| Welcome to E. Green and E. Warner-Yasuda                      | 405 |
| Presentation by UOHSC                                        | 405 |
| MINUTES APPROVED                                              | 406 |
| CHANCELLOR'S REPORT                                           | 406 |
| Admissions Report                                            | 407 |
| Travel Reduction                                              | 407 |
| Proposed Sale of Mackenzie Estate Property, UOHSC             | 407 |
| Preliminary Planning of Pharmacy Alterations within Outpatient Clinic Building and Related Relocations, UOHSC | 408 |
| Schematic Design for Phases I and II of Crop Science Building, OSU | 410 |
| 1979-80 Annual Budget Planning                                | 413 |
| Adoption of OAR 580-10-021, Waiver of Nonresident Tuition and Fees | 423 |
| Tuition & Fee Recommendations for 1979-80 Academic Year Fee Book | 424 |
| Amendment of OAR 580-10-035, Residence Classification of Federal Service Personnel | 436 |
| Proposed Revision of OAR 580-22-030, Academic Study Privileges | 437 |
| Amendments to OAR 580-20-005(2)(b) and (d), Academic Rank    | 438 |
| $7,500,000 State of Oregon, State Board of Higher Education Building Bonds, Series 1979 A, Article XI-F(1) | 439 |
| $7,000,000 State of Oregon, State Board of Higher Education Facilities Bonds, Series 1979 B, Article XI-G | 444 |
| $4,755,000 State of Oregon, Community College and Education Center Bonds, Series 1979 C, Article XI-G | 448 |
| Public Telecommunications Financing Act of 1978, Requirement of Advisory Boards To Qualify for CPB Grants | 452 |
| Amendment of Board Bylaws, Article III, Section 1--Regular Meetings | 455 |
| Financing of Field House (Stadium Replacement), OCE            | 456 |
| Office of Educational Systems Program Improvement              | 457 |
| Status Report on Action Taken in Response to 1975-1977 Audit Report | 460 |
| Report of the Marine Sciences Commission of the OSHE          | 461 |
| Gerontology Education in Oregon                                | 463 |
| Use of Incidental Fees for Proposed Cultural and Conference Center, OSU | 503 |
Table of Contents--Page 2

Meetings of July 27, 1979, and August 28, 1979

W. T. Cooney, Certificate of Recognition 504
Dr. K. Dittmer, Certificate of Recognition 505
B. Feves, Certificate of Recognition 506
G. Moore, Certificate of Recognition 506

PRESIDENT'S REPORT
Meeting of Oregon Investment Council 507
Committee Assignments 507
Next Meeting Dates 507

Report of Inspection and Acceptance for Campus Services Building Computer Services Center Remodeling, UO 507
Report of Inspection and Acceptance for University Hospital North and University Hospital South Food Service Facilities Alterations, UOhSC 508
Sale of Harsh Estate Property, UO 508
Sale of Harsh Estate Property, UO 509
Sale of Knowlton Estate Property, UO 509
Report of Acceptance and Revised Schematic Design Phase of Planning for Parking Structure III Addition, PSU 511
Report of Bids and Contract Awards for Professional Schools Building Phase I (Education), PSU 512
Report of Inspection and Acceptance for Smith Memorial Center Remodel, PSU 513
Purchase of Mellinger Property, EOSC 515
Report of Acceptance of Schematic Design Phase of Planning for Memorial Union Building Remodeling, Phase III, OSU 515
Report of Acceptance of Revised Schematic Design Phase of Planning for Gilbert Hall Remodel, OSU 516
Report of Inspection and Acceptance of Safety Deficiency Corrections, Phase II, (Cordley Hall, Wiegand Hall, and Milam Hall Mechanical/ Deluge Showers and Eye Washes), OSU 517
Report of Inspection and Acceptance of Safety Deficiency Corrections, Phase II, (Cordley Hall Ventilation Improvements), OSU 518
Report of Inspection and Acceptance of Safety Deficiency Corrections, Phase II, (Nash Hall Emergency Lighting and Motor Disconnect Improvements), OSU 519
Report of Inspection and Acceptance for Safety Deficiency Corrections, Phase II (Oceanography I, Benton Hall, Social Science Building, Chemical Engineering, Industrial Building, Oceanography II, Mitchell Playhouse, Apperson Hall, Milam Hall, Batchelor Hall, Kent House, Administrative Services Building and Agriculture Hall Electrical Deficiencies), OSU 521
Report of Appointment of Professional Consultants for Accessibility for Handicapped, UO 522
# Table of Contents--Page 3

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meetings of July 27, 1979, and August 28, 1979</td>
<td></td>
</tr>
<tr>
<td>Report of Bids and Contract Award for Safety Deficiency Corrections</td>
<td></td>
</tr>
<tr>
<td>(University Inn Fire Protection Systems), UO</td>
<td>522</td>
</tr>
<tr>
<td>Report of Bids and Contract Award for Safety Deficiency Corrections, Phase II (Lawrence Hall/North Site Arts Building), UO</td>
<td>524</td>
</tr>
<tr>
<td>Report of Consulting Services for School of Architecture &amp; Allied Arts Addition and Alterations, UO</td>
<td>525</td>
</tr>
<tr>
<td>Report of Additional Architectural Services for Surface Drainage Improvements and Physical Education Fields Relocation, EOSC</td>
<td>525</td>
</tr>
<tr>
<td>Capital Construction Program for 1979-1981</td>
<td>526</td>
</tr>
<tr>
<td>Report on International Student Fee Remissions</td>
<td>530</td>
</tr>
<tr>
<td>Condition of Board's Plant Rehabilitation Reserve for 1978-79</td>
<td>542</td>
</tr>
<tr>
<td>Condition of Board's Reserves for 1979-80</td>
<td>542</td>
</tr>
<tr>
<td>ADJOURNED MEETING OF THE BOARD, August 28, 1979</td>
<td>543</td>
</tr>
<tr>
<td>Acceptance of Bid for $7,500,000 State of Oregon, State Board of Higher Education Building Bonds, Series 1979 A, Article XI-F(1)</td>
<td>543</td>
</tr>
<tr>
<td>Acceptance of Bids for $7,000,000 State of Oregon, State Board of Higher Education Facilities Bonds, Series 1979 B, Article XI-G</td>
<td>545</td>
</tr>
<tr>
<td>Acceptance of Bid for $4,755,000 State of Oregon, Community College and Education Center Bonds, Series 1979 C, Article XI-G</td>
<td>547</td>
</tr>
</tbody>
</table>

ADJOURNMENT
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.

The meeting was called to order at 8:30 A.M. (P.D.T.), July 27, 1979, by the President of the Board, Mr. Louis B. Perry, and on roll call the following answered present:

- Mr. Lester E. Anderson
- Mr. Jonathan A. Ater
- Mr. Alvin R. Batiste
- Mrs. Jane H. Carpenter
- Mr. Edward C. Harms, Jr.
- Mr. Robert C. Ingalls
- Mr. Gregory G. Moore
- Mr. Loren L. Wyss
- Mr. Louis B. Perry

Absent: Mrs. Betty Feves was absent for personal reasons; Mr. William C. Thorp III was absent due to a death in the family.

Mrs. Edith Green and Mrs. Elizabeth Warner-Yasuda, newly-elected Board members, were also present at the meeting.

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; Janet E. Young, Assistant to the Chancellor; Edward Branchfield, Assistant Attorney General; Ross Hall, Controller; Gary Powell, Director, Internal Audits Division; Richard S. Perry, Director, Division of Management and Planning Services; Keith Jackson, Assistant Budget Director; Dick Zita, Director, Public Services and Publications; Diane Marsh, Assistant Director, Public Services and Publications; Donald S. Bryant, Executive Director, Oregon Educational Public Broadcasting Service; Peggy Gross, Oregon Educational Public Broadcasting Service; Francetta Carroll, Administrative Assistant.

Oregon State University—President R. W. MacVicar; Sandra Suttie, Assistant to the President/Curriculum Coordinator.

University of Oregon—President William B. Boyd; Ray Hawk, Vice President for Administration and Finance; Gerard Mosley, Associate Provost for Student Affairs; Mary Burton, Research Associate, Career Information System.

University of Oregon Health Sciences Center—President Leonard Laster; M. R. Parcellus, Vice President for Administration and Finance; John M. Brookhart, Acting Vice President for Academic Affairs; Mary Anne Lockwood, Acting Executive Assistant to the President; Ralph Tuomi, Director, Facilities Management.

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.

Oregon College of Education—President Gerald Leinwand; Ronald Chatham, Assistant to the President; John N. Sparks, Director of Business Affairs.
President Perry introduced Mrs. Edith Green and Mrs. Elizabeth Warner-Yasuda, newly-appointed members of the Board and welcomed them to their first meeting. It is anticipated that both will be qualified as members of the Board prior to the next Board meeting.

Mr. Perry expressed appreciation to President Laster and the staff of the University of Oregon Health Sciences Center for the presentations and hospitality during the Board's visitation to the institution. He then invited President Laster to present a statement with respect to the institution.

President Laster said the spirit of the staff at the Center was outstanding. The group is cohesive, dedicated to its purposes and moving forward with a genuine spirit of optimism for the future. The strength of the institution is improving as a result of the achievements during the legislative session just concluded. A planning effort is just beginning and is expected to culminate in proposals to the Board for the future of the institution, its hopes and aspirations.

President Laster stated that the heart of an institution is the people in it, and the gaps that evolved during the past several years are now being replenished. He cited the top administrative staff members which had left the institution and indicated the status of the search for replacements to fill the positions. He commented on the need for a vice president for academic affairs to meet the needs of faculty and students in an orderly manner. Dr. John Brookhart, who recently retired, has agreed to serve as acting vice president for academic affairs to meet these functions and organize the office. He will subsequently assist in the recruitment of a permanent incumbent for the position.

One of the goals for the University of Oregon Health Sciences Center is to establish teaching situations that have integrity from an academic point of view and in which the several disciplines work and learn together. For example, in the field of cancer, the management of the patient requires a broad spectrum of disciplines working together effectively and efficiently. President Laster indicated that the hospital dental clinic function was of educational importance and also of importance to the major goal of the integration of the disciplines. The school of nursing will have an opportunity to add to its faculty in order to meet its teaching needs and the requirements for accreditation. The school of medicine is expected to move forward with the addition of six allocated faculty members in fields which reflect the fact that progress has been made in the understanding of human disease. One example is in the important field of immunology in which a person with training in pediatric immunology is required. The area of management is a critical one, Dr. Laster said. At the next legislative
session it will be important to present an accounting of what has been done, why certain actions were taken, what priorities were established and how were the most pressing needs evaluated, and what benefits accrued to the institution and the state.

President Laster indicated that the evaluation of the five-year plan would begin with the development of a programmatic examination and ultimately lead to a determination of any structural needs for the future. He said the first and foremost responsibility of the University of Oregon Health Sciences Center is the education of the young people who are to become dentists, nurses, physicians, and allied health practitioners. The undergraduate education or predoctoral graduate education is the only reason for existence of the institution. If we do not do this with excellence, if we do not produce people who have not only the technological skills but the humanitarian attitude, then we have failed, President Laster said. The teaching of these individuals requires two elements. A health professional must be trained in a clinical situation so that students have experience with patients in all settings under the tutelage of experienced individuals who can guide them toward independence. This requires clinical facilities in which to provide the education, and these facilities must offer the best care society is capable of giving to be a role model and example. Secondly, the individuals who emerge from this training must have the capacity to grow older always learning. Information changes, President Laster said, and graduates must be able to discard inaccurate knowledge and replace it with valid new information.

A vigorous, dynamic research program is essential. Post-graduate work must be characterized by a high level of excellence. The Health Sciences Center should provide the community of health professionals with the opportunity to continue to learn through the extension of and a creative approach to continuing education. In cooperation with other agencies, there is an obligation to serve in some measure as a source of advice and information to the lay people of the state. Outside of the institution, the design of the system for the distribution of health care and health services research and development are areas in which the Health Sciences Center must take an appropriate place.

President Laster said the institution appears to be a vibrant exciting place and one in which staff members are dedicated to their goals. President Laster then introduced key personnel who were present.

The Board dispensed with the reading of the minutes of the regular meeting held on May 25, 1979, and approved them as previously distributed. The following voted in favor: Directors Anderson, Ater, Batiste, Carpenter, Harms, Ingalls, Moore, Wyss, and Perry. Those voting no: None.

The Chancellor said in a general way he was pleased with the outcome of the 1979 Legislative Assembly. There were some concerns. There is uncertainty as to how well the provisions of SB 805 will work. This legislation creates a new commission functioning under the Board of Higher Education with responsibility for public broadcasting.

Another concern results from SB 59 which began as an effort to bring the Oregon law regarding retirement into congruence with federal legislation. The federal legislation provided an exemption from the continuation from 65 to 70 for tenured faculty members in institutions of higher education. The revised SB 59 eliminated that exemption so there will be greater difficulty than had been anticipated earlier in bringing young, beginning, exciting, new people into the Department because the effect of the law will be to stabilize employment to a greater extent than would occur simply from enrollment stabilization.
The statutes now stipulate that off-campus instruction within a 30-mile radius is eligible for state support, but no funds were allocated in the budget for this purpose. That policy will be considered in terms of possible changes in the policy to be included in the recommendations to the 1981 Legislative Assembly.

The Chancellor referred to reciprocity negotiations and requested Dr. T. K. Olson, Executive Director of the Oregon Educational Coordinating Commission, to report any further developments in the negotiations. Dr. Olson indicated he was attempting to establish that there was a sufficient flow of community college students from Oregon to Washington to balance out most of the anticipated student flow from Washington to Portland State University at the upper-division level. The exchange will not be on a one-to-one basis because the dollar amounts, in terms of the potential future state subsidy, are substantially larger in the case of upper-division students than community college students.

With respect to the timing for the presentation of a proposal to the Emergency Board, Dr. Olson stated that there was still a possibility the proposal could be presented to the Emergency Board on August 16. However, concurrence is required from more than one school district or community college board, and the local groups may be unable to act in time to have a proposal before the August 16 session of the Emergency Board.

Mr. Wyss asked whether there was any provision for upper-division exchange with the State of Washington so that Oregon students might attend the University of Washington or Washington State University.

Dr. Olson responded that this type of agreement would not necessarily be a part of the 1979-80 negotiations but might be part of a broader, more comprehensive approach to be presented to the 1981 Legislature.

The Chancellor reported that the 1979 Legislature had made two substantial changes in the funding for international students and the summer session funding. The effects of both of these actions will be observed carefully.

He also indicated that the staff will be reviewing with the presidents possible recommendations for Board consideration in terms of priorities for the 1981 Legislature.

Admissions Report

The Chancellor reported that admissions appear to be stable and consistent with estimates. Nonresident admissions show a slight decrease but the overall admissions are up about 2.4% over a year ago.

Travel Reduction

The Governor's goal of a 15% reduction in travel comparing this month with the corresponding month last year has not been met. The Department of Higher Education has shown an increase over an equivalent quarter last year, partly due to the comparison between a legislative year and a non-legislative year. He stated that more vigorous efforts must be made to comply with those goals.

