REGULAR MEETING OF THE STATE BOARD OF HIGHER EDUCATION (#784) WESTERN OREGON UNIVERSITY, MONMOUTH, OREGON APRIL 6, 2007

Page

1. Call to Order/Roll Call/Welcome ................................................................. 1

2. Reports ........................................................................................................... 1
   a. Legislative Report .................................................................................. 1
   b. Chancellor’s Report .............................................................................. 2
   c. Interinstitutional Faculty Senate (IFS) President .................................. 3
   d. Oregon Student Association (OSA) Chair ........................................... 3

3. Consent Items ............................................................................................... 4
   a. OSU, Lease and Renovation Project, Hewlett-Packard Building 11 ........ 4
   b. PSU, Academic and Student Recreation Center (PCAT Development) .... 6
   c. SOU, B.A./B.S. in Elementary Education ........................................... 9

4. Report Items .................................................................................................. 11
   a. Board Long-Range Planning: Portfolio Conversation with Oregon Institute of Technology ................................................................. 11
   b. PreK-20 Unified Budget and Financial Analysis ................................... 14
   c. SOU, Reduction Implementation ......................................................... 17

5. Discussion Item ............................................................................................ 20
   a. OUS, 2007-2009 Biennial Budget Update ........................................... 20

6. Committee Reports ....................................................................................... 20
   a. Standing Committee Reports .............................................................. 20
   b. Other Board Committees ................................................................... 21

7. Public Input ................................................................................................... 22

8. Board Comments .......................................................................................... 22

9. Delegation of Authority to Board’s Executive Committee ......................... 22

10. Adjournment ............................................................................................... 22
REGULAR MEETING OF THE STATE BOARD
OF HIGHER EDUCATION (#784)
WESTERN OREGON UNIVERSITY, MONMOUTH, OREGON
APRIL 6, 2007

MINUTES

1. CALL TO ORDER/ROLL CALL/WELCOME

President Lorenzen called the meeting of the State Board of Higher Education to order at 10:46 a.m.

Board members present: President Henry Lorenzen and Directors Don Blair, Kirby Dyess, Jim Francesconi, Adriana Mendoza, Dalton Miller-Jones, John von Schlegell, Gretchen Schuette, Howard Sohn, and Tony Van Vliet. Director Gerry Blakney was absent due to personal conflict.

Staff present included: Chancellor George Pernsteiner, Neil Bryant, Ryan Hagemann, Jay Kenton, and Susan Weeks.

Others present included: Presidents Dan Bernstine (PSU), Mary Cullinan (SOU), Khosrow Fatemi (EOU), Dave Frohnmayer (UO), John Minahan (WOU), and Ed Ray (OSU). Provosts Robert Viera (OHSU) and Dave Woodall (OIT) were also present.

President Lorenzen thanked President Minahan for hosting the Board meetings for the second month in a row and for the dinner the previous evening when special recognition was given to former directors Tim Nesbitt and Bridget Burns. "We would also like to congratulate and, at the same time, acknowledge the loss of three people who are leaving the System. Ben Rawlins has been appointed Senior Vice President and General Counsel at Meehery Medical College in Nashville, Tennessee; WOU Provost Jem Spectar has been appointed to the presidency at the University of Pittsburgh-Johnstown; and SOU Provost Earl Potter has been appointed to the presidency of St. Cloud University in Minnesota. These represent three big departures and three big promotions and we congratulate all three."

2. REPORTS

a. Legislative Report

Consultant Neil Bryant began his report by reminding the Board that at their last meeting there had been great angst because OUS had been asked to do one, two, three, and four percent reduction scenarios on both the General Fund and on the Other Funds. "In the last 30 days, we learned that wasn't necessary. Last night, you heard from the Governor on his perspective of what is happening," Mr. Bryant explained. Ways and Means released its budget and "it really hammered higher education and community colleges. On the operation side, there was a
reduction from the Governor's budget of about $35 million and on the capital side about $283 million. The most popular explanation is that they want to put pressure on the business community and on the Republicans to pass the corporate minimum tax and also the cigarette tax. Secondly, the Democrats wanted to beat the Governor's budget on K-12," he explained. On the capital side, there appears to be legislative concern about the amount of debt the state has encumbered. And, on the lottery side, there is a light rail proposal from Portland and there needs to be a $250 million match in lottery bonds. For higher education, about the only other source of revenue is from tuition. "It's not a good option because we're concerned about access and affordability and debt. If you wanted to replace the $35 million that was cut, if it is for all students in the System, it would be a 2.35 percent increase per year. If you decided it should be just for resident students, it would increase to close to 5.8 percent per year just to replace the revenue," Mr. Bryant explained.

There have been conversations about referring one or more tax measures to the public. If this were to occur, it would probably be in the fall of the current year and would be either the cigarette tax or the corporate minimum. History has shown that the more tax measures that are on the ballot, the less likely it is that any of them will be passed. Mr. Bryant opined that OUS needs to come out of the session better than the co-chairs budget. "As the Governor said last night (at the Board dinner), if it was the co-chairs budget or anything similar to that, the Governor wouldn't sign it, which means the legislature could be called back into special session."

Director Van Vliet asked if OUS would keep the pressure on the legislature to support retaining the interest that OUS generates as a possible solution to the budget short fall. There is a possibility that this could be approved.

b. Chancellor's Report

Chancellor Pernsteiner acknowledged that three of the OUS institutions would be visited by Northwest Accreditation teams during the current month. Oregon Institute of Technology, the University of Oregon, and Western Oregon University all have visitations scheduled.

A bill has passed the House and is headed for the Senate that would permit OUS institutions, as authorized by the Board, to grant honorary degrees to Japanese-Americans who were interred during WWII. "We want to ensure that whatever we do is respectful and inviting to appropriately honor the people who would be eligible for these degrees," the Chancellor emphasized.

Summarizing the latest information regarding the co-chairs budget, Chancellor Pernsteiner reiterated that there was approximately a $35 million reduction from the Governor's recommended budget on the operating side, primarily focused on the regional campuses, statewide public services, new rural access program, ETIC, and Oregon Solutions. He pointed out that the Governor, in attempting to forward a Unified Education Enterprise proposal across the education sectors, focused on the healthcare workforce area. "Significantly, the WOU nursing program and the OIT-led workforce efforts are included; however, the OHSU program
with the UO and OSU to train physicians in Eugene and Corvallis is not included, although it has been documented there is a high need in this area. We've talked a lot about the fact that the younger-aged adult population in Oregon is less well educated than their elders. This proposal from the co-chairs will continue that trend into the future," Chancellor Pernsteiner pointed out.

