STATE BOARD OF HIGHER EDUCATION

Minutes of Regular Meeting Held on October 26, 1979

MINUTES APPROVED

CHANCELLOR'S REPORT
  Governor's Statement in Recognition of 50th Year of OSBHE
  Oregon Commission for Public Broadcasting
  FORE Report on Budget Policies and Practices, PSU
  Enrollment Data
  Admissions Requirements 1980-81
  Teacher Supply and Demand Placement of 1977-78 Teacher Education Graduates
  Schematic Design Phase of Planning and Budget Revision for Proposed Recreation and Sports Facilities, PSU
  Updated Long-Range Campus Plan, SOSC
  Responsibility for Working Funds
  Revision of IMD's Relating to Budget Administration
  Retention and Disposition of Real Property
  Amended Policies to Guide Institution Relations With Independent Affiliated Organizations, Response to January 11, 1979, Audit by Secretary of State's Office
  Proposed Exchange of Land with Automobile Club of Oregon, PSU
  Request for Authorization To Offer Option in Manufacturing Engineering Within BA/BS Degree Program in Industrial Engineering, OSU
  Request For Authorization To Offer A New Program of Instruction Leading To BA in International Studies, UO
  Schematic Design Phase of Planning for Professional Schools Building Phase II, PSU
  Acceptance and Naming of John F. Moehl Stadium, OIT
  Schematic Design for Data Analysis Addition to Wilkinson Hall, OSU
  Proposed Siting, Planning, Construction and Operation of Aquaculture Support Facility at Yaquina Bay Marine Science Center, OSU
  Purchase of Cornelius Property, OSU
  Computer Replacement, UO
  Proposed Deeding of Land Adjacent to Monmouth Avenue to the City of Monmouth, OCE
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STATE BOARD OF HIGHER EDUCATION
MINUTES OF REGULAR MEETING HELD IN
THE BALLROOM, ERB MEMORIAL UNION,
UNIVERSITY OF OREGON, EUGENE, OREGON

October 26, 1979

A regular meeting of the State Board of Higher Education was held in the
Ballroom of the Erb Memorial Union, University of Oregon, Eugene, Oregon.

ROLL CALL

The meeting was called to order at 8:30 A.M. (P.S.T.), October 26, 1979, by
Mr. Louis B. Perry, and on roll call the following answered present:

Mr. Lester E. Anderson  Mr. Robert C. Ingalls
Mr. Alvin R. Batiste  Mr. William C. Thorp, III
Mrs. Jane Carpenter  Mrs. Elizabeth Warner-Yasuda
Mrs. Edith Green  Mr. Loren L. Wyss
Mr. Edward C. Harms, Jr.  Mr. Louis B. Perry

Absent: Mr. Jonathan A. Ater was absent for business reasons.

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; Edward Branchfield, Assistant Attorney General;
Janet E. Young, Assistant to the Chancellor; Richard S. Perry, Director,
Division of Management and Planning Services; Susan F. Weeks, Assistant
to Director, Division of Management and Planning Services; Keith Jackson,
Assistant Budget Director; Arthur Muncil, Director of Campus and Building
Planning; Richard Zita, Director, Public Services and Publications; Diane
Marsh, Assistant Director, Public Services and Publications; Melinda Grier,
Compliance Officer; Wayne H. Sims, Assistant to the Vice Chancellor for
Academic Affairs; Clarethel Kahanamui, Assistant in Curriculum Planning;
J. Richard Pizzo, Director of High School Relations; J. Spencer Carlson,
Consultant; Francetta Carroll, Administrative Assistant; Karen McCumsey,
Secretary to Chancellor.

Oregon State University--President R. W. MacVicar; Clifford Smith, Vice
President for Administration; Sandra Suttie, Assistant to the President/Curriculum Coordinator.

University of Oregon--President William B. Boyd; Ray Hawk, Vice President
for Administration and Finance; Curt Simic, Vice President for Public Service;
Curtis Lind, Program Specialist, Continuing Education.

Portland State University--President Joseph Blume!; James Todd, Vice
President of Finance and Administration; W. C. Neland, Director, Physical
Plant.

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

Eastern Oregon State College--President Rodney A. Briggs; David Gilbert,
Dean, Academic Affairs.

Southern Oregon State College--President Natale Sicuro; D. E. Lewis, Dean
of Administration; Ernest E. Eitlich, Dean of Academic Affairs.

Oregon Institute of Technology--President Kenneth F. Light; William W.
Smith, Dean, Academic Affairs.

Others--Barbara Mitchell, Assistant Director, Oregon Educational Coordinating
Commission; Elizabeth Johnson, Commissioner, Oregon Educational Coordinating
Commission.
The Board voted to dispense with the reading of the minutes of the last regular meeting of the Board held on September 14, 1979, and approved them as previously distributed. The following voted in favor: Directors Anderson, Batiste, Carpenter, Green, Harms, Ingalls, Thorp, Warner-Yasuda, Wyss, and Perry. Those voting no: None.

The Chancellor stated that the State Board of Higher Education had been established fifty years ago by the 1929 Legislature when it abolished the individual governing boards for the institutions and created a single State Board of Higher Education. He noted that 54 men and 10 women had served on the Board since that time and had played a major role in the development of the State System. Governor Atiyeh sent his regards and greetings to the Board on this occasion, and Mr. Perry requested Mr. Ingalls to read the Governor's statement.

STATEMENT BY GOVERNOR VIC ATIYEH

October 25, 1979

Fifty years ago, the Oregon Legislature created the State Board of Higher Education. One of its chief purposes was to establish "a program of higher educational development adapted to the needs of the state, taking into consideration its population, resources and taxpaying ability."

The task was not an easy one. The citizen Board members were called upon to develop a system that would balance the demands of two masters—the interests of the state, and the ideals of higher education.

Over the years, the genius of Oregonians to handle this conflict creatively has proved the wisdom of the Legislature's action in 1929. The pioneering effort in coordination has led to an integrated system of Oregon's eight public institutions of higher learning—and to a governing structure that serves as a model for other states.

The remarkable success of the experiment is attributable in large part to the willingness of Oregonians to commit their time and talent to public service as Board members. Their abiding commitment to the founding principles has helped shape a State System that is responding vigorously to the needs of the people of the state, and to the larger community, through instruction, research and public service.

As Governor of Oregon, I am pleased to make this proclamation in special recognition of the fiftieth anniversary of the State Board of Higher Education, and to commend the citizen Board members for their role in improving the intellectual, health, economic and cultural well-being of their state.

I call upon all Oregonians to join in this tribute. The Board has guarded well one of our most precious resources.

/s/ Vic Atiyeh
Governor of Oregon

Upon motion by Mr. Harms, the Board voted to spread the statement upon the minutes of the meeting. The following voted in favor: Directors Anderson, Batiste, Carpenter, Green, Harms, Ingalls, Thorp, Warner-Yasuda, Wyss, and Perry. Those voting no: None.

Mr. Perry commented that the State of Oregon has been fortunate in that the Board has not been a political body and that people of varying parties and independents could cooperate and work together for the best interests...
of the state. He said this was a real tribute to the wisdom of the people 50 years ago in founding the State System. He said it was a privilege to be a part of the 50th year.

The Chancellor announced that in accordance with the provisions of Senate Bill 805, the Governor, the President of the Senate, and the Speaker of the House had appointed members to the newly-established Oregon Commission for Public Broadcasting. He said the Governor's appointments are subject to confirmation by the Senate, and it is anticipated this will occur on November 9. The legislation requires that the Board delegate responsibility for public broadcasting to the Commission before January 1. At the December 14 Board meeting, Internal Management Directives to effect this transfer will be presented to the Board. The Chancellor said that it was his intention to invite the new Commission to join the Board at luncheon on that occasion.