Staff Recommendation to the Board

It was recommended that the Board staff be authorized to offer for sale a house containing approximately 1,000 square feet of living space and a 50' by 100' lot located at 8726 S. E. 15th Avenue, Portland, Oregon. The minimum acceptable bid price would be $38,000. If sold on contract, the minimum acceptable terms would be 20% down, payable on closing, with the balance payable in equal monthly installments over a period not to exceed 10 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.
Board Discussion and Action

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

Staff Report to the Board

The property constitutes a portion of the assets of the estate of Dorothy Mackenzie. Health Sciences Center executives recommend sale of the property because it cannot be used to carry out the mission of the institution.

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 granted by the Division of State Lands.

(Considered by Committee on Finance, Administration, and Physical Plant, June 22, 1979; present--Ingalls, Batiste, and Moore.)

Staff Recommendation to the Committee

It was recommended that the Vice Chancellor for Facilities Planning be authorized to accept the design development phase of planning for the proposed alterations for the in-patient and outpatient pharmacy facilities within the University Hospital North. This work is expected to be included within the 1979-1981 auxiliary enterprise capital construction project, identified as the "Clinical Lab/Outpatient Clinic Remodel and Related Relocations", for which an expenditure limitation of $1,795,000 has been recommended by the Executive Department.

Based upon the schematic design phase of planning completed recently by the architectural firm of Hanson/Dunahugh/Vaivoda, Portland, the estimated direct construction costs of the pharmacy alterations and the relocation of the student lounge/locker areas total approximately $227,121. The financing plan contemplates the use of Article XI-F(1) bonds with debt service to be provided from patient fee income.

Discussion and Recommendation by the Committee

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

Board Discussion and Action

In presenting the report, Mr. Batiste mentioned that one of the concerns of the accreditation committee was the matter of security in the pharmacy. He said he was pleased to note during the visitation that in spite of a very small, inadequate facility, the staff was efficient in the matter of security. He indicated that the alterations would greatly improve the situation in the pharmacy.

In response to a question from Mr. Wyss concerning funding, Mr. Hunderup explained that the project was one component of an expenditure limitation of $1,795,000 for various remodeling projects within the outpatient clinic building and related relocations. The project will be undertaken in the 1979-1981 biennium.

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

In the development and approval of the Board's 1979-1981 capital construction requests last year, various units of work contemplated at the University of Oregon Health Sciences Center were included within a project under the title "Clinical Lab/Outpatient Clinic Remodel and Related Relocations". The description thereof referred to a number of proposed revisions of space allocations and improvements to meet increased workloads in several areas such as the Blood Bank, Nuclear Medicine, Pharmacy, the clinics for the Departments of Medicine, Obstetrics, etc., including some remodeling in other campus facilities to permit relocations of certain activities which could be moved from the Clinical Laboratory/Outpatient Clinic Building. An expenditure limitation of $2,375,000 was requested for this item, but was not included within the Governor's original budget recommendations to the 1979 Legislature. Subsequently, with the concurrence of institutional officials and the Board's staff, the Executive Department endorsed an expenditure limitation of $1,795,000 for major portions of the proposed improvements included within the original request. This amount is included as Priority No. 13 within the listing of auxiliary enterprises for 1979-1981.

As reported to the Board on January 26, 1979, arrangements were made for the professional services of Architects Hanson/Dunahugh/Vaivoda, Portland, to assist in the design and contract administration of the Pharmacy Alterations and the related relocation of the student lounge/locker areas into space within University Hospital North. In an effort to expedite the planning for this work, which needs to be accomplished as quickly as possible because of critical comments from accreditation agencies, and in order to have the information needed for presentation to the Capital Construction Subcommittee of Ways and Means, the Board's staff acknowledged the acceptance of the schematic design upon the recommendation of institutional officials and authorized the architects to proceed with the design development phase of planning on May 21, 1979. This planning is being financed from hospital and clinic resources pending legislative authorization for the project.

The existing pharmacy on the first floor of the Outpatient Clinic would be modernized and enlarged to provide more adequate space for filling and delivering prescriptions for outpatients and accommodating the billing and accounting activities for the department. It would also provide a better waiting area for clinic patients.

Approximately 20 yards away, on the same floor but removed from the main patient traffic, a new in-patient pharmacy area would be provided in the space currently used for medical student lockers and lounge. This area, containing approximately 1,976 square feet, would be remodeled to include offices for the Pharmacy staff and the lab-type spaces needed for pre-packaging prescriptions, storing and distributing them throughout the hospitals and clinics. The construction would entail installing a laminar air-flow hood for sterile mixing and compounding, and also would provide areas for interavenous admixture, nonsterile products formulation, in-patient drug inventory and storage.

The new student lounge/locker areas would be relocated within that area of the first floor of University Hospital North which had been used previously as a kitchen. (Food preparation is now centralized within University Hospital South.) The new accommodations would include restrooms, showers and locker spaces, plus a student lounge and an office, all within a total of approximately 2,360 square feet.

The estimated direct construction costs of the remodeling, including specialized equipment for both the outpatient and in-patient pharmacy areas, total $227,121. As noted, these costs and the related expenditures for professional services fees, construction supervision and other project expenses, all of which total $305,000, are to be financed from self-liquidating bond

-409-
borrowings to be issued under the provisions of Article XI-F(1) of the Oregon Constitution. Debt service on these bonds would be provided from patient fee income. The debt service requirements for 1979-1981 were included within the operating budget approved by the Ways and Means Committee.

RECAPITULATION UPON COMPLETION OF SCHEMATIC DESIGN PHASE OF PLANNING

Project - UOHCSC Clinical Lab/Outpatient Clinic Remodel and Related Relocations (Pharmacy Alterations and Related Relocations portion only)

Architects - Hanson/Dunahugh/Vaivoda, Portland

Board's priority - Part of No. 13 in 1979-1981 (Auxiliary Enterprises)

Legislative authorization - Being requested in 1979

Estimated total project cost (This portion only - $305,000) $1,795,000

Estimated total direct construction costs (This portion only) $227,121

Tentative schedule (This portion only):
Bidding - August 1979
Completion - January 1980

Tentative financing plan:
Article XI-F(1) bond borrowings and/or other balances available for auxiliary enterprises - Total (This portion only - $305,000) $1,795,000

Schematic Design for Phases I and II of Crop Science Building, OSU (Considered by Committee on Finance, Administration, and Physical Plant, June 22, 1979; present--Ingalls, Batiste, and Moore.)

Staff Recommendation to the Committee

It was recommended that the schematic design phase of planning which Architects Martin, Schultz and Geyer have completed for both Phases I and II of the proposed Crop Science Building at Oregon State University be approved. Although the Board's requests for capital construction during 1979-1981 included both phases, the Governor's budget recommendations endorsed only the initial unit at an estimated total project cost of $2,800,000, financed in equal shares from a General Fund appropriation and Article XI-G bond borrowings. Pending legislative authorization for construction, further planning will be deferred.

Discussion and Recommendation by the Committee

Mr. Hunderup indicated that all requirements pertaining to health and safety in laboratories and pertaining to energy alternatives would be met in the design of the facilities.

Mr. Batiste commented that meeting these requirements could be very expensive and this fact should be anticipated in the planning.

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

Supplement to Staff Recommendation (July 27, 1979)

In view of the action of the Ways and Means Committee of the 1979 Legislature, when it approved the recommendation of the Capital Construction Subcommittee to increase the expenditure limitation for the initial unit of the proposed Crop Science Building by $1,480,000 in anticipation of gift and
grant funds to supplement state funds of $2,800,000, it was recommended
that the project architects be authorized to include the fourth and fifth
floor levels of the office and laboratory tower portion of the building in the
design development phase of planning. Tentatively, it is estimated that the
incremental direct construction costs of these additional floors would be
approximately $1,238,740 if they were bid as part of the Phase I project
early in 1980. The total gross area of the initial unit would be increased
by approximately 22,336 square feet (from 34,886 sq. ft. mentioned in the
report to the Finance Committee on June 22, 1979, to a revised total of
about 57,222 sq. ft.).

Upon the instructions of the Ways and Means Committee, contained within a
budget note on House Bill 5032 (the capital construction appropriation
measure), a report is to be made to the Emergency Board as soon as the
award or denial of the gift or grant is determined.

Board Discussion and Action

Mr. Hunderup said the increase in the expenditure limitation for Phase I
was intended to allow construction of only a portion of Phase II simulta-
neously with the construction of Phase I. The fourth and fifth levels of
Phase II would be constructed at the same time as the three-level structure
authorized for Phase I. The remainder of Phase II for the further horizontal
expansion of the basement and main floor level would be deferred.

The Board approved the Committee recommendation as presented, including
the further staff recommendation of July 27, 1979. The following voted in
favor: Directors Anderson, Ater, Batiste, Carpenter, Harms, Ingalls,
Moore, Wyss, and Perry. Those voting no: None.

Staff Report to the Committee

In the docket of the January 26, 1979, Board meeting, a report was made
of the appointment of Architects Martin, Schultz and Geyer, Eugene, for
the design and contract administration of Phase I of the proposed Crop
Science Building at Oregon State University. This initial unit was assigned
Priority No. 6 within the listing of educational and general plant projects
during 1979-1981. It was noted that the architects would also prepare the
schematic design of Phase II for which funding was also being requested in
lower priority (No. 27) in the same listing.

Institutional officials have filed with the Board's Office the schematic design
prepared for both phases of construction and have recommended approval.

The building would be sited at the southwest corner of the intersection of
Campus Way and the Mall at S. W. 30th Avenue, south of Wiegand Hall
(Food Technology) and diagonally across the intersection from Withycombe
Hall (Animal Science, Atmospheric Science and other departments). The
site is used currently as a temporary parking lot east of the campus Motor
Pool, but has been programmed in the long-range development plan as the
location for several proposed major facilities for the School of Agriculture.

The Phase I project would be constructed as a three-level building contain-
ing approximately 34,886 square feet, beginning to bring together into one
place the various activities and functions of the Crop Science Department--
resident instruction, agricultural research and the extension services--now
dispersed in five separate locations, mostly in facilities which need to be
razed or converted to other uses. The lower level, below grade, would
provide a number of offices and laboratory spaces for Seed Technology and
for Weeds, plus a conference room, restrooms and major mechanical areas.
On the main floor, which would be slightly larger than the levels below and
above, space would be assigned to the administrative offices of the Crop
Science Department, to the staff in Extension, and to laboratories and
offices for resident instruction. There would also be computation areas, a

July 27, 1979
receiving room, conference-seminar rooms and restrooms on this floor. The top (third) floor would be assigned to sections concerned principally with Cereals and Special Crops, including faculty and staff offices, laboratories, a conference room and additional restrooms. Provision would be made for two elevators serving all floors, one near the main covered entry, or arcade, off of S. W. Campus Way, and the other at the opposite (south) side of the building. Both elevators would be adjacent to stair towers.

Based upon the price level projected to a bid date early in 1980, the estimated direct construction costs for the building and fixed equipment within the Phase I unit are $2,105,802, averaging approximately $60.36 per square foot. The building would be of concrete construction, utilizing both poured-in-place and precast products and techniques, with brick veneer to harmonize with other adjacent campus structures. All public spaces would be accessible to handicapped persons. Utility services would be provided from central campus systems.

The schematic design for Phase II anticipates the construction of two additional floor levels on the initial unit, plus a major expansion of the basement and main floor areas on the west side. Some reassignment of spaces would occur upon the completion of this construction. As modified and enlarged, the lower level would accommodate the Seed Laboratory, involving many offices, laboratories, workrooms, storage and service areas, plus offices and laboratories for Seed Technology, a herbicide laboratory and the conference room, mechanical area and restrooms identified with the Phase I unit. On the second level, or main floor, the spaces allocated for resident instruction would be increased and provision would also be made for offices and laboratories for the Seed Certification and Foundation programs. The third floor would be assigned primarily to offices and laboratories for Cereals. The new fourth floor would contain offices and laboratories, in substantially similar quantities and areas, for Weeds and for Forages. The top floor (fifth level) would have spaces assigned to offices, laboratories and service functions for Special Crops and for International Agriculture, plus areas allocated for a weather station and departmental conferences.

Based upon the assumption that the 41,539 square feet within Phase II could be bid early in 1980 and constructed simultaneously with Phase I, the estimated direct construction costs thereof would be $3,016,894 excluding site work and outside utility service connections. The estimated total cost of Phase II is $3,780,000. Construction specifications would be the same as those for the initial unit, including brick veneer over concrete on exterior walls.

Institutional officials are making application to a private foundation for grant funds which may make it possible to add portions of Phase II to the Phase I project subject to appropriate authorization by the Legislature and/or the State Emergency Board.

Pending a determination of the 1979-1981 capital construction program by the Legislature, further planning of the Crop Science Building is being deferred. If authorization for state funding of Phase I is obtained in accordance with the Board's request and the Governor's budget recommendations, it is expected that the architects will be authorized to proceed promptly with the design development phase of planning for it.

RECAPITULATION UPON COMPLETION OF SCHEMATIC DESIGN PHASE OF PLANNING

Project - OSU Crop Science Building

Architects - Martin, Schultz and Geyer, Eugene

Board's priorities - No. 6 in 1979-1981 (Educational and General Plant) - Phase I
No. 27 in 1979-1981 (Educational and General Plant) - Phase II
Legislative authorization - Being requested in 1979

Estimated total project cost:
- Phase I: $2,800,000
- Phase II: $3,780,000

Estimated gross areas:
- Phase I: 34,886 square feet
- Phase II: 41,559 square feet
- Total: 76,425 square feet

Estimated total direct construction costs:
- Phase I - Total: $2,295,000
  - Building and fixed equipment only: $2,105,802
    - Average (per square foot): $60.36
- Phase II - Total: $3,123,994
  - Building and fixed equipment only: $3,016,894
    - Average (per square foot): $72.63

Tentative schedule:
- Bidding: June 1980
- Completion: June 1981 (Phase I)
  - January 1982 (Phase II)

Tentative financing plan:

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1979-80 Annual Budget Planning (Considered by Committee on Finance, Administration, and Physical Plant, June 22, 1979; present—Ingalls, Batiste, and Moore.)

It was recommended that the Committee approve a resolution to allow institutions and divisions of the Department of Higher Education to commit resources and expend funds for the fiscal year beginning July 1, 1979, during the period in which budget recommendations are being developed and subject to Board approval of a budget plan tentatively scheduled for presentation at the September 1979 meeting.

Discussion and Recommendation by the Committee

The Committee recognized that operations must proceed during the period when legislative actions and authorizations are being translated into annual budget plans and recommended that the Board approve the staff recommendation.

Further Staff Report to the Board

After the Committee agenda was prepared, legislative action has confirmed the biennial amounts for State General Fund appropriations and Other Fund expenditure limitations reported to the Committee as authorized in House Bill 5031. The fiscal year allocations remain as described in the Staff Report to the Committee except for:

1. A correction of the General Fund/Other Fund distribution by fiscal year in Education and General Services, to increase the General Fund applied in 1979-80 by $111,200 and decrease the Other Funds by an equal amount. The correction has been made in the schedule of allocation plans shown in the Staff Report to the Committee.
2. The inclusion of National Direct and Health Professions Student Loans to the list of budgets approved under House Bill 5031. The amounts were omitted from the Committee agenda and have been added to obtain Board review and action on the complete staff recommendation.