The capital budget proposal from the co-chairs is even more difficult for OUS than the operating budget. "A $50 million cap on the amount of bonds is substantially lower than what we have received historically," the Chancellor continued. "The transition of the transfer of all capital repair projects out of the operating budget and into the capital budget means that $25 million that historically has been paid for in another way in the regular budget now is in competition for that $50 million." Also in jeopardy is the entire deferred maintenance program. The budget proposed by the Governor for capital included several significant new construction projects that were essential for the economic vitality of Oregon and the innovation economy. Additionally, the buildings at several campuses – WOU, UO, and OSU – that already have the funds plus some or all of the matching funds in hand for the construction of buildings can't spend it without the state matching dollars.

"The budget that the Board proposed last summer, which was the essential first step in a 10-year reinvestment strategy that would make Oregon and Oregonians competitive in the 21st Century was the basis for the budget that the Governor put forward. He didn't put forward quite all of it but he put forward most of it. That is the casualty of the current proposal from the co-chairs and we have to find a way to convey to the people of Oregon and to the legislators of Oregon that, in fact, the future of Oregon is dependent upon funding at the level that the Governor had proposed," he concluded.

c. Interinstitutional Faculty Senate (IFS) President

Dr. Mina Carson spoke on behalf of the IFS and discussed the problem of faculty salary compression. A handout was provided to illustrate the severity of the problem that has been caused by revenue expenditure practices. "Promotions, external recognition, and research productivity do create some differences or gaps among peers because appropriately, in the academic world, those are the triggers for many significant salary bumps," she pointed out. "But much more significant has been the outside markets' interaction with a lack of internal System resources." Because of the significantly lower pay scale, Oregon is not able to retain some of the best and brightest faculty and it is not able, either, to attract new faculty. "There may be some chance of catching up with peers around the country, eventually, but only if Oregon changes its ways. If not, additional salary freezes and 'robbing Peter to pay Paul' are going to sink this ship. These facts are bad for morale. It's an irrational situation. How many businesses are run this way? So we thank you for gong to bat for us," Dr. Carson concluded. (A copy of the full IFS report is on file in the Board's Office.)

d. Oregon Student Association (OSA) Chair

Ms. Megan Driver, OSA chair, reported on the recently completed survey of college campuses and students the Association conducted. "We wanted to know the impact of state
disinvestments and the extent of the cuts on students and campuses. Through the interviews, we found that staff believes that they are doing their best to maintain quality. But cuts have caused low morale, a lack of ability to be innovative, diminishing quality, and fewer safety net services for students," she reported. All campuses have been forced to reduce or eliminate programs, course offerings have been substantially reduced, and class sizes increased. Students continue to report high satisfaction levels with their access to faculty. Many students, however, reported that they did not have access to classes needed to graduate and that led, in turn, to additional time to completion and additional costs. Students reported that they are taking the minimum number of credits so they can save money and hold down jobs.

"I want to mention two more programs that were cut in the co-chairs' budget that haven't received the same amount of attention as other budget cuts but are definitely critical to ensuring access and affordability for students. The ASPIRE program was not funded in the co-chairs' budget—it is a volunteer mentoring program that links mentors with high school students, helping them navigate the college financial aid and application process. The other program was the student childcare program that has been a state program since 2001. It received $1 million in state funding, which allowed 230 families to receive grants for childcare. Currently, there are over 1,000 families on the waiting list. This program is critical to ensuring that student parents, who have so many barriers to an education already, have the resources they need to get their degree," she concluded. (A copy of the full OSA report is on file in the Board's Office.)

3. **CONSENT ITEMS**

a. **OSU, Lease and Renovation Project, Hewlett-Packard Building 11**

**DOCKET ITEM:**

**Summary:**
Oregon State University sought Board approval to redirect bonding authority to renovate approximately 30,000 square feet of laboratory space for ONAMI-related research from Graf Hall to Building 11 (B-11) on the Hewlett-Packard (HP) Corvallis campus. OSU currently occupies approximately one-quarter of the building under a license agreement with HP. In addition to operating ONAMI-related laboratories in B-11, OSU hosts the ONAMI Inc. Executive Offices, provides space for ONAMI collaborators from other Oregon university partners, and sublicenses space to Pacific Northwest National Laboratories as part of PNNL's collaboration with OSU/ONAMI. OSU's ONAMI-related goals for research and commercialization require the additional space offered by full use of B-11. Accordingly, OSU proposes to enter into a long-term lease agreement with HP and renovate B-11. Under terms of the lease, OSU will receive free rent and pay only operating expenses.

**Background:**
Initial project scoping with researchers indicated that 30,000 to 32,000 sq. ft. of laboratory space would be needed. Based on preliminary evaluations, it was felt that approximately 30,000 sq. ft. of flexible laboratory space and offices could be constructed within the roughly
40,000 sq. ft. Graf Hall shell at a cost of about $300 per sq. ft. (net). In 2003, the Oregon legislature approved $4.75 million in Article XI-G bonds, $4.75 million in Lottery bonds, and $9.5 million in Other Funds to renovate Graf Hall in support of a nanotechnology and micro-products research and development center, since renamed the Oregon Nanoscience and Microtechnologies Institute (ONAMI)–OSU.

More detailed engineering analysis of Graf Hall showed that significant seismic upgrades were required and that these upgrades, together with the mechanical equipment and ADA requirements of the proposed laboratories, would reduce the available space to about 25,000 sq. ft. The envisioned research and development activities could not be accommodated in that space.

Various Graf Hall renovation design alternatives were investigated and at least one alternative allowed nearly 30,000 sq. ft. of available space; however, the estimated cost of this alternative was between $17.5 and $22.5 million. This scenario would require raising $8 to $13 million and would significantly delay the project.

A new construction alternative was also investigated. Preliminary estimates suggested that a new 50,000 sq. ft (gross) building could be constructed for approximately $25 – 30 million to meet the needs of the researchers. Beyond requiring the approval of the Board and the legislature, this scenario would require raising roughly $15-20 million and delay the research.

While these alternatives were investigated, an agreement was reached with HP in June 2004 to allow OSU the use of 21,500 gross sq. ft. of space in B-11 on the Corvallis HP campus. HP provided the space without cost to OSU in support of the ONAMI-related research. Approximately 8,750 sq. ft. of laboratory space was developed at a cost of about $1.2 million and existing office space totaling 12,700 sq. ft. is occupied by OSU researchers.

In August 2005, PNNL entered into an agreement with OSU to sub-license a portion of the B-11 laboratory and office space to collaborate with OSU researchers. PNNL constructed approximately 1,800 sq. ft. of access-controlled laboratory space within the space OSU developed in 2004.

