OREGON STATE BOARD OF HIGHER EDUCATION

Minutes of Meeting Held on May 25, 1979,
and Adjourned Board Meeting held on June 22, 1979

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May 25, 1979

STATE BOARD OF HIGHER EDUCATION
MINUTES OF REGULAR MEETING HELD IN
ROOM 2115 CHILD DEVELOPMENT & REHABILITATION
CENTER, UNIVERSITY OF OREGON HEALTH
SCIENCES CENTER, PORTLAND, OREGON

May 25, 1979

A regular meeting of the State Board of Higher Education was held in Room 2115
Child Development & Rehabilitation Center, University of Oregon Health Sciences
Center, Portland, Oregon.

ROLL CALL

The meeting was called to order at 8:30 A.M. (P.S.T.), May 25, 1979, by the
President of the Board, Mr. Louis B. Perry, and on roll call the following
answered present:

Mr. Lester E. Anderson
Mr. Robert C. Ingalls

Mr. Jonathan A. Ater
Mr. Gregory G. Moore

Mr. Alvin R. Battiste
Mr. William C. Thorp III

Mrs. Jane H. Carpenter
Mr. Loren L. Wyss

Mrs. Betty Feves
Mr. Louis B. Perry

Mr. Edward C. Harms, Jr.

OTHERS PRESENT

Centralized Activities--Chancellor R. E. Lieuallen; Secretary Wilma L. Foster;
J. I. Hunderup, Vice Chancellor for Facilities Planning; Miles C. Romney,
Vice Chancellor for Academic Affairs; E. Rex Krueger, Vice Chancellor for
Educational Systems; W. T. Lemman, Jr., Vice Chancellor for Personnel
Administration; Edward Branchfield, Assistant Attorney General; Ross Hall,
Controller; Richard S. Perry, Director, Division of Management and Plan-
ing Services; Keith Jackson, Assistant Budget Director; Diane Marsh,
Assistant Director, Public Services and Publications; Melinda Grier, Compliance
Officer; Francetta Carroll, Administrative Assistant; Karen McCumsey,
Secretary to Chancellor.

Oregon State University--President R. W. MacVicar; Clifford Smith, Vice
President for Administration; Robert Chick, Vice President for Student
Services; Sandra Suttie, Assistant to the President/Curriculum Coordinator;
M. Edward Bryan, Director, Student Housing.

University of Oregon--President William B. Boyd; Ralph Sunderland, Budget
Director.

University of Oregon Health Sciences Center--President Leonard Laster;
M. R. Paretius, Acting Vice President for Administration and Finance;
Richard Jones, Special Consultant to the President; Mary Anne Lockwood,
Acting Executive Assistant to the President; Ralph Tuomi, Director, Facili-
ties Management; Robert Quinton-Cox, Associate Professor of Anatomy,
Director, Tissue Lab.

Portland State University--President Joseph Blumel; James Todd, Vice
President of Finance and Administration; Leon Richelle, Vice President of
Academic Affairs; Kenneth Harris, Budget Director; W. C. Neland, Director,
Physical Plant; Robert A. Nicholas, Dean, Continuing Education.

Oregon College of Education--President Gerald Leinwand; James Beaird,
Provost.

Eastern Oregon State College--David Gilbert, Dean, Academic Affairs; J. C.
Lundy, Business Manager.

Southern Oregon State College--D. E. Lewis, Dean of Administration; Ernest E.
Ettlich, Dean of Academic Affairs; Mary Christlieb, Dean of Students.
The Chancellor stated that the Washington Legislature had passed a measure to facilitate a tuition reciprocity arrangement between Washington and Oregon on a limited scale. The reciprocity would involve community colleges on the border between Oregon and Washington and upper-division students in the Vancouver area who would like to attend Portland State University. During early discussions, it became evident that it would be quite difficult to implement simultaneous reciprocal arrangements. Other ways to further reciprocity were sought which would not necessarily involve simultaneous agreements. In the investigation, it was determined that during the current year 28 upper-division students from the five-county area surrounding Vancouver, Washington, were enrolled at Portland State University and paying the nonresident tuition rate. It was agreed that in order to further reciprocity, the Chancellor should seek authorization from the Board to develop a plan whereby the upper-division students in the five-county area surrounding Vancouver be authorized to enroll at Portland State University at resident tuition rates. The plan would be in effect on an experimental basis during the 1979-1981 biennium. The possible tuition loss of $55,000 would be within the range of estimating error in the tuition income estimates and might be offset by additional students from the region who enrolled at resident rates. It would be assumed also that during the interim two-year period, the appropriate legislators and officials in Washington and Oregon would discuss ways that would permit the two states to engage in full tuition reciprocity for all students at all levels of instruction. The Chancellor said there appears to be favorable sentiment in both Washington and Oregon for the development of this type of arrangement.

The Chancellor recommended that the Board authorize the Board’s Office to take the necessary steps to permit upper-division students from the Vancouver area to enroll at Portland State University on a two-year experimental basis at resident tuition rates.

The Board approved the Chancellor’s recommendation as presented, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Feves, Harms, Ingalls, Moore, Thorp, Wyss and Perry. Those voting no: None.

(Considered by Committee on Instruction, Research, and Public Service Programs, April 27, 1979; present--Carpenter, Feves, Anderson, Harms, Thorp, and Wyss.)

Staff Recommendation to the Committee

The University of Oregon requests authorization to discontinue its Institute for Land Use Research. The Board’s Office recommended that the University of Oregon be authorized to discontinue the Institute.

Discussion and Recommendation by the Committee

The Committee recommended that the Board approve the staff recommendation as presented.

Board Discussion and Action

The Board approved the Committee recommendation as presented, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Feves, Harms, Ingalls, Moore, Thorp, Wyss, and Perry. Those voting no: None.
The Institute was established in 1975 at the urging of a number of faculty, department heads, and deans to promote understanding of the interdisciplinary nature of land use research through the study of ecosystems which include man. Despite several small ($3,000) grants from the University as seed money and an active and well-received program of seminars involving faculty and students, outside support for the activities of the Institute has not been forthcoming.

In view of the fact that the Institute is not funded, and in accordance with policies of the Board adopted March 25, 1977, the University of Oregon recommends that it be discontinued.

**Staff Recommendation to the Board**

It was recommended that the Board ratify the action of the Executive Committee in authorizing an allocation of approximately $55,000 from the Board’s reserve for physical plant rehabilitation and minor capital outlay to cover the estimated expenditure requirements for the replacement of hot water pipe on the sixth floor of the Basic Science Classroom and Laboratory Building at the University of Oregon Health Sciences Center.

**Board Discussion and Action**

The Board approved the staff recommendation as presented, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Feves, Harms, Ingalls, Moore, Thorp, Wyss, and Perry. Those voting no: None.

**Staff Report to the Board**

On April 16, 1979, the Chancellor advised members of the Executive Committee and other members of the Board that officials of the University of Oregon Health Sciences Center reported that the hot water distribution system serving the Microbiology and Immunology laboratories on the sixth floor of the Basic Science Classroom and Laboratory Building was blocked completely because of extensive corrosion of the galvanized pipe installed when the building was constructed. It was noted that previous efforts to relieve the seriousness of the problem by replacing the steam control valves on the water heaters and by reducing the steam pressure were effective only for a brief period and that other measures were required to respond to the emergency situation within this heavily-used instructional area.

Based upon the advice of consulting engineers, it was indicated that the present system should be replaced with copper piping. For the work within the area of the sixth floor, and the vertical risers, it was estimated that the costs of materials and labor would approximate $55,000. Inasmuch as this amount exceeded the limitation of $25,000 which the Chancellor could make from the Board’s reserve for physical plant rehabilitation and minor capital outlay for any individual project pursuant to the provisions of Internal Management Directive 7.145, action by the Executive Committee was requested and obtained. This action needs to be ratified by the Board.

Following the receipt of bids, it is expected that a contract award will be made for this maintenance project.

(Considered by Committee on Finance, Administration, and Physical Plant, April 27, 1979; present--Ingalls, Ater, Moore, and Perry.)

**Staff Recommendation to the Committee**

It was recommended that, pursuant to law, the Department of Revenue be notified that the reserve base of the Forest Research and Experiment account has, as of February 16, 1979, a negative balance of $1,164,283.
Discussion and Recommendation by the Committee

The Committee recommended that the Board approve the staff recommendation as presented.

Board Discussion and Action

The Board approved the Committee recommendation as presented, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Feves, Harms, Ingalls, Moore, Thorp, Wyss, and Perry. Those voting no: None.

Staff Report to the Committee

The Forest Research Laboratory at Oregon State University receives financial support from a Forest Products Harvest Tax. In accord with ORS 321.037, the State Board of Higher Education makes a determination as of February 16 of each year, of the unexpended balance of funds in the "Forest Research and Experiment Account", and the amount planned for expenditure in the remainder of the current fiscal year and the following fiscal year. If the projected balance at the end of that time does not exceed $400,000, the tax during the following fiscal year is to continue at the maximum statutory rate. If the estimated balance should exceed $400,000, then there is a 50% reduction in the rate.

An examination of the condition of the Forest Research Laboratory account as of February 16, 1979, and projected expenditures to June 30, 1980, using the formula prescribed by statute, shows the following:

| Actual unexpended balance as of February 16, 1979 | $ 108,863 |
| Less budgeted expenditures: | |
| February 16 to June 30, 1979 | $ 241,198 |
| July 1, 1979, to June 30, 1980 | 1,031,918 |
| Balance as of February 16, 1979 (negative) | (1,273,116) |

The negative balance results from the calculation of budgeted expenditure of funds for the period following February 16, 1979, without anticipating income during that budget period. This is the insurance principle recognized in ORS 321.035. During the period February 16, 1979, through June 30, 1980, income is projected to be $1,294,575. When the $1,164,253 negative balance is deducted, there would remain a balance estimated at $130,322 in the Forest Research and Experiment Account at June 30, 1980.

Following action by the Board of Higher Education the information is to be transmitted to the State Department of Revenue.

Exchange of Land With Benton County, OSU

(Considered by Committee on Finance, Administration, and Physical Plant, April 27, 1979; present--Ingalls, Ater, Batiste, Moore, and Perry.)

Staff Recommendation to the Committee

It was recommended that the President and Secretary of the Board be authorized to execute a deed to Benton County for a parcel of land containing approximately 0.64 acres, which is part of the Agricultural Experiment Station's Hyslop Farm adjacent to Granger Road near Highway 20, in exchange for title to approximately 0.67 acres of land extending from Granger Road to the nearby Schmidt Farm of the Agricultural Experiment Station.

Discussion and Recommendation by the Committee

The Committee recommended that the Board approve the staff recommendation as presented.
Board Discussion and Action

The Board approved the Committee recommendation as presented, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Feves, Harms, Ingalls, Moore, Thorp, Wyss, and Perry. Those voting no: None.

Staff Report to the Committee

For the purpose of developing an improved intersection of Granger Road and U.S. Highway 20, Benton County has requested title to a small portion of the real property owned by the Board and used by the Hyslop Farm of the Agricultural Experiment Station. The strip needed measures 10 feet wide and about 2,777.81 feet long, containing approximately 0.64 acres. According to an appraisal obtained by Benton County in January 1979, it has a value of $855. In exchange, the County would convey title to the Board for a strip of land 20 feet wide and approximately 1,462 feet long, containing approximately 0.67 acres, which was appraised for the County at $900 in January 1979.

In addition to providing the Board with a more valuable parcel of land, the exchange would result in providing the Board a direct access to the Schmidt Farm from Granger Road, at a short distance from the Hyslop Farm. This property, also used by the Agricultural Experiment Station, is now land-locked except through an easement from the Southern Pacific Railroad Company for access from Highway 20 over the railroad's right-of-way. The proposed new access from Granger Road would have to be developed with an all-weather surface to enable regular access to the Schmidt Farm before the easement is terminated.

This exchange of real property with Benton County is supported by Oregon State University officials.

Staff Recommendation to the Committee

Although relief from the requirement may eventually be given, it was recommended that the Board of Higher Education adopt the following resolution:

Resolution

At a meeting of the Oregon State Board of Higher Education on the 25th day of May, 1979, with a quorum present, it was voted:

That, those persons occupying the following positions for Oregon State University, shall be known as the Managerial Group as described in the Industrial Security Manual for Safeguarding Classified Information:

- President
- Vice President for Research and Graduate Instruction
- Vice President for Administration
- Director of Business Affairs
- Chairman, Research Council
- Dean of Faculty
- Security Officer

That the chief executive and the members of the Managerial Group have been processed or will be processed for a personnel clearance for access to classified information, to the level of the facility clearance granted to this institution as provided for in the aforementioned Industrial Security Manual.
That the said Managerial Group is hereby delegated all of the Board's duties and responsibilities pertaining to the protection of classified information under classified contracts of the Department of Defense or User Agencies of Its Industrial Security Program awarded to Oregon State University.

That the following named officers and members of the Oregon State Board of Higher Education shall not require, shall not have, and can be effectively excluded from access to all classified information in the possession of Oregon State University and do not occupy positions that would enable them to affect adversely the policies and practices of Oregon State University in the performance of classified contracts for the Department of Defense or User Agencies for Its Industrial Security Program awarded to Oregon State University.

### Officers and Board Members

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<td>Edward C. Harms, Jr.</td>
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<td>Loren L. Wyss</td>
<td>Member Executive Committee</td>
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<td>Lester E. Anderson</td>
<td>Board member</td>
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<td>Jonathan A. Ater</td>
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<td>William C. Thorp III</td>
<td>Board member</td>
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<td>R. E. Lieuallen</td>
<td>Chancellor</td>
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<td>Wilma L. Foster</td>
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Discussion and Recommendation by the Committee

The Committee recommended that the Board approve the staff recommendation as presented.

Board Discussion and Action

The Board approved the Committee recommendation as presented, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Feves, Harms, Ingalls, Moore, Thorp, Wyss, and Perry. Those voting no: None.

Schematic Design Phase of Planning for Library Building, OIT

Staff Recommendation to the Committee

It was recommended that the schematic design phase of planning for the proposed Library Building at Oregon Institute of Technology, prepared with the assistance of The Amundson Associates, P.C., Architects and Planners, be accepted and that the appropriate Board officials be authorized to proceed with subsequent phases of planning when legislative approval for the project is obtained. The Library Building is estimated to cost $4,405,000 and has been assigned Priority No. 4 in the listing of educational and general plant projects for 1979-1981.