The recommendation to the Board also includes a schedule detailing proposed institutional allocations of the 1979-80 authorization for the Education and General Services Program. The schedule reflects the items of change from the initial budget plan authorized by the Board for 1978-79 to the recommended 1979-80 allocation. If approved by the Board, the institutional allocations will govern the totals within which detailed budget plans are developed by each institution.

In addition, the 1979 Legislature acted on other bills which affect appropriations to the Department of Higher Education. Each of these biennial General Fund appropriations is to be assigned to the appropriate programs and incorporated into the annual operating budgets and fiscal controls of the Department:

1. Senate Bill 805. Authorizes $15,000 to be expended for expenses of the Commission which was established to direct the activities of the Oregon Education and Public Broadcasting Service.

2. Senate Bill 5555. Provides $165,561 to the Department, as part of an omnibus bill providing funds to state agencies for assistance to handicapped students. The Higher Education sum is for assistance and equipment for handicapped students, representing a portion of the Board's request for funds to be centrally administered. The appropriation is to be allocated between fiscal years and budgeted as a part of Centralized Activities.

3. House Bill 2034. Appropriates $225,432 for regional service institutes at Eastern Oregon State College and Southern Oregon State College. The sum is equally divided between the two institutions ($112,716 each) and is to be allocated between fiscal years and budgeted as a part of the Education and General Services program.

4. House Bill 2252. Appropriates $182,500 for the Poison Control Center at the Health Sciences Center. The program will be administered through the University Hospital.

Should any additional bills affecting appropriations to the Department of Higher Education be identified, it is intended that they be treated similarly and incorporated into the Department's annual budget plans.

Budgets are also to be prepared by institutions for non-limited operations, including the Auxiliary Activities, Operating Accounts, and Service Departments. Gifts, Grants, and Contracts, which are planned and operated within a project accounting process separate from other budget planning, are to be recorded at projected levels of activity for the fiscal year.

All operating budgets are to be recorded within the authorized program levels, exclusive of salary adjustment funding. Salary increase funds have been appropriated to the State Emergency Board for subsequent allocation to state agencies. Following that allocation, budgets are to be adjusted to reflect the distribution necessary to fund the staff salary increases and benefits for the fiscal year.

Board Discussion and Action

Mr. Perry indicated that Dr. James Tattersall, President of the Association of Oregon Faculties, and others had requested an opportunity to present a statement in connection with the budget plan.
Dr. Tattersall introduced Dr. Robert Becker, President of the Oregon State University Chapter of the Association of Oregon Faculties, and Dr. Fred Obermiller, representing the Faculty Welfare Committee at Oregon State University. He indicated that Dr. Becker would discuss the objectives of the Association during the 1979-1981 biennium and that Dr. Obermiller would comment on situations particularly applicable to Oregon State University.

Dr. Becker said the influence of Bob Davis during the legislative session was very beneficial to higher education, particularly in three areas--the Malheur budget, the general higher education budget, and the reinstatement of improvement monies. The constituency of the Association of Oregon Faculties recognizes that any improvement for higher education is of benefit to them, but they also would like to see improvement with respect to salaries. He said it had been determined that one route by which the salary position might be improved was through a Budget Note to accompany the Ways and Means legislation, and this was done. He said the purpose of the presentation was to discuss what might be done in this regard. Dr. Becker also commented that the change in retirement from 65 to 70 might pose some real problems.

Dr. Tattersall then stated the following recommendations of the Association of Oregon Faculties and described the rationale for the recommendations as set forth in the report of the Association. A copy of the full report is on file in the Board's Office.

1. That the Board assign a high priority to halting the erosion of OSSHE faculty real earnings that has occurred in this decade, and to faculty salary improvement for 1981-83.

2. That for the 1979-81 biennium, the Board assign funds to academic salary improvement in addition to the Salary Improvement Program contained in HB 5077. The AOF suggests an additional amount of $1 million. The recommendation of $1 million is made to the Board as our best judgment as faculty members, not as a "bargaining position." Adoption of this recommendation would permit a level of salary adjustment about midway between the Board's 8.25 percent recommendation of May 25 and the level provided for by HB 5077.

3. In 1977-79, distribution of part of the salary improvement funds was delayed until later in the biennium, rather than being distributed effective July 1 of each year, and the Chancellor will apparently recommend a similar practice for 1979-81. This practice results in a higher rate increase over the biennium, but does not increase the amount of salary received by faculty during the biennium. AOF opposes this practice of delayed increments as a policy for the long run. We will not oppose the Chancellor's proposal for 1979-81, but wish to point out to the Board some disadvantages of this policy for faculty members.

4. That allocations of across-the-board and discretionary components of 1979-81 salary improvements be made on an institution-by-institution basis consistent with the policies and preferences of each institution's faculty and administration.

5. That the Board's recommendations for 1981-83 faculty salary and fringe benefit improvement (and the funds to be reserved therefor) be developed in consultation with and with input from the faculties of the individual institutions and the Association of Oregon Faculties. Further, that the Board make these recommendations to the Governor prior to the development of his budget recommendations to the Legislature. The Board's recommendations to the Governor should therefore be made by the summer of 1980.
6. That future comparisons developed by the Board's staff with the "Other 19" institutions be presented in terms of total compensation (salaries plus fringe benefits), rather than salaries alone, and that the Board adopt a policy of achieving 100 percent of parity with the 19 institutions in terms of total compensation.

Dr. Fred Obermiller said he was appearing on behalf of the faculty organization at Oregon State University to indicate its support for the recommendations of the Association and to explain two particular problems that exist with respect to the welfare of the faculty at Oregon State University under the proposed compensation program. He said the institutions have many things in common, but there are also differences that exist among the institutions which make it difficult to develop a formula for fringe benefits which has the same effect on the welfare of all faculty, regardless of the institution to which they belong. Two problems are of particular concern at Oregon State University. Over half of the faculty at that institution is on a 12-months' basis rather than a 9-months' basis. Consequently, there is a substantial number of persons in each appointment category. The timing of salary adjustments at any point other than July 1 or a point in time in April creates problems because it affects the faculty differently. At Oregon State University, 262 professors are on the federal retirement system, and it appears likely under the proposed compensation system that those on federal retirement will not be treated equally relative to those on the state retirement system. It has been stated that the State System of Higher Education will not be permitted to pay on the behalf of faculty members their contributions to the federal retirement program. The same is true of the medical and dental premiums. Consequently, for the first year of the biennium, the only option for those individuals is a gross salary adjustment rather than the fringe benefit package available to other faculty members. The increase in take-home pay for those eligible for payment of the PERS contribution is substantial. However, since a gross salary adjustment for federal employees would be taxed, a 6% increase in gross salary would result in substantially lower take-home pay for individuals under federal retirement than for those who are not. Dr. Obermiller said this creates a serious morale problem. He indicated that a 12% gross salary increase would be required in order to give equal treatment to those on federal retirement. If the adjustments were to occur on July 1 only, it would require 10.5%. He asked that Oregon State University and institutions with similar problems be given the authority and flexibility to use existing funds to attempt to equalize the effects on faculty welfare of the compensation package over the biennium.

The Chancellor said the second recommendation was the principal point upon which the staff was not in accord with the Oregon Association of Faculties. He said the Association recommends the establishment of a fixed amount which will be used. The staff proposal is to fund the promotions during the first year of the biennium from institutional resources, exclusive of the funds made available by the Legislature for salary adjustments, and to monitor staff turnover during the first year so that there will be a better basis for estimating funds which might be made available from this source in the second year of the biennium.

The Chancellor stated that the recurring salary savings are not definite at this point and to the extent that the recommended $1 million would exceed the amount of the recurring salary savings, the allocation of $1 million to salary adjustments would have the net effect of building in on a cumulative basis the kind of underfunding experienced during the last two biennia. The $4.5 million suggested by AOF as a possible source of additional salary increases is not money available for distribution. It is already in the budgets of the institutions for specific budgeted purposes.
The Chancellor said it was recognized that delaying the distribution of dollars in the biennium to get a rate at the end of the biennium higher than would otherwise be the case is not of unmitigated benefit to the faculty. However, if the funds were distributed in the maximum amount at the beginning of each year and the percentage adjustment in 1981 is the same as that for classified staff, the faculty would be disadvantaged in the 1981-1983 biennium. The even distribution of the money would result in a lower base upon which to apply the new percentage for the 1981-1983 biennium. The Chancellor said this procedure would offer a better argument for requesting an additional salary adjustment. However, he said there is an obligation to produce at the end of this biennium, a salary rate, at least for the 9-months’ full-time faculty, that is the same percentage level above the current rate as the classified salaries are above the current rate for classified staff. Otherwise the State System would be subject to political criticism for not distributing the funds as had been anticipated.

The Chancellor said the problems mentioned at Oregon State University with respect to federal and state staff members applied also to graduate teaching fellows and the part-time faculty. It affects large components of the faculty group and was not addressed in the legislative discussions about funds. He stated that efforts will be made to mitigate these problems.

Mr. Ingalls asked whether there was any way in which the Board could elucidate further that it was concerned and aware of the problems.

Dr. Becker said the faculty would like to see some increase in pay. He also commented that it has been said that faculty is treated equally with the Oregon State Employees Association, but they are different groups, and the faculty has been falling farther behind than has the classified staff.

Mr. Ater suggested that the Finance Committee attempt to understand better how academic salaries are formulated and distributed and the budget constraints that are imposed so that the Board could respond with more understanding to appeals of this nature. The Board is aware of the importance of the faculties, but these needs also must be balanced against the needs for books and buildings.

Mr. Ingalls requested that the faculty group provide the Finance Committee with some comparison of the federal and state salaries and fringe benefits.

Mr. Lemman indicated that he would reserve any comments on the proposal until after he had had an opportunity to discuss the accuracy of some of the data presented with the faculty group.

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

Staff Report to the Committee

The 1979-1981 biennial budget plan, begun nearly eighteen months ago, is nearing completion. House Bill 5031 to appropriate funds and establish expenditure limitations on the program operated by the Department has cleared the Ways and Means Committee and has been approved by the House. Institutions and divisions can begin planning for fiscal year operating budgets subject to any modifications which could occur in the Senate or from direction by the Board of Higher Education. Salary adjustments for staff in all state agencies are funded in a separate appropriation bill which has not yet passed. Historically, the salary adjustment bill has appropriated funds to the State Emergency Board for release during the biennium, so that agencies have been required to project estimated salary adjustment funding in initial budget planning. Since these processes delay finalization of budgets until after the July 1 start of the biennium, it is necessary that institutions and divisions operate under an interim authorization while planning is being completed.
Fiscal year allocations (of expenditure authorizations expected to be approved in House Bill 5031) are recommended to the Committee in accord with the attached summary for operating budgets subject to expenditure limitations. Institutions and divisions are to prepare preliminary budget plans for the 1979-80 fiscal year within these allocations. Provided that legislative action is completed, a recommendation for fiscal year allocations including salary adjustment estimates and an analysis of the legislative action or the biennial budget will be prepared for the July Board meeting. Dependent upon Board action in July, the detailed annual operating budget for 1979-80 will be submitted for Board approval in September.

It is intended that 1979-80 operating budget plans developed by the institutions and divisions be entered on the General Ledger as budgetary and fiscal controls as soon as they are completed by the institutions. Any modifications required by Board action in July or September will be entered as adjustments to the initial entry.

### Education and General Services

**Tentative Fiscal Year Allocation of 1979-1981 Operating Budget As Provided in House Bill 5031**

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*Fiscal year amounts revised following Committee review, to provide basis for Board action on corrected staff recommendation.
Statewide Public Services
Tentative Fiscal Year Allocation of 1979-1981
Operating Budget as Provided in House Bill 5331
(Before Pay Adjustments)

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Statewide Public Services  
Tentative Fiscal Year Allocation of 1979-1981  
Operating Budget as Provided in House Bill 5031  
(Before Pay Adjustments)

### Agency - National Direct and Health Professions Student Loans

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### Agency - Teaching Hospitals & Clinics

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### Agency - Crippled Children's Division

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### Agency - Dental Clinics

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#Student Loan programs omitted from Committee agenda and added for Board review and action on staff recommendation.
## Education and General Services

### 1979-80 Annual Budget Allocation Plan

#### House Bill 5031 Authorization Excluding Salary Adjustments

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### Workload Increase

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### Program Improvement

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### Education and Genl.

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**ELJ: 31**

7/13/79
Adoption of OAR 580-10-021, Waiver of Nonresident Tuition and Fees

(Considered by Committee on Finance, Administration, and Physical Plant, June 22, 1979; present--Ingalls, Batiste, and Moore.)

Staff Recommendation to the Committee

It was recommended that the Board adopt the following Administrative Rule:

**Waiver of Nonresident Tuition and Fees**

OAR 580-10-021 Notwithstanding the provisions of OAR 580-10-015 and 580-10-020, upper-division students who are residents of Cowlitz, Clark, Wahkiakum, Skamania, and Klickitat Counties in the State of Washington shall be permitted to pay tuition and fees at Portland State University at the same rates as Oregon students, if the Chancellor finds that authorities in the State of Washington make appropriate concessions to some or all residents of Oregon. Determination of residence shall be made in the same manner as such determination is made for those students who are claiming Oregon residency. All nonresidents of Oregon attending Eastern Oregon State College shall be permitted to pay the same tuition and fees as Oregon residents. This rule is experimental, and will automatically expire two years after its adoption, unless renewed.

Discussion and Recommendation by the Committee

In presenting the recommendation, the Chancellor reported that the Subcommittee of the Ways and Means Committee of the Legislature had considered the proposal and indicated that before the Board's authorization was implemented, an agreement should be negotiated with the State of Washington to provide similar benefits for community college students and independent college students. The development of the agreement was assigned to the Educational Coordinating Commission, and the Chancellor invited Dr. T. K. Olson, Executive Director of the Commission to report on the negotiations.

Dr. Olson said he had had discussions with the Independent College Association and particularly with the president of the University of Portland. He also had conferred with the Associate Superintendent for Community Colleges in the State Department of Education with respect to the inclusion as an essential feature of the agreement some provision for assurance that Oregon residents would have full access to Washington institutions at the community college level. Dr. Olson indicated that it did not appear that it would be possible to separate the two issues of the State System reciprocity with Washington and the community colleges. There have been additional conversations with the other interested parties. The present goal is to provide all concerned with a paper describing the current conditions, the number of students, the negotiating positions, and the objectives of each segment, unit, or institution. The present barrier to progress is determining and securing a satisfactory benefit to the State of Oregon from the State of Washington.