The Chancellor indicated that several months prior to the 1979 Legislative session, the State System, in a letter signed by the President of the Board, asked the Foundation for Oregon Research in Education (FORE) if it would be willing to conduct some examination of the annual budgets of several institutions. The purpose of this study would be to determine the extent to which, in the judgment of the examining committee, these annual budgets were in fact carefully prepared and adequate to the objectives of these budgets. This investigation was stimulated by the fact that there frequently is the concern expressed that the base budgets do not get adequate review. An examination by an external body might clarify the situation and be useful in the legislative process. FORE decided that their resources would permit them to conduct this examination at only one institution. The Chancellor said it had been hoped that the report would be useful in connection with the 1979 biennial budget presentation in that the base budget of at least one institution would have been examined by an external body. However, the task proved to be larger than anticipated and the report was received only this month. Further, FORE concluded that a detailed review of Portland State University's base budget was impractical and that it could not make that kind of a review. This led them to a less detailed and more generalized kind of report which focused on the State System and Portland State University budget policies and practices. As a result, the report emphasizes many of the same generalities which have characterized the Board's own internal budget reviews and those of the executive and legislative branches of government.

The Chancellor said perhaps the most valuable lesson gained from this experience is that bodies external to the institutions must necessarily rely heavily upon the staff of the institutions and the Board's Office for the detailed base budget review. The Board should rely upon budget guidelines, the objective criteria built into those guidelines, Board's Office monitoring, and the kind of audit review conducted by the internal audit group and the audit staff of the Secretary of State in seeking assurance that the budgeted funds are in fact properly allocated and expended.

The Chancellor noted that the report expressed approval for the budget policies and practices at Portland State University, although comments were not as enthusiastic about the Board's Office. He concluded by thanking Wilson Hulley and the FORE staff for the many long hours of detailed review which this kind of report forced upon them.

It was suggested that the report be placed on the agenda of the Finance Committee for more detailed examination. It was subsequently agreed that the report should be referred to a meeting of the Committee of the Whole on December 14, 1979, with the understanding that this would not preclude later discussion by the Finance Committee of issues which might be raised during the December discussion.

Mr. Holmer said the next budget process would begin with the December 14 Committee meetings in setting the policies and principles which would guide the process. Meetings have been held with the legislative fiscal office and
the executive department budget analysts with respect to the format and process in an effort to make the budget more understandable for all concerned.

Mr. Perry commented that these meetings were important because much of the criticism directed at the budget process was not controlled by the Board itself.

Mr. Wyss said the presentation of statistical information in a graphic form was very helpful for lay people in understanding financial items.

The Chancellor reported that final fall enrollment figures were not yet available but it was now clear that earlier estimates were conservative. It appears that there will be something in excess of 64,000 headcount students, which represents an increase of 2.8% above the projected headcount.

(Considered by Committee on Instruction, Research, and Public Service Programs, September 14, 1979; present--Carpenter, Anderson, Green, Harms, Warner-Yasuda, and Wyss.)

Recommendation for Board Action

The Board's Committee on Instruction, Research, and Public Service Programs recommends that the Board adopt the following recommendation concerning admissions requirements for 1980-81, and the two provisions relating to 1981-82. The amendments the Committee made to the Board's Office recommendation are indicated by underlining in the case of words or figures added by the Committee, and bracketing and lining out of words and figures deleted by the Committee.

Recommended Admissions Requirements 1980-81

It is recommended:

1. That admissions requirements for entering resident and non-resident freshmen for 1980-81 retain the same high school grade and aptitude test cutting points as will be in effect in 1979-80, although each institution shall be allowed to increase its high school GPA requirement by one quarter of a grade point (effective 1981-82). (See Appendix, pp. 61a-63a for admissions requirements.)

2. That, additionally, effective 1981-82, University of Oregon and Oregon State University freshmen applicants for admission be held initially to meet a score level of 30 on the Test for Standard Written English (TSWE) or its equivalent on an alternate test of English composition.

3. That with respect to college preparatory courses to be completed in high school as a condition of admission, the following provisions govern:
   a. That specific college preparatory course patterns not be required at this time.
   b. That the Board's Office, with the cooperation of the State Department of Education, annually publish and distribute widely throughout the state to 8th, 9th, and 10th grade students recommended general and specific college preparatory course patterns, similar in character to those in the current publication "Preparing for College."

4. That the institutions be authorized to admit a quota of freshmen totaling no more than 5% of the institution's previous year's freshmen class, as calculated by the Board's Office, "who have not met the basic admissions requirements."
[That nonresidents constitute no more than half of the institution's quota and that any nonresidents admitted under this provision be held to meet resident requirements for admission.]

That the institutions maintain records of the characteristics and achievement of students admitted under the 50% policy for review by the Board's Office and periodic report to the Board.

Board's Staff Report

(See the Board's Office report "Admissions Requirements for 1980-81" dated September 14, 1979, which was included in the docket of the Board's Committee on Instruction, Research, and Public Service Programs distributed to the Board for the September 14 meeting of the Board's Committee.)

Committee Discussion

At the September 14 meeting of the Board's Committee on Instruction, Research, and Public Service Programs, Dr. Romney presented the Board's Office report on admissions, concluding his remarks by citing the Board's Office recommendations for Board action on the admissions requirements for 1980-81 (see above).

At the outset of his presentation, Dr. Romney acknowledged with appreciation the contributions of the following in the development and prosecution of the study of the 1976 entering class of resident freshmen in the State System, upon which the Board's Office report to the Board is based:

- The State System institutional representatives, for the data supplied relating to the 1976 entering freshman class, and for reviewing with the study team the results of the study of the achievements of the 1976 entering freshmen.

- The Teaching Research Division staff (Dr. Victor Baldwin, Dr. Craig Scott, Dr. Gaylord Thorne, Dr. Jerry Gage), Mr. Spencer Carlson, retired UO registrar, who together with Mr. J. Richard Pizzo, Director of the Board's Office of High School Relations did the major work on the sampling study.

- The Western Regional Office of the College Board, for advising with the sampling study group and making available the extensive resources of the College Board in processing the data of the sampling study.

Mrs. Carpenter asked Dr. Craig Scott of the Teaching Research Division, Mr. Carlson, and Mr. Pizzo what they found most significant in the study of a 20% sample of 1978 entering freshmen.

- Dr. Scott said he was surprised that the results of the study were as clean-cut and clear as they appear to be in demonstrating the relationship between college preparatory work completed in high school and the level of college achievement.

- The number of college preparatory courses taken proved to be the poorest predictor of college performance in the entire study. The best predictor was found to be overall college preparatory GPA in high school. College success is related not so much to the number of college preparatory courses taken as it is to how well one does in the college preparatory courses one takes. Piling up college preparatory courses one on top of the other, if the student is doing poorly is of no benefit. What the high schools need to do, he said, is to focus on those areas in which performance is low and to assist the students to increase their ability to do well in college preparatory courses.
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Asked by Mrs. Carpenter how the foregoing point could be gotten across to the high schools, Mr. Pizzo responded that the counselors and high school principals of Oregon are looking forward to the findings of this study, and will use all of the insights that the study can provide as to how most effectively to work with college-capable high school students to assist them in preparation for success in college. He said that the high schools must remember, however, that they must serve more than the college-capable youth and must be concerned as to how well they are serving the students who are not college-bound.

Mr. Pizzo said that as one aspect of the study an effort had been made to find out what other states were doing about the study of admissions requirements. He said that from the returns of respondents in 39 of the states, it is apparent that in none of the responding states has a study of this kind been completed. He said that the responding states are much interested in Oregon's findings.