Discussion and Recommendation by the Committee

Libraries traditionally have doubled acquisitions approximately every 10 years, Mr. Perry said, and he inquired about provision in the plans for adding more library space in the future.
Mr. Hunderup said there were several alternatives. Space designated for faculty offices or for the media or learning centers could be converted to library use. A more likely alternative would be use of a centralized storage facility within the State System for little-used library materials. The main libraries on each campus would then contain only those things basic to the needs of that institution. Microfilming would be considered as a means of reducing the quantities of material in the library before additional square feet would be added. In this particular project, the structural capacity to expand vertically is not included in the plan. There is space to expand horizontally.

Mr. Batiste referred to an apparent change in emphasis with respect to the activities to be housed in the library structure and inquired concerning the project cost if the project were to be restricted primarily to library space. Mr. Hunderup explained that the original master plan for Oregon Institute of Technology had envisioned a tower structure for library facilities. It was acknowledged some years ago in the reexamination of the master plan that a high-rise library structure would not be workable from the standpoint of the staffing plan. The present proposal is consistent with the current master plan for location of the library. There has been no change in the program and the functions incorporated in the design and the design is consistent with the program and with the budgets presented for it.

Mr. Moore questioned whether the seating capacity of 300 was sufficient for 2,000 students during peak times such as final week, and also whether this represented the generally-accepted ratio. Mr. Hunderup responded that 15% of the FTE enrollment is a reasonable ratio for seating capacity, particularly in this instance where much of the course work is done in instructional shops.

The Committee recommended that the Board approve the staff recommendation as presented.

Board Discussion and Action

The Board approved the Committee recommendation as presented, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Feves, Harms, Ingalls, Moore, Thorp, Wyss, and Perry. Those voting no: None.

Staff Report to the Committee

As reported to the Board on November 17, 1978, arrangements were made for the professional services of The Amundson Associates, P.C., Architects and Planners, Springfield, to assist in the design and contract administration of the proposed new Library Building at Oregon Institute of Technology. According to the comprehensive program which had been prepared for this project by institutional officials, and reviewed and approved by the Board's staff, the facilities are expected to accommodate not only the library collections and reader stations but also the campus learning center, media services and a number of faculty offices.

Consistent with the up-dated master plan now in progress, the Library Building would be located near the center of the campus, north of Owens Hall (the major classroom building) and west of the Physical Education Building. It would be relatively close to Semon Hall (the principal laboratory units) and Cornett Hall (the instructional shops building). Architecturally, it would be oriented toward and complementary to the design of the Student Union Building now being enlarged through the construction of the major addition authorized as part of the Board's capital construction program for the current biennium.

The Library would be a two-story structure, plus a small mezzanine and a partial basement, and would contain approximately 50,596 square feet. Of this total area, approximately 37,864 square feet, or almost 75%, would be net assignable space. The lower level and the mezzanine would be devoted
primarily to library functions, but would also include a rather spacious lobby and other service areas for all building users. The learning center, the media services department and the faculty offices would occupy the upper level. Mechanical equipment would be installed within the partial basement.

Tentatively, it is projected that the stack areas would be adequate to accommodate about 117,000 volumes, and there would be space for reader stations for about 300 students and several faculty members, plus the areas required for library administration and service. A variety of reading and study environments would be provided to suit the type of activity being undertaken: browsing, reading for relaxation, study or research. A peripheral study area adjacent to the book stacks would enable patrons to read and study near their reference materials. Sun control would be achieved through a combination of reflective glass and vegetation along the outer edge of the building. A multi-level reading lounge, centrally located, would create a special area for intensive studying and reading. Security would be achieved by providing a single check-out counter through which patrons would pass before leaving the library areas and entering the lobby. Other exits required for fire safety would be equipped with security alarm systems.

The learning center, which would be located at the center of the upper level, would contain approximately 48 individual carrels for student use on a random time schedule, plus room for 60 to 80 additional students in small group situations. The design contemplates that only one staff member would be required to check out equipment and observe the various testing, tutoring and study areas. Special acoustical treatment in the form of brightly-colored wall hangings is envisioned throughout the learning center to reduce the noise level of audio visual activities in the area.

Within the east portion of the upper level, it is expected that the media services department would be accommodated. This unit has special mechanical, electrical and acoustical requirements for its functions, including the production of instructional materials (video tapes, slides, audio tapes, transparencies, graphic arts, etc.) and the servicing, storage and distribution of audio visual equipment for the institution. At this location, it would be adjacent to the elevator and the loading dock which would be serviced from the higher grade level on the north side of the building.

The faculty offices at the south end of the upper floor are designed so that the entire area can be secured at times, such as during weekends and evenings, when the library and learning center would be open but other activities would be closed. Although several different arrangements and office sizes could work within the proposed structural module, the schematic design anticipates that there would be 18 spaces in group offices, two single offices, and four administrative faculty offices, all with a view either to the east or west. Reception, lounge and service areas would be provided in adjacent areas.

The architects and their consultants have indicated that the structure of the Library Building would be cast-in-place concrete pan slab with a load bearing capacity of 125 pounds per square foot. The structure would be exposed in many areas of the library and in larger spaces of the other activities. Exterior walls would be brick veneer with fenestration of double-glazed bronze glass in aluminum frames. The walls and roof would be insulated to meet contemporary standards for energy conservation. Interior finishes would be gypsum board walls with vinyl wall coverings; wood parquet, brick pavers and carpet flooring in selected areas; acoustical tile and wood grid ceilings. Basic fixed equipment and cabinetry would be natural wood or plastic laminate faced material, depending upon use requirements.
Utility services for the Library Building are expected to be provided through connections to and extensions of present underground campus systems, including geothermal hot water heating. Additional cooling capacity for existing campus buildings and for the proposed new facility is part of the program requested for the Utility Improvements project for which separate authorization is being sought from the 1979 Legislature under Priority No. 5 in the listing of educational and general plant projects and Priority No. 3 in the listing of auxiliary enterprises.

As noted, the estimated total cost of the Library Building is $4,405,000, including direct construction costs of approximately $3,565,833. By excluding outside utility service connections, landscaping and other site development costs, a unit cost of about $68.27 per square foot would be applicable to the building and fixed equipment. It is assumed that one-half of the total expenditure requirements would be financed from a General Fund appropriation and that the remainder would be provided from proceeds from the sale of bonds under the provisions of Article XI-G of the Oregon Constitution.

RECAPITULATION UPON COMPLETION OF SCHEMATIC DESIGN PHASE OF PLANNING

Project - OIT Library Building

Architects - The Amundson Associates, P.C., Springfield

Board’s priority - No. 4 in 1979-1981 (Educational and General Plant)

Estimated total project cost - $4,405,000

Estimated gross area - 50,596 square feet

Estimated direct construction costs:
- Total, including outside utilities, landscaping and other site development costs - $3,565,833
- Building and fixed equipment only - $3,454,103
- Average (per square foot) - $68.27

Tentative schedule:
- Bidding - February 1980
- Completion - December 1981

Tentative financing plan:
- General Fund appropriation - $2,202,500
- Article XI-G bond borrowings - $2,202,500
- Total - $4,405,000

Staff Recommendation to the Board

It was recommended that the appropriate Board officials be authorized to approve revised drawings and specifications for the proposed first phase of the Professional Schools Building at Portland State University, solicit new bids and award construction contracts within the expenditure limitation of $3,680,000 previously approved by the Board, the 1977 Legislature and the State Emergency Board. The size of the unit to accommodate the School of Education will be somewhat smaller than that described to the Board on April 28, 1978, when the schematic design phase of planning was approved, and on November 17, 1978, when a report was made of the acceptance of the design development phase of planning. The revisions appear to be necessary in order to bring the direct construction costs of the project down substantially below the figures quoted by contractors when bids for the work were received on May 8, 1979.

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Meeting #456

Board Discussion and Action

President Blumel said the impact of the revision was a deferral of the original objective of having all of the programs and staff of the School of Education located in a single facility. This objective would not be achieved until Phase II was completed. The revised proposal would retain the special facilities for education, but some of the faculty and staff would be located in other areas. The long-term impact would be a reduction in the general space available in Phase II which had been planned to house some research activities presently located in rented space.

President Blumel indicated that a number of alternatives had been discussed but it had been concluded that it would be preferable to have less space temporarily for the School of Education than to reduce the project in ways which would impair the quality of the facilities.

Mr. Batiste suggested that the original proposal should be restored because the revisions would have a severe impact on the program. President Blumel said the only alternative would be to seek an increase in the authorization from the Legislature and that achieving this did not seem like a very likely prospect at this time.

Mr. Wyss asked whether the reduction in space would be taken from education and that business would not be affected as much in the second stage. Mr. William Neland, Director of the Physical Plant at Portland State University, responded that Phase II had included a surplus which had been intended for research activities now in leased buildings. By diverting this space to faculty offices for the School of Education, the total programs of the two schools would be met in the two phases. The research programs, primarily in the School of Education, would not be available, at least until the third phase is completed.

There was discussion of the possibility of adding an additional floor in the future. It was indicated that the structural capacity would be available but it would not be feasible from a financial standpoint because of the excessive cost due to the difficulty of access to construct a relatively small area.

Mr. Batiste said it was his impression the Board might be deferring problems into the future when perhaps it should be addressing them, particularly in these inflationary times. He said the deferral was a political decision rather than one based on economics.

Mr. Ingalls said that assumption was accurate, but considering the problems facing the Board in the Legislature, it seemed a wiser decision. However, he said he would not be averse to making a request for the original program if that were the Board’s judgment.

The Chancellor said that the various alternatives had been considered and it had been concluded that it would not be wise to reopen the issue of an education building at this time.

Mr. Perry agreed that there were political overtones to the decision but there was still an opportunity to regain the losses caused by this adjustment and he would be inclined to approve the revision in the plans.

Mr. Neland said the present adjustment was one which could be accepted but it would be very important to protect the construction of Phase II as planned.

The Board approved the staff recommendation as presented, with the following voting in favor: Directors Anderson, Ater, Carpenter, Feves, Harms, Ingalls, Moore, Thorp, Wyss, and Perry. Those voting no: Director Batiste.
Staff Report to the Board

Following the completion of the working drawings and specifications, and upon the recommendation of officials of Portland State University for the acceptance thereof by the Board's staff, arrangements were made for the bidding of Phase I of the Professional Schools Building. Based upon their detailed pre-bid cost estimates, the project architects, Campbell Yost Grube Professional Corporation, indicated that it was probable that most of the deductive alternates would need to be exercised in order to stay within the direct construction cost allowance of $3,115,000.

The bids received at 8:00 P.M. on May 8, 1979, may be summarized as follows:

<table>
<thead>
<tr>
<th>Class of Work</th>
<th>No. of Bids</th>
<th>Basic Bids</th>
<th>Basic Bids Adjusted for All Deductive Alternates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>General Work</td>
<td>3</td>
<td>$2,867,000</td>
<td>$3,066,170</td>
</tr>
<tr>
<td>Mechanical Work</td>
<td>6</td>
<td>644,333</td>
<td>805,175</td>
</tr>
<tr>
<td>Electrical Work</td>
<td>4</td>
<td>372,484</td>
<td>425,000</td>
</tr>
<tr>
<td>Total of Low Bids</td>
<td></td>
<td>$3,883,817</td>
<td>$3,547,792</td>
</tr>
</tbody>
</table>

Even after deducting all bid alternates, the expenditure requirements for the project would exceed the budget resources by nearly $500,000. With the assistance of the architects, a comparison was made between their pre-bid estimates and the worksheet records of the lowest bidders. The most conspicuous differences occurred in prices for structural steel (117% over estimate), lathing, plastering, and light framing (76% over estimate), metal cladding (53% over estimate), and concrete (23% over estimate).

Although consideration was given to the possible negotiation of change order modifications to reduce the contract requirements by amounts necessary to stay within the project budget, this was not practical or advisable for several reasons. The scope of the changes would have to have been quite extensive and it was questionable that the bidders should be asked to concur in this procedure, particularly when it was indicated by the lowest bidder for the General Work contract that a substantial error had been made in the credit allowed by that bidder for one of the largest of the deductive alternates.

Institutional officials recommended that the bids be rejected and that the architects proceed to revise the construction documents to reduce the scope of the work necessary to stay within available resources. It is proposed that one floor level be deleted, thus revising the gross area of the building from 61,603 square feet to approximately 53,378 square feet. Substitute accommodations for the faculty offices originally planned on this floor would be provided across S.W. Broadway within a portion of Library East. Other modifications, including the substitution of different materials and finishes in selected areas, would be reflected in the revised bid documents.

Tentatively, it is expected that the changes in the working drawings and specifications can be accomplished by June 4, or shortly thereafter, so that new bids can be received later that month.

RECAPITULATION UPON REVISION OF CONSTRUCTION DOCUMENTS

Project - PSU Professional Schools Building Phase I (Education)

Architects - Campbell Yost Grube Professional Corporation, Portland
Board’s priority - No. 5 in 1977-1979 (Educational and General Plant)

Legislative authorization - Chapter 560, Oregon Laws 1977

Estimated total project costs $3,680,000

Estimated gross area - 53,378 square feet

Estimated direct construction costs:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$3,115,000</td>
</tr>
<tr>
<td>Total, less sitework, bridge and utility connections</td>
<td>3,020,630</td>
</tr>
<tr>
<td>Average (per square foot) - $56.59</td>
<td></td>
</tr>
</tbody>
</table>

Tentative schedule:

Bidding - June 1979
Completion - October 1980

Tentative financing plan:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund appropriation</td>
<td>$1,840,000</td>
</tr>
<tr>
<td>Article XI-G bond proceeds</td>
<td>1,840,000</td>
</tr>
<tr>
<td>Total</td>
<td>$3,680,000</td>
</tr>
</tbody>
</table>

(Considered by Committee on Finance, Administration, and Physical Plant, April 27, 1979; present--Ingalls, Ater, Batiste, Moore, and Perry.)

Staff Recommendation to the Committee

It was recommended that the Board adopt IMD 6.380 as the statement of Board policy relative to the maintenance of Service Department equipment replacement reserves.

IMD 6.380 Service Department Equipment Replacement Reserves

Reserves to provide for the replacement of equipment for Service Departments are required if the total value of this equipment used in a Department is $2,500 or greater. The reserve level needed is based upon the original cost of the equipment and its expected life (usually ten years). Fiscal year-end deficiencies in the reserve balance are recovered over the following ten years. Exceptions to this policy may be granted by the Office of Administration in unusual circumstances.

