as major conditions for tenure and promotion. First-year faculty members at WOU often find it challenging to balance a demanding undergraduate teaching load with the University requirement that they continue their growth as publishing scholars. This situation is often more daunting for faculty members of color who may also face additional challenges of adjusting to a majority culture environment. As part of its faculty diversity retention effort, Western has started two programs.

**New Faculty Mentoring.** New faculty members are paired with senior faculty members who act as confidential mentors, answering questions, giving advice, and helping with teaching and research issues that nearly all newly hired faculty have. There is a clear relationship between this type of mentoring during the critical first two years of a new faculty member’s career and their successful promotion and tenure. This program has become an important part of WOU’s faculty diversity retention initiative.

**Faculty Research and Publication Seminar.** Started in the WOU College of Education, this program attempts to maintain a continuing dialogue between new faculty and senior faculty with established research and publication agendas. The monthly meetings of the seminar include the presentation of papers and research in the pre-publishing stages combined with practical discussions on how to improve written research for publication, how to negotiate the vagaries of editorial boards, and how to match completed papers and research to the most appropriate journals and publishers. The seminar has proven helpful to new faculty and senior faculty alike.

**Conclusions and Recommendations**

- In recent weeks, additional information has been brought forth on the national scene regarding interpretations of race-conscious student-related initiatives in higher education. As OUS looks toward the future of continuing to provide opportunities for representation, inclusion, and engagement for all OUS populations, consideration must be given to providing the appropriate frameworks through consistent monitoring and flexibility within diversity initiatives.

- Early and adequate academic preparation is a key factor in student achievement and success. In recognition of the growing populations of students of color moving through the K-12 pipeline, considerations must be given to outreach, encouragement, and assistance with understanding the benefits of, and readiness for, a college education. Also, initiatives that seek to better integrate community college and OUS relations through dual enrollment and transfer activities should include sustained and comprehensive measures to provide outreach, information, and incentives for all populations. Plans and knowledgeable policy-level involvement are needed within specific initiatives—including, but not limited to, access, affordability, community college articulation, and course delivery methods—to address all related diversity needs.
Current K-16 data systems are limited in capturing the enrollment patterns of students throughout the educational pipeline. As Oregon moves toward a system of enhanced K-16 data alignment under the leadership of the State Board of Higher Education, racial/ethnic diversity should be included to help guide related policy decisions. Further, all comprehensive K-16 statewide and institutional educational initiatives should appropriately incorporate diversity considerations.

- OUS institutions have made strides in incorporating diversity initiatives into campus activities and strategic plans. Existing initiatives, such as institutional diversity councils, that include student, faculty, community, and administrative representatives, are key. The deliberations and actions of these groups should consistently include attention to connecting diversity-related activities with broad campus initiatives in order to encourage comprehensive incorporation of diversity in the institutional environment.

- OUS institutions have made strides in attracting diverse faculty and staff. Current levels of Systemwide funding for assistance with campus pipeline and recruitment initiatives are modest, yet appear to have a positive effect. Key activities, such as the OUS Faculty Diversity Initiative and institutional efforts to recruit, retain, and promote diversity in the workforce, should be enhanced.

- OUS institutions have made strides in recognizing and promoting the benefits of diverse educational environments. However, the wealth of talent and research capabilities on university campuses are not being fully tapped to investigate the influences of diversity on interactions, development, and broad campus-based initiatives. Enhanced research relating to diversity in the campus and community environments should be encouraged and supported.
### Appendix A