Another major issue, Dr. Olson said, is the legitimate short-and long-term concern of the independent colleges in terms of the broader issue of reciprocity and its implications for the independent sector of higher education. Students from Washington presently pay a substantial undergraduate tuition fee to attend public institutions in Oregon, with the exception of those attending Eastern Oregon State College. Under full reciprocity they would not pay a nonresident fee and that would widen the gap between the tuition in the independent institutions and the public institutions. Action to permit students attending independent colleges in Washington to bring student financial aid to apply toward costs in Oregon would alleviate some of the problems of reciprocity for the Independent institutions.
The possibility of implementing the Portland State University-Clark County portion of the recommendation was mentioned. It was indicated that it had been made clear that there would be no implementation of the plan with southwest Washington until there had been a satisfactory conclusion of the negotiations with the State of Washington and the plan had been presented to the Emergency Board for review and approval.

There was some discussion as to whether the proposed Administrative Rule would apply to institutions other than Portland State University. It was indicated that the intent was to refer only to a reciprocal arrangement between the five counties in southwest Washington and Portland State University and to the tuition arrangement at Eastern Oregon State College. It was suggested that the proposed OAR 580-10-021 be amended by adding the words "at Portland State University" following the words "tuition and fees" in the fourth line of the proposed OAR 580-10-021. This modification has been incorporated in the proposed Rule.

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

Board Discussion and Action

In response to a question, it was indicated that the authorization for waiver of the nonresident tuition and fees would expire within two years both for students coming from the Washington counties and for nonresident students at Eastern Oregon State College. Depending on the circumstances at that time, it might be necessary to seek a renewal of that portion of the Rule relating to Eastern Oregon State College.

Mr. Perry announced that the time set for the public hearing on the proposed adoption of OAR 580-10-021, Waiver of Nonresident Tuition and Fees, had arrived, and asked if anyone wished to be heard for or against the adoption of the proposed Rule. There being no response to his request, Mr. Perry declared the hearing closed.

The Board adopted OAR 580-10-021, Waiver of Nonresident Tuition and Fees, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Harms, Ingalls, Moore, Wyss, and Perry. Those voting no: None.

Staff Recommendation to the Board

It was recommended that the Board adopt, following public hearing, amendments to OAR 580-40-040, Academic Year Fee Book, to establish the 1979-80 academic year tuition and fee rates and policies as described in the "1979-80 Academic Year Fee Book." The recommended amendments to OAR 580-40-040, are shown below:

Academic Year Fee Book

580-40-040 The document entitled "Academic Year Fee Book," dated [May 1978, as amended on May 26, 1978] July 30, 1979, is hereby adopted by reference as a permanent rule. All prior adoptions of academic year fee documents are hereby repealed except as to rights and obligations previously acquired or incurred thereunder.

Staff Report to the Board

The staff report to the Committee on June 22, 1979, reflected preliminary staff recommendations and requested the advice of the Committee for development of the 1979-80 academic year tuition and fee policies and rates. The Committee accepted the initial staff recommendation except for:

1. Revision of the staff fee privilege;
2. A request for review of fee rates to be assessed for coursework offered at locations away from campus; and

3. A request for further study of the Southern Oregon State College incidental fee rate responding to testimony by Mr. Nahum Chandler, former SOSC student body president.

In addition, the staff recommendation to the Committee has been revised in the recommendation to the Board, to reflect the instruction fee levels required to produce the fee income for support of the 1979-80 expenditures authorized by the Legislature for the Education and General Services program. The preliminary amounts presented to the Committee have been reduced in the revised recommendation, as a result of further staff analysis of the impact of salary adjustment cost estimates and their effect on the cost of instruction. The principle of relating the instruction fee to a percentage of the cost of instruction continues to apply. The revised rate recommendations are:

<table>
<thead>
<tr>
<th>University Instruction Fees Per Term</th>
<th>1978-79</th>
<th>1979-80</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident Undergraduate</td>
<td>$194 (24%)</td>
<td>$211 (23%)</td>
<td>8.76%</td>
</tr>
<tr>
<td>Nonresident Undergraduate</td>
<td>810 (100%)</td>
<td>919 (100%)</td>
<td>13.46%</td>
</tr>
<tr>
<td>Resident Graduate</td>
<td>333 (29%)</td>
<td>356 (27%)</td>
<td>6.91%</td>
</tr>
<tr>
<td>Nonresident Graduate</td>
<td>441 (38%)</td>
<td>661 (50%)</td>
<td>49.88%</td>
</tr>
</tbody>
</table>

The Committee's recommendation on the staff fee is to return to the existing staff fee policy whereby full-time staff members may register for a limited amount of course work, generally for not more than three term hours of credit, and part-time staff members, appointed for half time or more, may register for up to 10 hours of credit at the staff fee at a 1979-80 rate of $7 per credit hour. President MacVicar testified in support of the existing policy. Representatives of Portland State University and the University of Oregon supported the staff recommendation for equal staff fee privileges (limited to six credit hours per term) for both full-time and part-time staff. The Committee indicated that its intent was to encourage staff members to continue self-development and to recognize that part-time staff are able to carry larger course loads because their part-time job responsibilities are lighter than those of full-time employees.

Fee rates for state-supported courses offered at locations away from campus were recommended to be at the same dollar rates as for on-campus. Mr. Batiste suggested that provision should be made to allow reduced rates at off-campus locations as a means of providing educational opportunity for low income segments of the population. The Committee requested a further staff review of the fee schedules for students enrolling in courses offered at locations away from campus.

The fee schedules are intended to recognize two programs available to the institutions in the development of courses away from campus. One, operating under ORS 352.720, permits state support for off-campus instruction. The statute provides that such programs are entitled to the same college credit and financial support as programs offered on the campus of the institutions. The second program, operating as a self-support activity, allows an institution to go off-campus, generally in areas not covered by the state support program, and assess whatever rates are necessary to make the total program self-supporting.

The staff recommendation builds on the past practice of the Board to set tuition at uniform levels for student classifications, regardless of financial need of individual students, and to allow the various forms of financial aid to deal with the problems of the financially disadvantaged. This policy is consistent with practice in the majority of institutions across the country. Deviation from such a policy would require development of new tuition
guidelines which derive from fee assessments based upon the ability to pay. Institutions are not prepared for implementation of such a policy, and would appear to encounter considerable difficulty in its administration. Similarly, a variable fee schedule based upon ability to pay would introduce a factor into financial aid calculations that would complicate the determination of financial aid packages for students.

One additional factor in the staff decision to recommend a uniform fee results from Board and legislative practices of relating the fee assessments to the cost of instruction. Although the Board is not prohibited from making special dispensation for certain classes of students (and in fact does so in establishing university/college differentials or nonresident rates at Eastern Oregon State College), the uniformity policy has been inherent in determining the proportion of tuition support in the expenditure authorization. To introduce a new concept in tuition policy, which distinguishes between state-supported on-campus and off-campus costs or tuition generation, would appear to be inconsistent with the processes applied to determine fund sources which support the program.

Specific reductions in tuition rates for financially disadvantaged students can be accommodated by acknowledging that institutions may offer low cost courses in certain areas or disciplines under the self-support program. Individual courses need not be self-supporting, provided the income for the total program covers all direct costs and applicable overhead costs. Institutions could, therefore, provide limited numbers of courses which need not be fully self-supporting if other courses were able to generate surplus income. In addition, the institution could be encouraged to use volunteer staff or other similar cost-saving devices to offer low cost courses which would be self-supporting within a lower fee range.

The Southern Oregon State College incidental fee rates are those recommended by the President of the College. Comments concerning the process by which the rates were determined and the accountability of the institution for incidental fee expenditures are being compiled in a separate document to be available at the Board meeting.

Staff Report to the Committee (June 22, 1979)

Policies affecting 1979-80 are in a preliminary stage of development, awaiting legislative action to affirm program levels approved by the Ways and Means Committee, establish funding guidelines for staff salary adjustments, and complete bills upon which final action has not been taken. In the main, policy decisions affect the instruction fees and other assessments which apply toward support of the Education and General Services budget. Other fees, including auxiliary activities charges for health and incidental fee supported programs, are similarly preliminary, but have been developed by the institutions' and Board's staff for review by the Committee. In addition, changes in program, particularly in the funding and delivery of off-campus instruction services, have required development of new guidelines and fee policies to accommodate the activities. The staff report and recommendations are presented for Committee review to obtain guidance for the staff in presenting complete recommendations for Board action in July.

Instruction Fees

Charges for instruction fees are currently related to the cost of instruction for all classifications of students. Undergraduate residents pay approximately 24% of the undergraduate cost of instruction at the universities with slightly smaller charge at the colleges. Undergraduate nonresidents pay 100% of the cost of instruction, with a $113 college differential (from universities), and Eastern Oregon State College at resident rates.
Graduate residents pay approximately 29% of the graduate cost of instruction with slightly smaller charges at the colleges. Graduate nonresidents pay 38%, with the college-university differential and the Eastern Oregon State College rate. Medical and dental students pay 15% of the WICHE student exchange rate.

The principle of relating instruction fees to the cost of instruction is recommended for continuation in 1979-80, with modifications to produce the income necessary to support the program level authorized by the 1979 Legislature. Although the cost of instruction cannot be established until the legislature has completed its actions, preliminary calculations by the Board's staff produce estimated rates as follows:

<table>
<thead>
<tr>
<th></th>
<th>University Instruction Fees per Term</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1978-79</td>
</tr>
<tr>
<td>Resident undergraduate</td>
<td>$194 (24%)</td>
</tr>
<tr>
<td>Nonresident undergraduate</td>
<td>810 (100%)</td>
</tr>
<tr>
<td>Resident graduate</td>
<td>333 (29%)</td>
</tr>
<tr>
<td>Nonresident graduate</td>
<td>441 (38%)</td>
</tr>
<tr>
<td>Resident medical students</td>
<td>600 (15%)</td>
</tr>
<tr>
<td>Resident dental students</td>
<td>450 (15%)</td>
</tr>
<tr>
<td>Resident veterinary medicine stu.</td>
<td>--</td>
</tr>
</tbody>
</table>

All of the preliminary rate estimates are intended to be consistent with the actions of the Legislature in determining the amount of revenue which would be generated in support of the educational program.

**Application Fee**

The application fee is currently $10, a one-time assessment when the student applies for first admission to an institution. Legislative revenue projections anticipate that this fee would be increased to generate an additional $800,000 during the biennium. A $20 fee is recommended to become effective October 15, 1979, and to be administered under the same guidelines as currently apply. The October 15 effective date is recommended to apply the increase at the date on which institutions begin accepting high school student applications for admission in the following academic year.

**Transcript Fee**

Currently $2, the transcript fee is recommended to go to $3 for the first copy of an official transcript ordered by a student. This recommendation is also consistent with revenue requirements projected in the legislatively-approved budget.

**Staff Fee**

Staff members currently may enroll for credit courses upon approval by the institutional executive, at a rate of $6 per credit hour. Institutions may limit the number of credit hours allowed at the staff fee. Part-time staff members (.50 FTE or more) are entitled to 10 credit hours per term at the staff fee. Excess hours are paid at standard instruction fee rates.

The Interinstitutional Fee Committee has adopted a recommendation to remove the distinction between full-time and part-time staff, and to establish a uniform policy that allows up to 6 credit hours per term at a staff rate of $7 per credit hour for 1979-80. Excess hours would be assessed at the regular student per credit hour rate for undergraduate or graduate course level.
Off-Campus Instruction Fees

During the 1977-1979 biennium, institutions have operated under an off-campus in-load instruction policy and have administered self-support instruction courses as part of the transition from the Division of Continuing Education to institutional responsibility for programs. For 1979-1981, the budget planning and the request approved by the Ways and Means Committee anticipate the continuation of institutional programs, with limited off-campus credit instruction supported from the Education and General Services budget and a separately-budgeted self-support operation. In authorizing the self-support activity, the 1979 Legislature is expected to approve the expenditure limitation recommended by Ways and Means for that program. The fee policy recommendations are intended to maintain the separation of enrollments, fee collections, and expenditures between the state-support and self-support programs.

Fee policy recommendations are subject to the academic program guidelines to be submitted to the Instruction Committee and the Board by the Office of Academic Affairs.

State-supported credit instruction may be taught at on-campus or off-campus locations. "On-campus" has been defined as being within the campus boundaries or at a site located off-campus because facilities or resources are available only at an off-campus location. "Off-campus state supported credit instruction" has been identified as extended campus instruction to distinguish it from "off-campus self-support instruction."

It is recommended that a single instruction fee schedule be applied at each institution regardless of the location of the state-supported credit instruction course. Thus, a student could take a combination of on-campus and extended campus courses without distinguishing rates by course location.

For the mandatory fees, it is recommended that students who select courses containing an on-campus component pay mandatory fees consisting of health, incidental, and building fees. For a student enrolled exclusively in extended campus courses, the mandatory fee would be assessed as an off-campus service fee, related to costs of delivering instructional services to locations away from campus. The total tuition charge, for state-supported credit instruction, would be the same by carrying load, whether provided in the on-campus or extended campus setting.

"Self-support credit instruction" requires that the program generate sufficient revenue to cover direct instructional costs and appropriate overhead costs. For that reason, it is recommended that institutions be allowed to establish course fees within a range not to exceed $65 per credit hour. Such course fees are recommended to be in addition to fees assessed for state-supported instruction. No concurrent enrollment policies would apply between state-supported and self-support activities.

The geographic limits within which state-supported instruction may be offered are as yet not established. House Bill 3154, currently in committee, would change the existing statute from "within 30 miles of the campus offering the program" to "within a reasonable commuting distance of the campus offering the program." This constraint on extended campus offerings does not affect fee policies except for limiting their application in accord with development of academic program policies.

A further constraint on off-campus offerings is the exclusion of lower-division courses taught within a community college district except with the approval of the community college. House Bill 3154, if passed, will change the language governing such offerings but retains the requirement for agreement with the community college if lower division courses are offered by the Department of Higher Education within the college district.
Health and Incidental Fee Recommendations

Each institution has developed health fee recommendations and worked with student government to develop incidental fee recommendations. Rates for 1979-80, compared with 1978-79 rates, are reflected below.

Per Term Health and Incidental Fees Proposed

<table>
<thead>
<tr>
<th>Health Service Fee</th>
<th>1978-79</th>
<th>Proposed 1979-80</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Oregon</td>
<td>$24.00</td>
<td>$26.50</td>
</tr>
<tr>
<td>Oregon State University</td>
<td>20.00</td>
<td>21.50</td>
</tr>
<tr>
<td>Portland State University</td>
<td>21.50</td>
<td>23.50</td>
</tr>
<tr>
<td>Oregon College of Education</td>
<td>16.25</td>
<td>17.00</td>
</tr>
<tr>
<td>Southern Oregon State College</td>
<td>22.50</td>
<td>24.50</td>
</tr>
<tr>
<td>Eastern Oregon State College</td>
<td>19.50</td>
<td>19.50</td>
</tr>
<tr>
<td>Oregon Institute of Technology</td>
<td>15.00</td>
<td>16.50</td>
</tr>
<tr>
<td>Health Sciences Center</td>
<td>63.00</td>
<td>70.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Incidental Fee</th>
<th>1978-79</th>
<th>Proposed 1979-80</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Oregon</td>
<td>$32.50</td>
<td>$36.50*</td>
</tr>
<tr>
<td>Oregon State University</td>
<td>35.50</td>
<td>37.00</td>
</tr>
<tr>
<td>Portland State University</td>
<td>32.00</td>
<td>39.00</td>
</tr>
<tr>
<td>Oregon College of Education</td>
<td>39.75</td>
<td>50.00</td>
</tr>
<tr>
<td>Southern Oregon State College</td>
<td>40.00</td>
<td>48.00</td>
</tr>
<tr>
<td>Eastern Oregon State College</td>
<td>41.00</td>
<td>51.00</td>
</tr>
<tr>
<td>Oregon Institute of Technology</td>
<td>36.00</td>
<td>49.00</td>
</tr>
<tr>
<td>Health Sciences Center</td>
<td>18.00</td>
<td>18.00</td>
</tr>
</tbody>
</table>

* Tentative recommendation subject to final review with student government.