In 2006, HP indicated a willingness to enter into a long-term lease for all of B-11 with OSU. The terms of the lease would allow OSU to meet the goals of the original Graf Hall renovation project within the limits of the bonding authority authorized in 2003.

Terms of the Proposed Transaction and Legal Considerations:
The B-11 facility is located at 1000 NE Circle Blvd., Corvallis, Oregon, and consists of 83,511 gross sq. ft.: 70,797 sq. ft. on the ground floor and 12,714 sq. ft. of office space on the second floor. Terms of the proposed 20-year lease agreement would allow HP to recover only expenses associated with maintenance and operation of B-11 and the common areas to which OSU would have access under the lease. HP has estimated those costs currently to be $300,000 annually. Commercially available space in the Corvallis area leases for $18 to $20 per sq. ft. per year. (HP plans to lease a portion of an adjacent building for $18.50/ft/year.) Using a $19 rate,
B-11 would lease for in excess of $1.5 million per year. Assuming the estimated annual operating expenses are correct, OSU will save in excess of $1 million per year.

Once the building is leased, OSU proposed to use the $9.5 million (from lottery and Article XI-G bonds) to renovate approximately 30,000 sq. ft. of space for laboratories and supporting infrastructure. This newly renovated space, combined with the existing 8,700 sq. ft., will bring the total laboratory space to approximately 39,000, which should be sufficient for current research needs. A feasibility study conducted as part of this project identified another 13,000 sq. ft. within this facility that could be developed in the future.

**Finance and Administration Committee Recommendation to the Board:**
The Finance and Administration Committee approved this proposal and recommended that the full OUS Board take the following actions via the consent agenda:

1. Approve OSU’s proposed 20-year lease with Hewlett Packard for the use of this facility to house the Oregon Nanoscience and Microtechnologies Institute.
2. Authorize the Chancellor, or designee, to seek authority from the legislature to transfer $4.75 million of Article XI-G bonds, $4.75 million of Lottery bonds, and $9.5 million of Other Funds spending limitation from the Graf Hall Renovation Project, approved in the 2003-2005 biennium, to the B-11 Renovation Project, located on the Hewlett Packard-Corvallis Campus.

**b. PSU, Academic and Student Recreation Center (PCAT Development)**

**DOCKET ITEM:**

**Summary:**
In July 2006, Portland State University (PSU) received approval from the Board for a capital construction project that would redevelop the block currently occupied by the University’s Portland Center for Advanced Technology (PCAT), located on Southwest Fifth and Sixth Avenues in Portland. The project, currently titled the Academic and Student Recreation Center, is a mixed-use project situated on the plaza adjacent to PSU’s Urban Center. In November 2006, the OUS Board approved a revision that divided the project into two phases. The first phase totals $51 million and commences in Spring 2007. The project is currently in early design. The second phase would commence upon availability of funding and total up to $30 million contingent upon the final approvals of the Governor and legislature. PSU now seeks Board approval to increase the Other Funds limitation for Phase I of the project by $13.5 million to accommodate inclusion of space for the City of Portland’s historical records archive.

**Background:**
The Archives and Records Management section of the City of Portland Auditor’s Office is responsible for maintaining all official business records for the City. This function is currently housed in the Stanley Parr Archives and Records Center (SPARC) located at Chimney Park, 9360 North Columbia Boulevard in Portland, Oregon. SPARC professional staff provide specialized
reference assistance and research for City bureaus, private citizens, and other entities, and guidance and help in searches for both current and past public information.

The City’s current facility is 10,000 square feet and was originally constructed in 1932. The City’s need for archives and records storage has exceeded the current capacity of the SPARC Building and a recent feasibility report prepared for the City by Oh Planning + Design indicates a need for approximately 28,000 square feet, including research, office, and support space. The current location of Archives and Records Management in North Portland is not convenient for most users. Relocating this function to the Academic and Student Recreation Center site would make it more central, as well as provide close proximity to City Hall and other municipal functions. The Academic and Student Recreation Center site’s location at a central transit hub would allow convenient access via the Central City Streetcar, as well as the new TriMet MAX Green Line that is currently under construction.

The City and PSU anticipate that significant joint benefits could be achieved by relocating the historical records to the University. Having the historical records on campus would be a major stimulus to on-campus research among undergraduates, graduates, and faculty. The historical records location would also be in close proximity to the University’s College of Urban and Public Affairs, the Center for Urban Studies, the Center for Columbia River History, and the Institute of Portland Metropolitan Studies, allowing for a wide range of potential collaborative relationships, seminars, and joint research proposals. Faculty and students from a wide variety of disciplines, including history, political science, environmental science, criminology and criminal justice, sociology, anthropology, conflict resolution, social work, and civil engineering would benefit from the presence of the Archives close proximity. The historical records would also provide a significant source of support for PSU’s visiting scholars, as well as encourage visitations from independent legal and scholarly entities interested in accessing the facility for research.

Terms of the Proposed Transaction and Legal Considerations:

The City of Portland and PSU proposed a revision to the Academic and Student Recreation Center project to include approximately 28,000 square feet of storage, office, and public research space for the Archives. The City is prepared to finance the full costs of required additional design and construction costs. The resulting structure would, pending final discussions with the City, be configured as a six-story condominium, similar to the current condominium arrangement between the City and PSU in the Fourth Avenue Building.

The revised funding plan is as follows:

<table>
<thead>
<tr>
<th>Student Recreation Center</th>
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<tbody>
<tr>
<td>Article XI-F(1) Bonds</td>
<td>Student Recreation and Building Fees ................. $35,000,000</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Retail Space</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Article XI-F(1) Bonds</td>
<td>Lease Revenues ............................................. 7,000,000</td>
</tr>
</tbody>
</table>
Classroom/Chancellor’s Office Space
Chancellor’s Office Fund Balance ........................................ 3,000,000
Chancellor’s Short-term Loan ............................................. 3,000,000
Additional Funds:
  City of Portland ............................................................. 2,000,000

Other Sources
Legal Settlement,
Energy Tax Credits, ad Other .............................................. 1,000,000
  Original Project Phase I ................................................. $51,000,000
  (approved 11/3/06)

City of Portland Archives
  City of Portland ............................................................. 13,500,000

Revised Project Phase I ................................................. $64,500,000

PSU has consulted with the Department of Justice and OUS Bond Council, who have opined that
the City’s funding of the additional design and construction could be used to match Article XI-G
bonds since there is a direct and strong link between the University’s mission and the historical
records. A memorandum of understanding will be developed to formalize the relationship
between the University and the City. To be eligible for Article XI-G funding, Counsel noted that
the building would need to be designated as a higher education facility in the authorizing
legislation with a condo interest.