Discussion and Recommendation by the Committee

The Committee recommended that the Board approve the staff recommendation as presented.

Board Discussion and Action

The Board approved the Committee recommendation as presented, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Feves, Harms, Ingalls, Moore, Thorp, Wyss, and Perry. Those voting no: None.

Staff Report to the Committee

At its July 20, 1975, Board meeting, a policy was established requiring all Service Departments to include an equipment replacement element in billing to Service Department users.

Procedures have been established for the maintenance of the Service Department equipment replacement reserves. The proposed IMD 6.380 would provide a permanent and readily-accessible statement of the policy.
Adoption of IMD 6.350, Auxiliary Enterprise Building Repair and Equipment Replacement

(Considered by Committee on Finance, Administration, and Physical Plant, April 27, 1979; present--Ingalls, Ater, Batiste, Moore, and Perry.)

Staff Recommendation to the Committee

It was recommended that the Board modify policy relating to building repair and equipment replacement reserves and adopt IMD 6.350 as codification of the policy:

IMD 6.350 Auxiliary Enterprise Building Repair and Equipment Replacement

(1) Auxiliary enterprises establish and maintain reserves for the purpose of funding the cost of building repairs and the replacement of equipment. Such reserves are utilized for their stated purpose before the building fee portion of the XI-F(1) Debt Service Fund may become available either by permanent transfer or advance of the funds.

(2) The Building Repair Reserve is normally maintained at between the level of one percent and two percent of building replacement value for each category of auxiliary enterprise except parking, which maintains a one-tenth of one percent reserve. Exceptions to this policy may be granted by the Office of Administration, where age or condition of facilities warrant either a greater or smaller reserve balance. Deficiencies at fiscal year-end are recovered over the following five years.

(3) Equipment replacement reserve requirements are determined by the cost and life expectancy (usually ten years) of the equipment in each auxiliary enterprise category. At the end of the fiscal year any deficiency in this reserve is scheduled for recovery within the following ten years. No reserve is required when the total value of equipment used in the activity is less than $2,500.

(4) Exceptions to Sections (1) and (3) may be authorized by the Office of Administration where circumstances warrant.

Discussion and Recommendation by the Committee

Mr. Holmer explained that the proposed Internal Management Directive was an effort to codify policy adopted by the Board in 1975. He said it had been reviewed extensively and intensively with the institutions and he believed there was no current objection to the proposal that reserves be maintained. The reserve normally would be between 1% and 2% of the building value, but subject to modifications and exceptions that may be granted where age or condition of facilities warrant a greater or smaller reserve balance. There is a provision for building up the reserve over a five-year period which was not a part of Board policy.

In response to a question concerning the present adequacy of the reserves, it was indicated that many of the reserves, particularly for the residence halls, are at an appropriate level. In other auxiliary activities, most of the institutions have accumulated adequate reserves for the replacement of equipment but there are some which may not have adequate building maintenance and repair reserves at the present time.
Mr. Hunderup stated that the wording of IMD 6.350(2) was critical in establishing a level of from 1½ to 2% of building replacement values in a repair reserve for auxiliary enterprises other than parking. He said that several years ago a lease was executed with Portland Student Services, Inc., for the use of nine residential buildings at Portland State University. One of the features of that lease was the requirement that the corporation deposit with the State System an amount of money which would be used as a repair reserve for the replacement of roofs, elevators, outside foundation repairs, and other major kinds of things. Representatives of the corporation have expressed a concern and are seeking an opportunity for some relief and possible modification of the requirement, based upon their opinion that the 2% level is greater than the actual need as a repair reserve for those buildings. The phrasing in IMD 6.350(2) is designed to acknowledge the fact that with some residence halls on some campuses an adequate reserve can be accomplished with 1½ of the replacement value. However, it is essential to consider the age and condition of the facilities for each category of housing and other auxiliary enterprises to determine whether, in fact, a level closer to 2% is a more realistic reserve for that particular activity.

Mr. Hunderup said he endorsed the phrasing proposed in the IMD which provides a range to acknowledge the fact that there are circumstances which dictate a lower amount, and there are also circumstances which dictate a larger amount. The language provides an opportunity to stay within a range of 1½ to 2% of replacement values rather than having every activity subject to the same specific figure. Mr. Hunderup also indicated that this proposal relates exclusively to the self-supporting and self-liquidating projects of the auxiliary enterprises and would not be applicable to facilities within the Educational and General Plant. (The Board is requesting additional state funds, as a program improvement in 1979-1981 to provide greater assistance in the repair, maintenance and rehabilitation of facilities within the Educational and General Plant.)

In response to questions, it was indicated that the proposed Internal Management Directive had been discussed with Portland Student Services, Inc., and with the Amazon Tenants Association at the University of Oregon. It was stated that the Amazon occupants had voted to go to the maximum 2%, recognizing that that particular project had greater needs than Westmoreland, for example, which is a more modern project. A program for maintenance and building repairs has been developed by the housing management and the Amazon occupants.

The Committee recommends that the Board approve the staff recommendation as presented.

Board Discussion and Action

The Board approved the Committee recommendation as presented, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Feves, Harms, Ingalls, Moore, Thorp, Wyss, and Perry. Those voting no: None.

Staff Report to the Committee

At its July 20, 1978, meeting, the Board adopted a policy requiring auxiliary enterprise activities to maintain building repair reserves and equipment replacement reserves. The policy originally specified that the building repair reserve should accumulate to 2% of the replacement value of buildings.

For auxiliary enterprises such as student unions, health services, recreation facilities, etc., which are supported from both assessed fees and user charges, the building repair reserve accumulation rate was set at one-half percent per year of the replacement value of the buildings.

Equipment replacement reserves were required of all auxiliary enterprises for the replacement of equipment items with an inventory value of $100 or more.
In the course of implementing the policy, it has become apparent that a 2% building repair reserve would be excessive in most instances. IMD 6.350 is proposed as an amendment of present policy to specify a general one percent of building replacement value for the building repair reserve with provision for the Office of Administration to grant exceptions where warranted. The directive also makes the policy applicable to all auxiliaries (other than parking).

Reserves for equipment replacement are based upon the cost of the equipment and a normal expected life of ten years.

Proposed Sale of Jane R. Griffin Estate Property, UOISC

(Considered by Committee on Finance, Administration, and Physical Plant, April 27, 1979; present--Ingalls, Ater, and Moore.)

Staff Recommendation to the Committee

It was recommended that the Board's staff be authorized to offer for sale a 1/24th undivided interest in 160 acres of unimproved grazing land located approximately 100 miles northeast of Aberdeen, South Dakota, near the town of Sisseton. The minimum acceptable sale price will be determined after receipt of an appraisal being made by the U. S. Department of Interior. Terms of the sale would be cash. If the advertised invitation to bid results in no acceptable bid, the staff would proceed to negotiate a sale for not less than the advertised minimum bid price. These procedures are authorized by ORS 273.201, 273.205, 273.211, and 273.216.

Discussion and Recommendation by the Committee

The Committee recommended that the Board approve the staff recommendation as presented.

Board Discussion and Action

The Board approved the Committee recommendation as presented, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Feves, Harms, Ingalls, Moore, Thorp, Wyss, and Perry. Those voting no: None.

Staff Report to the Committee

Jane Robertson Griffin died June 7, 1957, leaving a will which granted the residue of her estate "To the Medical Department of the State University of Oregon...to be used in the discretion of the Board of Trustees of said University in awarding Scholarships to promising and worthy students of medicine, said scholarships to be known as the James P. Griffin Scholarships."

On April 28, 1959, report was made to the Board of a "bequest of $26,905.80, including $26,765.80 in cash and stocks estimated at $140, from Jane R. Griffin, deceased, to establish the James P. Griffin scholarship fund to assist promising worthy medical students. It is intended that an endowment fund be established with scholarship awards to approximate $1,500 a year, financed in part from the income and in part by withdrawal from the principal of the fund."

On April 5-6, 1979, an Office of Administration staff member, while on personal business, went to Aberdeen, South Dakota, to meet with Mr. Don Perry, Assistant Chief, Titles and Records Section, U. S. Department of Interior, Bureau of Indian Affairs. Mr. Perry presented the staff member with a Title Status Report containing a complete legal description of the real property and a list of names of approximately 150 owners as well as their fractional interests. The staff member was also informed that the Board's Office would be receiving shortly from the U. S. Department of Interior a patent in fee for the property. Because there are no certified real estate appraisers in the town of Sisseton, South Dakota, population 3,094, the Department of Interior agreed to use one of its qualified appraisers.
to determine the current market value of the property. In August 1976, the appraised value for the 160 acres was $48,000. Estimates indicate that the property has increased in value by 25% and is now worth approximately $60,000. A 1/24th undivided interest based on current market value might approximate $3,000. The U.S. Department of Interior appraisal will be provided to the Board's Office within four to six weeks at no cost to the Board or the University of Oregon Health Sciences Center.

The Office of Administration staff member, in determining whether there might be a market for the property, contacted Mr. Vernon Cloud, Tribal Secretary, Sisseton-Wahpeton, Sioux Tribe, who explained that the tribe expected to have sufficient cash about June 1979 to offer a bid on the UOHSC-Board's 1/24th undivided interest. Therefore, Mr. Cloud will be sent an invitation to bid at the appropriate time.

The proceeds of the sale will be used in accordance with the will of the late Jane R. Griffin.

University of Oregon Health Sciences Center executives recommend sale of the property because it serves no useful purpose in carrying out the Center's mission.

Staff Recommendation to the Committee

It was recommended that the Board's staff be authorized to offer for sale a lot with a residence located at 5826 S.W. Spokane Street, in Seattle, Washington. The minimum acceptable bid price will be determined after receipt of two appraisals. If sold on contract, the minimum acceptable terms would be 20% down, payable on closing, with the balance payable in equal installments over a period not to exceed ten years. Payments would include principal and interest. The rate of interest would be comparable to the prime rate in effect at the time the property is advertised for bids. If the advertised invitation to bid results in no acceptable bids, the staff would proceed to negotiate a sale for cash or on contract for not less than the advertised minimum bid price. These procedures are authorized by ORS 273.201, 273.205, 273.221, and 273.216.

Discussion and Recommendation by the Committee

The Committee recommended that the Board approve the staff recommendation as presented.

Board Discussion and Action

The Board approved the Committee recommendation as presented, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Feves, Harms, Ingalls, Moore, Thorp, Wyss, and Perry. Those voting no: None.

Staff Report to the Committee

The School of Dentistry of the University of Oregon Health Sciences Center is the residuary beneficiary of a trust under agreement with Dr. Richard P. Knowlton who died on June 14, 1978. The School of Dentistry estimates that it will receive approximately $352,499, including a residence and lot in Seattle, estimated value $135,000. According to Health Sciences Center executives, the property cannot be used to carry out the institution's mission. Simultaneously, the Center's executives recommend immediate consideration of the recommendation to sell so that the proceeds can become available for scholarships in time for fall term 1979.
The trust agreement provides that the funds received by the School of Dentistry are to be used to establish a scholarship fund in Dr. Knowlton's name. The income of the fund is to be used for scholarships for worthy dental students.

In accordance with applicable Oregon statutes, appraisals are being obtained.

(Considered by Committee on Finance, Administration, and Physical Plant, April 27, 1979; present--Ingalls, Ater, and Moore.)

Staff Recommendation to the Committee

It was recommended that the Board's staff be authorized to offer for sale an improved lot containing a single family residence located at 2546 N. E. 28th Street, Portland. The minimum acceptable bid price would be $55,000. If sold on contract, the minimum acceptable terms would be 20% down, payable on closing, with the balance payable in equal installments over a period not to exceed ten years. Payments would include principal and interest. The rate of interest would be comparable to the prime rate in effect at the time the property is advertised for bids. If the advertised invitation to bid results in no acceptable bids, the staff would proceed to negotiate a sale for cash or on contract for not less than the advertised minimum bid price. These procedures are authorized by ORS 273.201, 273.205, 273.211, and 273.216.

Discussion and Recommendation by the Committee

The Committee recommended that the Board approve the staff recommendation as presented.

Board Discussion and Action

The Board approved the Committee recommendation as presented, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Feves, Harms, Ingalls, Moore, Thorp, Wyss, and Perry. Those voting no: None.

Staff Report to the Committee

The University of Oregon Health Sciences Center recommends sale of a second parcel of property, containing a single family residence, received as a partial distribution of the estate of Evelyn Treinies Harsh. According to Health Sciences Center executives, the property cannot be used to carry out the institution's mission. Remaining assets consist of cash, securities, and two unimproved lots near Long Beach, Washington.

In accordance with applicable Oregon statutes, appraisals were obtained. Clearance to sell has been requested of the Department of General Services, and a relinquishment of the state's mineral and geothermal rights has been requested of the Division of State Lands.

Staff Recommendation to the Board

It was recommended that the Board's staff be authorized to enter into an 18-month lease agreement, effective July 1, 1979, with the State of California, San Jose State University, for the use of Oregon State University's research vessel CAYUSE.

Board Discussion and Action

Mr. Moore asked whether it was standard procedure to make an article of this value available for nominal reimbursement while it is being maintained and serviced by the using renter.
President MacVicar said the proposed lease was an unusual arrangement but it was recommended because it would result in efficiency and economy to the State of Oregon. If the custody of the vessel were retained by Oregon State University, the institution would be responsible for maintenance of the vessel for the period it retained ownership. At the moment, the institution is not ready to dispose of the vessel. Allowing another institution to lease the vessel for scientific and technical purposes serves the intent of the National Science Foundation which made a substantial grant in behalf of the construction of the vessel. The lease relieves the University from responsibility for the maintenance of the vessel which is not needed at the moment for the research program of Oregon State University.

Mr. Wyss asked why the vessel might be needed in the future and whether it should or could be sold.

President MacVicar responded that sale of the vessel had been considered by the administration and faculty of the School of Oceanography. However, it was their best judgment that it could be determined better in 18-24 months whether this particular intermediate-sized vessel was important to the oceanography research program which the University is expected to have in the early 1980's. It is anticipated there may be developments, particularly involving certain aspects of geology and geophysics, for which this size vessel may be needed. The vessel will be involved in important work in oceanography during the lease period and that serves the interests of all concerned. It was indicated in response to questions that the lease would require maintenance so that the vessel would be returned in good condition and also insurance against loss. An extension beyond the terms of the lease would be provided if that was mutually satisfactory. State System employees would be transferred to vacant positions on the WECOMA or placed on the reserve list for vacancies as they occurred.