He also reported that a national comparative study by the American Association of Collegiate Registrars and Admissions Officers and the College Board of current admissions policies in colleges and universities of the United States (on which Mr. Pizzo had recently worked) has indicated that, although admissions policies vary widely among institutions, the responding institutions reported that they anticipated little change in admissions requirements in the mid-1980's from those currently in effect.

Mr. Carlson said that the current study bears out what the UO had found in studies done a number of years ago relating to writing competence, namely, that students who do poorly in English composition—who make low scores on the standard written English tests—are generally poor risks. The UO found that over 50% of these students failed. The University then instituted two preparatory English courses (Wr 120, Wr 40) for those students who need help before entering the basic freshman English course (Wr 121).

Mr. Carlson said that approximately 5% of the UO's entering freshmen class scored below 30 on the TSWE, and of these about 45% had been on probation during their first year, or had ended by being disqualified for academic reasons. Their grade performance in college was significantly less than would have been anticipated on the basis of their high school grades, and test scores.

It is not the number of college preparatory courses that makes the difference in college achievement, he said, but the skills the student has developed, irrespective of the courses taken. Some of the competence in writing comes not from the English courses but from other courses students take, Mr. Carlson said.

Mr. Carlson said that the recommendation to the Board concerning the use of the Test of Standard Written English as a means of measuring writing skills is a step in the right direction for it will convey a message to the high schools and high school students that development of writing competence is important to the colleges and universities.

Mrs. Warner-Yasuda asked if there were any data in the study relative to achievement of ethnic minority students and their degree of success in their first year in college.
Mr. Carlson said that there are not, largely because with a 20% sample of the total 1976 entering freshman class, the number of ethnic minority students is too small to make valid projections. Other studies indicate, however, that ethnic minorities react differently one from the other.

(The 3% admissions policy permits institutions to bring in ethnic minority students—as well as other students—who do not meet regular admissions requirements.)

Mrs. Carpenter asked about the difficulties encountered in evaluating the high school transcripts of the 20% sample to determine the number of college preparatory and non-college preparatory courses taken. Dr. Scott responded that it was very difficult. He said that it had been necessary to establish criteria for defining what a college preparatory course is, and then to train transcript evaluators so that they would agree, in classifying high school courses, as to which are college preparatory courses and which are not. He said that the two evaluators finally achieved a reliability such that in 95% of the cases, they agreed as to whether a given course was college preparatory or not. The lack of uniformity in the high school transcripts contributed to the difficulties of analysis.

As asked by Mrs. Green concerning the success of students admitted under the 3% policy, Mr. Carlson stated that experience at the UO has been that more than half of the 3% students have been able to perform successfully. He described the success of a special interinstitutional committee on non-resident admissions which had operated for most of a decade to review special cases of out-of-state persons unable to meet admissions requirements. He noted that the committee had been rigorous in its evaluation of these prospective students and that of those admitted by the committee, a very substantial proportion (90%) had demonstrated the ability to succeed.

Mr. Wyss commented that apparently, when a group of competent educators evaluate a student's promise of academic success, it is possible to identify those who, although not meeting regular admissions requirements, will be able to succeed in college.

Mr. Anderson asked what is considered a good success rate. Mr. Carlson said that from his experience he'd say it's a sliding scale dependent upon the quality of students admitted. A highly selective institution might expect a 75% success rate. But, he noted, the Ivy League schools, despite their high admissions requirements, are still concerned over the numbers who do not succeed in college. The cutting scores in the State System admissions requirements at the two older universities are such as to offer a 50-50 chance that those admitted at the minimum level have the ability to maintain a C average in college. He indicated that attrition studies at the UO reveal that over a period of six to seven years following admission, as many as 55% to 60% will have graduated from the UO. It is common for students to stop out for portions of a year or more, and then to return to complete their degrees. The attrition figures at UO are quite similar to attrition figures in other public universities, he noted.

Mrs. Carpenter then asked for observations from the Presidents on the Board's Office recommendations for admissions requirements for 1980-81.

President MacVicar commented that the study upon which the Board's Office rests is a very carefully-made and very analytical study—one of the most definitive he had seen in a long time. The fact that the results of the study do not provide new insights but rather reinforce insights that have guided the institutions, the Board's staff, and the Board in the past should give the Board a sense of assurance concerning past and existing policies.

There are some interesting things evident in the study, he noted, among which is the fact that the three universities are not identical. There is diversity in the State System of Higher Education.
Oregon State University and the University of Oregon are not alike, because the Board for 50 years has planned it that way. It is not surprising, therefore, that in such a study as is here under discussion, the predictors of college success in the three universities are not quite the same for each. He referred the Board to page 36, Table VIII of the study, noting that at OSU and PSU there is really little difference in the validity of SAT verbal scores as predictors of college success, but that it is more likely that one will succeed at the UO if he/she has a high verbal score. On the other hand, the SAT-Mathematics score as a predictor of success is different at PSU than it is at the other two universities (UO, OSU).

President MacVicar then turned to a theme that he had on earlier occasions explored with the Board, namely, that in making predictions as to the college success of students at the threshold level of admissions—and those just below it and just above it—one has great difficulty, for the ability to discriminate at this level is just not very good. There are too many factors other than high school performance that affect the college success of these students. Hence, he said, he supports in principle and practice what the Board has historically done, upon the recommendation of the Board's Office, namely, to maintain differential admissions requirements in the State System, but to set threshold admissions requirements at a level not unreasonably high.

Speaking to the Board's Office recommendation that, effective 1981-82, a measure of writing competence be included as a factor in the admissions requirements for the two older universities, President MacVicar said that he and the OSU faculty are overwhelmingly in support of anything that can be done realistically to place more emphasis on writing and reading abilities. The ability to read rapidly with reasonable comprehension and to write clearly constitute two of the most important skills an entering student can bring to the University.

President MacVicar said that experience with the 3% policy leads him to be supportive of an increase in that percentage should the Board find it desirable.

Mr. Wyss asked whether there is a disproportionate number of either athletes or ethnic minority students in those admitted to OSU under the 3% policy. President MacVicar responded affirmatively, noting, however, that the number included in the 3% is small (fewer than 100). OSU, consistent with state and national policy expressed in affirmative action policies, seeks ethnic minority students so it ought not to be surprising that ethnic minority students are heavily represented among the 3% and there is an overlap between minorities, and particularly between black minority students, and athletes.

Mr. Wyss asked whether changing the percentage from 3% to some other percentage would inordinately affect the mix of students in the institution, and noted that students admitted under the 3% policy may well contribute something very significant to the institution.

President MacVicar responded by emphasizing the contribution that ethnic minorities make to the OSU campus, and suggested that since the Board's Office is recommending an increase in admissions requirements at UO and OSU, effective 1981-82, the Board might with some wisdom give consideration to the possibility of increasing the percentage of entering students fresh from high school who might be admitted without meeting the regular admissions requirements.
President Blumel reported that PSU has been using its full quota under the 3% policy, but said that he was not prepared at this point to say that the percentage should be raised. But, he said, if other institutions do not utilize fully their 3% quota, he would appreciate being able to draw upon existing, unused quotas in the state. He then emphasized the need in all higher education institutions for recruiting minority students.

Mr. Wyss asked what incentives are needed to encourage minority students to enroll. More scholarships, perhaps?

President Blumel responded that a multi-faceted approach to recruitment is needed, but that student financial aid is an important determinant of who goes to college. Mrs. Warner-Yasuda suggested that greater publicity might with profit be given to the fact that on each State System campus there are special programs designed to assist ethnic minority students. Perhaps more such information could be included in printed materials being distributed by the State System to high school counselors and students, she suggested.

President Briggs reported that EOSC is using fully its 3% quota.

He noted that EOSC is, in some measure, fulfilling a community college role in a number of counties in Eastern Oregon which are not included in either Blue Mountain or Treasure Valley Community College districts. He said that this makes essential flexibility in admissions and that he felt consideration should be given to increasing the 3% quota.