**OUS Enrollment by Racial/Ethnic Group**  
(fall 2003)

<table>
<thead>
<tr>
<th>Campus</th>
<th>African American or Black, non-Hispanic</th>
<th>American Indian / Alaska Native</th>
<th>Asian / Pacific American</th>
<th>Hispanic / Latino</th>
<th>White, non-Hispanic</th>
<th>Reporting More Than One Race/Unspecified Race*</th>
<th>International</th>
<th>CAMPUS TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N %</td>
<td>N %</td>
<td>N %</td>
<td>N %</td>
<td>N %</td>
<td>N %</td>
<td>N %</td>
<td>N %</td>
</tr>
<tr>
<td>Eastern Oregon University</td>
<td>49 1.5%</td>
<td>47 1.4%</td>
<td>120 3.7%</td>
<td>100 3.0%</td>
<td>2,707 82.4%</td>
<td>41 1.2%</td>
<td>156 4.7%</td>
<td>67 2.0%</td>
</tr>
<tr>
<td>Oregon Institute of Technology</td>
<td>32 1.0%</td>
<td>54 1.7%</td>
<td>152 4.7%</td>
<td>146 4.5%</td>
<td>2,598 80.3%</td>
<td>1 0.0%</td>
<td>227 7.0%</td>
<td>26 0.8%</td>
</tr>
<tr>
<td>Oregon State University</td>
<td>257 1.4%</td>
<td>218 1.1%</td>
<td>1,479 7.8%</td>
<td>617 3.3%</td>
<td>14,295 75.3%</td>
<td>43 0.2%</td>
<td>931 4.9%</td>
<td>1,134 6.0%</td>
</tr>
<tr>
<td>Oregon State University, Cascades</td>
<td>1 0.3%</td>
<td>7 1.9%</td>
<td>5 1.3%</td>
<td>15 4.0%</td>
<td>305 81.8%</td>
<td>1 0.3%</td>
<td>39 10.5%</td>
<td>0 0.0%</td>
</tr>
<tr>
<td>Portland State University</td>
<td>670 2.9%</td>
<td>251 1.1%</td>
<td>2,041 8.8%</td>
<td>864 3.7%</td>
<td>15,414 66.7%</td>
<td>230 1.0%</td>
<td>2,427 10.5%</td>
<td>1,220 5.3%</td>
</tr>
<tr>
<td>Southern Oregon University</td>
<td>49 0.9%</td>
<td>115 2.1%</td>
<td>198 3.6%</td>
<td>213 3.9%</td>
<td>4,368 79.3%</td>
<td>12 0.2%</td>
<td>424 7.7%</td>
<td>126 2.3%</td>
</tr>
<tr>
<td>University of Oregon</td>
<td>315 1.6%</td>
<td>234 1.2%</td>
<td>1,156 5.8%</td>
<td>581 2.9%</td>
<td>14,694 73.3%</td>
<td>322 1.6%</td>
<td>1,491 7.4%</td>
<td>1,241 6.2%</td>
</tr>
<tr>
<td>Western Oregon University</td>
<td>74 1.5%</td>
<td>62 1.2%</td>
<td>155 3.1%</td>
<td>266 5.3%</td>
<td>4,086 81.2%</td>
<td>50 1.0%</td>
<td>270 5.4%</td>
<td>69 1.4%</td>
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<tr>
<td><strong>SYSTEM TOTALS</strong></td>
<td>1,447 1.8%</td>
<td>988 1.2%</td>
<td>5,306 6.7%</td>
<td>2,802 3.5%</td>
<td>58,467 73.5%</td>
<td>700 0.9%</td>
<td>5,965 7.5%</td>
<td>3,883 4.9%</td>
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</table>

* Includes extended enrollment students and credit at all levels.  
* The current federal category is "unknown"; disaggregated here as "Reporting More Than One Race/Unspecified Race"  

**Source:** OUS Institutional Research Services, fall 2003 fourth-week enrollment reports
### Appendix B

#### OUS Enrollment of First-Time Freshmen by Racial/Ethnic Group

(fall 2003 headcount)