The Board approved the staff recommendation as presented, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Feves, Harms, Ingalls, Moore, Thorp, Wyss, and Perry. Those voting no: None.

Staff Report to the Board

The research vessel CAYUSE was built in 1968 for Oregon State University’s School of Oceanography at a cost of $390,000, of which $172,000 was funded by a National Science Foundation grant and the remainder by the University. It is now 11 years old and has a reasonable service life of 30 years. The vessel is 80 feet overall, displaces 173 tons, and normally carries up to 8 scientists and a crew of 7. With full utilization (up to 200 days/year), its annual operating costs presently approximate $400,000, or $2,000 each day.

Because user demand for the vessel has decreased sharply in the past two years and most costs are fixed, the actual daily rate will approach $3,800 for fiscal year 1979-80. At this rate, the vessel is not competitive (e.g., the research vessel WECOMA is twice as large, but it is fully utilized, and has a daily rate of about $4,200).

Since the State of Oregon and the Board have title to the CAYUSE and Oregon State University officials want to retain possession, looking toward a future market demand for such a vessel, there is interest in maintaining the vessel’s operating condition and simultaneously obtaining relief from the relatively high maintenance and storage costs. Such a ship must be operated consistently to function reliably.

San Jose State University scientists have research projects along the central California coast which require the vessel. They also have the necessary funding from the National Science Foundation. The vessel would be leased to the State of California by and for San Jose State University for only nominal consideration because the vessel would be serviced and maintained at no cost to Oregon State University.
The proposed lease includes a 60-day termination clause, liability and loss protection paid by the lessee, and a requirement that the vessel be returned to Oregon State University within 18 months in as-received condition. All costs are to be borne by the lessee.

Assistant Attorney General Ed Branchfield will arrange for legal assistance in reviewing the proposed lease from a specialist in marine contracts.

In accordance with Internal Management Directive 6.100(2), the matter involves a policy question and is, therefore, brought to the Board for its review.

(Considered by Committee on Instruction, Research, and Public Service Programs, April 27, 1979; present--Carpenter, Feves, Anderson, Harms, Thorp, and Wyss.)

Since 1968, Portland State University has offered a baccalaureate program in computer science through its department of mathematics. The program has been titled, Mathematics - Option 2 (Computer Science).

Portland State University now requests authorization of the Board to offer the program as a bachelor of science program in computer science.

Staff Recommendation to the Committee

The Board's Office recommended that the Board's Committee on Instruction, Research, and Public Service Programs endorse the Portland State University request for Board authorization to offer a bachelor of science program in computer science, effective fall term 1979, and that the Committee recommend Board adoption of the proposal.

Discussion and Recommendation by the Committee

In presenting the request, Vice Chancellor Romney indicated that the employment figures from the Employment Division were not complete because they were not adequately expressive of all the positions for which baccalaureate graduates would qualify. The positions related only to program and systems analysis.

President Blumel said negotiations were in process to acquire a new computer from Honeywell to replace the present unsatisfactory computer installation at Portland State University. The new Honeywell computer will provide substantially increased capacity which would be adequate to serve the needs of the proposed program. It is anticipated the new computer would be in operation by fall and that there would be an interim arrangement during the summer, either with the continuation of the present service or by contracting for services.

Dr. Eugene A. Enneking, Head of the Department of Mathematics, reported that a number of calls are received for computer science courses and specialized topics.

Mr. Wyss asked how much more computer capacity the proposed program would require than the current computer science program and how much more burden would be placed on equipment. He said the history of hardware requirements in most instances is that the available capacity is used within a relatively short time. Dr. Enneking responded that only three more courses were required for the B.S. in Computer Science beyond what is required for the present option so he did not think it would tax the machine to any great extent. He said regardless of whether there is a large or small system, the system is used to the fullest extent possible. President Blumel indicated that the payback period on the Honeywell equipment was six years, as he recalled, and it was expected to meet total computing needs of the institutions for that period of time.
The Committee recommended that the Board approve the staff recommendation as presented.

Board Discussion and Action

The Board approved the Committee recommendation as presented, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Feves, Hans, Ingalls, Moore, Thorp, Wyss, and Perry. Those voting no: None.

Staff Report to the Committee

Board approval of the proposed program will benefit Portland State University and its students in a number of important ways.

- It will enable Portland State University to highlight in its curricular programs the expansive interest of commerce, industry, government, and other segments of society in the uses of computer science in service to society.

- It will benefit Portland State University's students in that it will offer them access to a recognized degree program in computer science, signaling to prospective employers that graduates of the program have a bona fide computer science degree.

The proposed program in computer science is somewhat different from the present Portland State University program (Mathematics-Option 2 [Computer Science]), and the change in designation will iron out some of the difficulties earlier graduates of the current program have had in securing employer recognition that their degree is in fact in computer science; it will make it easier for graduates to meet qualifications stated in civil service and similar regulations governing employment in government at various levels.

Description of Proposed Program

The proposed program is described in the Portland State University presentation on pp. 3-4 of the full document on file in the Board’s Office. Briefly, requirements for a major in computer science would be:

<table>
<thead>
<tr>
<th>Required computer science courses</th>
<th>27 credit hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elective computer science courses</td>
<td>12 credit hours</td>
</tr>
<tr>
<td>Required mathematics courses</td>
<td>27-28 credit hours</td>
</tr>
<tr>
<td>Total</td>
<td>66-67 credit hours</td>
</tr>
</tbody>
</table>

The curriculum has been designed in accordance with recommendations of the Association for Computing Machinery Curriculum Committee on Computer Science, a group of more than eighty computer science professionals, both academic and non-academic, who review and report on the state of computer science curricula and their relation to the job market. The Committee’s most recent report on recommendations for the undergraduate program, titled "Curriculum '78," printed in Communications of the ACM, has just been issued. The department of mathematics has compared its proposed computer science curriculum with this most recent revision of ACM recommendations and reports that the proposal meets and in some cases exceeds the recommendations of the national committee.

These requirements do not differ significantly from the program being completed at the present time by Portland State University mathematics majors in the computer science option.

Student Interest in the Program

Portland State University estimates that there have been enrolled in the mathematics department option in computer science over the past five years an average of approximately 60 computer science majors. It is anticipated that with the visibility which the proposed new program would give the
Computer science program, the number of majors would increase to something beyond a hundred by the end of the 1981-1983 biennium, with the number of graduates increasing from a projected 15 in 1979-80 to perhaps as many as 25 in 1982-83.

**Resources To Offer Proposed Program**

As earlier noted, the proposed program is not a new one. It would replace the current mathematics-computer science baccalaureate program. Hence, the resources necessary to the program are essentially in place in support of the mathematics-computer science program.

**Faculty.** The present Portland State University faculty is qualified to offer the proposed program, except for the needed addition of .5 FTE faculty during each of the first four years of the new program. For the fractional FTE required, qualified practicing computer scientists will be employed from the scientific, industrial, and governmental community in the metropolitan Portland area. The 2.0 FTE faculty to be added during the next four years of the program will be provided out of Portland State University's going-level budget.

**Courses.** All of the required mathematics and computer courses for the new program are already being offered in support of the present mathematics-computer science program; six of the nine recommended computer science elective courses are also presently being offered. It is planned to add three new courses in computer science: (1) Symbolic Language Programming, (2) Data Base Management, and (3) Computer Organization.

**Library.** The library in support of the proposed program has been built up over the years in support of the program in mathematics-computer science, which the proposed program will replace, and in support of the doctoral program in Systems Science offered at Portland State University. Plans are to augment the current level of library support for the program by $2,500 in the first year of the program (1979-80), and by $500 additional each of the succeeding three years (through 1982-83).

**Facilities and Equipment.** As the Board is aware, the current computer system at Portland State University is inadequate and must be replaced. Plans are for the replacement of the Harris 220 Computing System, which is Portland State University's large scale computer system, with a new system, effective 1979. The mathematics department has a NOVA 3/12 minicomputer for student use, which will continue in support of the proposed new program.

**Budgetary Impact.** Portland State University estimates that the personnel and library support additions necessary to the proposed program in computer science will result in an increase in support of the program of $10,600 the first year (1979-80), rising to $20,600, $28,600, and $38,600 in the succeeding three years. These funds would be made available to the mathematics department from the institution's going-level budget.

Of course, the computer science program will change from year to year, with the content of courses changing to keep abreast of developments in computer science, and with courses being added and dropped as the program is kept attuned to changes in the computer field.

**Programs at Other Institutions**

State System institutions. Undergraduate and graduate programs in computer science are offered by both the University of Oregon and Oregon State University.
University of Oregon. At the University of Oregon, the computer science program developed in the mathematics department. At a given stage of its growth, the computer science work was lodged within a newly-created department of computer science which is authorized by the Board to offer BA/BS and MA/MS programs in computer science.

The computer science department also contributes significantly to resources in support of a doctorate in business administration offered by the College of Business Administration.

Oregon State University. Oregon State University offers BA/BS, MA/MS, and Ph.D. degrees in computer science. To supplement the major in computer science, a joint program or minor in a related area, such as mathematics, statistics, electrical and computer engineering, business administration, or oceanography, is strongly recommended by Oregon State University.

In the MA/MS and Ph.D. programs there are four mutually supportive areas of concentration:

- **Theory of computation**--automata theory, formal language theory, complexity theory and analysis of algorithms.
- **Artificial intelligence**--problem solving, natural language understanding, machine learning, intelligent machine interfaces, intelligent computer-assisted-instruction.
- **Software systems**--programming languages, operating systems, computer organization, virtual systems, compiler design, and performance evaluation and measurement.
- **Information-based systems**--data base management systems, systems analysis, and information systems design.

Other areas of concentration may be arranged in computer architecture (with the electrical and computer engineering department), numerical analysis (with the mathematics department), and operations research and statistics (with the statistics department).

Southern Oregon State College, Oregon College of Education, and Eastern Oregon State College departments of mathematics offer both introductory and upper-division course work in computer science, but do not offer a degree program in the field.

Oregon Institute of Technology offers programs at the associate and baccalaureate degree levels which are designed to prepare graduates as engineering technicians and technologists responsible for computers, computer peripherals, and digital equipment used in the control and monitoring of manufacturing processes. Both the associate degree and baccalaureate degree programs at Oregon Institute of Technology are accredited by the Engineers Council for Professional Development (ECPD). The associate of engineering degree program graduates find employment in computer and digital equipment manufacturing and marketing.

Independent Colleges and Universities. None of the independent colleges and universities in Oregon offer a program leading to an undergraduate or graduate degree in computer science.

However, the University of Portland department of mathematics is planning on inaugurating a new interdisciplinary baccalaureate program in Computer Applications Management effective fall term 1979-80.
Community Colleges. Eight of Oregon's 13 community colleges offer access to occupational programs in computer operation, computer programming, and/or data processing technology.

Articulation with Community College Programs

The Portland State University department of mathematics has for a number of years provided the community colleges with a recommended transfer program for community college students who wished to transfer into the computer science option in PSU's baccalaureate degree in mathematics. The department has also examined the one- and two-year vocational computer programs of the community colleges and identified course work offered under vocational-technical numbers which is transferable, either as major or as elective credit, toward the department's degree program.

As might be expected, the community college programs include a great deal more hands-on or application experience than is applicable toward the baccalaureate program. Nonetheless, the department views the baccalaureate degree program in computer science, for some students, as a natural and logical extension of community college computer-oriented programs and will continue to work with the community colleges with the view of providing maximum transferability consistent with employment needs.

Computer Specialist Employment in Oregon

The State of Oregon Employment Division, Department of Human Resources, reports the following number of computer specialists employed in Oregon and in the Portland area, including Clark County in Washington, in 1976, and as projected for 1982.

<table>
<thead>
<tr>
<th>Position</th>
<th>Number Employed in Oregon</th>
<th>Number Employed in Portland Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programmers</td>
<td>1,140</td>
<td>1,350</td>
</tr>
<tr>
<td>Systems Analysts</td>
<td>810</td>
<td>1,040</td>
</tr>
<tr>
<td>Total</td>
<td>1,950</td>
<td>2,390</td>
</tr>
</tbody>
</table>

Projected job openings in Oregon and in the Portland metropolitan area in 1979 for programmers and systems analysts are estimated by the Oregon Employment Division as follows:

<table>
<thead>
<tr>
<th>Position</th>
<th>Estimated Job Openings, 1979</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Oregon</td>
</tr>
<tr>
<td>Programmers</td>
<td>55</td>
</tr>
<tr>
<td>Systems Analysts</td>
<td>46</td>
</tr>
<tr>
<td>Total</td>
<td>101</td>
</tr>
</tbody>
</table>

Baccalaureate and Associate Degree Graduates

In 1979-80, it is anticipated that the production of baccalaureate degree graduates in computer science in the three State System universities would approximate 80-85, assuming Portland State University's proposed program is approved by the Board and Portland State University produces the estimated 15 computer science graduates which they presently project for 1979-80.

If the University of Portland establishes its proposed interdisciplinary program in computer management, effective fall term 1979, they will add some to the number of computer science graduates, after a period of three or four years. However, the University of Portland does not project a large program even after the program is at full strength and well established.
The community colleges produced in 1977-78, 38 graduates of one-year programs in computer areas (e.g., key punch operator, computer operator, computer programmer, data processor, software technician), and 41 graduates of two-year programs in the same fields.

Oregon Institute of Technology produced 23 graduates in 1978 from its associate degree program in the department of computer systems engineering technology, and 16 graduates from the baccalaureate program offered by the same department.

Placement of State System graduates from these computer science programs has been good.

Projected future applications of computers to such fields as health, communications, atomic energy, finance, technology, education, and a hundred other major fields of social interest and concern make it clear that the three decades of the computer age we have experienced are but a prelude to an enormous expansion of computer development and use.

BS in Mechanical Engineering, PSU (Considered by Committee on Instruction, Research, and Public Service Programs, April 27, 1979; present--Carpenter, Feves, Anderson, Harms, Thorp, and Wyss.)

Portland State University requests authorization to offer a program leading to the bachelor of science degree in mechanical engineering as an option in engineering and applied science.

Staff Recommendation to the Committee

The Board's Office recommended that the Board's Committee on Instruction, Research, and Public Service Programs endorse the Portland State University request and recommend approval thereof by the Board. The explanation follows.