President Boyd reported that the UO would welcome an increase in the 3% quota to 5%. The number of students admitted under that quota is small in any case, he noted. He said that the University would seek to give sufficiently careful scrutiny to those admitted under this policy that their success rate at the University would not be distinguishable from that of the average student admitted under the regular admissions requirements.

President Boyd asserted that he supported the change in admissions requirements recommended by the Board’s Office. The recommendations follow from the data of the study, he said. He said he had been somewhat surprised by the results of the study and that he was disappointed by the grade point average because in a half serious vein some high school principals in Oregon had suggested that if the State System raised its admissions requirements as expressed in terms of high school GPA, the high schools would increase the level of grades given.

President Boyd then said that he anticipated that the time would come, at some point in the future, when the UO would request authorization to increase its admissions requirements. He said that the present Board’s Office study speaks to the question of the ability of students to succeed in present programs, but that if the University were to become, at some point in the future, more selective, the nature of the programs offered would change, in response to the needs of a more highly motivated (academically) student body. But, he said, his comments need not be acted upon at present. The University is suffering a severe fiscal stringency because of lowered enrollments and is not in a position to become significantly more selective in its admissions policies at present for that reason.

Mr. Wyss said that he was pleased that President Boyd and the UO faculty are still interested in increasing admissions standards at some point in the future, even though the Board cannot offer the University a guarantee that if the University’s enrollments decline as a result of increasing admissions requirements, the
University will not lose funding as a result. Mr. Wyss noted that during each of the past two or three years, President Boyd has annually made the same observation concerning the University's desire to increase its admissions requirements, provided that during an expected period of adjustment to the higher enrollment requirements the University could be assured that it would not lose state funding in the event the higher admissions requirements should result in a temporary decline in enrollments.

Mr. Wyss noted also, that last year the discussion of admissions policies had taken a different course--directed to the issue as to whether, by requiring completion in high school of a college preparatory course of study, the college success rate of entering students could be increased. Evidence in the Board's Office study is that this is not a fruitful approach, he said.

The Board's Office study also substantiates the earlier contention that high school grade point average is a good predictor of final performance in colleges and universities, Mr. Wyss said.

Finally, Mr. Wyss said, none of the data in the Board's Office study seem to contradict the assumption that increasing admissions requirements in at least some State System institutions would enable those institutions to forego spending time on remedial help and to concentrate their efforts on providing a higher quality instructional experience.

Mrs. Green asked if this were the time for the Board to raise UO resident admissions requirements, how much of an increase President Boyd would wish made. President Boyd responded that probably a quarter of a grade point (.25) increase would suffice initially.

Mrs. Green then asked whether the only factor dissuading President Boyd from asking Board authorization to increase the UO admissions requirements is the enrollment situation and its relationship to institutional funding. President Boyd responded affirmatively. He elaborated by noting that to provide good quality instruction it is essential that the University have the financial resources to maintain a faculty of sufficient size, diversity, and quality to provide a high quality program, and that loss of state funding resulting from a temporary decline in enrollments which may well follow a significant increase in admissions requirements would jeopardize the University's ability to maintain the faculty needed for a higher quality program of instruction.

Mrs. Green asked whether, if two of the State System's institutions were to increase their admissions requirements, it is likely that their increased admissions selectivity might not attract more, rather than fewer, students--including high ability students who now are lost to independent colleges and universities, and to highly selective public colleges and universities in other states. President Boyd affirmed that such is his belief. He asserted that he believes there is a substantial body of students who leave the state for their collegiate education because they do not believe the State System offers a sufficiently high quality educational alternative.

Chancellor Lieuallen commented that the University of Oregon is presently on program maintenance because of its enrollment, and that, although it appears that the UO's enrollments will be up this year (1979-80), it appears that the UO will continue to be on program maintenance funding. Hence, a turn-around in the UO's enrollment curve is not sufficient to free the University from the need for program maintenance. Only continuing increases in enrollment will do that.
President Leinwand asserted that the Board's Office report and the study underlying it constitute a comprehensive, thorough exposition of the issues. However, he said, he had a number of matters on which he wished to comment:

- It is difficult to deal with grade inflation in the high schools; there is some validity in the hunch expressed by President Boyd that a given grade in one subject matter area in high school is not the equivalent of the same grade in another subject area.

- Relative to use of the Test of Standard Written English (TSWE) in admissions requirements for the two universities, effective 1981-82, President Leinwand indicated that he felt that a sample of the student's writing is a better measure of the student's writing skills.

- If the Test of Standard Written English is employed in the admissions requirements of the two universities only, what is implied then, he asked, for the programs at the colleges—there is a message being sent to prospective students and to others, arising out of these differentiated admissions requirements.

- He said that he would favor raising OCE's admissions requirements, provided the Board authorizes OCE to broaden its curricular offerings along the lines suggested in the OCE-developed mission statement.

Mr. Wyss observed that differentiated admissions requirements, distinguishing the two older universities from other State System institutions have long been in effect and that he could therefore not see that the addition of a writing skills requirement for the two older universities should pose a problem insofar as the image of the colleges is concerned, particularly if the writing skills requirement is viewed as an experimental requirement which may later be applied to other institutions in the State System.

The Board's Committee then discussed the 3% policy and whether the Board should be asked to increase that percentage to 5%. Mr. Wyss noted that in the light of the testimony of the presidents concerning the usefulness of the 3% policy, and the evidence that persons who are carefully screened for admission under that policy have the capability to succeed, the Board might well give consideration to raising the percentage to 5%. The Board's Office recommendation provides for the institutions to maintain records as to (1) the basis for the admission of students under the 3% policy and (2) the achievement of students admitted under this policy so that periodic reports may be made to the Board on the effectiveness of the policy. If the percentage is raised to 5% and it should become evident later that the percentage should be reduced again, it will not be difficult to make the necessary change, he noted.

Mr. Harms said that the fact that not all of the institutions have utilized the full 3% is evidence that the policy is not being abused. He said that he would favor giving the institutions the increased flexibility reflected in a raise of the 3% to 5%. The numbers that any single institutions can admit under the present 3% policy are very small, Mr. Harms said—less than 100 at even the largest institution. It will be important, in particular to the UO and OSU, to have greater flexibility in admission of students having special abilities not reflected in credentials that are normally considered in making decisions under the regular institutional admissions requirements. Mr. Harms said, further, that he would like to amend the recommendations of the Board's Office by making the three following changes:

- That the words "at this time" be added to the end of phrase 3c, so that the phrase would read "That specific college preparatory course patterns not be required at this time."
That in recommendation 4, the 3% figure be changed to "5%," and that the middle paragraph of recommendation 4 (limiting the number of nonresidents who may be admitted as part of the 3% [or 5% as proposed by Mr. Harms] and requiring that they meet resident requirements for admission) be eliminated.

Mrs. Green said that she has been somewhat concerned that the discussions concerning admissions requirements, and the discussion of the Joint Boards in August appear to reflect a primary concern that enrollments may decline. She said that she felt it would be unfortunate if decisions concerning higher education were made on the basis of concern as to future enrollments. Such decisions, she said, should rather be made on the basis of the need to maintain quality of education, whatever the impact may be on enrollments. She said, however, that she felt that if the primary emphasis were upon quality, increased enrollments would result. She cited Reed College as an institution which, because of its emphasis upon high quality of instruction, need not be concerned about enrollments. It is unnecessary that all students be admissible to all institutions, she observed. With differential admissions requirements, something after a modified California plan, access to postsecondary education can be assured qualified students in one or more institutions, while at the same time there would be available to gifted students access to one or more public universities offering the quality of education challenging to this calibre of students.