<table>
<thead>
<tr>
<th></th>
<th>African American or Black, non-Hispanic</th>
<th>American Indian / Alaska Native</th>
<th>Asian / Pacific American</th>
<th>Hispanic / Latino</th>
<th>White, non-Hispanic</th>
<th>Reporting More Than One Race/Unspecified Race</th>
<th>International</th>
<th>Total</th>
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<td>N %</td>
<td>N %</td>
<td>N %</td>
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<tr>
<td>Eastern Oregon</td>
<td>7 2.1%</td>
<td>2 0.6%</td>
<td>16 4.7%</td>
<td>10 2.9%</td>
<td>286 84.4%</td>
<td>6 1.8%</td>
<td>10 2.9%</td>
<td>2 0.6%</td>
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<td>University</td>
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<td>339</td>
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<td>2 0.6%</td>
<td>12 3.4%</td>
<td>12 3.4%</td>
<td>13 3.6%</td>
<td>297 83.0%</td>
<td>1 0.3%</td>
<td>16 4.5%</td>
<td>5 1.4%</td>
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<td>Oregon State</td>
<td>42 1.4%</td>
<td>38 1.3%</td>
<td>288 9.7%</td>
<td>114 3.9%</td>
<td>2,300 77.8%</td>
<td>11 0.4%</td>
<td>137 4.6%</td>
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<td>61 4.2%</td>
<td>17 1.2%</td>
<td>194 13.4%</td>
<td>67 4.6%</td>
<td>927 64.1%</td>
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<td>1,446</td>
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<tr>
<td>Southern Oregon</td>
<td>9 0.9%</td>
<td>18 1.9%</td>
<td>50 5.1%</td>
<td>49 5.0%</td>
<td>795 81.9%</td>
<td>1 0.1%</td>
<td>41 4.2%</td>
<td>8 0.8%</td>
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<tr>
<td>University</td>
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<td>59 2.1%</td>
<td>33 1.2%</td>
<td>203 7.1%</td>
<td>99 3.5%</td>
<td>2,189 76.4%</td>
<td>44 1.5%</td>
<td>141 4.9%</td>
<td>97 3.4%</td>
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<td>Western Oregon</td>
<td>15 1.6%</td>
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<td>789 85.2%</td>
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<tr>
<td></td>
<td><strong>SYSTEM TOTALS</strong></td>
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<td></td>
<td><strong>7,583 76.9%</strong></td>
<td><strong>106 1.1%</strong></td>
<td><strong>493 5.0%</strong></td>
<td><strong>168 1.7%</strong></td>
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<tr>
<td></td>
<td><strong>195 2.0%</strong></td>
<td><strong>134 1.4%</strong></td>
<td><strong>795 8.1%</strong></td>
<td><strong>387 3.9%</strong></td>
<td><strong>599 6.1%</strong></td>
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<tr>
<td></td>
<td><strong>1,446</strong></td>
<td><strong>1,280</strong></td>
<td><strong>2,189 76.4%</strong></td>
<td><strong>1,022 3.7%</strong></td>
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<tr>
<td></td>
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</tr>
</tbody>
</table>

* The current federal category is "unknown;" disaggregated here as "Reporting More Than One Race/Unspecified Race"

**Source:** OUS Institutional Research Services, fall 2003 fourth-week enrollment report.

Students who transfer with 12 credits or more are excluded unless they graduated from high school in spring of the college entrance year.
## Appendix C

**OUS Degrees Awarded\(^1\) by All Levels, Discipline and Racial/Ethnic Group**

*(2002-2003)*

<table>
<thead>
<tr>
<th>Discipline</th>
<th>African American or Black, non-Hispanic</th>
<th>American Indian / Alaska Native</th>
<th>Asian / Pacific American</th>
<th>Hispanic / Latino</th>
<th>White, non-Hispanic</th>
<th>Reporting More Than One Race/Unspecified*</th>
<th>International</th>
<th>Total by Discipline</th>
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<tr>
<td></td>
<td>N</td>
<td>%</td>
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<td>%</td>
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<td>%</td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>Agriculture &amp; Forestry, Environmental</td>
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<td>0.0%</td>
<td>11</td>
<td>1.6%</td>
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<td>3.4%</td>
<td>13</td>
<td>1.9%</td>
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<td>0.0%</td>
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<td>1.5%</td>
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<td>3.7%</td>
<td>8</td>
<td>3.0%</td>
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<td>1.0%</td>
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<td>1.2%</td>
<td>220</td>
<td>10.6%</td>
<td>45</td>
<td>2.2%</td>
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<tr>
<td>Commu/Journalism</td>
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<td>1.7%</td>
<td>4</td>
<td>0.7%</td>
<td>22</td>
<td>3.8%</td>
<td>17</td>
<td>2.9%</td>
</tr>
<tr>
<td>Computer Science</td>
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<td>0.0%</td>
<td>1</td>
<td>0.3%</td>
<td>38</td>
<td>9.9%</td>
<td>6</td>
<td>1.6%</td>
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<td>Education</td>
<td>20</td>
<td>1.2%</td>
<td>28</td>
<td>1.6%</td>
<td>49</td>
<td>2.9%</td>
<td>63</td>
<td>3.7%</td>
</tr>
<tr>
<td>Engineering</td>
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<td>0.7%</td>
<td>6</td>
<td>0.6%</td>
<td>77</td>
<td>8.1%</td>
<td>18</td>
<td>1.9%</td>
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<td>Health Sciences</td>
<td>10</td>
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<td>9</td>
<td>1.8%</td>
<td>52</td>
<td>10.6%</td>
<td>13</td>
<td>2.7%</td>
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<tr>
<td>Humanities &amp; Fine Arts</td>
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<td>1.3%</td>
<td>26</td>
<td>1.1%</td>
<td>91</td>
<td>3.8%</td>
<td>88</td>
<td>3.7%</td>
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<td>Law</td>
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<td>1</td>
<td>0.6%</td>
<td>9</td>
<td>5.3%</td>
<td>6</td>
<td>3.5%</td>
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<tr>
<td>Mathematics</td>
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<td>1.3%</td>
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<td>Physical Sciences</td>
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<td>1.3%</td>
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<td>4.0%</td>
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<td>Other</td>
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<td>1.7%</td>
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<td>112</td>
<td>6.2%</td>
<td>73</td>
<td>4.1%</td>
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<tr>
<td><strong>SYSTEM TOTALS</strong></td>
<td>193</td>
<td>1.3%</td>
<td>190</td>
<td>1.3%</td>
<td>864</td>
<td>5.7%</td>
<td>477</td>
<td>3.1%</td>
</tr>
</tbody>
</table>