Discussion and Recommendation by the Committee

President Blumel said this development was, in his view, consistent with the policy articulated by the Board at the time that engineering education was originally authorized at Portland State University. At that time, it was understood that the institution was authorized to move toward the development of a program in mechanical engineering and to offer it to the Board for approval at a time appropriate in terms of the development of the three basic branches of engineering--structural, electrical, and mechanical. This fall there was a site visit by the Engineering Council for Professional Development in electrical electronics, and at that time, the group was asked to look at the engineering option in the applied science curriculum. It is possible that the curriculum in mechanical engineering could be accredited as a result of that visit.

In response to questions from Mr. Harms about cost, it was indicated that the initial cost was nominal and the proposal was basically a change in designation. Within the past two years Portland State University has invested $100,000 in laboratory equipment needed to strengthen its laboratory resources in vibrations/acoustics, heat transfer thermodynamics, materials processing, computer-aided design. Some $66,000 of that amount was provided by the Portland Advisory Committee on Engineering Education. There would be some recurring equipment requirements in mechanical engineering. It would not be of this order of magnitude but would be at a level expected for normal growth regardless of whether the program remained under applied science or was formalized as mechanical engineering.
Mr. Harms inquired about the origin of the terms "applied science" and "technology." Dr. Romney indicated that applied science had been presented by Portland State University in the late 1950's as being clearly different from engineering in that it was to bridge the gap between the conventional engineering technologies and the traditional pure sciences. However, it has become clear that there is merit in seeking the traditional degrees understood by people in a position to employ engineers. Difficulties have been encountered in explaining to employers that individuals who have an applied science degree with an emphasis in mechanical engineering are qualified to fill mechanical engineering positions. Consequently, in 1973 Portland State University sought authorization to change the name of the applied science department to "applied science and engineering," and has sought authorization to arrange existing offerings into engineering patterns which are recognizable to the public and acceptable to the Engineers Council for Professional Development, the national accrediting association.

President Blumel pointed out that students were handicapped by the applied science designation, even in terms of their eligibility to take the engineer-in-training examination. For students interested in engineering careers, the applied science designation does not give them ready access to careers in those fields. The engineering profession has been very interested in the development of engineering programs in the Portland area.

In response to a question concerning cooperative programs, President Blumel indicated that there have been, and there will continue to be discussions with the Oregon Graduate Center and with the University of Portland, concerning the development of cooperative arrangements. Cooperative programs would be discussed also with Oregon State University.

Mr. Wyss said apparently programs which are started with a different emphasis than other established professional programs frequently evolve into the traditional pattern. This may reflect the fact that what was once unnecessary duplication may now be necessary duplication if people must take time from work and go some distance to get a degree.

Mrs. Clarethel Kahananui, Assistant in Curriculum Planning for the Office of Academic Affairs, explained that at the time the Board approved the applied science program at Portland State University, it was an effort to get more science into the engineering programs to solve problems in the missile and space programs. Pure scientists did not know enough about engineering to make the equipment work, and the engineers did not have enough science for this level of technology.

The Committee recommended that the Board approve the staff recommendation as presented.

**Board Discussion and Action**

The Board approved the Committee recommendation as presented, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Feves, Harms, Ingalls, Moore, Thorp, Wyss, and Perry. Those voting no: None.

**Staff Report to the Committee**

The Portland State University request for authorization of a program leading to the bachelor of science degree in mechanical engineering is part of the continuing process by which Portland State University, in its efforts to serve the needs of the Portland metropolitan area, is moving from an emphasis on applied science to an emphasis on the well-recognized and traditional engineering fields (e.g., structural engineering, electrical engineering, mechanical engineering).
In 1958-59, Portland State University (then Portland State College) sought and secured from the Board authorization to offer a bachelor of science degree program in applied science. In its presentation to the Board, Portland State University made clear that it considered applied science to be entirely different from engineering, and that Portland State University preferred an applied science program over a program in engineering, as the following excerpt from institutional statements made in the 1950's indicates:

Describing the proposed bachelor of science degree in applied science authorization PSU was requesting from the Board in 1958-59, PSU said that the proposed program in applied science "bridges the gap between the conventional engineering technologies (civil, mechanical, electrical, etc.) and the traditional pure sciences, and at the same time furnishes a much desired background in the humanities and social sciences. It is especially well suited for students planning to enter specialized areas of research, development, or design in industry."

What has happened since 1959 is that it has become clear that the applied science programs envisioned by Portland State University in 1959, and subsequently, have not met the needs that Portland State University foresaw their meeting. The interest and the demand is for engineering degree programs in the traditional engineering fields. In the words of the present head of the department of engineering and applied science "... the programs appropriate to the University's mission of serving the Portland metropolitan area are the conventional engineering programs while concurrently the trend in engineering education has been strongly back toward application and laboratory experience."

And so it is that, during the late 1960's and early 1970's, Portland State University's attention was focused on securing from the Board authorization:

- to change the name of the department from the department of applied science to the department of applied science and engineering.
- "... to properly identify this program [in applied science] with engineering and to arrange existing offerings into engineering patterns which are recognizable to the public and acceptable to the Engineers Council for Professional Development (ECPD)," (the national accrediting agency for engineering programs).

1973 Consultants in Engineering

To advise with the Board's Office in its examination of the issues raised by the foregoing Portland State University request, the Board's Office in 1973 sought the assistance of three distinguished engineering educators: former Dean Fred Terman of Stanford University, Dean C. V. Kirkpatrick of the University of Houston School of Engineering, and Dean Carl W. Hall, of the Washington State University School of Engineering. All three had long been leaders in engineering education and active in the Engineers Council for Professional Development. Their report, rendered in January 1973, is on file in the Board's Office.

The summary recommendations of the consultants were as follows:

Recommendations

1. Because of the content of the program and objectives of the Portland State University programs under review, it is suggested that the department name be changed from Applied Science to Applied Science and Engineering, and that the designation of these programs include the word "engineering."
2. The institution should first concentrate its efforts toward the development of accredited undergraduate programs in a limited number of areas.

3. At least two, but no more than three, major areas of engineering interest should be identified of value to the student and as serving independent and immediate needs of the area. Current strengths indicate that these areas are (a) electrical engineering, (b) structural engineering, (c) mechanical design or some other subset of mechanical engineering, all as options in engineering.

4. Recognize the necessity of commitment of resources necessary to develop the accreditable programs. Less resources are required to obtain accreditation of structural engineering as an option in engineering than to obtain accreditation of a civil engineering program.

5. Following development of accreditable undergraduate engineering programs, graduate engineering programs at the MS level should be developed. These can best be provided through cooperative efforts utilizing all of the resources of the area and state.

Board Action 1973

The Board's Office recommended to the Board at its August 1973 meeting:

1. That Portland State University be permitted to change the name of the department of applied science to "applied science and engineering."

2. That Portland State University be authorized to offer within that designation the following options:
   . Applied science.
   . Electrical-electronics engineering.
   . Structural engineering.

That a number of other fields of engineering for which Portland State University was seeking authorization (mechanical engineering, environmental engineering [air pollution], geodesic engineering, and systems engineering) not be authorized as separate engineering programs, but that such of the Portland State University curriculum as related to these areas be subsumed under and be a part of the applied science option.

3. That Portland State University not be authorized to offer an MA/MS in engineering. Portland State University already had Board authorization to offer MA/MS degree programs in applied science. Portland State University's first obligation, the Board's Office felt, was to strengthen its undergraduate options, to build strong accreditable undergraduate programs in these areas, and to secure accreditation of these undergraduate programs by the Engineers Council for Professional Development (ECPD).

The Board adopted the foregoing recommendations in 1973.

The Oregon Educational Coordinating Council staff opposed the authorization of engineering programs to Portland State University, viewing these programs as unnecessary duplication. However, the Council endorsed the program recommendations of the Board's Office.
In 1975, the Portland State University baccalaureate program in structural engineering was accredited by the Engineers Council for Professional Development.

The program in electrical-electronics engineering is not yet accredited (1979). Accreditation was sought in late 1978. An accreditation site visit was made to Portland State University to examine the program, but to date there has been no word whether the program will be given accreditation or not. If it is not granted accreditation, application for accreditation will be made again, possibly two years hence (1981).

Selected Summary Questions

In summary, several relevant questions are set forth below:

1. Is there need for the proposed program, given the fact that there are already available at Oregon State University and the University of Portland baccalaureate programs in mechanical engineering?

The Board's Office believes there is.

The two existing programs in mechanical engineering enroll sufficient students to permit efficient operation. Oregon State University enrolled 433 in mechanical engineering fall term 1978; the University of Portland enrolled 77.

Meanwhile, fall term 1978, Portland State University enrolled 287 in its baccalaureate applied science program with an emphasis in mechanical engineering. If Portland State University is authorized by the Board to offer an ECPD-accredited program in mechanical engineering, Portland State University projects that it will enroll as many as 610 students in the proposed program by 1983-84, and that it will graduate that year an estimated 112 mechanical engineering students. Although this projection seems optimistic, given the experience of the mechanical engineering programs at Oregon State University and the University of Portland, there seems little doubt that Board authorization of the requested program will enable Portland State University to serve the needs of the metropolitan area more effectively.

Ought Oregon to offer in the principal metropolitan area of the state ready access in a public university to an accredited program in mechanical engineering--one of the most active fields of interest in engineering?

The nationally-recognized consultants earlier cited (Deans Terman, Kirkpatrick, and Hall) were of the view that mechanical engineering, structural engineering, and electrical-electronics engineering were the three areas of engineering that would most surely serve the needs of the metropolitan Portland area.

More specifically, concerning mechanical engineering, the consultants said: "... In mechanical engineering it is recommended that accreditation be initially sought in a limited aspect of the broad field, e.g., design. . . ."

The current Portland State University request which is before the Board proposes to focus on design as recommended by the consultants.

2. What effect, if any, would Board approval of the Portland State University request for authorization to offer a baccalaureate program in mechanical engineering have on Oregon State University's and the University of Portland's ability to maintain effective engineering programs?
These are questions which the Board's Office posed to the three consultants in 1973 (Dean Terman, Dean Kirkpatrick, and Dean Hall). Their considered judgment rendered in 1973 was as follows:

If Portland State University limits its accredited offerings to electrical, structural, and a selected specialty in mechanical engineering as options in engineering, implementation of the program will not seriously affect the engineering offerings at Oregon State University. At present (1973), about 100 of the freshmen engineers at Oregon State University come from the Portland area. This means that approximately 20 students less would be graduating per year after four years, if half of these students selected an accredited engineering program at Portland State University. At the same time, additional students will become interested in and take engineering at Portland State University because of its availability and access in this metropolitan area.

The foregoing observation would seem to be even more true in 1978-79, given the fact that the baccalaureate enrollments in engineering at Oregon State University have increased by 76.8% since 1972-73 (from 1,309 in 1972-73 to 2,314 in 1978-79).

The University of Portland has no objections to Portland State's offering the proposed baccalaureate program in mechanical engineering.

3. What is the employment situation with respect to baccalaureate engineering graduates?

A March 1979 report of the College Placement Council, consisting of some 160 representative institutions, reports the following information concerning the employment outlook for engineers:

At the bachelor's level, engineering disciplines enjoyed the greatest increases with 40% more offers than this time last year. As a result, engineering offers now account for 61% of the total bachelor's volume. The large-volume-engineering categories registered the following increases: mechanical engineering, 45% gain bringing this category to 18% of the total bachelor's volume; electrical engineering, 39% rise to 16% of the volume; chemical engineering, 28% increase and 9% of the volume; and civil engineering, 51% increase and 7% of the volume.

According to the Endicott Report of February 1979, (a survey by Frank Endicott of Northwestern University of some 155 firms nationwide) companies hope to hire as many as 40% more engineers at the bachelor's level and 22% more at the master's level in 1978-79 than in 1977-78.

Description of the Proposed Program

The proposed program would consist of 196 credit hours of work distributed as follows:
Meeting #456 May 25, 1979

<table>
<thead>
<tr>
<th>Credit Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering and Applied Science Core Curriculum</td>
</tr>
<tr>
<td>Institutional General Education Requirements</td>
</tr>
<tr>
<td>Science and Mathematics</td>
</tr>
<tr>
<td>Engineering Core</td>
</tr>
<tr>
<td>Engineering and Science Elective</td>
</tr>
<tr>
<td>Mechanical Engineering Major Requirements</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Resources To Offer Proposed Program

The resources to mount the proposed program have been built up to a significant degree as the Portland State University program in applied science has been strengthened over the years.

Faculty. It is expected that the proposed program will require no additional faculty, beyond those who have been instrumental in the development of the mechanical engineering emphasis in the applied science option. In this program, as in a number of others at Portland State University, the full-time faculty will be augmented, where appropriate, by specialists (in this instance in engineering) who are in professional practice in the metropolitan Portland area.

Courses. No new courses will be required to mount the proposed program. The needed courses are currently being offered as part of the engineering and applied science core program of 140 credit hours, or as an aspect of the mechanical engineering emphasis in the applied science program.

Library. The library, like the courses, have been built up by Portland State University in connection with their engineering and applied science programs. A small additional allocation to the library to augment the funds going into the mechanical engineering program being offered under applied science is to be made as shown in the budget.

Facilities and Equipment. Within the past two years, Portland State University has invested $100,000 in laboratory equipment needed to strengthen its laboratory resources in support of its program in mechanical engineering.

The funds came from the following sources:

Funding drive by the Portland Advisory Committee on Engineering Education (PACEE) $66,000
National Science Foundation 20,000
PSU equipment budget 14,000

The University has recently sent out requests for proposals for a major Digital Computer System to replace the current Harris 200 system. Specifications for the new computer system were developed with the needs of the engineering program in mind. There are in excess of 15 computer terminals in Science Buildings I and II.

Budgetary Impact. Portland State University expects that within its going-level budget it will be able to provide the additional funds for a continuing build-up of the library resources.

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Engineering Programs at Other Oregon Institutions

Engineering degree programs are available in three Oregon universities (OSU, PSU, University of Portland), as shown in Table I.

In addition, the Oregon Graduate Center offers master's and Ph.D. programs in applied physics, materials science, environmental sciences, and chemistry. As an accredited institution, the Oregon Graduate Center offers work in electronics engineering through its applied physics program.

In Table II, are set forth the numbers of engineering degrees awarded by the three universities over the period 1968-69 to 1977-78. It will be observed that:

- Although the total number of baccalaureate degrees awarded declined from 359 awarded in 1968-69 to lows of 292 (1969-70) and 256 (1975-76), 416 were awarded in 1977-78, an increase of 15.9% over 1968-69.