The following conditions remain open and must be satisfactorily resolved:
  • Negotiations and legal sufficiency review of a memorandum of understanding
  • Approval by the State Board of Higher Education
  • Formal design and costing of Archival space
  • Approval by the Portland City Council

Finance and Administration Recommendation to the Board:
The Finance and Administration Committee approved this concept and recommended that the
full OUS Board take the following actions via its consent agenda:

1. Authorize Portland State University to seek City Council approval of the funding for their
   new archives to be located in this facility and, assuming such approval is granted, to
   negotiate a condominium agreement that is satisfactory to all parties.
2. Approve the revised project scope for Phase I of the Academic and Student Recreation
   Center to include approximately 28,000 square feet of archive space for the City of
   Portland with an added Other Funds expenditure limitation of $13.5 million.
3. Authorize the Chancellor, or designee, to seek an additional $13.5 million of Other
   Funds expenditure limitation from the legislature, bringing the revised project limitation
   to $64.5 million for Phase I of the project.
c. SOU, B.A./B.S. in Elementary Education

DOCKET ITEM:

Southern Oregon University proposed to offer a Bachelor of Arts or Bachelor of Science degree in Elementary Education. The proposed joint undergraduate degree in Elementary Education is a collaborative effort between the School of Education of Southern Oregon University (SOU) and the Early Childhood and Education Department of Rogue Community College (RCC). Currently there is an undergraduate degree in Early Childhood Development (ECD) Program at SOU that is also a joint collaboration between RCC and SOU. The new program will provide students with a four-year undergraduate degree option for obtaining their teaching license in early childhood and/or elementary education. Graduates from the program may teach in early childhood (preschool-4th grade) and/or elementary (3rd-8th grade) settings with an Oregon initial teaching license.

In this joint degree, students at SOU may take lower division early childhood and/or education coursework at RCC. All students in this program will take upper division coursework at SOU including early childhood or elementary major, content knowledge, pedagogy, and practicum as well as field experience. The elementary education major is composed of four strands: child development (39 credits), pedagogy (42 credits), field experiences (23 credits), and content knowledge combined with the SOU university studies coursework (8-9 credits additional to 72 university studies credits).

Early childhood/elementary students at RCC were polled during admissions and advising meetings in 2005-06. Data showed that 68 were interested in obtaining bachelor’s degrees in Elementary Education. Approximately 20 percent of SOU Preview Day students during each of the past two years indicated Education as their primary area of interest.

The Oregon Labor Market Information System (OLMIS), published by the Oregon Employment Department, reports that, for Region 8 (Jackson/Josephine counties), the projected employment growth for kindergarten and elementary teachers from 2004-2014 will be 12.4 percent. In addition, there will be a substantial percentage of teachers in local school districts who will be retiring within the next five-to-ten years, so new teachers are expected to be in great demand. This degree would assist in filling those growing employment needs.

Currently, there is no public institution offering an undergraduate elementary teaching program in the region. This new program would contribute a complementary educational component targeting undergraduates pursuing elementary teaching to the University’s other academic degrees in liberal arts, sciences, and professional programs. The new Elementary Education degree will increase enrollment in SOU undergraduate programs by bringing students with teaching aspirations to SOU. It will also allow students moving from the RCC education tiers a smoother transition to SOU instead of transferring to other institutions. This option is also available to transfer students and will appeal to those who want to teach sooner rather than later. The graduates of the new program will be guided to continue professional development or seek a continuing license or a master’s degree at SOU. The new program may also be
attractive to high school graduates within the state who wish to fulfill their teaching goals regionally.

Once the program is approved and implemented, SOU anticipates ongoing enrollment of 20 to 25 students per year, approximating 80-100 students at one time in all levels. SOU anticipates 40 percent non-traditional students in the program. At the end of five years, SOU would anticipate approximately 20-30 students having graduated with the degree of Elementary Education and a similar number graduating each year thereafter. These figures are based on current enrollment in the RCC early childhood-elementary education programs, with RCC students indicating their intent to transfer to the four-year licensure program. These figures are also based on SOU undergraduate students who have indicated interest in the four-year elementary education program.

All appropriate university committees and the OUS Provosts’ Council have positively reviewed the proposed program.

**Recommendation to the Board:**
The OUS Provosts’ Council recommended that the Board authorize SOU to establish an instructional program leading to a B.A./B.S. in Elementary Education, effective Fall 2007.

**BOARD DISCUSSION AND ACTION:**

President Lorenzen asked for a motion to approve the OSU, Lease and Renovation Project, Hewlett-Packard Building 11 and the PSU, Academic and Student Recreation Center (PCAT Development). Director von Schlegell made the motion to approve the first two items on the consent agenda. Those voting in favor: Directors Blair, Dyess, Francesconi, Lorenzen, Mendoza, Miller-Jones, von Schlegell, Schuette, Sohn, and Van Vliet. Those voting no or abstaining: none. Motion passed.

In regard to the SOU, B.A./B.S. in Elementary Education, Chair Lorenzen asked if this request was part of the long-range strategy for the new Medford building that would open in Spring 2008. President Cullinan responded that SOU is starting a new MBA program on Saturdays that will be in Medford and are creating this two-plus-two program with Rogue Community College in education. "As we worked through our final budget plan, we worked those programs into the existing faculty we have in business and education, in large part to help us build our enrollments in Medford. We expect 20 or 25 students a year in the education program and maybe as many as 40 or 50 in the MBA program and all that was worked into our planning process," she concluded.

It was moved by Director Miller-Jones to approve the SOU, B.A./B.S in Elementary Education program. Those voting in favor: Directors Blair, Dyess, Francesconi, Lorenzen, Mendoza, Miller-Jones, von Schlegell, Schuette, Sohn, and Van Vliet. Those voting no or abstaining: none. Motion passed.
4. REPORT ITEMS

a. Board Long-Range Planning: Portfolio Conversation with Oregon Institute of Technology

DOCKET ITEM:

For information pertaining to this agenda item, please see:
http://www.ous.edu/state_board/meeting/dockets/ddoc070406-OITmission.pdf and
http://www.ous.edu/state_board/meeting/dockets/ddoc070406-OITprofile.pdf

BOARD DISCUSSION:

Vice Chancellor Susan Weeks indicated that this was the third of the campus portfolio presentations and that, in the absence of President Dow, Provost Woodall would be making the presentation. In turn, Dr. Woodall reported that, "President Dow has not been feeling very well the last couple of weeks and checked herself into the University Hospital at OHSU over the weekend and is undergoing a series of diagnostic tests. There are no conclusive results, in terms of prognosis, but we’re certainly hopeful that she will have a swift recovery and be re-engaged with the campus and the state in the next few weeks. I've chatted with her virtually every day and she is fairly upbeat and positive about getting back. She did have a couple of regrets: one was her inability to be here with you to present and carry on this conversation related to the portfolio because, of course, she's very proud of what OIT is and its role in the System portfolio. She also said that she regretted she isn't available right now to help fight for the OUS budget and the Governor's budget and these ongoing activities with the legislature," Dr. Woodall added.