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\(^1\) Only degrees are reported. Postbaccalaureate and teacher education certificates are excluded.

* The current federal category is “unknown”; disaggregated here as "Reporting More Than One Race/Unspecified"

Source: OUS Institutional Research Services, fall 2003 fourth-week enrollment reports
### OUS Full-Time Ranked Instructional Faculty by Racial/Ethnic Group (2003-04)

<table>
<thead>
<tr>
<th>Campus</th>
<th>African American or Black, non-Hispanic</th>
<th>American Indian / Alaska Native</th>
<th>Asian / Pacific American</th>
<th>Hispanic / Latino</th>
<th>White, non-Hispanic</th>
<th>Reporting More Than One Race/Unspecified*</th>
<th>International</th>
<th>System Totals</th>
</tr>
</thead>
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<tr>
<td>Eastern Oregon</td>
<td>0 0.0%</td>
<td>1 1.1%</td>
<td>2 2.3%</td>
<td>2 2.3%</td>
<td>78 89.7%</td>
<td>3 3.4%</td>
<td>1 1.1%</td>
<td>87</td>
</tr>
<tr>
<td>Oregon Institute</td>
<td>0 0.0%</td>
<td>1 0.9%</td>
<td>5 4.4%</td>
<td>1 0.9%</td>
<td>106 93.0%</td>
<td>0 0.0%</td>
<td>1 0.9%</td>
<td>114</td>
</tr>
<tr>
<td>Oregon State</td>
<td>9 1.4%</td>
<td>5 0.8%</td>
<td>53 8.3%</td>
<td>18 2.8%</td>
<td>491 77.3%</td>
<td>31 4.9%</td>
<td>28 4.4%</td>
<td>635</td>
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<td>University</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Portland State</td>
<td>19 3.7%</td>
<td>4 0.8%</td>
<td>30 5.9%</td>
<td>9 1.8%</td>
<td>374 73.5%</td>
<td>63 12.4%</td>
<td>10 2.0%</td>
<td>509</td>
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<td>University of Oregon</td>
<td>5 0.7%</td>
<td>7 1.0%</td>
<td>45 6.5%</td>
<td>21 3.1%</td>
<td>553 80.4%</td>
<td>32 4.7%</td>
<td>25 3.6%</td>
<td>688</td>
</tr>
<tr>
<td>Western Oregon</td>
<td>2 1.3%</td>
<td>2 1.3%</td>
<td>4 2.6%</td>
<td>3 1.9%</td>
<td>135 87.1%</td>
<td>7 4.5%</td>
<td>2 1.3%</td>
<td>155</td>
</tr>
<tr>
<td>SYSTEM TOTALS</td>
<td>36 1.5%</td>
<td>22 0.9%</td>
<td>152 6.4%</td>
<td>57 2.4%</td>
<td>1,892 79.8%</td>
<td>144 6.1%</td>
<td>67 2.8%</td>
<td>2,370</td>
</tr>
</tbody>
</table>

*The current federal category is "Unknown"; disaggregated here as "Reporting More Than One Race/Unspecified Race."

**Source:** OUS Institutional Research Services; file run from end-of-October payroll.
Appendix E
University Mission Statements
(Highlighted areas reflect considerations of diversity)

Eastern Oregon University

EOU guides student inquiry through integrated, high-quality liberal arts and professional programs that lead to responsible and reflective action in a diverse and interconnected world.