- The number of master's degrees awarded has increased rather consistently over the period, resulting in an increase of 134.6% from the 49 awarded in 1968-69 to 115 awarded in 1977-78.

- Production of Ph.D. graduates in engineering have declined from the 1968-69 level (16 awarded) to 1977-78, when 12 were awarded.

Judged in the light of Oregon's share of the total national population, Oregon is not producing its proportionate share of the national production of engineering graduates. Oregon's population is roughly 1% of the national population. But in 1977-78, Oregon produced .90% of the baccalaureate engineering graduates, .71% of the master's engineering graduates, and .47% of the Ph.D. engineering graduates.

Continuing Engineering Education in Portland

Continuing education for engineers is being offered in the Portland area by four institutions: Oregon State University, Portland State University, the University of Portland, and the Oregon Graduate Center.

Oregon State University's service to continuing engineering education in Portland is accomplished through (1) the master's program in engineering offered under contract with Tektronix, and (2) the courses offered in Portland by Oregon State University from time to time in response to requests.

The Oregon State University Tektronix program is completely self-supporting, funded entirely by Tektronix, which supports a chair at Oregon State University in electrical and computer engineering. Two or three courses are offered by Oregon State University at Tektronix each term, with an average enrollment of approximately 15 to 20 students registered for credit, with additional students as auditors.

Approximately 45 individuals have been admitted to the computer program. A new program, no one has yet completed the computer program.

Approximately 100 students are pursuing the master's degree in electrical engineering; six master's students were graduated from the Tektronix program in 1977-78. OSU anticipates the numbers will increase.
In addition to the Tektronix program, Oregon State University offers both credit and non-credit courses in the Portland area in response to requests from business, industry, and government (e.g., Corps of Engineers, State Highway Division, Bonneville Power Administration).

Portland State University, the University of Portland, and the Oregon Graduate Center each offer some continuing education and graduate engineering education programs in the Portland area through a consortium created by them in 1977 called PEGEC (Portland Engineering Graduate Education Consortium). At present PEGEC publishes and distributes to industry a booklet which lists the graduate engineering and continuing education engineering courses of the three participating institutions. In the future, the scheduling of course offerings will be coordinated (to avoid unnecessary duplication), a common industrial mailing list will be developed, and the crossover of students who desire to take courses in the several institutions will be facilitated. Federal and business support of this joint venture will be sought.

It is expected that some Oregon State University engineering departments will wish to become involved in the consortium in the future.

In a recent report prepared and developed jointly by the head of the engineering and applied science department at Portland State University, and the two deans of the schools of engineering at Oregon State University and the University of Portland, the following comments were made concerning continuing education in Portland:

... OSU and OGC have particular strength in the theoretical and research areas, whereas all of the schools [PSU, OSU, UP, OGC] have strengths in the more practical aspects of engineering. The four institutions complement each other very well and are capable of offering a wide variety of programs, courses, short courses, and seminars to satisfy the needs of Oregon industry. All four institutions have active programs to fill these needs, and if suitable means of financing continuing education can be found, the outlook for the future is for sharply increased offerings as the need for continuing education in engineering becomes apparent to more and more industrial employers in the state.
### TABLE I

**DEGREE PROGRAMS IN ENGINEERING OFFERED IN OREGON, 1978-79**

<table>
<thead>
<tr>
<th>Discipline</th>
<th>Oregon State Univ.</th>
<th>Portland State Univ.</th>
<th>Univ. of Portland</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BS</td>
<td>MS</td>
<td>PhD</td>
</tr>
<tr>
<td>Agri. Engr.</td>
<td>X</td>
<td>X</td>
<td>-</td>
</tr>
<tr>
<td>Chemical Engr.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Civil Engr.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Computer Engr.</td>
<td>X</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Elec. Engr.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Engr. Physics</td>
<td>X</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Forest Engr.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>General Engr.</td>
<td>X</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Indus. Engr.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Mech. Engr.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Nuclear Engr.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Structural Engr.</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Applied Science</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Engineering Science</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Special Master's Programs**

- Biomedical Engr.  X
- Materials Science X
- Ocean Engr.       X

**NOTE:** OSU also offers a professional "Engineer" degree.
<table>
<thead>
<tr>
<th>Year</th>
<th>Oregon State University</th>
<th>Portland State University</th>
<th>University of Portland</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BS</td>
<td>MS</td>
<td>PhD</td>
<td>BS</td>
</tr>
<tr>
<td>1968-69</td>
<td>286</td>
<td>47</td>
<td>16</td>
<td>41</td>
</tr>
<tr>
<td>1969-70</td>
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<td>48</td>
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<tr>
<td>1970-71</td>
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<td>50</td>
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<td>44</td>
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<tr>
<td>1971-72</td>
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<td>61</td>
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<td>27</td>
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<tr>
<td>1972-73</td>
<td>270</td>
<td>63</td>
<td>15</td>
<td>47</td>
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<tr>
<td>1973-74</td>
<td>269</td>
<td>71</td>
<td>11</td>
<td>35</td>
</tr>
<tr>
<td>1974-75</td>
<td>226</td>
<td>95</td>
<td>16</td>
<td>39</td>
</tr>
<tr>
<td>1975-76</td>
<td>230</td>
<td>79</td>
<td>13</td>
<td>33</td>
</tr>
<tr>
<td>1976-77</td>
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<tr>
<td>1977-78</td>
<td>305</td>
<td>94</td>
<td>12</td>
<td>56</td>
</tr>
</tbody>
</table>

1 Excluding degrees in Forest Engineering, awarded by School of Forestry.
Salary Adjustment, School of Nursing, UOHSC

(Considered by Committee on Finance, Administration, and Physical Plant, April 27, 1979; present—Ingalls, Ater, and Moore.)

Staff Recommendation to the Committee

It was recommended that the Board authorize a request to the Executive Department that the salary budget of the University of Oregon Health Sciences Center School of Nursing be increased in the 1979-1981 biennium by $202,135 for the purpose of staffing the School of Nursing at a competitive salary level with an appropriate mix of staff at various ranks and terms of service, and employing doctorally-prepared professional staff in 30 of the currently authorized positions.

Discussion and Recommendation by the Committee

Mr. Ingalls asked how the proposal differed from the present staffing schedule. Dean Lindeman responded that there were 60 faculty in the School of Nursing now and the number would remain the same. There are presently 10 doctorally-prepared staff and this number would be increased to 30 under the proposal. The change would be accomplished by filling vacancies with doctorally-prepared people and the turnover rate is such that it could be accomplished within the biennium. There are 7-12 vacancies annually and there are 50 applications on file, 30 of which are from doctorally-prepared people.

Mr. Lemman said the vacancies occur more often than they should because of the staffing level and the competitive level of the salaries.

Mr. Ater commented that the proposal differs from the usual academic pyramid which has a number of instructors at the bottom and narrows at the higher levels of training.

Dean Lindeman said there are two reasons for this. The graduate program now has approximately 1/3 of the student body and thus requires people with higher academic preparation. The other factor is that an instructor in the School of Nursing usually is a person with no teaching experience just out of a master's program, and this definition of instructor is different from those that exist in some of the other institutions. It was indicated that the recommendation represents a 7-8% increase.

President Laster added his very strong endorsement of the proposal. The School of Nursing was established but was not given the resources to approach its task with the quality and standards that Dean Lindeman and her colleagues would like to present, President Laster said. This effort at program improvement is to accomplish the following goals: (1) to achieve parity with the average of a group of comparator schools of nursing; and (2) to achieve parity with need and with other schools in terms of the mix of positions. The schools of nursing in the west were used for comparison.

Dean Lindeman reported that information was collected from several different sets of comparator schools and regardless of the group, the salaries at the University of Oregon Health Sciences Center School of Nursing were lower for the upper ranks or for doctorally-prepared people, and the mix was poorer than it was at the other schools.

Mr. Lemman indicated that the 19 schools usually used for comparison had not been selected in this instance because a substantial number of the 19 institutions do not have schools of nursing or do not offer the same kinds of programs as the Oregon program. Looking at the number of doctorally-prepared professionals at the 19 institutions gave a very small data base, whereas in the western institutions the base was much larger and was close to the national data.
The Committee recommended that the Board approve the staff recommendation as presented.

Board Discussion and Action

Mr. Perry requested further information and justification for what appeared to be a rather heavy upper-rank structure in the staffing model.

Ms. Patricia Tomlinson, Associate Professor of Psychiatric Nursing and Obstetrics-Gynecology, said that previously the nursing program primarily had prepared nurses at the baccalaureate level but has now increased its efforts to prepare nurses at the master's level. Oregon presently has only 10% of the number of master's-prepared nurses recommended by the National League of Nursing. In addition, the complexity of nursing instruction has increased so that it is necessary to have doctoral preparation for a good number of the faculty. Efforts to develop nursing research, particularly for improving the delivery of health care in the state, will require doctoral preparation. These people cannot be hired at a rank lower than associate professor, she said.

Mr. Perry asked whether there was a variation in age distribution in terms of tenure considerations and necessary staff turnover. It was indicated that it was intended to have approximately half of the staff tenured and half nontenured in order to have flexibility and at the same time retain extraordinarily qualified individuals. There is presently a small percentage of tenured faculty which is distributed across ranks except for the rank of instructor.

In discussing the salary implications of the plan, it was stated that an across-the-board increase was not anticipated but there would be some salary adjustments. The salary funds will be used primarily to upgrade vacant positions in order to acquire higher-ranked positions and more highly-prepared people.

In response to a question from Mr. Wyss, it was indicated that indirectly one of the reasons for upgrading is the outreach program. Staff members will have an overall curriculum responsibility for curriculum development either in Portland or in outreach campuses. This requires particular expertise.

President Laster indicated his endorsement of the proposal as one of several high priorities in the institution. He, too, emphasized, the increasing complexity of nursing education to meet the greater responsibility of nursing care in modern medicine. There are two parts to the plan for the School of Nursing, the instructional one and the quality or training aspect.

The present proposal speaks to the quality of faculty and their stability.

The Board approved the Committee recommendation as presented, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Feves, Harms, Ingalls, Moore, Thorp, Wyss, and Perry. Those voting no: None.

Staff Report to the Committee

The academic salaries at the School of Nursing are not competitive regionally or nationally and prevent the School from recruiting and retaining well-qualified faculty. The average faculty salary at the School is approximately $18,000/9 month. This is only slightly higher than the national average salary for a non-doctorally-prepared instructor in nursing which is $13,200/9 month.
The School of Nursing previously has not had a well-developed plan or model for an academic rank structure. During this last year such a model was developed. It generated from the nature of the nursing curriculum and the level of expertise required to teach certain courses. The curriculum consists of core, theory, and clinical courses. The core courses include presentation of concepts basic to practice across various types of patients and various health care settings. This requires faculty with extensive nursing knowledge and experience in a variety of settings. The theory courses require faculty having intensive knowledge in a specialized area. The clinical courses require faculty skillful in the application of nursing theory to direct patient care. All of the faculty are expected to possess research skills at least to the extent that they can assist students in applying research findings to patient care.

Applying this set of assumptions to the graduate and undergraduate program produced the following academic rank structure for budgeted faculty positions:

UNDERGRADUATE PROGRAM (41 FTE)

<table>
<thead>
<tr>
<th>Position</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professors</td>
<td>7</td>
</tr>
<tr>
<td>Associate Professors</td>
<td>9</td>
</tr>
<tr>
<td>Assistant Professors</td>
<td>17</td>
</tr>
<tr>
<td>Instructors</td>
<td>8</td>
</tr>
</tbody>
</table>

(7 core courses) (9 theory courses) (10 clinical courses) (10 clinical courses)

GRADUATE PROGRAM (8 FTE)

<table>
<thead>
<tr>
<th>Position</th>
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</tr>
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<tbody>
<tr>
<td>Professors</td>
<td>4</td>
</tr>
<tr>
<td>Associate Professors</td>
<td>4</td>
</tr>
</tbody>
</table>

(core courses) (theory courses)

MULTIPLE DUTIES (11 FTE)

<table>
<thead>
<tr>
<th>Position</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professors</td>
<td>6</td>
</tr>
<tr>
<td>Associate Professors</td>
<td>5</td>
</tr>
</tbody>
</table>

TOTAL (60 FTE)

All faculty in the graduate department currently hold 12-month contracts as the program operates at full student load for four quarters each year. Undergraduate faculty hold 9-month contracts with a few receiving summer contracts for the summer class program. Administrative people hold 12-month contracts as their responsibilities exist over the entire year.

There are no data to use regarding the desired mix of doctorally-prepared and non-doctorally prepared nurse faculty. Given the limited number of doctorally-prepared faculty available in the United States, we are proposing a 50-50 mix in our model for the School of Nursing.

Applying all these factors to the current academic FTEs in the School of Nursing, and using the average 1978-79 salary of schools of nursing in the western states as determined by the National League of Nursing results in the following:
The amount of the salary budget adjustment in the staff recommendation represents the difference between the cost of this recommended staffing plan for both years of the next biennium and the 1978-79 salary budget for the School including OPE.

(Considered by Committee on Instruction, Research, and Public Service Program, April 27, 1979; present--Carpenter, Feves, Harms, Thorp, and Wyss.)

Staff Recommendation to the Committee

It was recommended that the Board's Committee on Instruction, Research, and Public Service Programs endorse the following proposed changes in the Internal Management Directives having for their purpose the establishment of the right of institutions to formulate a statement of internal governance, and that the Committee recommend to the Board adoption of the proposed changes.

1.120 General Responsibilities

The President is delegated full authority and responsibility to administer the affairs of the institution in accordance with Board policies, plans, budgets and standards, including the management and expenditure of all institutional funds, within budgetary and other limitations imposed by the Board.

1.125 Authority Over Faculties and Committees

The President shall have the right to convene and preside over [the deliberations of the institutional faculty legislative bodies], the faculty or faculties of the institution and shall have the right of veto over their decisions or those of the representative body, subject to review by the Chancellor. The President shall [have the right to] define the scope of authority of faculties, councils, committees and officers, subject to review by the Chancellor when not otherwise specifically defined by Board policy, or established in the internal governance statement.

1.126 Internal Governance

Each institution shall have the right to formulate a statement of internal governance expressed as a constitution or in other appropriate format, which shall be ratified as the official statement of internal governance by those included in the internal governance structure of the institution and by the President.
The internal governance statement is subject to review and modification when a new President assumes office and at such other times as shall be provided for in the internal governance statement; any amendatory action shall also be subject to ratification by those included in the internal governance structure and by the President.