Highlights of the presentation are provided here. OIT has been engaged in a five-year strategic planning process that projects out to the year 2017 and a great deal of the presentation was premised on it. OIT bills itself as a small polytechnic university – the only one in Oregon or the Northwest with a major focus on professionally-prepared, job-ready graduates. The institution has been in operation for 60 years and has always had a very high success rate: graduates with a baccalaureate degree have the highest average starting salaries of any institution in OUS. Primary academic areas are engineering, health technologies, management, communication, and applied sciences, programs that are laboratory intensive. Therefore, the cost of operation is a bit higher than many institutions that have a much broader spectrum of degrees.

OIT is recommitting itself to broaden the level of activity in applied research and in preparation for creating world-ready graduates who will be knowledgeable in a global marketplace. OIT expects to continue to grow as an institution with recognition in sustainability and to have as one of its principal foci, economic development for Oregon. All OIT programs are accredited by the national accrediting organization, the Accreditation Board for Engineering and Technology. The organization has four accreditation commissions: engineering, engineering technology, applied science, and computing. OIT believes this provides the extra imprimatur for its graduates.
In the area of health technology and allied health, OIT has partnered with OHSU. There are a number of specialties in this area: nursing, medical imaging, health informatics, a picture archiving and communication systems program that is a hybrid of computer systems, and medical imaging. For the last 30 years, OIT has had the geoheat center which is the U.S. Department of Energy’s Center of Technological Outreach and this has led to its recognition as a world leader in terms of geothermal knowledge. Collaborative programs are flourishing between community colleges, OHSU, and a program with the Boeing Corporation in Seattle where the bachelor’s and master’s degrees in Manufacturing Engineering are offered with the approval of the Washington Higher Education Board. This is essentially a self-support operation.

In terms of international activities, OIT has a partnership with Musashi Institute of Technology in Japan and President Dow has just signed a partnership agreement in southwestern China. One of the reasons for the connection is to have faculty and students engage with countries with developing technologies so that there is a better understanding of the global economy.

OIT is home to the Small Business Development Center in Klamath County and is a partner in the Oregon Manufacturing Extension Partnership (OMEP), which is funded by the U.S. Department of Commerce through the National Institutes of Standards and Technologies (NIST). OMEP is located in Portland and provides technical assistance to small manufacturers, those with fewer than 500 employees, and, in particular, are under funding from NIST. This is a totally self-supporting activity, requiring no General Funds, but it has a big impact in the metropolitan area including Vancouver, Washington, where small companies need help in their manufacturing activities. The economic impact of OIT is also greatly felt in the Klamath area economy. "President Dow is proud to remind people that our overall budget and the multipliers that go with that have about a $70 million impact on the Klamath area economy," Provost Woodall said.

This institution does not look like a land grant doctoral university – it looks like what it is, a small polytechnic university whose strength is its academic programs. It occupies some very important market niches for Oregon. “We think the renewable energy systems niche is a very important one and we’re willing to spread it through the community college system. We see ourselves as doing more in sustainability because we do have geothermal energy readily available in the Klamath Basin,” Provost Woodall explained.

In the area of health professions, OIT has mounted its first ever capital campaign and, to date, it has successfully raised almost $12 million, which is a big piece of the development of the Center for Health Professions Building. The first part of the project is nearing completion and will be ready for occupancy in the fall. The second part of the project is waiting for an Article XI-G bond contribution so it can be fully funded. There are extremely important partnerships with the providers of the equipment used in medical imaging technology that is quite expensive and partners have been willing to put their state-of-the-art equipment into the OIT buildings. This is the first new building on the campus in 20 years and is generating a lot of excitement.

It is difficult to find peer institutions for OIT – there are no others that offer the same mix of programs. "You can’t find a school that has the mix of engineering technology and engineering
in a broad base and also has allied health in a fairly broad health-related college. Weaver State University comes the closest, but it is a much larger institution," the provost noted. In terms of retention, a rather large number of freshmen students don't make it after the first year because they can't get into the allied health programs as there are too few slots. The retention of transfer students and those who go from sophomore to junior year is about 85 percent. Director Blair noted that freshman retention was low at 43.7 percent and asked what OIT's goal was; Dr. Woodall indicated they had set a goal of 55-60 percent. “We have an open admissions policy and we do our very best to bring people who enter up to speed in mathematics because it is a key stumbling block for many of the technology programs.: A discussion of the OIT admission’s policy led to questions by directors if it was a good use of scarce resources to admit students who are not prepared. It was pointed out that student's GPA and SAT scores may be high enough to be admitted, but they may be weak in math – therefore, they are accepted but sometimes can't make it in the environment. President Ray added that, as the Board's portfolio presentations continue, it might be helpful to have a discussion of the populations that are served by the institutions and then benchmark what are realistic expectations with respect to performance. “Some have greater proportions of full-time/part-time students, others are more rural or urban. It probably would be helpful to talk about what the differences are in the characteristics of the populations the institution serves and, given those, do we want to serve all those sets of populations and, if so, what are appropriate metrics,” he concluded.

Continuing the discussion about why students drop out, Dr. Holliday indicated that the number one reason is that they cannot get the major they want and OIT doesn't have a liberal arts major. “We're a very specialized university—our programs are very specific and there aren't that many students who have figured out at the age of 18 what they want to be. Our transfer students have it figured out, as do our returning adults. But because of how specialized we are, I think we get students who think they want to do one of our programs and then decide not to. The other reason I would mention, perhaps at the top of the list, is family and personal issues, including financial difficulties.” In terms of minority recruitment, President Dow has mandated, in the development of the strategic enrollment management plan, that OIT have a plan for increasing the recruitment and retention of Latino and Hispanic students.

Applied research activities are reasonable low at about $20,000 or $30,000 per faculty member, but that is expected to grow over time.