As an educational, cultural, and scholarly center, EOU connects the rural regions of Oregon to a wider world. Our beautiful setting and small size enhance the personal attention our students receive, while partnerships with colleges, universities, agencies, and communities add to the educational possibilities of our region and state.

Eastern Oregon University (EOU) is an exemplary student-centered university. EOU values diversity and is guided by a mission and commitment to value each student’s educational, social, cultural, and economic background.

Oregon Institute of Technology

Oregon Institute of Technology, the only public institute of technology in the Pacific Northwest, provides degree programs in engineering and health technologies, management, communications, and applied sciences that prepare students to be effective participants in their professional, public, and international communities. Six objectives are central to our mission:

1. Provide degree programs that enable graduates to obtain the knowledge and skills necessary for immediate employment.
2. Enable students to be effective communicators, responsible citizens, and life-long learners by assisting them in the development of critical thinking and problem solving skills, and ethical and cultural awareness.
3. Offer continuing and distance education and advanced professional studies to meet the emerging needs of today's citizens.
4. Provide informational and technical expertise to regional, state, national, and global publics in applied research.
5. Develop and maintain partnerships with public and private institutions, business and industry, and government agencies to ensure quality programs that meet the needs of students and the organizations that employ them.
6. Provide statewide access to address the needs of the Oregon workforce.
Oregon State University

Oregon State University aspires to stimulate a lasting attitude of inquiry, openness, and social responsibility. To meet these aspirations, we are committed to providing excellent academic programs, educational experiences, and creative scholarship.

**Goals**

Three strategic goals guide Oregon State University in meeting its mission.

**Statewide Campus.** Oregon State University has a historic and unique role in Oregon. As a land-grant university, our heritage is articulated in the statement "the state of Oregon is the campus of Oregon State University." We emphasize the importance of extending the University into every community in Oregon. OSU will provide learning opportunities for Oregonians, and will create and apply knowledge that contributes to the prosperity of the state and its quality of life.

**Compelling Learning Experience.** Oregon State University is committed to creating an atmosphere of intellectual curiosity, academic freedom, diversity, and personal empowerment. This will enable everyone to learn with and from others. This compelling learning experience celebrates knowledge; encourages personal growth and awareness; acknowledges the benefits of diverse experiences, world-views, learning styles, and values; and engenders personal and societal values that benefit the individual and society. OSU will develop curricula based on sound disciplinary knowledge and input from practitioners. Students will acquire skills and knowledge for a lifetime of learning, and will be involved in scholarly and creative pursuits.

**Top-Tier University.** Oregon State University aspires to be a top-tier University. It is a Carnegie Doctoral/Research-Extensive University, a sea-grant institution, and space-grant program, in addition to being a land-grant institution. We will measure our success by: the caliber of entering students, the accomplishments of students and alumni, the quality of the faculty, the quality of instructional and research facilities, the effectiveness and productivity of engagement with businesses and constituents, and the support for research and scholarship.

**Values.** Oregon State University recognizes that our mission and goals must be supported by sound institutional values. As we pursue our mission and goals, we recognize that the individuals comprising our extended university community are the source of our creativity, reputation, and vitality. The following values are fundamental to our success:

**Accountability.** We are committed stewards of the loyalty and good will of our alumni and friends, and the human, fiscal, and physical resources entrusted to us.

**Diversity.** We value diversity because it enhances our education and because it provides tools to be culturally respectful, professionally competent, and civically responsible.
**Respect.** We encourage respect, humanity, and integrity in our treatment of each other, and we care for the well-being and safety of others.

**Responsibility.** We have a responsibility to society to contribute to its social, cultural, political, aesthetic, ethical, and economic well-being.

**Truth.** We honor and impart principles of academic honesty, freedom, truth, and integrity.

**Portland State University**

The mission of Portland State University is to enhance the intellectual, social, cultural, and economic qualities of urban life by providing access throughout the life span to a quality liberal education for undergraduates and an appropriate array of professional and graduate programs especially relevant to metropolitan areas. The University conducts research and community service that support a high quality educational environment and reflect issues important to the region. It actively promotes the development of a network of educational institutions to serve the community.