Rationale

The essential purpose of the above proposed changes is to establish in the Internal Management Directives the right of the institutions to formulate a statement of internal governance.

Discussion and Recommendation by the Committee

Dr. Romney noted that the proposed statement had been worked out with the cooperation of the Interinstitutional Faculty Senate and the presidents of the institutions.

President Boyd said that some of the language in the proposed Internal Management Directive had caused anxiety among some University of Oregon faculty who felt that it might be interpreted to increase the authority of the President. To reassure those faculty members, President Boyd said that he'd like to make a public statement to the effect that he, as President of the University, does not see the proposed Internal Management Directive as changing the practice or principles of governance on the University of Oregon campus as they have developed under the University's charter.

Mr. Wyss said that he assumed that President Boyd's statement was intended to support the adoption of the proposed Internal Management Directive as a "standardized document" applicable to the State System as a whole, but that at the same time, President Boyd feels that there is a special relationship between president and faculty that has developed over the years under the University's charter and that President Boyd does not see that relationship being changed by the Internal Management Directive. President Boyd affirmed the accuracy of Mr. Wyss's comment.

Dr. Fred Waller, Head of the Department of English at Portland State University, and chairman of the Interinstitutional Faculty Senate, said that the Senate was very hopeful that the Board would adopt the proposed Internal Management Directive. He said that the Senate recognizes that the presidents of the institutions must have authority commensurate with the responsibilities given them, and that it is not the Senate's intention to reduce or diminish the president's authority through the proposed Internal Management Directive. However, he said, the Senate feels that it is important that the Board give official recognition to the desirability of institutions' having the right to develop statements of internal governance involving the president and variously on the institutional campuses, according to each institution's decision, the faculty, faculty and students, or faculty, students, and classified personnel.

The Committee recommended that the Board adopt the proposed changes in the Internal Management Directives as recommended.

Board Discussion and Action

Mr. Batiste asked the Chancellor to comment on the overall implications of the proposed Internal Management Directives. The Chancellor said faculty groups have been concerned that there is insufficient expressed authority in the rules which would enable them to feel assured that they could establish on each campus an internal governance structure. The proposed language has been developed after extensive discussion and is intended to make certain that this right is conveyed, but at the same time it does not eliminate the circumstance that the Board and the Chancellor look to the president as the voice of the institution. The Chancellor said, in his opinion, the proposed language met both requirements.
It was suggested by Mr. Ingalls that IMD 1.126 also might be stated "Each Institution is required to formulate a statement of internal governance..."

The Chancellor said this might go beyond what should be imposed on a faculty because he could imagine a faculty group that might be utterly content with existing arrangements without a formal structure. In that case it would be inappropriate to require the development of the statement.

Mr. Ingalls then noted that new presidents would have the right to review and modify the statement of internal governance and asked whether the current presidents also could change the statement. The Chancellor responded that it would be assumed the existing statement would be developed with the concurrence of the current president, and the president, therefore, had expressed agreement with it. However, it would be inappropriate for the current president to impose an internal governance structure on the succeeding president. The statement can be reopened by either president or faculty. It was indicated further that the president can veto the governance structure and continues to be the administrative head of the institutions. The Board looks to the president—not the faculty organization or the student organization, or any other organization—as the administrative head of the institution.

Any disagreement with the president under the governance statement would be subject to review by the Chancellor. Presumably, the Board might become involved if the Chancellor were unable to resolve the matter.

Mr. Batiste said he would favor having the right of appeal or review limited to the Chancellor so that the Board would not become involved with issues that rightfully should be decided by the president.

Mr. Perry pointed out that the Board could decide not to consider a particular issue.

Mr. Batiste then inquired whether there were any implications for Board involvement with lobbies. The Chancellor said in his judgment the proposed Internal Management Directives were not related to the lobbying efforts. However, the Board might want to review the question of lobbying as a separate issue because there are lobbying efforts in Salem on behalf of students and faculty. The Board itself has no control and does not participate in these separate lobbying efforts. It was agreed that the Board did not wish to become involved in these efforts.

The Board approved the staff recommendation as presented and adopted the proposed Internal Management Directives, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Feves, Harms, Ingalls, Moore, Thorp, Wyss, and Perry. Those voting no: None.

Residence Hall and Food Service Charges, 1979-80

(Considered by Committee on Finance, Administration, and Physical Plant, April 27, 1979; present--Ingalls, Ater, and Moore.)

Staff Recommendation to the Committee

It was recommended that the Board:

1. Authorize continuation in 1979-80 of the variance from the requirement that residence hall room and board charges produce net income in excess of 100% of annual debt service on outstanding residence hall bonds (IMD 7.15K3).

2. Approve institution's and Board's staff recommended 1979-80 residence hall room and board rates.
3. Require the Board's staff and University of Oregon Health Sciences Center officials to conduct a study of the Residence Hall to include continuing and future housing needs, alternate sources of housing, deficit operations and proposed solutions, and methods of financing debt service other than from the consolidated building fee.

4. Require the Board's staff and Eastern Oregon State College officials to conduct a study of residence hall management and operations for the purpose of determining ways to attain breakeven residence hall and food service operations, and methods of financing debt service other than from the consolidated building fee.

5. Reserve the authority to modify charges during 1979-80, if the cost expectations on which the charges are based are substantially inconsistent with rates of inflation or other factors beyond the control of the institutions.

Discussion and Recommendation by the Committee

In presenting the material, Mr. Holmer called attention to the recommendations for studies at the University of Oregon Health Sciences Center and Eastern Oregon State College, and also to the notification that it may be necessary to modify the charges due to inflation. He indicated that these rates had been discussed with the institutions and essentially were recommendations from them.

Mr. Ater said these rates obviously were influenced to some extent by the debt service issues discussed earlier. He said he had been advised by the Chancellor that the study requested in the discussion of debt service was almost ready for distribution. Mr. Ater moved that the proposed charges be presented for Board consideration at the May meeting, with the request that the staff material providing debt service information be available for the session prior to considering the 1979-80 residence hall and food service charges.

The Committee approved the motion.

Further Staff Report to the Board--May 25, 1979

In response to requests by Messrs. Ater and Moore for a presentation of alternative methods of distributing residence hall debt service based on average occupancy, and a combination of replacement cost and average occupancy, the Board's staff has provided under Figure 5 a five-method comparison using replacement value, average occupancy, 50-50 replacement value and average occupancy, marketable capacity, and design rated capacity.

For each method, the comparison shows each institution's dollar share of total Department residence hall debt service, its percentage share of the total Department residence hall debt service, its cost per occupant based on its average occupancy, and its average dollar increase or (decrease) per occupant compared to the cost per occupant determined by the replacement value method.

One can quickly assess the impact of a change from the replacement value method to any of the other four methods by adding or subtracting the increase or (decrease) per occupant to the 1979-80 institution recommended rates presented at the top of Figure 5. For example, the 50-50 replacement value--average occupancy method would result in an increase per occupant at Oregon State University of $15.13. If the recommended standard rates at Oregon State University of $1,565 for multiple occupancy and $1,950 for a single unit were developed to result in a breakeven operation (no loss and no margin), Oregon State University would have to raise its rates to $1,580.13 and $1,965.13, respectively.
The other institutions might raise or lower their recommended rates after following the same procedure. The assumption is that all institutions anticipate they will break even. Since that is not likely to be the case at Oregon College of Education and Eastern Oregon State College, these institutions would not be encouraged to decrease their 1979-80 recommended rates by the exact amount of average decrease per occupant indicated under the method of distribution. Similarly, the total increases in rates per occupant might not have to be implemented if the institution projects a reasonable margin from operations.

Figure 6 contains comparative statistics pertaining to the total General Obligation bond dollars allocated to each institution for residence hall construction, Series 1951 through 1978D; each institution’s total debt service projected to maturity, assuming each institution were to be made responsible for retiring its own bond indebtedness; and each institution’s debt service under the consolidated debt service plan based on building replacement value, and projected to maturity.

The comparisons show that the consolidated debt service plan is advantageous to Oregon Institute of Technology by $427,982 and to Oregon College of Education by $4,058,140. Over the scheduled life of the bonds, the plan is projected to cost Oregon State University an additional $472,814, Southern Oregon State College $586,517, Eastern Oregon State College $1,237,074, and the University of Oregon $3,444,944.
## Comparison of Five Methods of Distributing Debt Service 1979-80

<table>
<thead>
<tr>
<th>Method</th>
<th>OSU</th>
<th>OSU College Inn</th>
<th>UO</th>
<th>SOSC</th>
<th>OCE</th>
<th>OIT</th>
<th>EOSC</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Multiple</strong></td>
<td>1,565</td>
<td>1,650</td>
<td>1,580</td>
<td>1,630</td>
<td>1,640</td>
<td>1,630</td>
<td>1,640</td>
<td>1,640</td>
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<tr>
<td><strong>Single</strong></td>
<td>1,950</td>
<td>2,178</td>
<td>2,054</td>
<td>2,070</td>
<td>2,195</td>
<td>2,085</td>
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<tr>
<td>% of ODHE Debt Service</td>
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<td>3.6%</td>
<td>27.5%</td>
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<tr>
<td>Cost per Occupant</td>
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<td>$218.08</td>
<td>$245.37</td>
<td>$279.09</td>
<td>$310.58</td>
<td>$301.91</td>
<td>$383.87</td>
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<td><strong>Average Occupancy by Institution</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of ODHE Debt Service</td>
<td>40.9%</td>
<td>4.2%</td>
<td>28.0%</td>
<td>11.8%</td>
<td>6.5%</td>
<td>4.9%</td>
<td>3.7%</td>
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<tr>
<td>Cost per Occupant</td>
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<td>$251.63</td>
<td>$249.93</td>
<td>$250.63</td>
<td>$269.56</td>
<td>$249.47</td>
<td>$246.58</td>
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<tr>
<td>Average Incr. or (Decr.) per Occupant</td>
<td>$30.25</td>
<td>$33.55</td>
<td>$4.56</td>
<td>$279.09</td>
<td>$310.58</td>
<td>$301.91</td>
<td>$383.87</td>
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<td><strong>Marketable Capacity</strong></td>
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<td>Number of Spaces</td>
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<td>1,084</td>
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<td>526</td>
<td>466</td>
<td>10,255</td>
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<tr>
<td>Institution Share of Debt Service</td>
<td>$960,871</td>
<td>$94,901</td>
<td>$673,796</td>
<td>$251,487</td>
<td>$158,939</td>
<td>$120,999</td>
<td>$111,509</td>
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<tr>
<td>% of ODHE Market Capacity</td>
<td>40.5%</td>
<td>4.0%</td>
<td>28.4%</td>
<td>10.6%</td>
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<td>5.1%</td>
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<td>Average Incr. or (Decr.) per Occupant</td>
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<td>$22.28</td>
<td>$279.09</td>
<td>$310.58</td>
<td>$301.91</td>
<td>$383.87</td>
<td></td>
</tr>
</tbody>
</table>

---

1. University Inn—$2,054 multiple; $2,670 single.
2. Includes University Inn.
4. SOSC's average occupancy has been increased by 100 occupants, assuming continuation of NYACC use of Siskiyou Hall.
5. OCE's average occupancy has been increased by 90 occupants, assuming continuation of State Police Academy use of Arbuthnot Hall.
6. Cost per Occupant for 1977-78 capacity adjusted to the market place.
7. Capacity as determined by original design.

OSU: 5/14/79
## Summary Comparison of Actual and Consolidated Debt Service

### I. Total Allocation of Article XI-F(1) General Obligation Bonds for Residence Halls, Series 1951 Through 1978D

<table>
<thead>
<tr>
<th></th>
<th>OSU</th>
<th>UO</th>
<th>SOSC</th>
<th>OCE</th>
<th>OIT</th>
<th>EOSC</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$19,913,000</td>
<td>$13,930,000</td>
<td>$6,984,000</td>
<td>$6,145,000</td>
<td>$3,045,000</td>
<td>$2,212,000</td>
<td>$52,229,000</td>
</tr>
</tbody>
</table>

### II. Actual Debt Service on Bonds as Allocated to Maturity (No Consolidations or Compositing of Interest Rates)

<table>
<thead>
<tr>
<th></th>
<th>OSU</th>
<th>UO</th>
<th>SOSC</th>
<th>OCE</th>
<th>OIT</th>
<th>EOSC</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$34,711,904</td>
<td>$22,986,632</td>
<td>$11,353,396</td>
<td>$11,596,764</td>
<td>$5,264,401</td>
<td>$3,783,038</td>
<td>$89,696,135</td>
</tr>
</tbody>
</table>

### III. Debt Service Prior to Consolidation, to 6/30/79

- **(1)** Debt Service Actually Paid Prior to Consolidation on 7/1/69:
  - OSU: $6,499,746
  - UO: $5,759,162
  - SOSC: $1,857,804
  - OCE: $1,176,407
  - OIT: $383,052
  - EOSC: $658,071
  - Total: $16,334,242

- **(2)** Consolidated Charges 7/1/69 Through Estimated 6/30/79:
  - OSU: $11,089,036
  - UO: $7,635,130
  - SOSC: $3,806,441
  - OCE: $2,534,800
  - OIT: $1,648,754
  - EOSC: $1,623,121
  - Total: $28,337,282

- **(3)** Projected Debt Service to Maturity Year 2005 Based on 7/1/79 Building Valuations and Allocations as of 1/1/79:
  - OSU: $17,595,936
  - UO: $13,037,284
  - SOSC: $6,275,668
  - OCE: $3,827,417
  - OIT: $2,804,613
  - EOSC: $2,739,820
  - Total: $46,280,738

**Total Debt Service Under Consolidation**

<table>
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1. Includes the College Inn.
2. Includes the University Inn.

RSP: 1
5/17/79
Board Discussion and Action

Mr. Perry stated that the time set for the public hearing on the board and room charges for 1979-80 had arrived and asked if anyone wished to be heard for or against the proposed charges. The board and room charges will be incorporated in the Academic Year Fee Book after tuition rates have been set by the Board at the conclusion of the legislative session.

Mr. Don Chalmers of the Office of Student Advocacy at the University of Oregon indicated that he would address both the auxiliary enterprise financing policies in the Administrative Rules and Internal Management Directives and the board and room charges for 1979-80. A public hearing had been set for the Administrative Rule changes and the board and room charges.