OIT has had a presence in Portland for over 20 years. The strategy is to work with businesses to identify where there are options for their employees related to professional development. There were over 80 degrees granted in Portland last year. Courses are also being delivered with OHSU in the clinical lab science paramedic education program and conversations are under way about allied health programs in Portland in partnership with the community colleges.

Director Sohn observed that OIT has a very impressive set of programs and “a really big concentration in the portfolio that meets real needs.” He asked how OIT could maintain faculty when individuals could be earning considerably more practicing in the field as opposed to teaching. Provost Woodall confirmed that, especially in the Portland metro area, a number of excellent adjunct professors are used. Full-time faculty are greatly underpaid and it is extremely
difficult to attract them. “Typically, the people we attract are the ones who have a burning desire to teach and to be engaged in education. We are not competitive with professional salaries. Our graduates in medical imaging go out making $50,000 or $70,000 and we don’t pay our faculty that. It is a problem for all of the University System, but for technologically-focused degrees, it’s especially a problem and we struggle with it,” Provost Woodall pointed out.

Director Blair made several points regarding the portfolio process and how the OIT presentation presents a sharp focus around its strategy. One area that was not clear to him, however, was the enrollment trends and where those are headed. Provost Woodall pointed out that, for OIT, a lot depends upon the major. For example, in terms of allied health, OIT could have 500 more students if there were no constraints around the availability of laboratories, faculty, and equipment. “When we occupy the Center for Health Professions next fall, we will begin to accept more and more of those students. On the other hand, there has been a downturn in the computing and information technology areas, but I expect they will recover and we’ll see growing enrollments,” he added. “We are adding to and broadening our portfolio of degrees in selected areas and so we expect to see growth. But inevitably, we’re subject to market forces related to our educational programs.”

Continuing the discussion, Director Blair offered that, “One of the things that we can do is a process improvement here, looking at the institution from the standpoint of major groupings of disciplines and looking at whether our strategy is working in terms of where are the enrollment trends, where are the degree production statistics, and I think if we did that we would see for OIT that their strategy around health professions is clearly working. Then, as we prepare our budget, we should be investing in that. Your strategies around engineering disciplines is working and we’re on the right track and then in the computing area we have some larger scale trends and we’ve got to decide how to respond to that, whether that means waiting it out or educating people that there are good careers here or saying we’re going to have to downsize this particular piece of the production equation because we need to put the resources over here in allied health and the demands out there.”

Chancellor Pernsteiner offered that the preponderance of OIT students, or at least the largest single group, comes from Klamath and Lake Counties. “They are basically local students. I don’t know what their persistence characteristics are versus other students, but as you look at their success and the potential articulation of their college and university careers to somewhere else if they don’t want to be at OIT, I would appreciate a look at that. As we think as a group about how to serve every region of the state, we need to understand a little better about how well we’re doing it now for the interests and needs of the particular populations we’re already serving.”

b. PreK-20 Unified Budget and Financial Analysis

**DOCKET ITEM:**

For information pertaining to this agenda item, please see: [http://www.ous.edu/state_board/meeting/dockets/ddoc070406-PK20-ppt.pdf](http://www.ous.edu/state_board/meeting/dockets/ddoc070406-PK20-ppt.pdf) and
Chair Lorenzen introduced James Sager, Governor’s senior policy analyst, and Nancy Heiligman, OSU budget director, who have been working on the PK-20 Unified Budget. Mr. Sager underscored that the Governor was deeply committed to restoring the budget for postsecondary education, including the money for capital construction. The Governor often refers to the "bifurcated view of education," where the sectors are pitted against each other for very limited resources. "For the past four years, we have been trying to figure out a way to present the education budget, the philosophy and the policies that drive the budget process, so that the legislature has the big picture idea rather than this bifurcated view," Mr. Sager explained. He offered the view that the co-chairs budget is a reflection of the disconnect in the legislature about how education in Oregon should work. "With the help of Nancy Heiligman and the folks that she has working with her, we’ve been trying to pull together the data so that for the first time we can have consistent data across the sectors. Then, when we go to the legislature, we can document where and how dollars are spent to meet these different policy goals and expand the way the legislature views the budget. What we envision is that we would make a presentation at the beginning of the legislative session, the joint Ways and Means Committee and anyone else from the legislature would hear a presentation on the entire education enterprise. They need to look beyond a two-year window; they have to look at four and six year windows because we need to put some foundations in place today that will build for the next biennia," Mr. Sager noted.

Ms. Heiligman acknowledged the work of John Taponia, primary contractor on the project from EcoNorthwest, Brian Meara from the Controller's Division, and the Gates Foundation for funding to support the work. The project is attempting to develop comparable budget data and analytical tools across the education continuum to support policy decision-making. Oregon has set very high goals for education for dramatic increases in educational attainment. "It is clear the bifurcated system is not working well and the purpose is to change the nature of the policy debate in Salem," Ms. Heiligman noted. Different assumptions are used across agencies regarding areas like inflation, enrollment growth, compensation increases, and revenues available. Additionally, not all of the revenues and expenses that go to education are included in the state budget. Each agency calculates its costs and spending per-student in a different way so there is no way to make comparisons. Transparency is also extremely important and budgets need to be presented in clear, comparable, and consistent formats across the enterprise and should be performance-based, linking outcomes to investment decisions.

The first budget tool that is being used is a database with comparable data across the continuum. "We have five years of data collected—1999-2000 through 2004-2005, including student enrollment and demographics, and performance measures and indicators. We’ve calculated spending per-student across the continuum for various groups of students," Ms. Heiligman explained. "The Higher Education Board has done a lot of work over the last couple of years in forecasting far into the future and looking at different assumptions and demographics for this sector. But there is nothing comparable that’s going on for the entire
enterprise. In addition to creating analytical tools and data, we have also proposed some process changes. The first is to introduce unified budgeting at the beginning of the process and Mr. Sager mentioned the progress that was made during this current biennium on integrating the policy package requests. We’re talking about even going further in beginning budget development with a unified look at the system. We've recognized the need to standardize the disparate budgeting methods across the system."

Process changes for the legislature have also been proposed. First, unified presentations with all the players to both policy committees and the Joint Ways and Means Committee at the beginning of the legislative session have been proposed. The purpose of such presentations would be to set the context so that all of the legislators who play a role in education decisions would have the same overview of the education system. In addition, the budgeting methods used across the continuum have been examined and plotted to show how complex and different they are. Ms. Heiligman indicated that the K-12 budget development process is the most transparent and open. A revenue forecast committee, made up of representatives from the Governor's office, legislators, education agencies, the Department of Administrative Services, and Legislative Fiscal Office have met several times to review revenues and expenses and forecast demographics. "They predict student enrollment and agree on a set of assumptions and develop the base budget for K-12 from that. The college support fund is just one line in the budget and, rather than looking at costs and revenues available, that fund is developed by applying an inflation factor that is about 1 percent less than the CPI (Consumer Product Index). It is just a flat, across-the-board increase in the college support fund with no regard as to whether or not there are salary or benefit increases. OHSU is a simple grant—one line in the budget," it was explained.