Dr. Romney commented that the State System has a three-tiered admissions pattern, ranging from the very modest admissions requirements of the regional colleges, which serve some of the community college functions for their areas of the state, to those of the two older universities with admissions requirements of 2.5 GPA. He noted that consideration had been given some time ago to the two older universities raising their admissions requirements to 2.75 high school GPA and that it had been decided not to make the change at that time. He noted the current analysis reflects the fact that if one were to increase the required high school GPA from 2.50 to 2.75 at the two older universities, one would be turning away from those institutions a substantial number of students who could succeed in maintaining a 2.0 GPA or higher in college.

Mr. Wyss said that he concurred in Mrs. Green's observations as to the importance of quality instruction. He said that he felt the data displayed in the Board's Office report are admirable and that the study of the 1976 entering class is very useful. He said that the data bear out what had been said in 1977-78 by President MacVicar as to the proportion of students with high school GPA's of 2.5 or slightly higher who make it in college. But, Mr. Wyss said, this still does not argue that if students who are at the lower end of the admissions scale at the two older universities were replaced with students who are at 3.5 high school GPA or higher, that the whole institution's quality and ability to teach more rapidly and with greater effectiveness would not be increased. So, if one or more institutions wish to experiment with a higher admissions requirement they ought to be encouraged to do so, he said.

Mr. Harms said that philosophically he agreed with Mr. Wyss as to the desirability of higher admissions requirements in the two older universities, but that in the absence of a viable economic alternative for funding the University of Oregon and Oregon State University as they become more selective, he sees no realistic alternative other than that suggested in the Board's Office recommendation.

Dr. Romney commented that there are things that can be, and are being done in the institutions--within current admissions requirements--to improve the quality of instruction and to provide the more gifted students (academically) with instruction suited to their talents. He cited as illustrative (1) honors college opportunities available in a number of the institutions, (2) increasing admissions requirements for admission into specific curricular programs (e.g., architecture, engineering), even while the admissions requirements for the institution remain at a modestly selective level.
Mr. Wyss asked whether, if the Board gave the institutions the option of raising their admissions requirements by .25 GPA, the institutions would take advantage of the authorization. Dr. Romney said that he thought they would not for 1980-81 or 1981-82. The institutions already know that each year they have the option of seeking a change in their admissions requirements. The only institutions that have expressed any interest in raising admissions requirements are the UO and OCE, and their expressed interest has, because of economic factors, never been carried beyond an expression of interest and ultimate intent, provided economic factors can be altered.

He explained that each year—in the early fall term—the Board's Office addresses a letter to institutional presidents asking that during the ensuing academic year they and their faculties give consideration to admissions issues relating to their institution, with a report of their deliberations and recommendations to be provided the Board's Office early in the spring term. These reports, together with information and data from other sources, generated by the Board's Office, are considered in the preparation of the Board's Office recommendation for admissions requirements a year hence.

Mrs. Carpenter then asked if any of the institutional presidents would like authorization to increase their admissions requirements by as much as a quarter of a grade point average.

President Boyd said that he did not know whether the UO would use the option if it were available; that he would need to consult with the faculty, but that he would see no harm and some possible gain in being offered the option.

Mrs. Green asked how much of a financial guarantee the UO would require before it would wish to increase its admissions requirements by a quarter of a grade point.

President Boyd estimated several hundred thousand dollars but that he would wish to consult with the UO faculty concerning the amount of risk-taking the institution is agreeable to.

Asked by Mrs. Green about the feasibility of raising the necessary guarantee funds from private sources, President Boyd indicated that the University has been increasingly successful in raising funds privately, but that the needs are very great and there is a significant inventory of unmet needs.

Mrs. Green asked whether the University of Oregon has differential admissions requirements for its various programs. President Boyd responded that architecture and business administration both do. Responding to a question from Mrs. Carpenter as to whether he envisioned ways of increasing the quality of various portions of the University under the current admissions requirements for the University, President Boyd said that he and the Provost have been discussing with faculty representatives some modifications in the honors program permitting students to enter conventional programs as honor students. The Honors College has, from the beginning, had a somewhat different curriculum, which appeals to some motivated students but does not meet pre-professional and professional interests that some students have.

President Leinwand said that he echoed President Boyd's sentiments. But, he said, he would wish a substantially broadened curriculum for OCE if it were to increase its admissions requirements.

President Blumel said he saw no disadvantage from the Board's offering the institutions the option of increasing admissions requirements by a quarter of a grade point, but that he could not say that PSU would exercise that option. The most likely circumstances under which PSU would do so, he said, is if they were experiencing enrollment increases so substantial that they were having trouble handling the students.
Responding to a question as to whether PSU has any departments which have higher admissions requirements than the institutional admissions requirements, President Blumel replied that the teacher education and criminal justice programs both do.

Mr. Wyss commented in jest that offering the institutions the option of increasing their admissions requirements by a quarter of a grade point might be an answer to the secondary schools if they inflate high school grades.

President MacVicar said that to assume that high school teachers will inflate grades to counteract any increases in admissions requirements is an unwarranted assumption that does an injustice to the secondary schools. It was his conviction, he said, that grade inflation has been turned around and that the high schools would not give cheap grades to offset increases in admissions requirements.

Mrs. Carpenter said that she saw no advantages to be gained from Board action at this time authorizing the institutions to increase their admissions requirements by a quarter of a point. The institutions already are fully aware of the fact that they can at any time bring a request to the Board for an increase in their admissions requirements, effective the year following. She noted that every year, each of the institutions is specifically asked by the Board’s Office to consider admissions requirement issues and to discuss with the Board’s Office possible changes in admissions requirements.

President MacVicar expressed the view that if the Board were to take the action being proposed—namely, to announce that institutions are authorized to increase their admissions requirements by a quarter of a point, effective 1981-82, there is created thereby the potentiality of an unproductive form of competition among some State System institutions. Such an increase in admissions requirements will not make the slightest difference in the quality of academic programs offered, and the data in the Board’s report supports that conclusion, he said. If the Board really wants to improve the quality of the students it admits, admissions requirements would need to be raised significantly, perhaps as high as 3.25. Such an increase would almost certainly result in a significant decline in enrollment. The nature and character of the student body would most certainly change under such an increase, and so would the institution’s funding base. A change in the two older universities from 2.50 to 2.75 will not affect the quality of the programs offered, he said, but it would exclude a significant number of students who are capable of achieving success.

The Board’s Office recommendations for 1981-82, in which the Presidents of the two older universities concur, would provide for an increase in admissions requirements which will affect approximately 5% of the students who would, under current admissions requirements, be seeking admission to the two older universities. These proposed changes relate to the writing ability of students and will affect the highest risk students. This is a good thing to do, President MacVicar said. It will make a difference and it will send a message to the high schools. But, he said, announcing that institutions are free to give notice of an increase of a quarter grade point in admissions requirements for 1981-82 will make no substantive improvement in quality and may well lead to destructive competition among institutions.

Mr. Wyss expressed the view that two institutions (UO, OCE) appear to wish to experiment with an increase in admissions requirements—the UO is well below its enrollment ceiling and OCE is seeking to change its public image as well as its role. Even a small increase in admissions requirements will make them different from what they are now and different from other institutions, he said.

Mrs. Warner-Yasuda stated that she tended toward allowing the respective institutions the discretion of raising their admissions requirements, although she is concerned about the impact of increased admissions requirements on the admissions of ethnic minority students. She hoped, she said, that the institutions would, in their efforts to improve the quality of their programs, seek to improve their programs for the ethnic minorities.
Mr. Anderson said that he felt that within whatever standard is set for admissions there needs to be flexibility allowing for individual selectivity so that qualified students who do not meet the stated admissions requirement can be admitted, if there is evidence that they have the potential for success despite their inability to meet regular admissions requirements. He believes, he said, that this flexibility is critical, whether the institutions raise admissions requirements 5%, 10%, or 15% or remain at the present level.