- Portland State University contributes to the creation and communication of knowledge in the greater metropolitan region through its teaching, research, and outreach programs. The institution is committed to providing access to programs defined by the traditions of liberal education and responsive to the dynamics of employment and market requirements.
- The expertise of PSU's faculty, students, and staff enriches programs extending beyond the region. Selected programs are offered throughout the state, including professional, degree completion, and lifelong learning programs.
- PSU designs and delivers high-quality, cost-effective academic and service programs to all qualified Oregonians working both with its own resources and through partnerships with other organizations and institutions. Collaborating with K-12, community colleges, and other institutions and organizations, PSU demonstrates its commitment to address issues important to learners during their entire lives.
- The institution capitalizes on an urban location with diverse and unique opportunities for student and faculty learning that go beyond the traditional classroom and laboratory settings. The diversity of its students and their communities enhances academic programs and extracurricular activities.
- PSU promotes student learning, research, and community involvement relevant to contemporary society here and throughout the world through its unique interdisciplinary general education curriculum, undergraduate degree programs, and professional and graduate programs. Academic focus on urban issues includes the study of societies in their larger context.
- The integration of teaching, research, and outreach at PSU offers students of diverse age, ethnicity, and experience the preparation to become responsible citizens attuned to the needs not only of their own communities but those of regional, national, and international communities.
Portland State faculty and students engage in national and international research programs that apply the benefits of new knowledge to the institution's learning and outreach goals.

**Southern Oregon University**

Southern Oregon University is a contemporary public liberal arts and sciences University. It provides access to opportunities for personal, intellectual, and professional growth through quality education and scholarship. The University is a vital partner in the healthy development of its region and state in association with civic, national, and international engagements. It is Oregon’s Center of Excellence in the Fine and Performing Arts.

**Values**

Toward a Hopeful Vision of the University, Region, and Society

- Learning and Achievement
- Truth and Disciplined Inquiry
- Free Expression and Collaboration
- **Open-Mindedness and Informed Criticism**
- Mutual Respect and Trust
- Cross-Cultural Understanding and International Competence
- Integrity and Stewardship
- Civic Engagement and Responsibility
- Innovation and Entrepreneurship

**Vision**

Regionally responsive, nationally recognized, and internationally engaged, Southern Oregon University is a premier public liberal arts and sciences University. It is distinguished regionally and nationally in practical liberal learning at the intersection of the liberal arts and sciences and the professions, where learners gain the foundation for long-term career agility and informed civic leadership. The University’s scholarship supports the creation, synthesis, and application of knowledge and a new vision for teaching and learning in 21st–century society.

**University of Oregon**

The University of Oregon is a comprehensive research University that serves its students and the people of Oregon, the nation, and the world through the creation and transfer of knowledge in the liberal arts, the natural and social sciences, and the professions. It is the Association of American Universities flagship institution of the Oregon University System.

The University is a community of scholars dedicated to the highest standards of academic inquiry, learning, and service. Recognizing that knowledge is the fundamental wealth of civilization, the university strives to enrich the public that sustains it through
a commitment to undergraduate education, with a goal of helping the individual learn to question critically, think logically, communicate clearly, act creatively, and live ethically
a commitment to graduate education to develop creators and innovators who will generate new knowledge and shape experience for the benefit of humanity
a recognition that research, both basic and applied, is essential to the intellectual health of the university, as well as to the enrichment of the lives of Oregonians, by energizing the state's economic, cultural, and political structure
the establishment of a framework for lifelong learning that leads to productive careers and to the enduring joy of inquiry
the integration of teaching, research, and service as mutually enriching enterprises that together accomplish the university's mission and support its spirit of community
the acceptance of the challenge of an evolving social, political, and technological environment by welcoming and guiding change rather than reacting to it
a dedication to the principles of equality of opportunity and freedom from unfair discrimination for all members of the university community and an acceptance of true diversity as an affirmation of individual identity within a welcoming community
a commitment to international awareness and understanding, and to the development of a faculty and student body that are capable of participating effectively in a global society
the conviction that freedom of thought and expression is the bedrock principle on which university activity is based
the cultivation of an attitude toward citizenship that fosters a caring, supportive atmosphere on campus and the wise exercise of civic responsibilities and individual judgment throughout life a continuing commitment to affordable public higher education

Western Oregon University

Western Oregon University provides a comprehensive higher education experience, including teaching, learning, and research activities, cultural opportunities, and public service. Campus and distance education programs prepare students to contribute to the economy, culture, and society of Oregon, the nation, and the world.