"Looking at the proposed new budgeting method, the suggestion is that the administrative portion of the state agencies continue to have state line item budgeting, but that the state education fund be developed. So, instead of the state school fund, you would have a large state education fund. It would still be partitioned with separate appropriations, but there would be an education committee, much like the state revenue forecast committee, that would work to develop this base budget. We also looked at the budget requests and how they are approved. Currently, there are three education boards and two commissions that approve the budgets. We’re suggesting that the Joint Boards of Education do the final approval of the budget. They would look at education goals, review the outcomes, system performance, look for investment opportunities across the system, and do the final budget approval."

Ms. Heiligman referred the Board to a table that showed "subtotal instruction related expenses for 2004-05 that was about $5.9 billion. Those are the numbers that you'll see that we've used to calculate per student expenditures so any presentations you see will tie back to that number. We have excluded research, public service, auxiliary services, the hospital for OHSU, and scholarships and loans that could result in double counting. What we have tried to do in a comparable way is to isolate the instruction related expenses," she said.

Director Blair expressed great interest in the project and asked for clarification on how the budget process would evolve. Ms. Heiligman explained that the essential base budget, across
the educational system, would be done in a comparable way. "We would expand the K-12 process, which is a revenue forecast committee, and forecast first what student enrollment would be, demographic trends, real and reasonable expenses based on various national benchmarks, available revenues, and, using these, build an education budget. There would be a university fund and a state school fund for K-12. At the same time, there would be a group across the agencies that would look at education goals, current performance and outcomes, and potential ways to leverage dollars at different points across the continuum."

Mr. Sager explained that at the present time "we have this forecast committee where we look at both local revenue projections and what the state then should contribute based on the role of K-12. For community colleges, we simply look at the community colleges and say, well, we gave you this much last biennium, you get a 2.1 percent increase, here’s your number, no matter what changes there have been. The University System is kind of a hit and miss of that—some things are kind of assumed—and for others we have data. So what we’re trying to say is let’s treat the entire system the same, so that, when we talk about costs, we’re talking about what it takes to continue the current service and then be able to look at the data and say, if in fact we want to get 40 percent of Oregonians to a four-year degree or certificates, what is it going to take at each sector to move us in that direction? From our perspective, the problem is the legislature has a hundred different projects and programs out there that have wonderful performance measures but they’re all disconnected. Instead of having a set of goals for the state that the legislature can look at to say: ‘education continuum: what are you doing to move the state towards that set of goals?’ and then having the system designed so in fact they are working together, each sector doing its part to move towards that higher level goal, rather than potentially saying we’re going to concentrate on dropout rate or retention rate this time and two years later you get slapped down because your test scores went down."

President Ray acknowledged the outstanding work that Nancy Heiligman had done to-date on the project.

c. SOU, Reduction Implementation

DOCKET ITEM:

Regional University Support: Southern Oregon University Goals

SOU needs to invest strategically in student success and access. The university has developed initiatives to increase student retention, promote enrollment growth, and increase access through online courses and programs. These initiatives, crucial to SOU’s sustainability and continuing contributions to the economic success of the region, are imperiled without necessary funding.
Goal 1: Increase retention of SOU freshman class

By developing an integrated electronic approach, coupled with effective personnel in a reorganized “one stop” student support center, SOU will better support student success and create a competitive advantage.

University students confront a myriad of planning challenges: class scheduling, four-year academic plan creation, career planning, financial budgeting, and time management. A suite of software, as well as supportive advisers and other personnel, can assist students in all these tasks. Implementation of software, processes, and advising leading to short- and long-range planning will enable students to electronically document class requirements and options over the years needed to complete their education.

Goal 2: Increase size of SOU freshman class

To bring back student enrollment lost since 1999, SOU needs to recruit effectively, building a strong freshman class every year for the next decade.

To attract both traditional and non-traditional students, SOU must implement a powerful recruiting/marketing plan already developed. The plan includes: (1) revamping recruitment and marketing materials; (2) redesigning prospective student yield events; (3) introducing a more student-focused and student-friendly SOU web presence; (4) rethinking new student orientation; (5) developing powerful marketing materials to be placed in appropriate media; and (6) creating a pre-enrollment summer program that will help ensure student success.

Goal 3: Increase access to SOU through high quality online programs and courses

To fulfill its mission as a regional university, SOU must develop a suite of online classes and entire academic programs for working students and for individuals throughout the region.

SOU increasingly serves non-traditional students who work and commute to campus. To improve access and attract new students, SOU must carefully develop online courses and programs that achieve the quality of face-to-face class experiences. Increasing online options requires supporting course development, training faculty to teach such programs, and providing appropriate technological support. These efforts need to be coordinated and supported effectively to maintain program quality and innovation over the long term.

BOARD DISCUSSION:
President Cullinan reminded the Board that SOU presented the final Reduction Implementation Plan to the campus on March 12. They have put together a three-year plan that meets its $4 million shortfall. In thinking about how to achieve savings over three years, the following were included: retirements, so that people who were going to retire in the next couple of years would not be replaced; and moving tenure-track faculty into teaching the University Seminar, required of all freshmen, rather than adjuncts or non-tenured faculty.
The process has resulted in budgets being permanently cut from departments, reducing 22 departments, and moving money and faculty out of those departments into the University Seminar. In a couple of cases, coaches have been taken off the General Fund and moved into athletics; professional faculty and non-tenure-track people have been laid off: 1.5 tenure-track people (1.0 in computer science and .5 in the library). "While that was extremely hard for us to do, it was much less severe than what we originally envisioned, given our shortfall," President Cullinan offered.

The only major that is being eliminated altogether is German. The number of departments are being reduced to 14 from 24; three schools will be reduced to one school of arts and sciences with one dean; thus, leaving three deans altogether. A number of those programs that were being considered for elimination will now be gathered in interdisciplinary clusters. Geology, geography, and environmental science will be put together with a common core and the students who are more interested in the science piece will get their geology-focus, students who are more interested in the environmental issues can go that road, and those more interested in policy-culture kinds of issues can go that road.