Mr. Harms said that in his judgment, the point at issue is whether or not the State System will continue to establish admissions requirements for its institutions. While he does not favor uniform admissions requirements--and the State System does not have such standards now—he does favor the Board's establishing admissions requirements. He therefore opposes giving the institutions an option of even a quarter of a grade point without further, specific authorization of the Board. Further, he said, the discussion appeared to assume that raising admissions requirements alone is going to improve higher education in Oregon. He felt, he said, that the Board would be ignoring the experience of the past, and effectively ignoring the experience of the study, if the Board does not adopt something like the recommendations of the Board's Office.

Dr. Romney suggested that the Board's Committee discussion of the admissions requirements this year and in earlier years had made clear to the Board's Office and the institutions the willingness, even the eagerness, of some members of the Committee that the institutions consider requesting an increase in their admissions requirements beyond those already included in the Board's Office recommendations for 1981-82. With that in mind, he suggested that during the current school year (1979-80) those institutions that are interested in considering an increase in admissions requirements discuss the matter thoroughly in all its varied aspects, and in cooperation with the Board's Office, develop recommendations for consideration by the Board at the conclusion of this current year (1979-80) with any proposed increases to take effect in 1981-82. This will allow the Presidents of the University of Oregon and Oregon College of Education to confer with their faculties as to whether the institution does, in fact, wish to increase its admissions requirements under existing or projected circumstances. In that fashion, the Board would consider (in August 1980) the specific recommendations for each institution as the Board has in the past, examining all of the recommendations for changes in admissions requirements at the same time and in the light of all other considerations at the time.

Chancellor Lieuallen suggested that the Board's Committee might wish to modify the last paragraph of recommendation 4, so as to provide for the institutions to maintain a record of the characteristics and achievement of students enrolled under the 3% or 5% policy. He noted that the issue of the extent of the use of this policy for admission of athletes is one of continuing interest. He also suggested that there is a statutory requirement that the Board set admissions requirements and that this authority may not be given to the institutions, and hence, it may be that the proposal to give the institutions the option of raising their admissions requirements by a quarter of a grade point may be contrary to the statutory requirements.

Mr. Harms said that it seemed to him that the statutory requirements would be met by setting admissions standards within .25 GPA increase, but that he is opposed to doing that. Mr. Harms then restated his motion, namely to adopt the recommendations proposed by the Board's Office as set forth earlier, except as amended as follows:

Add the phrase "at this time," to the end of recommendation 3a; amend paragraph 4 to delete the 3% and to insert the percentage 5%; delete the second paragraph of recommendation 4; and amend the last paragraph of recommendation 4 by adding the underlined words below:

That the institutions maintain records of the characteristics and the achievement of students enrolled under the 5% policy for review by the Board's Office and periodic report to the Board.
Mr. Wyss moved to amend Mr. Harms' motion by adding at the end of recommendation 1 the words "although each institution shall be allowed to increase its high school GPA requirement by one quarter of a grade point (effective 1981-82)." The vote on the amendment to the motion was approved with Mr. Harms and Mrs. Carpenter voting nay. The amended motion was then adopted by the Committee.

Mrs. Carpenter asked how the results of the study would be communicated to the high schools. Dr. Romney said that copies would be sent to the State Department of Education and that Mr. Pizzo and institutional representatives, through the high school visitation program, and through various publications from the Board's Office will get information concerning various elements into the hands of secondary school personnel. Mrs. Carpenter also expressed the feeling that it would be desirable to give the contents of the study a very wide distribution nationally. Dr. Romney said that copies of the report are being sent to officials in most of the states, all of which supplied us information useful in the study, and that it is anticipated that a journal article will be prepared and submitted for publication. He also noted that the data from the study relating to each institution are quite extensive, and that the Teaching Research Division has expressed a willingness to assist the smaller institutions to develop analyses from the data that will be helpful to them in understanding institutional characteristics.

Board Discussion and Action

In presenting the report of the Committee discussion, Mr. Harms said that the proposed admissions requirements did not provide for students to be held to complete a college preparatory program in high school in order to be admitted to State System institutions, but, he said, he did not consider that further discussion of such a requirement would be foreclosed by the Board's adoption of the recommended admissions requirements. Nor, he said, would the adoption of these recommended admissions requirements foreclose continuing discussion with other boards in Oregon of admissions requirements for the future. Mr. Harms then moved that the Board adopt the admissions requirements for 1980-81, and the two provisions relating to 1981-82, as recommended by the Committee.

The Chancellor stated that he had conferred with the presidents of the institutions and there are no present plans to implement the upward adjustment of .25 in the grade point average required for admission. Further, he said he was convinced that the State System would be better served if the admissions requirements of the University of Oregon and Oregon State University were similar and President Boyd and President MacVicar have expressed agreement with that point of view. The Chancellor said he anticipated no early move on the part of any institution to take advantage of this provision and the University of Oregon and Oregon State University will be planning cooperatively so that any move to raise admissions standards, should that occur, would be done in concert by those two institutions.

Mr. Wyss referred to the matter of grade inflation and said it is apparent something has happened to high school grades and also to admissions requirements for the colleges and universities. He said that with the number of admissions this year, and overenrollment at certain institutions, it would be possible perhaps to fill the institutions to the enrollment limits with people who have higher qualifications. He said he was somewhat disappointed and surprised to hear that an agreement apparently had been elicited from the university presidents not to consider the possibility of increasing admissions requirements under terms of the Committee's recommendation #1. Diplomatically this might be advisable, but Mr. Wyss questioned whether that was the intention of the majority of the Committee when it voted to recommend this option. Mr. Wyss said it was his impression the intent was to support an increase in quality of admissions at some of the institutions.

Mr. Anderson said one reason he had voted to authorize institutions the option of increasing GPA requirement for admissions by .25 was to give the presidents some autonomy in setting the standards for the institutions.
Mr. Ingalls and Mr. Batiste suggested that the several elements constituting the Board's Committee recommendations be considered individually in the Board's vote on the recommendations. Mr. Harms agreed that it would be desirable and therefore, withdrew his earlier motion and suggested that he did not feel that he could present a motion for the approval of item 1 of the recommendation since he did not favor giving the institutions the general blanket authorization to increase their admissions requirements by a quarter of a grade-point average, effective 1981-82. Mr. Wyss then moved again the adoption of the complete set of recommendations and Mr. Perry asked Mrs. Carpenter, as chairman of the Instruction Committee, to state her views.

Mrs. Carpenter said that to add a quarter of a point optionally to any institution's GPA requirement is a redundant effort on the Board's part. Each institution is queried each fall concerning what it wishes the Board's Office and the Board to consider relative to admissions requirements a year hence. Therefore, all institutions have the option of requesting an increase in admissions requirements. It seems impractical and almost whimsical for the Board to add this particular option (in recommendation #1) after the usual procedure has been followed. She said an institution which is eager to raise its GPA admissions requirement by a quarter of a point would be permitted to do so. Mrs. Carpenter expressed confidence that, even should the Board's Office oppose such a recommendation from an institution, the request would be brought to the Board. Approval of the option recommended by the Committee would remove the responsibility from the Board, in a sense, and would authorize, with no time limit, raising the GPA requirement by .25 at any given point. Mrs. Carpenter said she found this confusing and believed it would be confusing to high school counselors. She said that, in her opinion, it is not a rational and reasonable position for the Board to hold.

Mrs. Carpenter pointed out that the Board is required by law to set the admissions standards for each institution and that the institutions have the option to request Board consideration of any admissions requirements they wish. For these reasons, she said she opposed this particular grade-point-average increase as an optional base.