WOU's curriculum fosters the knowledge, skills, and attitudes that characterize a liberally educated person and provide a foundation for a lifetime of learning.

WOU's academic programs offer close student, faculty, and staff interaction; interdisciplinary teaching; research opportunities; and internships with public and private sectors.

WOU promotes diversity and respect for individuals in all endeavors.
WOU provides national leadership in research and policy development through the Division of Teaching Research, the Regional Resource Center on Deafness, and the National Clearinghouse for Deaf-Blindness.

WOU fosters partnerships with state and local governments, exemplified by the campus-based Oregon Military Academy and Oregon Public Service Academy.

WOU enriches the lives of Oregonians through cultural offerings, educational resources, lifelong learning opportunities, and NCAA Division II intercollegiate athletic competition.

University Statement Regarding Zero Tolerance to Discrimination and Harassment
Above all, this means the contributions of everyone to a strong sense of community, in which civility, concern, care, support, and respect, one for another, are highly valued. This kind of environment encourages and enhances teaching and learning. It actively discourages discrimination and harassment in any form.

Students, staff, and faculty who respect and care for each other do not harass or discriminate against each other on the basis of gender, race, religion, color, ethnicity, disability, sexual orientation, national origin, or age.

At WOU, we take pride in a positive educational environment, one in which discrimination and harassment have no place. They will absolutely not be tolerated on this campus.

Equal Employment Opportunity and Affirmative Action Statement of Policy
Western Oregon University is dedicated to providing an open learning and working environment for all its citizens. As a comprehensive, liberal arts institution, the university seeks to provide high-quality programs in teacher education, special education, business, and liberal arts and sciences. In preparing our students for future roles in their communities, it is crucial that we encourage fairness, openness, and sensitivity to people of all backgrounds. Therefore, Western Oregon University is strongly committed to Affirmative Action and Equal Employment Opportunity both in policy and in spirit. Furthermore, the University will not tolerate harassment against any member of the campus community.

The example of non-discrimination set forth by University administration and faculty will no doubt influence students positively toward the same. The responsibility is henceforth placed upon administrative personnel to create and maintain an environment free of harassment based on race, color, sex, marital status, religion, national origin, age, mental or physical disability, or any reason prohibited by state or federal statute. To help monitor our progress in this area, affirmative action efforts and accomplishments will continue to be a part of all faculty and administrative evaluations.
Western Oregon University’s success in meeting its Affirmative Action and Equal Employment Opportunity goals depends upon the campus community’s understanding and support of the plan, including its intent and implementation procedures. The University shall take specific steps to ensure that all campus community members are cognizant of, and have access to, the Affirmative Action Plan.

Employees, job applicants, and students are encouraged to bring discriminatory and/or harassing behavior that exists in the workplace or classroom to the attention of the Affirmative Action officer.

BOARD DISCUSSION:

Dr. Yvette Webber-Davis, Director, Diversity Planning and Special Projects, stated that this year’s report would focus on understanding the importance of diversity to the System, as opposed to a data-heavy report as presented historically. She started with the OUS Vision of Diversity that examines the benefits of diversity on the campuses. She observed it was focused on the three concepts of representation, inclusion, and institutional engagement. Webber-Davis referenced benefits to students, faculty, and staff. She added a number of things were being done throughout the System within the reported structure.

Webber-Davis continued with a review of Oregon’s population, which also included a discussion of educational diversity, the students coming through the OUS educational pipeline, and the first-time OUS freshmen in each of the population demographics. Webber-Davis’s presentation offered a glimpse of the trends and issues within the report. She observed the growing Latino population and increase in multi-racial students. She also noted the relatively high dropout rates and concerns with college preparatory coursework among these populations. Director Schuette asked if OUS experienced difficulty with students not self-identifying and Webber-Davis noted it was a growing phenomenon. Webber-Davis continued with an overview illustrating a gradual, upward trend in student, faculty, and staff representation. Director Richmond asked for a comparison to community colleges in the state and postulated it might be higher than 13 percent. Director Schuette observed that she had met with Webber-Davis to discuss how the EDP Working Group might interface with diversity efforts. Webber-Davis also observed the gradual increase in degrees awarded over time. She also noted gradual increases in full-time ranked instructional faculty and offered a glimpse of overall numbers that demonstrate the importance of educational diversity. Webber-Davis explained efforts in postsecondary diversity trends and the numerous initiatives in which campuses were engaged in the attempt to realize the benefits of diversity.