Supplemental Staff Report to the Board

The incidental fee portion of the tuition and fee recommendations being considered by the Board was subject to adverse comment at the meeting of the Finance Committee on June 22 and may be the subject of additional comment by representatives of the Associated Students of Portland State University at the Board's meeting on July 27.

The Finance Committee directed further study of the Southern Oregon State College incidental fee rate in response to the June 22 testimony of Mr. Nahum Chandler, former student body president at Southern Oregon State College.

1. The Incidental Fee Process

Nearly a decade ago, the Board adopted a policy requiring student involvement in the process by which recommendations as to the amount of the incidental fee would be developed and presented by the president of an institution. The Board left the details of the process to institutional determination and clearly indicated that the recommendation to be presented would be that of the president. The Board, of course, retained the right to modify the recommendation in the light of the testimony at the public hearing preceding the fixing of tuition and fee rates.

In recent years, any friction in this process has generally been limited to campus discussions and, once the process has been completed there, the recommended incidental fee has been adopted by the Board with minimal discussion.
In 1979, however, objections have been raised to the processes at Southern Oregon State College and Portland State University.

a. PSU: Intercollegiate Athletics

According to a copy of a July 13 memorandum from Leslie Adams, ASPSU President and others to President Blume, it was requested that the University President "submit to the Board the ASPSU Senate recommendation for intercollegiate athletics along with (his) own recommendation." At issue appears to be $21,000 added by the President for support of women's intercollegiate athletics.

The ASPSU President has informed Board Secretary Foster of intent to present testimony at the public hearing on July 27.

This issue is, in reality, one of substance. The procedure is in accord with Board policy: the students have been involved in the process, the University President has made his recommendation, the public hearing is scheduled, and the Board will take the action it deems appropriate.

b. SOSC: Procedure and Content

Attachment A is the statement presented at the June 22 Finance Committee meeting by Mr. Chandler. In it, he made several charges of violations of the incidental fee guidelines and procedures at Southern Oregon State College, most recently revised as of September 23, 1977.

Attachment B is a letter from the Dean of Administration at Southern Oregon State College describing the guidelines and procedures and conceding "minor variations from formal procedures frequently allowed in the process at this time of year." These variations may be necessary if "students on the various Committees (are) unable or unwilling to spend the time necessary to carry out the work of the Committees."

The nub of the issue appears to be substantive: the fact that the incidental fees appeals board's recommendation of an incidental fee of $48 was $3.50 more than the amount recommended by the local Incidental Fee Committee--chiefly for intercollegiate athletics. The Dean of Administration at Southern Oregon State College notes that this is less than the fees proposed at any of the other three smaller institutions.

The students have been involved in the process, the President of the college has made his recommendation, the public hearing has been scheduled, and the Board will take the action it deems appropriate.

2. Incidental Fee Administration

Mr. Chandler's statement included four allegations of impropriety of administration relating to intercollegiate athletics. The Finance Committee directed a study of these charges and a report thereon to the Board.

The Internal Audit Division of the Office of Administration was directed (Attachment C) to ascertain if the allegations were true or not and, if true, the causes thereof.

The Division's report was completed on July 24 and is found as Attachment D.
a. Student Workers Paid While Not Working

The auditors found that, in the year ending June 20, 1979, male athletes received payments totalling $777.70 for 273-1/2 hours of work that was presumably performed (according to time cards certified by their supervisors) during days when athletic travel reports showed they were attending athletic events in other cities.

Although the athletes may have erred in reporting their time (actually working the hours on other dates) or may have performed the work while travelling, it is essential that student payroll supervision be an administrative responsibility of the College business office and that coaches be relieved of supervisory responsibility for the compensated work of student athletes. The College has undertaken action to this end.

Because the amounts per individual are small, the evidence of fraudulent intent is inconclusive, and equal treatment of all the persons involved would be extremely costly, it is believed that no effort to secure repayment should be undertaken at this time. It is both more important and more cost-effective to preclude further improprieties.

b. "Dummy" Vouchers

The auditors found that no "dummy" vouchers had been used in the instance cited by Mr. Chandler. (A "dummy" voucher is a request for payment for goods or services that were, in fact, not provided.) However, the auditors found that partial payment was made for personal services on an invoice, rather than through the payroll system. The remainder of the payment for the personal services was made from booster club receipts in a manner that left no audit trail.

This is clear violation of institution and Board policy and of sound accounting principles.

The Internal Audit Division will be requested to confer with the College and the booster club to assure that accounting procedures are strengthened. The report of Division recommendations will be made to President Sicuro and Chancellor Lieuallen.

c. Improper Signatures on Athletic Travel Vouchers

The procedures for reimbursement of athletic travel (meals, lodging, and travel) are proper. However, the signatures of the travelling athletes are often not secured at the beginning of a trip (as they should be) and the auditors found an instance of duplicate signatures (one forged), and signatures for several students who had not taken the trips for which reimbursement was requested.

A justification offered for the additional signatures was that state expenditure rules preclude payment for tips from state funds. The universities have an elaborate procedure through which payment of gratuities is made from non-state (booster club) sources. The auditors suggest that the same procedure be used by the College.

Although no excuse can be accepted for false entries in an official request for reimbursement from state funds, it is true that tips are a generally accepted form of compensation for those who serve food in public eating places or provide special services at places
of public lodging. The archaic nature of the state regulation treating tips as a personal, rather than a state, expense renders the offense less culpable than it would otherwise be.

The College must take action to preclude further abuse, bringing action in accord with state rules, but the Board may also wish to direct its staff to press for a change in the state regulation relating to gratuities.

d. Excessive Line Items in the Athletics Account

It is the judgment of the auditors that there is no substantiation for this allegation.

3. Other Functions: Other Institutions

A report of this type by the Internal Audit Division inevitably raises the question of the possibility of corresponding delinquencies in other portions of an institution or at other institutions.

The possibility cannot be denied. However, the widespread publicity given to the charges and findings reported herein make it probable that all administrators will be more sensitive to such potential criticisms. The issues have been discussed with the Presidents and with the Deans and Vice Presidents for Administration. They are taking steps to assure that similar violations do not occur in their institutions.

The Internal Audit Division is adding these categories to the subjects included in the institutional audits. A question raised by every audit is whether more audits (and more auditors) are needed. The findings of this audit were a consequence of public charges by a concerned student. The auditors follow up on each such charge, whether made publicly or not. They will continue to do so. Clearly the staff could be usefully enlarged. Whether it should be done, given the current financial resources of the Department, is a major topic on the preliminary agenda for the Committee.

(The attachments referred to in the report are on file in the Board's Office.)

Board Discussion and Action

The Chancellor commented that the recommended increase in the application fee from $10 to $20 was of concern at the University of Oregon Law School because law school applicants pay an additional $20 application fee which is used for law school support. There may be an adverse impact on the number of qualified applicants if the total admission fee for law school students is increased from $30 to $40. The effect of the added amount will be observed this year and it may be necessary to modify the fee for law school students next year.

Mr. Perry indicated that the time set for the public hearing on amendments to OAR 580-40-040, Academic Year Fee Book, had arrived and indicated that two requests had been received to present testimony concerning the proposed charges.

Miss Leslie Adams, President of the student body at Portland State University, expressed opposition to any increase in the incidental fees beyond the 16% increase recommended by the Student Senate. She stated that since 1975-76 there has been a steady shift in the allocation of incidental fee monies away from educational activities to intercollegiate athletics and said the Student Senate would prefer to see a reversal of that trend. Part-time and international students do not benefit, and a more justifiable use of student incidental fees would be in areas which would permit broader student involvement and direct participation, especially for student-administered
programs which fall within the cultural, non-academic, educational, and service areas. Miss Adams noted that the Student Senate did not question the value of intercollegiate athletics as an educational experience and had supported the development of those programs. The 7.3% increase recommended by the Student Senate is adequate, she said, and she pointed out that other sources of funding were available for intercollegiate athletics. If the additional $21,000 in the budget recommended by President Blumel were approved, it was requested that the money be designated specifically for the women's athletic programs.

Miss Adams concluded her testimony by recommending against approval of the additional $21,000 in the incidental fee budget for intercollegiate athletics. She stated that if any increases were made they should be in the cultural affairs segment, or, if the funds were approved for intercollegiate athletics, it should be for the women's programs.

Mr. Harms said the issue was a matter of substance and there had been no objection to the process followed at Portland State University. He said the Board has had a policy of not actually establishing the incidental fees within the institutions but has provided a policy that requires the involvement of students in the process by which the recommendation is made. He said that, in his opinion, it would be a serious mistake for the Board to become involved in the merits of individual items of incidental fee collections.

In response to a question from Mrs. Carpenter as to whether the processes had proceeded in accordance with the incidental fee guidelines, Miss Adams indicated that they had. She said the Student Senate had recommended an amount of $325,000 for intercollegiate athletics and the incidental fee committee had submitted a recommendation of $346,700, which was the amount being recommended by President Blumel. With respect to an appeal procedure, Miss Adams indicated that President Blumel had been requested and had agreed to submit the Student Senate's recommendation to the Board along with his own recommendation.

Mr. Holmer described the incidental fee process. The students must be consulted, and they make a recommendation. The president must consider the recommendation but is not required to concur. A larger or smaller amount may be recommended. The statute provides that the Board on its own motion may set the incidental fee and the students can present testimony to the Board. Technically, Mr. Holmer said, the Board does set the incidental fee.

Mrs. Harms said the Board's policy, however, had been to set the general level, receive a recommendation from the president, approve the level of the fees, and not to become involved in the internal budgeting and distribution.

Mrs. Carpenter said the presentation was excellent, well-researched, and had substance. She indicated that she hoped it would be considered by the institution.

President Blumel said he sympathized with the interest of the students in keeping the incidental fee as low as possible. He cited the incidental fees charged during the past several years and indicated that the proposed increase from $32 in 1978-79 to $39 for 1979-80 was the first really substantial addition in some time. He said the difference in the two recommendations before the Board would not make a substantial difference in the level of the incidental fee. President Blumel described the incidental fee process and indicated that over the past years there had been some conflict between the recommendations from the incidental fee committee and the Student Senate. He said it was then his responsibility to try to reconcile the two recommendations. The process was followed meticulously this year as in previous years.
President Blumel said the matter at issue is a question of women's athletics. The objective has been to sustain the men's programs at the present level and at the same time to build women's athletics in such a way as to be in full compliance with Title IX. The recommendation in the incidental fee budget is the minimum amount of support for women's athletics which would enable the institution to be in compliance.

President Blumel commented that from year to year there are dramatic shifts in the attitude of student government about which particular program should receive priority. Programs cannot be started one year, discontinued another, and started again in a subsequent year. He said he believed the responsibility of the president is to place maximum weight possible on student recommendations but to view the circumstances over a broader period than a single year and to guarantee continuity of the programs which depend upon incidental fee support. He said there are periodic in-depth analyses of individual programs supported by incidental fees but decisions cannot be made each year about each program.

Miss Valerie McMeekin, President of the Associated Students of Southern Oregon State College stated that the Associated Students do not support the additional $3.50 fee increase, a $46 per term total incidental fee, as recommended by President Sicuro. She said the Associated Students asked that the appeals board reopen the hearings so that the proper procedures would be followed. She cited the following violations of the guidelines:

1. The appeals should be voted on by the appropriate divisional budget committee before being brought to the appeals board. The full athletic budget committee never voted on the proposal.

2. The guidelines specify that the SOSC student court selects two court justices to serve on the appeals board. The two justices in this instance were appointed by the chief justice rather than by the court itself, presumably due to time constraints.

3. There were no public notices of the hearings so that interested persons could testify.

4. The concerned constituency was not made aware of the decision by the appeals board. She said the majority of students would not have supported the increase.

The Associated Students of Southern Oregon State College recommend that the Board not accept the recommendation of President Sicuro but rather (1) refer the matter to the appeals board at Southern Oregon State College; (2) direct President Sicuro to see that the appeals board is selected in accordance with the guidelines; and (3) instruct President Sicuro to provide for public notice of the hearings. She said the guidelines had been violated and indicated that she was not asking the Board to set the fee or to interfere in the process but merely to see that the established process is followed.

President Sicuro said that as a new president he had received requests to consider certain additions and had directed that the requests be placed in the incidental fee process. Unfortunately, time became a factor near the end of the academic year. The incidental fee committee submitted its recommendation to the president on May 16. Two appeals followed shortly thereafter and an appeals board was appointed which met the day before commencement. The recommendation of the appeals board upheld the athletic department's request and on July 4, President Sicuro said, he upheld the recommendation for the additional $3.50 for the athletic programs. The student newspaper was not being published at that time.

President Sicuro said he would concur with President Blumel's statement with respect to continuity.
Mr. Ater asked for comment on two specific charges—the appointment of the student members to the appeals board and the requirement of public notice. President Sicuro said the chief justice of the student court was asked to appoint members to the committee and this had been done. Since it was during the last week of classes, many students were unavailable to accept the assignment. The chief justice did appoint two members of the student court to serve on the appeals board. President Sicuro said he was not aware that public notice was necessary with respect to the appeals board. Mr. Donald Lewis, Dean of Administration, confirmed that there is no requirement in the guidelines but said there may be a problem in the guidelines.

Mr. Ater said a glance at the guidelines showed no requirement for public notice, and in fact time deadlines would suggest that notice was not contemplated.

In response to a question concerning any adjustments, President Sicuro said he had made no adjustments but simply upheld the recommendation of the appeals board. He also indicated that, in his opinion, the requests were justified.

In response to a question with respect to discussions of the validity of the requests, Miss McMeekin said she would assume the requested additions were discussed with the athletic budget committee. However, she said it was her understanding the addition of the athletic trainer was not presented to the athletic budget committee.

Mr. Ater said it was apparent that the guidelines needed to be revised and rewritten before they were again followed because it was difficult to determine the intent of many of the definitions and statements. It was noted that Mr. Lewis had also stated the need for such a revision.

Mrs. Carpenter said there appeared to be a disproportionately large increase in the incidental fees for all of the smaller and regional colleges and asked if there was a particular reason why that should occur.

It was indicated that several factors have had an impact on these fees. Travel costs and women's athletics have been a major factor in athletics. Economies of scale affect the smaller institutions because there are fewer students to support similar costs.

Mr. Ingalls moved that the Board adopt amendments to OAR 580-40-040, Academic Year Fee Book, to establish by reference the 1979-80 academic year tuition and fee rates and policies as described in the 1979-80 Academic Year Fee Book, dated July 30, 1979. The motion included the addition of editorial revisions provided by the Board's staff, dated July 27, 1979, (subsequently incorporated in the Academic Year Fee Book issued on July 30, 1979) and the repeal of all prior Academic Year Fee Books as specified in OAR 580-40-040.