Board members are anxious to emphasize quality throughout the System, Mrs. Carpenter commented, and there are many ways an institution can increase quality without raising institutional admissions requirements, including offering honors programs and raising the standards for admission to specific programs. This has been done, particularly in professional programs. Various types of honors programs can be used to challenge students with an opportunity to exercise top scholarship. She said these alternatives would take extensive faculty effort but would be a valuable first step. Finally, as quality improves over the years, higher academic standards could then be introduced for entering the institutions and it would be totally appropriate.

Mr. Batiste asked for a further explanation of the rationale for the recommendation with respect to the English requirement. He said he had serious reservations about that recommendation based upon the Board's Office study, the recommendations of the study, and the problems high school principals had in dealing with it. He stated that he did not believe that one year's time was sufficient to implement a requirement for a minimum level of competence in English skills.

Dr. Romney explained that the recommendations relating to required minimum level of writing skill grew out of the fact that the two universities were finding it increasingly difficult to provide the optimum kind of educational opportunity for those students who are being admitted without this minimum level of writing skills. He said that the universities had found that some students entering the institution had insufficient writing skills to pass successfully the basic freshman English Composition course (Wr 121). The institutions therefore instituted a lower-level course (Wr 120, Preparatory English). But some students could not handle Wr 120, so a second, lower level of course was instituted, namely, Wr 40, which does not carry college
At the University of Oregon, students who score 29 points or less on the Test of Standard Written English are placed in Wr 40. An examination of the experience of students assigned to Wr 40 revealed that these students have a considerably higher failure rate than others admitted to the University.

At the University of Oregon, this group constituted about 5.5% of the 1978 entering freshmen and they achieved very marginal performance in college. The group accounts for about 25% of the freshmen who leave school during their freshman year having completed less than 12 credit hours. Of those completing 12 credit hours or more, the average GPA will be more than half a grade point below the average, and 45% of those students with TSWE scores placing them in Wr 40 will be subject to some kind of academic action during their freshman year, nearly twice the proportion for the class as a whole.

Dr. Romney commented further that (1) the requirement would be effective in 1981-82, two years hence (allowing time for high school students to increase their skills so as to qualify); (2) other alternative tests of writing skills may be employed if the student feels the Test of Standard Written English is inadequate to assess his/her skills; and (3) some students may be admitted as exceptions under the 3% or 5% policy, if it appears upon examination of all factors, the student has a reasonable chance of success.

Mr. Harms said the Committee was particularly concerned with the impact of the TSWE requirement on minorities. One specifically expressed reason for the increase from 3% to 5% in the discretionary admissions percentage was to allow some leeway and alleviate any adverse impact of the TSWE requirement in minority students. He also said it was important for those concerned about the adverse impact on standards of an increase in discretionary admissions to realize that only 150-200 students are involved at the 5% level.

Mr. Batiste inquired whether there is any way to determine what percent of the students who did not meet the GPA requirement would have a chance of being admitted under the 5% rule. Further, would it not be logical to believe that if the English requirement were established, it would be setting a priority to admit first those students who have the grade point average but who do not meet the English requirement. He also asked how this would impact the nature of admissions to the University of Oregon and Oregon State University.

Dr. Romney responded that it is possible that some students unable to meet the English skill requirement would be admitted under the 5% policy. However, he noted, experience has shown that those students scoring low on the TSWE would have a disproportionately difficult time in achieving academic success in college because of their lack of writing skills. He said, however, that inasmuch as the proposed English skill requirement does not become effective for two years, high school students will have an opportunity to prepare themselves to meet this requirement, and it is anticipated that some who would otherwise not have met the requirement will, because of this extra effort, qualify themselves.

Mr. Batiste asked if there would not be a tendency to use the 5% policy for those students (a) who meet the GPA requirement and (b) who do not meet the English skill requirement. Dr. Romney said that he was not prepared to say that there would be, given the relation of writing skills to academic achievement in college.

Mr. Spencer Carlson responded by explaining that students who do not meet the English skill requirement and those who do not meet the minimum grade point average, or the alternate predicted college GPA of 2.0, will be in the pool from which the students will be selected for admission under the 5% policy. The whole presumption of an exception program is that students who do not meet the traditional entrance requirements may be admitted if they have evidence of a non-traditional nature which would justify the conclusion that they could be successful in the institution. The 5% proposal provides for a continuing review of the experience of those students who
are admitted under that policy so that there could be some assurance that
the students admitted would have an opportunity to demonstrate success.
Continued use of the 5% program would be subject to evidence that students
were not being admitted indiscriminately but rather on the basis of some
substantial indication of probable success in school. The performance on
the Test for Standard Written English would be a major concern for any
admissions officer in dealing with the problem of who should be admitted
and not be admitted, because the evidence is very persuasive that inability
to perform at that very minimal level mitigates against the students having
a successful experience, at least in the two senior universities. He noted
that Eastern Oregon State College has stated that they consider high risk
students to be those with scores of less than 30 on the English test and
they have taken special efforts to help those students. There is indication
that they have been relatively successful in improving the retention rate of
a group of high-risk students, including those with low English scores.

In response to questions concerning the validity of the test, based upon a
study of a 20% sample of 1976 entering freshmen, Mr. Carlson cited results
from a College Board study conducted at four different institutions across
the country. The latter study included minority students and there is no
evidence of any disadvantage accruing to minority students by virtue of the
use of the test. Mr. Carlson said he did not think there would be any
more impact on minority enrollment at the University of Oregon and Oregon
State University than there would be on the general run of students.

Mr. Batiste asked whether there was a compelling reason for making this
change at this time without further study of its impact on the configuration
of the student body.

Mr. Carlson said this is an effort to require the demonstration of a minimal
level of competence in a primary skill needed for successful performance at
the college and university level. He estimated it might cut about 5% from
the population at the two senior universities. A two-year delay in making
the requirement applicable would probably reduce this to 3% on the basis of
attention given by the students themselves to the acquisition of this necessary
skill. He indicated that two years provides an ample opportunity for students
to review and improve their skills. The requirement would draw the attention
of students to the need for writing skills and would demonstrate the intent
of the Board to require performance in this area.

Mrs. Green said it had been argued by some that a fourth of a grade point
increase in admissions requirements would not make a difference in the
quality of education offered. She said she disagreed, and that any increase
would have the possibility of improving the quality of education. Even
more important, it might change the public perception of what is
happening in the schools. She said she was alarmed at the general view
that education is deteriorating rapidly, and perhaps the proposed increase
in admissions requirements might help to reverse this trend. Students
often favor attending institutions with high requirements. It challenges
students to do better and they want to be challenged. During the Committee
discussion, Mrs. Green said the objection to the increase in the grade point
average requirement centered on the financial situation because of the
possibility of a decreased enrollment. She said that is debatable because
students might tend to seek an institution with higher requirements. The
possibility of an adverse financial impact should not be the basis for the
decision. Since enrollments appear now to be more favorable, it is possible
that the institutions could be somewhat more selective than they have been.
Mrs. Green said she agreed with giving each institution greater autonomy.
Competition is often beneficial. She indicated that because she believed
this proposal has a chance of improving the quality of education at the
institution she strongly favored the option, remembering that it is an option
and is not mandatory.

The basic question, Mr. Anderson said, is whether the effort is to predict
success or invite failure. Failure by students entering an institution in
which they do not belong and in which they have no reasonable chance of
success is only a waste of effort and money by the state. A State System
does have a duty to provide a place for everyone and that opportunity does exist. There are other institutions and community colleges, which offer students opportunities to prepare themselves additionally for entrance into the major institutions of higher learning, should they seek to enter those institutions. To keep the doors open too wide and to increase the prospects of student failure is a step backward, Mr. Anderson said. Therefore, he supported the entire recommendation.