Mr. Chalmers said the issues involved questions that required very strict scrutiny and very careful deliberation. He expressed interest in the matter of the ease of transfer of unencumbered balances between various auxiliary accounts. Students should have direct input into the determination of debt service for an auxiliary enterprise, and Mr. Chalmers asked that such a provision be included in the Internal Management Directives relating to debt service. Mr. Chalmers also expressed concern about the apparent intent to transfer funds from one account to offset losses or overdrafts in another area.

The proposed policy is inappropriate, he said, in that it provides for questionable fiscal policy with regard to overdrafts and the use of excess auxiliary enterprise debt service funds to pay operating costs. The Board was asked to consider carefully the advisability of allowing excess debt service funds to be used for equipment when these purchases have traditionally been handled through sinking funds.

Mr. Chalmers also referred to language added to IMD 6.305(1) which indicates that building fees are applied without regard to the institution where the fees were collected. This provides for pooling of student building fees to meet debt service requirements. He asked that the Board clarify exactly what is intended in terms of that pooling because it appears to be a change in the management directives in that respect. He said the students would favor a Board policy that encouraged physical development on the campuses where the fees are generated but also respected the concept that on occasion fees might be pooled to develop facilities on other campuses which lack adequate resources for development.

In commenting on the board and room charges, Mr. Chalmers objected to the recommendation that the Board reserve the authority to modify charges during the academic year if cost expectations on which the charges are based were substantially inconsistent with the rate of inflation or other factors beyond the control of the institutions. He stated that students annually project a budget for the school year and count on the stability of the announced charges to a greater extent than might be true for other segments of society. If these charges are increased, a student may be excluded because the increase is beyond the capacity of the student to pay. He requested the Board to establish charges that return some profit but also provide assurance to students in terms of cost.

Miss Cindy Wilhite, President of the Associated Students of Oregon State University, expressed concerns of the Oregon Student Lobby, which were similar to those mentioned by Mr. Chalmers.

Mr. Anderson asked Mr. Chalmers if he had any suggested language regarding student input for inclusion in IMD 6.305(c). Mr. Chalmers said that subparagraph (4) delegated continuing authority to the Vice Chancellor for Administration and the Vice Chancellor for Facilities Planning to approve the transfer of excess funds. He said he assumed that action would be taken.
upon approval of a request from the president of the institution. Mr. Chalmers suggested that the language state that the institutional executive, after consultation with the recognized student government association, would make a recommendation for that kind of transfer. He also commented that there might be a question concerning the use of debt service funds under subpart (3) to cover overdrafts.

With respect to modifying charges and rates during the year, Mr. Anderson asked if there would be objections to using debt service funds to cover any overdraft that might occur. Mr. Chalmers said there are instances where operating costs are projected appropriately and prices may increase excessively. Legitimate transfers could be made in those instances after appropriate consultation with student government representatives.

Mr. Chalmers said the building repair accumulation rate for certain auxiliary enterprises had been 1/3% of replacement value per year and the proposed policy suggests that the level be between 1/3% and 2%. He asked if the 1/3% policy would continue for the specified facilities and the 1/3% would be designated for other facilities.

Mr. Holmer explained that the rate would move to 1/3% over a five-year period, and Mr. Chalmers said the students would be concerned with that recommendation as well.

In response to a question about the time element of the proposed actions, Mr. Holmer said it would be desirable to set the board and room rate and return to the Committee and Board with tuition rates and other fees after legislative action on the budget. The board and room rates would be reaffirmed at that time. If action also were deferred on board and room rates, students would have no indication of what the charges would be. The inflation rate would be the only additional information which would be available in July or August when the tuition and other fees are brought to the Board.

Mr. Ingalls moved that the matters under discussion be rereferred to the Committee on Finance for further study and subsequent consideration by the Board. It was pointed out by Mr. Ater that there were two separate issues—the Internal Management Directives which attempt to establish long-range policy and the residence hall rates for next year. He questioned whether it was necessary to defer the board and room rates as well as the policies. The motion by Mr. Ingalls was subsequently withdrawn to permit further public testimony.

Mr. Ingalls noted that there had been objection to recommendation 5 under the board and room rates. Mr. Chalmers urged that recommendation 5 and the Internal Management Directives be deferred but that the Board approve the proposed board and room charges in order to provide as much advance notice as possible to students.

The Chancellor commented that recommendation 5 was a positive affirmation of a right which the Board had at any time. He said the statement could be deleted without any negative effect on the Board's right in a crisis to make changes in rates. It was simply a more positive warning that this might occur.

Mr. Ingalls indicated he was willing to change his motion to adopt the residence hall and food service charges with the elimination of recommendation 5 and refer the Internal Management Directives to the Committee for further study.

Mr. Holmer said it was very important that the possibility of rate increases be identified publicly. The institutions are operating on a very close margin and if prices increase beyond present expectation it will be necessary to raise the rates.
Mr. Ingalls suggested that students would expect rates to increase under an emergency situation. Mr. Chalmers said students rely on the fiscal planning of the Board's Office and the institutional offices. They count on the expertise of those people to make the best possible projections and to set rates that will encompass expected increases. A rate increase during the year would force marginal students to seek additional financial aid or to leave the institution.

Mr. Ingalls suggested that a possible mid-year increase would be better than setting the rates high enough to cover all contingencies. Mr. Chalmers agreed that it would be unconscionable to set rates to cover a high inflation factor which might not occur, but he pointed out that financial projections have been very close in the past. In response to another question, he said he would vote in favor of eliminating recommendation 5 if he were a Board member.

Mrs. Carpenter said it was important to make the public statement of the possible increase in rates as set forth in recommendation 5. Mr. Wyss concurred. He said if the recommendation were removed, it gives the false assumption that the Board no longer believes that charges should be modified during the year, if necessary. Mr. Moore also agreed.

Mrs. Feves suggested the possibility of setting differential rates for each term to cover the inflation and still provide students with advance notice. Mrs. Carpenter commented that students are faced with a variety of fee structures now.

Mr. Chalmers said that if the Board were to consider setting higher rates to cover inflation during the winter and spring terms, the decision should be reviewed in connection with the present incentive for remaining in the residence halls the full year. Rates are now higher for fall term and less for winter and spring terms to encourage students to remain the full year.

Miss Wilhite said students prepare financial aid forms with a projection of living expenses for the following academic year. If these expenses are underestimated because of information provided by the Board, the students may receive a smaller cash award or financial aid package.

Mr. Thorp pointed out that the Board has always had the right and responsibility to set charges at an appropriate level and if it should be necessary to raise the board and room rates, they will be increased. Traditionally this has not been done, even during the past year when food prices increased substantially.

There being no other persons who wished to be heard, Mr. Perry declared the public hearing closed.

The Board approved a motion by Mr. Ater to defer action on the Internal Management Directives related to Article XI-F(1) debt service policy and to refer the matter back to the Committee on Finance, Administration, and Physical Plant for additional review. The following voted in favor: Directors Anderson, Ater, Batiste, Carpenter, Feves, Harms, Ingalls, Moore, Thorp, Wyss, and Perry. Those voting no: None.

Mr. Ater moved that the Board approve the residence hall and food service charges for 1979-80, with recommendation 5 deleted, but with the discussion that the Board has continuing authority to change rates clearly reflected in the minutes.

Mr. Harms said the deletion of recommendation 5 would indicate that the authority was not intended. Mr. Ater agreed to modify his motion to include the approval of recommendation 5.

In response to a question from Mr. Batiste, it was indicated that food is purchased at the lowest possible rates because of the volume purchased.
Mr. Ater noted that recommendation 4 requires a study of the cost situation at Eastern Oregon State College.

Mr. Ater said the information provided in the extensive study of the allocation methods indicates that regardless of the method adopted, in all probability there would be no change in the room rates proposed. For that reason, Mr. Ater said he was willing to enact the residence hall and food service charges even before further study of the information by the Committee.

The Board approved Mr. Ater's motion as presented and subsequently modified to include recommendation 5. The following voted in favor: Directors Anderson, Ater, Batiste, Carpenter, Feves, Harms, Ingalls, Moore, Thorp, Wyss, and Perry. Those voting no: None.

Staff Report to the Committee

Room and Board Charges

In recommending residence hall room and board charges for 1979-80, the institutions estimated occupancy in relation to projected enrollment and present occupancy, used cost figures which reflected cost of living wage increases of approximately 7%, projected a 9% increase in services and supplies costs, and projected an increase in food costs of approximately 12%, except where program variance indicates a greater or lesser increase.

Institution-recommended increases in 1979-80 room and board rates as shown in Figure 1 indicate that the standard multiple occupancy rate for 19 or 20 meals per week ranges from $1,465-$1,695 at Oregon State University to $1,640 at Oregon College of Education and Eastern Oregon State College. These rates would result in increases over 1978-79 rates ranging from a high of 11.6% at Oregon College of Education to a low of 6.4% at the University of Oregon.

Actual and projected earnings from operations for the years 1977-78 and 1978-79 are presented in Figure 2. Projected earnings at each institution for 1979-80, based on minor anticipated changes in average occupancy and the recommended rates are also presented in Figure 2. Three institutions, Oregon College of Education, Eastern Oregon State College and University of Oregon Health Sciences Center, are projecting net losses after debt service.

Debt service, as required by Board policy (Figure 3), will cost an Eastern Oregon State College student $364 and an Oregon State University student $215. The difference in cost results from the fact that Oregon State University, as well as University of Oregon residence halls, operate at near capacity. This has not been possible during the past five years at Eastern Oregon State College, Oregon Institute of Technology, Oregon College of Education, Southern Oregon State College, and University of Oregon Health Sciences Center and has necessitated, in most instances, use of the consolidated building fee to meet the debt service obligations of these institutions. The accumulated borrowings to date from the consolidated building fee to meet the debt service amount to $1,070,465.

To reduce the impact of the debt service cost to each student occupant, and to utilize otherwise vacant residence hall facilities, Southern Oregon State College and Oregon College of Education officials, with Board approval, have sought and obtained contracts to provide lodging and food services to other educational agencies (U. S. Bureau of Land Management for National Young Adult Conservation Corps at SOSC, and Oregon State Police Academy at OCE). Eastern Oregon State College officials have also provided such services to the U. S. Forest Service fire fighters during the summer months.
There are several other conditions which contribute to the differences in the rate structures, but required debt service policy based on the replacement value of the buildings on each campus constitutes a major factor. Others are economy of scale at the larger institutions, institutional live-in policy, and ease of access to alternative housing adjacent to the campus. These factors are not easily affected by efficiency of management. However, they work in combination to inhibit complete implementation of AR 580-11-015(2) "Rates of charge in the residence halls within the Department and within an institution shall be similar."

Study of University of Oregon Health Sciences Center and Eastern Oregon State College Operations

The low occupancy rates and resulting financial problems at University of Oregon Health Sciences Center and Eastern Oregon State College deserve the attention of the Board's staff and the respective institutional officials. Although it was anticipated (see Board Minutes February 18, 1969, pages 105-106) by University of Oregon Health Sciences Center officials and the Board that the Residence Hall would not generate sufficient net income to meet debt service requirements, the decrease in average occupancy and the increasing reliance on the consolidated building fee was not envisioned. In 1978, University of Oregon Health Sciences Center officials and the Board's staff completed informal studies to determine the source and cause of the low occupancy, and implemented recommended actions to improve occupancy. The positive effects may be minimal; however, the recent institutionally-imposed limitation on admissions to the nursing school has had some effect on demand for on-campus living accommodations, and the mode of living (single as opposed to multiple occupancy) has reduced income from operations. Institutional officials and Board's staff now believe that a complete and thorough study is necessary—in fact, it is underway. Such a study will include a reassessment of present and future housing needs, deficit operations and proposed solutions, alternate sources of housing, and methods of financing debt service other than from the consolidated building fee.

At Eastern Oregon State College, low occupancy may be only one of several reasons for the financial problems experienced by the residence hall. Figure 4 indicates, for example, that about 40% of the lower-division FTE students reside in the residence halls, a figure exceeded only by Oregon State University, University of Oregon, and Southern Oregon State College. A significant increase in total institutional enrollment would probably alleviate the problem, though not entirely. It is not likely to occur within the next two or three years.

However, a quick comparison of Eastern Oregon State College and Oregon Institute of Technology projected 1979-80 costs of personal services, services and supplies, and food, when divided by the respective projected average occupancies, reveals that operating expenses per occupant at Eastern Oregon State College will exceed those at Oregon Institute of Technology by $144 for personal services, $32 for food, and $56 for services and supplies. The total difference amounts to $87,000. Although these are rough calculations, they are sufficiently revealing to warrant further study primarily because the operations are so similar in organizational structure. At both institutions, the single centralized food service accommodates both residence students as well as cash customers (staff, faculty, and non-residence hall students). Such a study might also result in recommendations which, if implemented, could contribute to further management and operational efficiency at both institutions as well as throughout the Department of Higher Education.

The findings and recommendations of both studies would be reported to the Board.
Interim Rate Structure

The Board has generally held to charges, once announced, throughout an academic year. On one occasion in the recent past, the Board rolled back residence hall rates, in deference to national price regulations.

It is assumed that the Board would be reluctant to modify the recommended charges during the 1979-80 academic year. Nonetheless, despite the hope that the voluntary wage and price guidelines promulgated by the federal Council on Wage and Price Stability will slow the inflationary spiral, there are grave uncertainties about prices generally (and utility and food prices particularly) which make it appropriate for the Board to declare publicly its recognition of the uncertainties and intention not to continue services at charges which do not cover all costs. A less emphatic position would undermine an institution's ability to carry out management responsibilities delegated by the Board to the institution president.

Voluntary Wage and Price Standards

The proposed 1979-80 room and board rates have been compared with price standards established by the federal Council on Wage and Price Stability (COWPS). Two measures of compliance are allowed, a price deceleration standard and an operating margin standard. Due to the multiplicity of rates, variety of housing services and accommodations and expected higher food costs, it was determined that the operating margin standard would provide a more appropriate measure of compliance.

The operating margin test requires that room and board rate increases be held at levels which result in net earnings which, as a percentage of income, do not exceed the average net earnings experienced during the best two of the preceding three years.

Estimated 1979-80 net earnings for all campuses are either less than the base year standard or represent the modest turn around of prior year deficits. At Southern Oregon State College, for example, the estimated net earnings of 2.6% is compared with an average base-deficit of 1.1%. The standards provide for "undue hardship" exceptions and appear to allow the type of net earnings adjustments exemplified by Southern Oregon State College.
### Figure 1
OREGON DEPARTMENT OF HIGHER EDUCATION

Room and Board Rates and Percentage Increases 1975-1978
Proposed Rates 1979-80

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