There was discussion of the possible inclusion of the requirement that the incidental fee statement at Southern Oregon State College be rewritten. It was agreed that the policy should be rewritten for greater clarity and that the revised policy be presented to the Finance Committee of the Board for review. Mr. Moore also asked that consideration be given to providing for more public notice on the incidental fee appeals.

The Board adopted the amendments to OAR 580-40-040, as recommended, with the following voting in favor of adoptions: Directors Anderson, Ater, Batiste, Carpenter, Harms, Ingalls, Moore, Wyss, and Perry. Those voting no: none.
Later in the meeting, Mr. Holmer summarized briefly the internal audit report concerning allegations of impropriety of administration relating to intercollegiate athletics at Southern Oregon State College. The Board referred the matter to the Finance Committee for further study after there had been an opportunity for the institution to study and respond to the internal audit report. The following voted in favor: Directors Anderson, Ater, Batiste, Carpenter, Harms, Ingalls, Moore, Wyss, and Perry. Those voting no: None.

Staff Recommendation to the Committee

It was recommended that OAR 580-10-035, Residence Classification of Federal Service Personnel, be amended to read:

Residence Classification of Federal Service Personnel

580-10-035 (1) A person in federal military service on a full-time basis [(either-military-or-civilian)] is qualified for resident classification for fee purposes if that person is assigned to duty in this state, performs duties within the geographical limits of Oregon, and is residing within the state.

(2) An Oregon resident entering federal military service retains Oregon residence classification until the claim is voluntarily relinquished.

(3) An Oregon resident who has been in federal military service and assigned to duty outside of Oregon is required to return to Oregon within sixty days after completing federal military service to retain classification as an Oregon resident.

(4) A person who continues to reside in Oregon after separation from federal military service [(either-military-or-civilian)] may count the time spent in the state while in federal military service to support a claim for classification as an Oregon resident.

Discussion and Recommendation by the Committee

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

Board Discussion and Action

Mr. Perry said the time set for the public hearing on amendments to OAR 580-10-035, Residence Classification of Federal Service Personnel, had arrived and asked if anyone wished to be heard for or against the proposed amendments. There being no response, Mr. Perry declared the public hearing closed.

The Board adopted the amendments as recommended, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Harms, Ingalls, Moore, Wyss, and Perry. Those voting no: None.

Staff Report to the Committee

The proposed amendment would result in the Federal Service personnel being considered for residence status for tuition-paying purposes on the same basis as all other civilians.

The interinstitutional committee on residence classification believes that the proposed amendment would remove ambiguities resulting from the current rule which sometimes lead to misunderstandings between Federal employees and the State System institutions.
Civilian Federal employees share with many other civilians the problems inherent in being asked by their employers to move from one state to another once or more during their occupational lives. We believe there is no reason, therefore, for treating them differently in determining residence status for fee-paying purposes in the State System of Higher Education.

(Considered by Committee on Finance, Administration, and Physical Plant, June 22, 1979; present--Ingalls, Batiste, and Moore.)

Staff Recommendation to the Committee

It was recommended that the Board, after a public hearing at its meeting on July 27, 1979, adopt amendments to OAR 580-22-030:

Academic Study Privileges

580-22-030. Staff members and graduate assistants may have the privilege of registering for class work on the following conditions:

(1) Graduate teaching and research assistants are [(1) fully admitted graduate students appointed to an assistantship while working toward a degree], if appointed as an assistant at [.3 FTE] through .50 FTE for an academic or fiscal year, the assistant may register for a maximum of 12 credit hours [per term] during any term to which the appointment applies. If appointed as an assistant at [.15 FTE] through .29 FTE, the assistant may register for a maximum of 15 credit hours [per term] during any term to which the appointment applies. On the approval of the President, the assistant may be authorized to exceed the per term credit hour limitation, but may not exceed as a [.3 FTE] through .50 FTE, 36 credit hours per academic year or as a [.15 FTE] through .29 FTE, 45 credit hours per academic year. Academic study privileges will apply to the summer term for fiscal year appointments and, for academic year appointments, when it is the intent of the institution to reappoint the assistant for the following term. In such cases the annual credit hour limitation is increased to 48 and 60 for the respective appointments.

(2) On approval of the President, full-time staff members may register for a limited amount of work for credit, generally for not more than three term hours of credit. Part-time staff members, appointed at half time or more, may also register for a limited amount of work for credit. Employees in Centralized Activities must have the approval of the Chancellor before registering.

(3) Auditor privileges are accorded staff members under the same general procedures and conditions as provided above.

(4) Staff members and graduate assistants will pay applicable fees [listed in the fee schedule] as approved by the Board and listed in the annual Fee Books.

Staff Report to the Committee

The revisions described in the recommendation reflect a preliminary staff recommendation which is being examined by the institutions and is subject to modification if more appropriate language is found. Institutional recommendations for change are being reviewed and will be considered with the Committee's recommendation in the final staff recommendation to be submitted to the Board.
Discussion and Recommendation by the Committee

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

Board Discussion and Action

Mr. Perry said the time set for the public hearing on amendments to OAR 580-20-005(2)(b) and (d), Academic Rank, had arrived and asked if anyone wished to be heard for or against the proposed amendments. There being no response, Mr. Perry declared the public hearing closed.

The Board adopted the amendments as recommended, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Harms, Ingalls, Moore, Wyss, and Perry. Those voting no: None.

Staff Recommendation to the Committee

It was recommended that OAR 580-20-005(2)(b) and (d) be amended as follows:

Academic Rank

580-20-005(2)(b) Research Associate[: ] and Senior Research Associate[: ] These ranks may be used for staff appointees in the conduct and direction of independent research [activities]. Such appointees will normally hold the doctoral degree or the highest degree appropriate to the field in which the research is being conducted.

580-20-005(2)(d) Research Assistant[: ] and Senior Research Assistant[: ] These ranks may be used for staff appointees engaged in the conduct of research under supervision. Such appointees will [normally] hold [the masters] a degree [or such other degree] appropriate to the field in which the research is being conducted.

Discussion and Recommendation by the Committee

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

Board Discussion and Action

Mr. Perry said the time set for the public hearing on amendments to OAR 580-20-005(2)(b) and (d), Academic Rank, had arrived and asked if anyone wished to be heard for or against the proposed amendments. There being no response, Mr. Perry declared the public hearing closed.

The Board adopted the amendments as recommended, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Harms, Ingalls, Moore, Wyss, and Perry. Those voting no: None.

Staff Report to the Committee

Several institutions, but particularly the University of Oregon Health Sciences Center, have experienced some difficulty in meeting their present needs with the two ranks of Research Assistant and Research Associate as they are currently defined in Oregon Administrative Rule 580-20-005(2).

The Health Sciences Center has approximately 300 such positions with a wide range of responsibilities and salaries. Their problem would best be resolved if there were four ranks—Research Assistant, Senior Research Assistant, Research Associate, and Senior Research Associate. The Research
Assistant would be required to have a bachelor's degree, their Senior Research Assistant a master's degree, and the two Research Associate ranks would be required to have a doctorate. The institution would have further descriptions of the classifications and qualifications and a salary range for each.

A faculty committee at the University of Oregon has stated their problem as follows:

Among the faculty ranks designated in the Administrative Rules are Research Assistants and Research Associates. Some Research Assistants hold a baccalaureate degree, but the majority hold master's degrees. Research Assistants perform a variety of functions on research grants but are not qualified to engage in independent research. Research Associates, on the other hand, usually have a doctorate or other advanced degree; they range from recent graduates of doctoral programs to established scholars with substantial research contributions.

The ranks of Research Assistant and Associate are clearly distinguished from the instructional ranks of Instructor, Assistant Professor, Associate Professor and Professor in a number of ways. Members of the research ranks cannot obtain indefinite tenure, they are usually dependent on grants and contracts for their salaries, they do not have voting privileges in faculty elections, and they are provided no lines of progression for advancement or salary improvement. These deficiencies make it difficult to provide incentives or reward for the professional growth and contribution of research assistants and research associates.

The University of Oregon wants to appoint Research Assistants and Associates in such a manner as will distinguish between post-doctoral appointees and those, who by experience and training, parallel the four professional ranks. Although they would have preferred a slightly different configuration, the University of Oregon finds the recommendation made above acceptable.

$7,500,000
State of Oregon,
State Board of Higher Education
Building Bonds, Series 1979 A,
Article XI-F(1)

Staff Recommendation to the Board

To finance a portion of the cost of auxiliary enterprise construction and remodeling projects, it is necessary to sell State of Oregon, State Board of Higher Education Building Bonds, Series 1979 A, with a total par value of $7,500,000. Authorization for the sale is granted by House Bill 5032, Chapter 511, Oregon Laws 1979, Article XI-F(1) of the Oregon Constitution, and ORS Chapter 351.

It was recommended that the Board authorize the sale of said Series 1979 A bond issue through approval of the following resolution by roll call vote:

$7,500,000 STATE OF OREGON, STATE BOARD OF HIGHER EDUCATION BUILDING BONDS, SERIES 1979 A

RESOLUTION

WHEREAS, THE STATE BOARD OF HIGHER EDUCATION deems it necessary, pursuant to law, including Article XI-F(1) of the Constitution of the State of Oregon, and applicable provisions of ORS Chapter 351, to sell general obligation STATE BOARD OF HIGHER EDUCATION BUILDING BONDS, SERIES 1979 A, of the State of Oregon, in the principal amount of $7,500,000 to provide for the acquisition of land and for the planning, constructing, altering, repairing, furnishing and equipping of buildings, facilities and structures, and for modifying buildings for accessibility for handicapped for the Department of Higher Education; and for payment of costs incident to the sale and issuance of the bonds; and
WHEREAS, THE BOARD, as required by ORS 351.160, has determined conservatively that said buildings and other structures will be wholly self-liquidating and self-supporting from revenues to accrue from the operation thereof and from gifts, grants, or building fees, and from unobligated revenues of higher education buildings or projects of like character; and

WHEREAS, THE BOARD is authorized and directed by ORS 351.170 to establish such rates, charges, and fees for use of such buildings, structures or projects, including revenue-producing buildings and structures already constructed, as, in the judgment of the Board, shall provide the required revenues to make the new buildings, structures or projects self-liquidating and self-supporting, and as shall provide the funds with which to amortize the principal of and pay the interest on bonds issued to finance such buildings, structures or projects; now, therefore,

BE IT RESOLVED BY THE STATE BOARD OF HIGHER EDUCATION OF THE STATE OF OREGON that, with the approval of the State Treasurer of the State of Oregon, SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS ($7,500,000) par value of bonds authorized by law, including Article XI-F(1) of the Constitution of the State of Oregon, and applicable provisions of ORS Chapter 351, be issued and sold; and

BE IT FURTHER RESOLVED that the said bonds totaling SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS ($7,500,000) par value be issued and the proceeds from the sale of these STATE BOARD OF HIGHER EDUCATION BUILDING BONDS, SERIES 1979 A, be used for the acquisition of land and for the planning, constructing, altering, repairing, furnishing and equipping of buildings, facilities and structures, and for modifying buildings for accessibility for handicapped for the Department of Higher Education; and for payment of costs incident to the sale and issuance of the bonds, as provided by law, including Article XI-F(1) of the Constitution of the State of Oregon, and applicable provisions of ORS Chapter 351; and

BE IT FURTHER RESOLVED that the principal of and the interest on all of the bonds issued pursuant to this resolution be paid on the due dates thereof at the Fiscal Agency of the State of Oregon, in the City and State of New York, and that the said bonds be designated STATE OF OREGON, STATE BOARD OF HIGHER EDUCATION BUILDING BONDS, SERIES 1979 A, and be numbered consecutively; and

BE IT FURTHER RESOLVED that the said bonds be dated September 1, 1979, be issued in denominations of $5,000 each, and mature upon the dates and in the principal installments hereinafter in this resolution set forth, subject to redemption in inverse numerical order at par value and accrued interest on any interest-paying date on and after March 1, 1994, from the moneys and revenues indicated by law, including Article XI-F(1) of the Constitution of the State of Oregon, Chapter 511, Oregon Laws 1979, and applicable provisions of ORS Chapter 351; and

BE IT FURTHER RESOLVED that the maturity dates and principal installments of said bonds be as follows:
BE IT FURTHER RESOLVED that the State Board of Higher Education furnish to the original purchaser of said bonds, without cost to him, the written opinion of accredited bond attorneys certifying to the validity and legality of the said bonds; and

BE IT FURTHER RESOLVED that the said bonds be the direct general obligations of the State of Oregon, and that, except as to the variations in the interest rates and maturities, they be of uniform tenor and be in substantially the following form, prepared by the Attorney General of the State of Oregon:

<table>
<thead>
<tr>
<th>Number</th>
<th>UNITED STATES OF AMERICA</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>STATE OF OREGON</td>
<td></td>
</tr>
<tr>
<td></td>
<td>STATE BOARD OF HIGHER EDUCATION</td>
<td></td>
</tr>
<tr>
<td></td>
<td>BUILDING BOND SERIES 1979 A</td>
<td></td>
</tr>
<tr>
<td>$5,000</td>
<td>$5,000</td>
<td></td>
</tr>
</tbody>
</table>

KNOW ALL MEN BY THESE PRESENTS, that the STATE OF OREGON acknowledges itself to owe and for value received hereby promises to pay to bearer the principal sum of $5,000 on the first day of March, 1994, with interest on said sum from the date hereof until paid, at the rate of 7% per annum, payable semiannually on the first day of March and the first day of September in each year, as evidenced by, and upon the presentation and surrender of, the interest coupons hereto annexed as they severally become due. Both the principal of and the interest on this bond are payable at the Fiscal Agency of the State of Oregon, in the City and State of New York, in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts within the United States of America.

The bonds of the issue of which this bond forms a part, maturing on and after March 1, 1994 may be redeemed at the option of the State of Oregon, on and after March 1, 1993, at par and accrued interest, on any interest-paying day or days in inverse numerical order or in the entire amount of the issue outstanding at call date, upon notice given by the Treasurer of the State of Oregon at least thirty (30) days prior to the redemption date specified therein, by publication thereof in one issue of a newspaper or financial journal of general circulation printed and published within the City and State of New York, and one issue of a newspaper of general circulation printed and published within the City of Salem, Oregon. From the date of redemption designated in any such notice, interest on the bonds so called for redemption shall cease.

-441-
This bond is issued by the State of Oregon in conformance to its Constitution and under and by virtue of and in all respects in full and strict compliance with its laws, and in particular Article XI-F(1) of the Oregon Constitution, Chapter 511, Oregon Laws 1979, and applicable provisions of ORS Chapter 351, for the acquisition of land and for the planning, constructing, altering, repairing, furnishing and equipping of buildings, facilities and structures, and for modifying buildings for accessibility for handicapped for the Department of Higher Education; and for payment of costs incident to the sale and issuance of the bonds.