Webber-Davis also noted that the concept of diversity could no longer be viewed as a separate consideration, but should be infused in everything the System and campuses do. She presented the Board and OUS with key diversity considerations, including alignment with Board goals and integration of diversity into strategic plans. Webber-Davis noted her study of remaining competitive with faculty candidates from these populations.
Director Burns asked if there was any effort to create a similar Board of Visitors for the OUS and Webber-Davis turned to the presidents to highlight the different efforts on each of the campuses to speak to diversity efforts. Presidents Zinser, Bernstine, and Conn provided examples of how diversity efforts are reflected in the operation of their campuses.

b. **Academic Excellence/Economic Development Working Group Status Report**

No report.

c. **Excellence in Delivery & Productivity Working Group Status Report**

No report.

d. **Standing Committees**
   i. Finance/Budget/Audit/Personnel/Real Estate (Don Blair)

No report.

e. **Working Groups**
   i. Access/Affordability (Tim Nesbitt)

No report.
   ii. Chancellor’s Office Review (Geri Richmond)

No report.

6. **REPORTS**

- **Interinstitutional Faculty Senate (IFS) President**

Chair Lorenzen acknowledged IFS President Peter Gilkey. Professor Gilkey noted that the IFS wanted to stress quality as Board initiatives moved forward. He reported the continuing work on the development of the common core and the efforts regarding retention, advising, and time-to-degree. Gilkey noted IFS Vice President Bob Turner was convening a task force to examine the retention, advising, and time-to-degree questions. Director Richmond thanked Gilkey and the other faculty for their efforts.

- **Oregon Student Association (OSA) Chair**

Chair Lorenzen noted the OSA used their time to comment on the tuition mitigation plan.

7. **CHANCELLOR AND UNIVERSITY PRESIDENTS’ REPORTS**

Chair Lorenzen asked the OUS presidents for brief reports.
President Bernstine thanked Director Nesbitt for attending the PSU commencement.

President Fatemi noted the recent announcement identifying EOU as the second-best valued institution in the United States.

President Conn thanked Director Blair for attending the WOU commencement. He introduced Dr. Jem Spectar, WOU’s new Provost and Vice President for Academic Affairs.

President Zinser thanked the Board for its approval of the master’s degree in Music and Band Conducting. She noted SOU finished the summer with 220 students. Zinser added that theatre arts is launching a program modeled after the American Band College. Zinser also mentioned the upcoming focus groups part of the Association of American Colleges & Universities America’s Promise Initiative.

President Ray reiterated previous comments from Director Dyess regarding the commitment of the faculty. He noted the externally funded research totaling $177 million at OSU.

President Dow expressed appreciation for the passage of the master’s degree in Manufacturing Engineering Technology and announced former OIT president Larry Wolf’s distinguished service award from the American Society for Engineering Education.

President Frohnmayer noted the conclusion of the second-largest Oregon Bach Festival and his journey to Santiago, Chile for the meeting of the Association of Pacific Rim Universities.

8. **PUBLIC INPUT**

   No public input.

9. **BOARD COMMENTS**

   Chair Lorenzen acknowledged the effort of the OUS staff, presidents, and Board members in working through the difficult budget issues. He also noted the resignation of Tom Anderes to accept a position at Texas Tech University. Anderes thanked the Board, staff, and university presidents for their support. Chair Lorenzen also mentioned the resignation of Marv Wigle to join the staff of Eastern Oregon University. Chair Lorenzen also noted the contribution of Jon Yunker.

10. **DELEGATION OF AUTHORITY TO BOARD’S EXECUTIVE COMMITTEE**

   Chair Lorenzen asked Secretary Hagemann to read the delegation of authority. Secretary Hagemann read:
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. 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.

Chair Lorenzen called for motion to accept the delegation of authority. Director Nesbitt moved to accept the delegation of authority, and Director Dyess seconded the motion. All in favor: Blair, Burns, Dyess, Nesbitt, Richmond, von Schlegell, Schuette, Sohn, and Lorenzen. Opposed: none. Motion passed.

Director Nesbitt announced his service on the College Savings Board, and Chair Lorenzen announced Director Dyess’ service on the OHSU Board.

11. ADJOURNMENT

Chair Lorenzen adjourned the meeting at 2:07 p.m.

Ryan J. Hagemann
Secretary to the Board

Henry C. Lorenzen
Board Chair