The areas of art, communication, and computer science have been put together to create a very attractive core that is growing and this has created a dynamic program. The president indicated that on the academic side, there are a lot of ongoing discussions. “We are building the College of Arts and Sciences and we have work groups from all the departments working together to create new organizational structures. There is a blue ribbon task force that has been put together under the leadership of Provost Potter to look at the budget processes. We’re looking at our technology planning. We have a workgroup together to see if we can augment and maintain our honors program with minimal resources. We have a sustainability council that the students asked for that is looking at our role in sustainability in the region. We’re going to undergo a major strategic planning process that I will talk with you more about when I talk with you in May,” President Cullinan summarized.

In addition, the Medford project is going forward. A major focus is on recruitment and retention to build the stream of tuition income. “I’m hopeful that we’re going to have a very exciting future. I do ask for your support for the regional funding because that is crucial for us,” she concluded.

Chair Lorenzen thanked President Cullinan and added that she had stepped into a very difficult situation and has done yeoman’s duty to set SOU on a rebuilding path.

Director Blair asked about the amount of funding for SOU that had been planned from the Chancellor’s Office. Vice Chancellor Kenton indicated that the amount would be $1.35 million of System support as a transition to carry the costs required of layoffs and other costs associated with downsizing.

Chancellor Pernsteiner added that the fund balance at SOU has been drawn down to approximately 3 percent, so there is no cushion for transition funding. “Because of the nature of the employee contracts that we have and the notice provisions contained in those, it was not
feasible to be able to shed the costs any sooner than would be allowed under those contracts.” Continuing, Director Blair asked if the Chancellor was confident at this stage that, having executed this, the problem has been solved. Responding, Chancellor Pernsteiner advised that, based on the situation SOU has laid out—current enrollment and current student mix—he thought it was a reasonable and realistic plan.

Director Francesconi added that he hoped the regional part of the Governor’s budget wouldn’t be cut. He questioned why, given the attractiveness of Ashland, students weren’t being attracted from nearby states; President Cullinan responded that there were several variables interacting. First, the number of college-ready students in southern Oregon has been declining. Just as the school districts are declining in enrollment, the community college and the University have declined as well. Additionally, over the last decade, SOU has not been as pro-active in marketing and in becoming competitive. She observed that there had not been a good strategy for recruiting in Portland, California, or Washington. “We did not have all our processes in place to be as aggressive as we should have been. We have a new vice president for student affairs who is going to turn things around. We’re hiring a director of enrollment management, having collapsed a number of positions in this whole reorganization process. We’re getting much better data. One thing we definitely need is funding for marketing. That is one way I would like to use some regional money. At this point, I don’t feel I can remove any money for marketing from the other budgets that have been cut to the bone. But we do have a marketing strategy. We’ve made wonderful changes in our website, wonderful changes in our marketing materials, but that’s all happened in the last six months to a year. So it’s taking some time and, meanwhile, we’ve obviously have some bad news and parents are a little nervous about sending their children to Southern until they know we’re on an upward trend again. Success creates more success,” she concluded.

5. **DISCUSSION ITEM**

a. **OUS, 2007-2009 Biennial Budget Update**

Chancellor Pernsteiner indicated that the Board had heard from Mr. Bryant regarding most of the information on the budget update and that there is still half of the session to go (see [http://www.ous.edu/state_board/meeting/dockets/ddoc070406.pdf](http://www.ous.edu/state_board/meeting/dockets/ddoc070406.pdf) for the proposed schedule and budget).

6. **COMMITTEE REPORTS**

a. **Standing Committee Reports**

Director Dyess reminded the Board that her Committee was charged with implementation of the strategic plan or, at the least, making recommendations to the full Board. “Our deliverables are decision-ready recommendations to the Board regarding the focus, development, timing, and implementation of strategic priorities. We’ll also try to articulate our rationale for the options that weren’t chosen.” Director Dyess asked for the Board’s agreement on the first four priorities the Committee had selected:
1. Increasing college participation of Oregon high school graduates, with particular emphasis on the underserved population, whether it be Spanish speaking, first generation, low income, or rural.
2. Alternatives for efficiently and effectively governing OUS.
3. Higher education services in the Portland area and formulating a strategy for the future.
4. The OUS portfolio in the future years, given the input of the institutions, determine what the total portfolio should be to deliver on the goals within the strategic plan.

Director Francesconi added that retention is another issue that needs to be looked at on the academic side. The strategy around the Bend campus had also been raised as an important issue but President Ray suggested that it fits better as an element within the broader portfolio topic. Director Sohn indicated that it was important to include outreach in the overall planning. “The original mission of outreach was related to what we are experiencing in this legislative session. The idea was to try to figure out how we might build, over time, leadership, perhaps public support, for giving higher education more priority. I feel the need for that is dramatized by the circumstances we’re in. There were two aspects of outreach – one was public and leader education in support of better funding and the second was the kind of outreach that attracts more students into the System,” he explained. He concluded by saying he wasn’t ready to have it left off the Committee’s agenda.

Director Dyess raised the point that all Board members seem to be on both Committees and that it would be impossible to convene groups that large. She asked that she be removed from the Finance and Administration Committee and indicated that she and Director Blair would consult and determine some kind of compromise on size and membership of Committees.

The Unified Education Enterprise met recently and Director Miller-Jones reported that there had been productive discussions around the work on the K-12 diploma requirements and the emerging set of essential skills. The role of higher education is being addressed in these discussions so there is a complete integration of K-12, community college, and OUS. Director Schuette added that one of the most important questions to be answered is how to organize an integrated system so it can be sustained as an ongoing enterprise. “A lot of work has been done over the last three or four years. The question is how to sustain this work,” she added.

b. Other Board Committees

There were no further reports.
7. **PUBLIC INPUT**

Ms. Lenore Eliassen, Recruitment and Budget Coordinator for the Office of Admissions at WOU and president of the local SEIU, addressed the Board. “We are in the process of bargaining with the Board at this time for a new contract, along with DAS. We are looking at the economic issues, healthcare issues, basic living-wage issues. We want to be treated as partners and valued partners in this community session,” she told the Board. She encouraged the Board to support their critical issues. (A copy of Ms. Eliassen's full report is on file in the Board's Office.)

8. **BOARD COMMENTS**

There were no Board comments.

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

It was moved by Director Blair to approve the Delegation of Authority as presented in the docket materials. Those voting in favor: Directors Blair, Dyess, Francesconi, Lorenzen, Mendoza, Miller-Jones, von Schlegell, Schuette, Sohn, and Van Vliet. Those voting no or abstaining: none. Motion passed.

10. **ADJOURNMENT**

Following no further business, President Lorenzen adjourned the meeting at 2:30 p.m.