The full faith and credit of the State of Oregon hereby are irrevocably pledged to the punctual payment of the interest on and the principal of this bond as the same become due and payable respectively.

IN TESTIMONY WHEREOF, the STATE OF OREGON has caused this bond to be signed by the Governor and by the Secretary of State with their facsimile signatures, and by the Deputy State Treasurer, and sealed with the seal of the State of Oregon, and has caused the annexed interest coupons to be executed with the facsimile signatures of its said officers, all as of the first day of September, 1979.

Governor
(SEAL)
Secretary of State
Deputy State Treasurer

FORM OF COUPON

(For coupons maturing on March 1, 1980, up to and including March 1, 1993)

No. __________ On the first day of March, 1980, THE $__________ DOLLARS
STATE OF OREGON will pay the bearer

at the Fiscal Agency of the State of Oregon, in the City and State of New York, in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts within the United States of America, for six months' interest then due on State of Oregon, State Board of Higher Education Building Bond, Series 1979 A, No. __________.

Deputy State Treasurer
(facsimile) Secretary of State (facsimile) Governor (facsimile)
Meeting #457
July 27, 1979

(For coupons maturing on and after September 1, 1993)

No.____ On the first day of September, 1993, $______
unless the bond hereinafter designated shall have
been called for previous redemption and due provision
made for the payment thereof, THE STATE OF OREGON will
pay the bearer

DOLLARS

at the Fiscal Agency of the State of Oregon, in the City
and State of New York, in any coin or currency which, at
the time of payment, is legal tender for the payment of
public and private debts within the United States of
America, for six months' interest then due on State of
Oregon, State Board of Higher Education Building Bond,
Series 1979 A, No._____.

(facsimile) (facsimile) (facsimile)
Deputy State Treasurer Secretary of State Governor

The foregoing bond and coupon forms hereby are approved as to legal form this
day of______, 1979.

JAMES A. REDDEN, Attorney General of
the State of Oregon

BE IT FURTHER RESOLVED that, as provided by ORS 351.430, the
Secretary of the Board be and she hereby is authorized to advertise
the said STATE OF OREGON, STATE BOARD OF HIGHER EDUCATION
BUILDING BONDS, SERIES 1979 A, for public sale thereof on or about
August 23, 1979, at a price of not less than $98 for each $100 par
value thereof, and the accrued interest thereon, and the notice of
sale to specify that the Board reserves the right to reject any or all
bids for the bonds; and

BE IT FURTHER RESOLVED that the Vice Chancellor for Administration
of the State Board of Higher Education be authorized to effect the
necessary arrangements for the production, in accordance with
ORS 287.018, of an Official Statement for bonds issued pursuant to
this resolution.

BE IT FURTHER RESOLVED that the Secretary and Vice Chancellor for
Administration of the State Board of Higher Education be authorized
to effect the necessary arrangements to deliver the bonds and to
receive payment therefor.

Board Discussion and Action

Upon motion by Mr. Ingalls, the Board approved the recommendations and
duly adopted the resolution as presented, with the following voting in favor
of adoption: Directors Anderson, Ater, Batiste, Carpenter, Harms, Ingalls,
Moore, Wyss, and Perry. Those voting no: None.

The President of the Board thereupon declared the resolution duly adopted
by a unanimous vote.
$7,000,000
State of Oregon,
State Board of
Higher Education
Facilities Bonds,
Series 1979 B,
Article XI-G

Staff Recommendation to the Board
To finance a portion of the cost of construction and remodeling projects for the educational and general plant, and land acquisition, it is necessary to sell State of Oregon, State Board of Higher Education Facilities Bonds, Series 1979 B, with a total par value of $7,000,000. Authorization for the sale is granted by House Bill 5032, Chapter 511, Oregon Laws 1979, Article XI-G of the Oregon Constitution, and ORS Chapter 351.

It was recommended that the Board authorize the sale of said Series 1979 B bond issue through approval of the following resolution by roll call vote:

$7,000,000 STATE OF OREGON, STATE BOARD OF HIGHER EDUCATION FACILITIES BONDS, SERIES 1979 B

RESOLUTION

WHEREAS, THE STATE BOARD OF HIGHER EDUCATION deems it necessary, pursuant to law, including Article XI-G of the Constitution of the State of Oregon, Chapter 511, Oregon Laws 1979, and applicable provisions of ORS Chapter 351, to sell general obligation STATE BOARD OF HIGHER EDUCATION FACILITIES BONDS, SERIES 1979 B, of the State of Oregon, in the principal amount of $7,000,000 to provide for the acquisition of land and for the planning, constructing, altering, repairing, furnishing and equipping of buildings, facilities and structures, and for modifying buildings for accessibility for handicapped for the Department of Higher Education; and for payment of costs incident to the sale and issuance of the bonds; now, therefore,

BE IT RESOLVED BY THE STATE BOARD OF HIGHER EDUCATION OF THE STATE OF OREGON that, with the approval of the State Treasurer of the State of Oregon, SEVEN MILLION DOLLARS ($7,000,000) par value of bonds authorized by law, including Article XI-G of the Constitution of the State of Oregon, Chapter 511, Oregon Laws 1979, and applicable provisions of ORS Chapter 351, be issued and sold; and

BE IT FURTHER RESOLVED that the said bonds totaling SEVEN MILLION DOLLARS ($7,000,000) par value be issued and the proceeds from the sale of these STATE BOARD OF HIGHER EDUCATION FACILITIES BONDS, SERIES 1979 B, be used for the acquisition of land and for the planning, constructing, altering, repairing, furnishing and equipping of buildings, facilities and structures, and for modifying buildings for accessibility for handicapped for the Department of Higher Education; and for payment of costs incident to the sale and issuance of the bonds, as provided by law, including Article XI-G of the Constitution of the State of Oregon, Chapter 511, Oregon Laws 1979, and applicable provisions of ORS Chapter 351; and

BE IT FURTHER RESOLVED that the principal of and the interest on all of the bonds issued pursuant to this resolution be paid on the due dates thereof at the Fiscal Agency of the State of Oregon, in the City and State of New York, and that the said bonds be designated STATE OF OREGON, STATE BOARD OF HIGHER EDUCATION FACILITIES BONDS, SERIES 1979 B, and be numbered consecutively; and

BE IT FURTHER RESOLVED that the said bonds be dated September 1, 1979, be issued in denominations of $5,000 each, and mature upon the dates and in the principal installments hereinafter in this resolution set forth, subject to redemption in inverse numerical order at par value and accrued interest on any interest-paying date on and after March 1, 1994, from the moneys and revenues indicated by law, including Article XI-G of the Constitution of the State of Oregon, Chapter 511, Oregon Laws 1979, and applicable provisions of ORS Chapter 351; and
BE IT FURTHER RESOLVED that the maturity dates and principal install­ments of said bonds be as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 1, 1982</td>
<td>$100,000</td>
</tr>
<tr>
<td>March 1, 1983</td>
<td>$110,000</td>
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<td>March 1, 1987</td>
<td>$135,000</td>
</tr>
<tr>
<td>March 1, 1988</td>
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</tr>
<tr>
<td>March 1, 1989</td>
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</tr>
<tr>
<td>March 1, 1990</td>
<td>$165,000</td>
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<td>March 1, 2006</td>
<td>$415,000</td>
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<tr>
<td>March 1, 2007</td>
<td>$440,000</td>
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<tr>
<td>March 1, 2008</td>
<td>$465,000</td>
</tr>
<tr>
<td>March 1, 2009</td>
<td>$475,000</td>
</tr>
</tbody>
</table>

BE IT FURTHER RESOLVED that the State Board of Higher Education furnish to the original purchaser of said bonds, without cost to him, the written opinion of accredited bond attorneys certifying to the validity and legality of the said bonds; and

BE IT FURTHER RESOLVED that the said bonds be the direct general obligations of the State of Oregon, and that, except as to the variations in the interest rates and maturities, they be of uniform tenor and be in substantially the following form, prepared by the Attorney General of the State of Oregon:

Number | UNITED STATES OF AMERICA | Number  
------- | -------------------------- | ------- 
| STATE OF OREGON | STATE BOARD OF HIGHER EDUCATION | Number  
| FACILITIES BOND | SERIES 1979 B | $5,000  

KNOW ALL MEN BY THESE PRESENTS, that the STATE OF OREGON acknowledges itself to owe and for value received hereby promises to pay to bearer the principal sum of $5,000, known as FIVE THOUSAND DOLLARS, on the first day of March, 19 , with interest on said sum from the date hereof until paid, at the rate of PERCENT % per annum, payable semiannually on the first day of March and the first day of September in each year, as evidenced by, and upon the presentation and surrender of, the interest coupons hereto annexed as they severally become due. Both the principal of and the interest on this bond are payable at the Fiscal Agency of the State of Oregon, in the City and State of New York, in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts within the United States of America.

The bonds of the issue of which this bond forms a part, maturing on and after March 1, 1994 may be redeemed at the option of the State of Oregon, on and after March 1, 1993, at par and accrued interest, on any interest-paying day or days in inverse numerical order or in the entire amount of the issue outstanding at call date, upon notice given by the Treasurer of the State of Oregon at least thirty (30) days prior to the redemption date specified therein, by publication thereof in one issue of a newspaper or financial journal of general circulation printed and published within the City and State of New York, and one issue of a newspaper of general circulation printed and published within the City of Salem, Oregon. From the date of redemption designated in any such notice, interest on the bonds so called for redemption shall cease.
This bond is issued by the State of Oregon in conformance to its Constitution and under and by virtue of and in all respects in full and strict compliance with its laws, and in particular Article XI-G of the Oregon Constitution, Chapter 511, Oregon Laws 1979, and applicable provisions of ORS Chapter 351, for the purpose of financing the cost for the acquisition of land and improvements to land, and for the planning, constructing, altering, repairing, furnishing, and equipping buildings, facilities, and structures, and for modifying buildings for accessibility for handicapped for the Department of Higher Education; and for payment of costs incident to the sale and issuance of the bonds.

The full faith and credit of the State of Oregon hereby are irrevocably pledged to the punctual payment of the interest on and the principal of this bond as the same become due and payable respectively.

IN TESTIMONY WHEREOF, the STATE OF OREGON has caused this bond to be signed by the Governor and by the Secretary of State with their facsimile signatures, and by the Deputy State Treasurer, and sealed with the seal of the State of Oregon, and has caused the annexed interest coupons to be executed with the facsimile signatures of its said officers, all as of the first day of September, 1979.

Governor
(SEAL)
Secretary of State
Deputy State Treasurer

FORM OF COUPON

(For coupons maturing on March 1, 1980, up to and including March 1, 1993)

No. On the first day of March, 1980, THE $________
STATE OF OREGON will pay the bearer

_______________________ DOLLARS

at the Fiscal Agency of the State of Oregon, in the City and State of New York, in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts within the United States of America, for six months' interest then due on State of Oregon, State Board of Higher Education Facilities Bond, Series 1979 B, No._______.

(facsimile) (facsimile) (facsimile)
Deputy State Treasurer Secretary of State Governor
(For coupons maturing on and after September 1, 1993)

No. ______ On the first day of September, 1993, unless $______ the bond hereinafter designated shall have been called for previous redemption and due provision made for the payment thereof, THE STATE OF OREGON will pay the bearer _______ DOLLARS

at the Fiscal Agency of the State of Oregon, in the City and State of New York, in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts within the United States of America, for six months' interest then due on State of Oregon, State Board of Higher Education Facilities Bond, Series 1979 B, No. _______.

(facsimile)    (facsimile)    (facsimile)
Deputy State Treasurer    Secretary of State    Governor

The foregoing bond and coupon forms hereby are approved as to legal form this ______ day of ______, 1979.

JAMES A. REDDEN, Attorney General of the State of Oregon

BE IT FURTHER RESOLVED that, as provided by ORS 351.430, the Secretary of the Board be and she hereby is authorized to advertise the said STATE OF OREGON, STATE BOARD OF HIGHER EDUCATION FACILITIES BONDS, SERIES 1979 B, for public sale thereof on or about August 28, 1979, at a price of not less than $100 for each $100 par value thereof, and the accrued interest thereon, and the notice of sale to specify that the Board reserves the right to reject any or all bids for the bonds; and

BE IT FURTHER RESOLVED that the Vice Chancellor for Administration of the State Board of Higher Education be authorized to effect the necessary arrangements for the production, in accordance with ORS 287.018, of an Official Statement for bonds issued pursuant to this resolution.

BE IT FURTHER RESOLVED that the Secretary and Vice Chancellor for Administration of the State Board of Higher Education be authorized to effect the necessary arrangements to deliver the bonds and to receive payment therefor.

Board Discussion and Action

Upon motion by Mr. Ater, the Board approved the recommendations and duly adopted the resolution as presented, with the following voting in favor of adoption: Directors Anderson, Ater, Batiste, Carpenter, Harms, Ingalls, Moore, Wyss, and Perry. Those voting no: None.

The President of the Board thereupon declared the resolution duly adopted by a unanimous vote.
$4,755,000
State of Oregon,
Community
College and Edu-
cation Center
Bonds,
Series 1979 C,
Article XI-G

Staff Recommendation to the Board

The Board of Education has requested the Board of Higher Education to sell, with the approval of the State Treasurer, $4,755,000 par value general obligation bonds of the State of Oregon. Authorization for the sale is granted by Senate Bill 5528, Chapter 754, Oregon Laws 1979, Article XI-G of the Oregon Constitution, and applicable provisions of ORS Chapters 341 and 351. Proceeds from the bonds will be used for the construction of new facilities, purchase, expansion, modernization, remodeling or alteration of existing facilities, initial or additional equipment, including planning, engineers', architects' and legal counsels' fees for community colleges and education centers.

It was recommended that the Board authorize the sale of said Series 1979 C bond issue through approval of the following resolution by roll call vote:

$4,755,000 STATE OF OREGON, COMMUNITY COLLEGE AND EDUCATION CENTER BONDS, SERIES 1979 C

RESOLUTION

WHEREAS, THE STATE BOARD OF HIGHER EDUCATION has received a certification dated July 18, 1979, from the State Board of Education, pursuant to law, including Chapter 754, Oregon Laws 1979, that the State Board of Education requests the sale of $4,755,000 bonds authorized for issuance for community colleges and education centers under Article XI-G of the Constitution of the State of Oregon, Chapter 754, Oregon Laws 1979, and applicable provisions of ORS Chapters 341 and 351; and

WHEREAS, THE STATE BOARD OF HIGHER EDUCATION, with the approval of the State Treasurer, shall sell such general obligation bonds of the State of Oregon, of the kind and character prescribed by said Article as the State Board of Education determines is necessary to provide an aggregate amount not exceeding $4,755,000 for the construction of new facilities, purchase, expansion, modernization, remodeling or alteration of existing facilities, initial or additional equipment, including planning, engineers', architects' and legal counsels' fees for community colleges and education centers, as authorized by law, including Article XI-G of the Constitution of the State of Oregon, Chapter 754, Oregon Laws 1979, and applicable provisions of ORS Chapters 341 and 351; and for payment of costs incident to the sale and issuance of the bonds; and,

WHEREAS, THE STATE BOARD OF HIGHER EDUCATION deems it necessary, pursuant to law, including Article XI-G of the Constitution of the State of Oregon, Chapter 754, Oregon Laws 1979, and applicable provisions of ORS Chapters 341 and 351, to sell general obligation STATE OF OREGON, COMMUNITY COLLEGE AND EDUCATION CENTER BONDS, SERIES 1979 C, in the principal amount of $4,755,000 to provide for the construction of new facilities, purchase, expansion, modernization, remodeling or alteration of existing facilities, initial or additional equipment, including planning, engineers', architects', and legal counsels' fees for community colleges and education centers, as authorized by law, including Article XI-G of the Constitution of the State of Oregon, Chapter 754, Oregon Laws 1979, and applicable provisions of ORS Chapters 341 and 351; and for payment of costs incident to the sale and issuance of the bonds; now, therefore
BE IT RESOLVED BY THE STATE BOARD OF HIGHER EDUCATION OF
THE STATE OF OREGON that, with the approval of the State Treasurer
of the State of Oregon, FOUR MILLION SEVEN HUNDRED FIFTY-FIVE
THOUSAND DOLLARS ($4,755,000) par value of bonds authorized by
law, including Article XI-G of the Constitution of the State of Oregon,
Chapter 754, Oregon Laws 1979, and applicable provisions of ORS
Chapters 341 and 351, be issued and sold; and

BE IT FURTHER RESOLVED that the said bonds totaling FOUR MILLION
SEVEN HUNDRED FIFTY-FIVE THOUSAND DOLLARS ($4,755,000) par
value be issued and the proceeds from the sale of these STATE OF
OREGON, COMMUNITY COLLEGE AND EDUCATION CENTER BONDS,
SERIES 1979 C, be used for the construction of new facilities, pur-
chase, expansion, modernization, remodeling or alteration of existing
facilities, initial or additional equipment, including planning, engineers',
architects' and legal counsels' fees for community colleges and educa-
tion centers, as authorized by law, including Article XI-G of the
Constitution of the State of Oregon, Chapter 754, Oregon Laws 1979,
and applicable provisions of ORS Chapters 341 and 351; and for pay-
ment of costs incident to the sale and issuance of the bonds; and

BE IT FURTHER RESOLVED that the principal of and the interest on
all of the bonds issued pursuant to this resolution be paid on the due
dates thereof at the Fiscal Agency of the State of Oregon, in the City
and State of New York, and that the said bonds be designated STATE
OF OREGON, COMMUNITY COLLEGE AND EDUCATION CENTER BONDS,
SERIES 1979 C, and be numbered consecutively; and

BE IT FURTHER RESOLVED that the said bonds be dated September 1,
1979, be issued in denominations of $5,000 each, and mature upon the
dates and in the principal instalments hereinafter in this resolution
set forth, subject to redemption in inverse numerical order at par
value and accrued interest on any interest-paying date on and after
March 1, 1994, from the moneys and revenues indicated by law, in-
cluding Article XI-G of the Constitution of the State of Oregon,
Chapter 754, Oregon Laws 1979, and applicable provisions of ORS
Chapters 341 and 351; and

BE IT FURTHER RESOLVED that the maturity dates and principal
instalments of said bonds be as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 1, 1982</td>
<td>$70,000</td>
</tr>
<tr>
<td>March 1, 1983</td>
<td>75,000</td>
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<tr>
<td>March 1, 1984</td>
<td>80,000</td>
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<tr>
<td>March 1, 1985</td>
<td>80,000</td>
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<tr>
<td>March 1, 1986</td>
<td>90,000</td>
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<tr>
<td>March 1, 1987</td>
<td>95,000</td>
</tr>
<tr>
<td>March 1, 1988</td>
<td>100,000</td>
</tr>
<tr>
<td>March 1, 1989</td>
<td>105,000</td>
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<tr>
<td>March 1, 1990</td>
<td>110,000</td>
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<tr>
<td>March 1, 1991</td>
<td>120,000</td>
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<tr>
<td>March 1, 1992</td>
<td>125,000</td>
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<tr>
<td>March 1, 1993</td>
<td>130,000</td>
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<tr>
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<tr>
<td>March 1, 2008</td>
<td>315,000</td>
</tr>
<tr>
<td>March 1, 2009</td>
<td>335,000</td>
</tr>
</tbody>
</table>

BE IT FURTHER RESOLVED that the State Board of Higher Education
furnish to the original purchaser of said bonds, without cost to him,
the written opinion of accredited bond attorneys certifying to the
validity and legality of the said bonds; and
BE IT FURTHER RESOLVED that the said bonds be the direct general obligations of the State of Oregon, and that, except as to the variations in the interest rates and maturities, they be of uniform tenor and be in substantially the following form, prepared by the Attorney General of the State of Oregon:

Number

UNITED STATES OF AMERICA
STATE OF OREGON
COMMUNITY COLLEGE AND EDUCATION CENTER BOND
$5,000

Number

STATE OF OREGON
$5,000

SERIES 1979 C

KNOW ALL MEN BY THESE PRESENTS, that the STATE OF OREGON acknowledges itself to owe and for value received hereby promises to pay to bearer the principal sum of $5,000 on the first day of March, 1979, with interest on said sum from the date hereof until paid, at the rate of 6% per annum, payable semiannually on the first day of March and the first day of September in each year, as evidenced by, and upon the presentation and surrender of, the interest coupons hereto annexed as they severally become due. Both the principal and the interest on this bond are payable at the Fiscal Agency of the State of Oregon, in the City and State of New York, in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts within the United States of America.

The bonds of the issue of which this bond forms a part, maturing on and after March 1, 1994 may be redeemed at the option of the State of Oregon, on and after March 1, 1993, at par and accrued interest, on any interest-paying day or days in inverse numerical order or in the entire amount of the issue outstanding at call date, upon notice given by the Treasurer of the State of Oregon at least thirty (30) days prior to the redemption date specified therein, by publication thereof in one issue of a newspaper or financial journal of general circulation printed and published within the City and State of New York, and one issue of a newspaper of general circulation printed and published within the City of Salem, Oregon. From the date of redemption designated in any such notice, interest on the bonds so called for redemption shall cease.

This bond is issued by the State of Oregon in conformance to its Constitution and under and by virtue of and in all respects in full and strict compliance with its laws, and in particular Article XI-G of the Oregon Constitution, Chapter 754, Oregon Laws 1979, and applicable provisions of ORS Chapters 341 and 351, for the construction of new facilities, purchase, expansion, modernization, remodeling or alteration of existing facilities, initial or additional equipment, including planning, engineers', architects' and legal counsels' fees for community colleges and education centers, as authorized by law, including Article XI-G of the Constitution of the State of Oregon, Chapter 754, Oregon Laws 1979, and applicable provisions of ORS Chapters 341 and 351; and for payment of costs incident to the sale and issuance of the bonds.

The full faith and credit of the State of Oregon hereby are irrevocably pledged to the punctual payment of the interest on and the principal of this bond as the same become due and payable respectively.
IN TESTIMONY WHEREOF, the STATE OF OREGON has caused this bond to be signed by the Governor and by the Secretary of State with their facsimile signatures, and by the Deputy State Treasurer, and sealed with the seal of the State of Oregon, and has caused the annexed interest coupons to be executed with the facsimile signatures of its said officers, all as of the first day of September, 1979.

Governor

Secretary of State

Deputy State Treasurer

FORM OF COUPON

(For coupons maturing on March 1, 1980, up to and including March 1, 1993)

No._______ On the first day of March, 1980, THE $________ DOLLARS

STATE OF OREGON will pay the bearer

(facsimile) (facsimile) (facsimile)
Deputy State Treasurer Secretary of State Governor

(For coupons maturing on and after September 1, 1993)

No._______ On the first day of September, 1993, unless $________

the bond hereinafter designated shall have been called for previous redemption and due provision made for the payment thereof, THE STATE OF OREGON will pay the bearer

DOLLARS

(facsimile) (facsimile) (facsimile)
Deputy State Treasurer Secretary of State Governor

The foregoing bond and coupon forms hereby are approved as to legal form this _______ day of _________, 1979.

JAMES A. REDDEN, Attorney General of the State of Oregon
BE IT FURTHER RESOLVED that, as provided by ORS 351.430, the Secretary of the Board be and she hereby is authorized to advertise the said STATE OF OREGON, COMMUNITY COLLEGE AND EDUCATION CENTER BONDS, SERIES 1979 C, for public sale thereof on or about August 28, 1979, at a price of not less than $100 for each $100 par value thereof, and the accrued interest thereon, and the notice of sale to specify that the Board reserves the right to reject any or all bids for the bonds; and

BE IT FURTHER RESOLVED that the Vice Chancellor for Administration of the State Board of Higher Education be authorized to effect the necessary arrangements for the production, in accordance with ORS 287.018, of an Official Statement for bonds issued pursuant to this resolution.

BE IT FURTHER RESOLVED that the Secretary and Vice Chancellor for Administration of the State Board of Higher Education be authorized to effect the necessary arrangements to deliver the bonds and to receive payment therefor.

Board Discussion and Action

Upon motion by Mr. Ater, the Board approved the recommendations and duly adopted the resolution as presented, with the following voting in favor of adoption: Directors Anderson, Ater, Batiste, Carpenter, Harms, Ingalls, Moore, Wyss, and Perry. Those voting no: None.

The President of the Board thereupon declared the resolution duly adopted by a unanimous vote.

(Considered by Committee on Instruction, Research, and Public Service Programs, June 22, 1979; present--Carpenter, Feves, Anderson, Harms, Thorp, and Wyss.)

Staff Recommendation to the Committee

It was recommended that the Board concur in the amendments to the bylaws adopted by the OEPBS Advisory Council of Statewide Organizations which permit the Council to advise the State Board of Higher Education on matters pertaining to the programming and policies of Oregon Educational and Public Broadcasting Service.

Discussion and Recommendation by the Committee

Mr. Wyss suggested that the phrase "advise the Board on matters pertaining to program and policy of Oregon Educational and Public Broadcasting Service," appears to put more confidence and authority in the advisory council than would be permissible for the Board to grant. He said he would prefer "make recommendation to" rather than "advise."

Dr. Bryant said there was no way in which the Board could abdicate its responsibility as the licensee for the management of the stations. He said he would prefer the language proposed by Mr. Wyss.

Mrs. Carpenter requested a current list of the Advisory Council members and the organizations they represent and also a copy of the bylaws. She also requested information about the rotation and the way in which new members are nominated to the advisory committee. When the Board discussed the advisory committee several months ago, the opinion was expressed that some groups might be underrepresented.

The Committee recommended that the Board approve the staff recommendation, subject to changing the word "advise" to "inform" in item F.
Board Discussion and Action

Mr. Branchfield reported that the federal statute uses the word "advise" and recommended that the Board change the word "inform" back to "advise." Mr. Wyss said he had been responsible for the change to "inform" but would be willing to revert to the original language if that is required.

Mr. Wyss questioned whether the proposed action was necessary in view of the new governance structure passed by the 1979 Legislature for OEPBS.

The Chancellor responded that it had been the view of the staff that until the new commission is formed and operating, the Board of Higher Education continues with OEPBS in the same relationship that it had before. The proposed action would take nothing away from the new commission when it is functioning. In the meantime, there might be some advantages in the proposed action. Also in response to a question, the Chancellor indicated that the action was required by the Board now and ultimately by whatever group is acceptable as the advisory board on a continuing basis.

Mr. Branchfield indicated that the new commission would not take the place of the advisory board because the federal regulations require that the advisory board have no contact with the operations of the stations. The new commission will have operational duties and thus the two are incompatible.

Mr. Anderson pointed out that the proposed action was necessary in order to be in compliance with federal regulations. He moved that the Board approve the Committee recommendation, amended to coincide with Mr. Branchfield's recommendation that "advise" be substituted for "inform" as originally proposed. The Board approved the motion, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Harms, Ingalls, Moore, Wyss, and Perry. Those voting no: None.

Staff Report to the Committee

Approximately 20 percent of OEPBS revenue is derived from funds originating in Congressional appropriations. The two principal sources are Community Service Grants from the Corporation for Public Broadcasting (CPB) and facilities grants previously awarded through a Department of Health, Education and Welfare program which has recently been moved to a new agency, the National Telecommunications and Information Administration under the Secretary of Commerce. Lesser grants, usually for program production, are received occasionally from various federally-funded foundations or projects. The Community Service Grants and the facilities grants have, in the past, been regulated through the Public Broadcasting Act of 1967, and the Public Broadcasting Financing Act of 1975. Recently, Congress passed the Public Telecommunications Financing Act of 1978, which makes numerous changes in the previous laws, and, among other modifications, requires public broadcasting stations to establish community advisory boards in order to qualify for CPB grants.

A Conference Report on the new law outlined compliance requirements as follows:

Minimum Compliance Requirements

A. Each recipient/public broadcast station must:

1. Establish a community advisory board;

2. Undertake good faith efforts to assure that the composition of the community advisory board reasonably reflects the diverse needs and interests of the communities served by the station.
B. Each recipient/public broadcast station must permit the Community Advisory Board to perform the following activities:

1. Review the programming goals established by the station;
2. Review the service provided by the station;
3. Review the significant policy decisions rendered by the station; and
4. Advise the governing board of the station with respect to whether the programming and other policies of the station are meeting the specialized educational and cultural needs of the communities served by the station, as determined by the advisory board. The advisory board may make such recommendations as it considers appropriate, to the governing board, in order to meet those specialized needs.

The OEPBS Advisory Council of Statewide Organizations was formed in July 1975, and has met regularly since that time. Although representatives of the Advisory Council have on previous occasions presented reports to the State Board, neither the Council's bylaws nor actions by the State Board have specifically and officially addressed the issue of advising the governing board of the licensee. In every other respect the OEPBS Advisory Council of Statewide Organizations seems to meet both the spirit and the requirements of the law.

Since the Council's bylaws do not specifically refer to advising the licensee, changes have been proposed which, if the State Board of Higher Education concurs, would amend the Council's Statement of Purpose to include the phrase underlined in the following quotation from the bylaws:

> The Council shall serve in an advisory and consultant capacity to the Executive Director and staff of Oregon Educational and Public Broadcasting Service and to the Oregon State Board of Higher Education.

Also, in Article I under Principal Functions, an item "F" would be added which would be worded as follows:

> F. The Council shall inform the State Board of Higher Education concerning the effectiveness of OEPBS programming and policies in meeting Oregon's instructional, informational and cultural needs and may recommend to the Board actions deemed by the Council to be appropriate for meeting such needs.

These amendments were adopted at a regular meeting on May 17, 1979, effective only if concurred in by the State Board of Higher Education.

Recognizing the already heavy workload of members of the Board, the Advisory Council and the Executive Director of OEPBS have agreed that no special committee of the Board or other special structure is necessary to maintain effective communication between the two bodies. However, the Council and the Executive Director believe that it would be useful if at least one Board member were designated as a liaison person with special concern for radio matters, and at least one person with special interest in matters pertaining to television. These Board Members might at the same time become the official lay representatives of the Board to National Public Radio, and to the Public Broadcasting Service, the former a membership organization for qualified radio licensees and the latter for qualified television licensees.