Mr. Wyss said that although he supported the position favoring the entire motion, there is a question of whether the undue competition mentioned at the Committee meeting by President MacVicar would be destructive to the System as a whole. If President MacVicar's predictions were correct, clearly something as small as encouraging a slight grade point increase would not accomplish enough to justify the destructive impact. It must be anticipated that the Board's Office, with its authority and ability to work within and between the institutions could use its influence to point out that such behavior would be destructive to the System as a whole and to negotiate satisfactory compromises. Mr. Wyss summarized the goals of the Committee action as an effective technique to advise the institutions, the high schools and the public that the Board is vitally concerned with increasing the quality of admissions and the quality of education in the secondary and post-secondary institutions. For the Board not to encourage higher admissions requirements would perhaps encourage the opposite.

Mr. Perry stated that if competition were to become destructive, the Board, as a policy-making body, would have to make necessary changes in the admissions requirements to alleviate the situation.

Mr. Batiste agreed that there are tools to challenge students without setting English requirements. He pointed out that other institutions still provide remedial assistance in English. He said he would oppose having the University of Oregon and Oregon State University become the upper-division schools in the state. He also said that if the written English requirement were approved it should be effective in four years rather than two.

Mr. Wyss said that if there were to be further discussion, he would raise the question of requiring the test of written English at all of the institutions.

Mr. Anderson said he would dislike having the matter considered again in Committee in view of the lack of additional data. He moved for a division of the question to vote on each recommendation separately.

The Board approved the Committee recommendation #1 with respect to the GPA requirement, authorizing an institutional option to increase the requirement by one quarter of a grade point, effective 1981-82. The following voted in favor: Directors Anderson, Batiste, Green, Thorp, Wyss, and Perry. Those voting no: Directors Carpenter, Harms, Ingalls, and Warner-Yasuda.

The Board approved recommendation #2 to require freshmen applicants for admission at the University of Oregon and Oregon State University to meet a score level of 30 on the Test for Standard Written English (TSWE), or its equivalent on an alternate test of English composition, effective 1981-82. The following voted in favor: Directors Anderson, Carpenter, Green, Harms, Thorp, and Perry. Those voting no: Directors Batiste, Ingalls, Warner-Yasuda, and Wyss.

The Board approved recommendation #3 with respect to college preparatory courses, with the following voting in favor: Directors Anderson, Batiste, Carpenter, Green, Harms, Ingalls, Thorp, Warner-Yasuda, Wyss, and Perry. Those voting no: None.

The Board approved recommendation #4 with respect to discretionary admissions of those who have not met the basic admissions requirements. The following voted in favor: Directors Anderson, Batiste, Carpenter, Green, Harms, Ingalls, Thorp, Warner-Yasuda, Wyss, and Perry. Those voting no: None.
The Committee received a report prepared by the Board's Office of Academic Affairs and the Teacher Standards and Practices Commission on the results of the placement follow-up of the 1977-78 teacher education graduates, a cooperative effort involving the Teacher Standards and Practices Commission, Oregon teacher education institutions, the Board's Office, and the State Department of Education. The report is on file in the Board's Office and is summarized below. This is the second year of the cooperative study. A study of the placement of the 1976-77 Oregon graduates in elementary and secondary education was presented to the Board in October, 1978 (Teacher Supply and Demand, Publication No. 78-027, Office of Academic Affairs, Oregon State System of Higher Education, October 20, 1978).

Procedures first used in following up the 1976-77 graduates have been refined and strengthened as evidenced by the fact that 77% of the 1977-78 graduates responded to the placement questionnaire used in the study as compared with 33% of the 1976-77 graduates. Also, because of the high percentage of the 1977-78 graduates responding to the questionnaire in each of the various teaching areas (above 70% in all teaching fields, except one), it was possible to determine the employment status of the 1977-78 graduates by teaching field.

Staff Recommendation to the Committee

The Board's Office recommended that the Board accept the report and direct the State System teacher education institutions and the Board's Office:

1. To continue their cooperative efforts, in company with the Teacher Standards and Practices Commission and the Oregon Department of Education, to provide valid and reliable teacher education placement information on an annual basis.

2. To make such placement information, by teaching level and teaching field, available to prospective teacher education students and to make consistent, effective use of the annual placement data in advising prospective teacher education students as to placement experience of teacher education graduates, so that the students may make informed decisions as to (a) whether to enter the teacher education field, and (b) if they decide to become teachers, which teaching fields to enter.

The Board's Office will make such placement information by teaching level and teaching field available to the teacher preparation institutions in concise, summary form for use with their teacher education students.

3. To continue to give careful attention to the production and placement of elementary teachers so that the reasonable balance which presently exists between the supply of and demand for elementary teachers can be maintained.

The production/demand ratio for elementary teachers has been dropping steadily since the early 1970's to the point where it began to appear that a shortage of elementary teachers might develop. However, placement of the 1977-78 elementary education graduates was not as strong as placement of the 1976-77 elementary education graduates.

On the other hand, elementary enrollments in Oregon public schools are expected to increase for the next ten years beginning in 1979-80 which could increase the demand for teachers. Annual placement data will help the Board's Office and the colleges and divisions of education keep abreast of the placement situation in elementary education.
4. To exercise careful surveillance of secondary teacher production, especially in those fields in which teacher employment of graduates is proportionately low, i.e., art, health, physical education, and social studies, to seek to bring production in better balance with employment opportunities.

In previous teacher supply and demand studies, the list of areas in which the teacher employment of graduates was proportionately low also included modern languages. For the class of 1977-78, the percentage of graduates in modern languages placed as teachers was well above the percentage of all secondary education graduates placed.

It is particularly crucial that students considering entry as teachers into those teaching fields where teacher employment of graduates is proportionately low, be informed and understand the state of the employment market for teachers in these fields. In addition, they should be informed of what may be better employment opportunities in other teaching areas.

Production of teachers in art and social studies has been decreasing steadily during the 1970's; production in health and physical education has fluctuated, but in 1977-78 production was almost the same as in 1970-71. It is important that the institutions continue their efforts to reduce production in these teaching areas and to take whatever steps are necessary and feasible to bring production and employment into better balance.

Summary

We summarize here the principal findings of the follow-up study of the placement of 1977-78 graduates in elementary and secondary education:

85% of those individuals completing student teaching in 1977-78 had applied for a certificate as of June 30, 1979.

For those certificated as of June 30, 1979:

- 58% were employed as regular teachers in the schools (62% of those certified as elementary teachers, and 56% of those certified as secondary teachers). The highest percentage of secondary education graduates was placed in mathematics (61%), industrial education (73%), business (77%), and agriculture (75%); placement in music (67%), foreign languages (65%), science (63%), home economics (62%), and language arts (60%) fell in the middle range; and lowest employment areas were in physical education (53%), social studies (43%), art (32%), and health (22%).

6% of the certified 1977-78 graduates were employed as teachers in other states.

- 21% were in a school or college assignment other than as a regular elementary or secondary teacher, e.g., substitute teaching, pre-school or day-care teaching, serving as a teacher aide, community college teaching.

- 14% had other full-time employment. (For those otherwise employed about 20% were employed in a job directly related to their teaching specialty.)

- 3% were continuing full-time studies.

- 2% were homemakers.

- Less than one percent were in military service.
2% were not employed.

26% were seeking a teaching position (23% of the graduates in elementary and 28% of the graduates in secondary education).

The majority (about 60%) of those seeking a teaching position were those presently employed in a school assignment other than full-time teaching.

57% of those seeking a teaching position were placebound in a given area or community in Oregon.

Approximately four-fifths (79%) of the 1977-78 graduates in elementary and secondary teaching were employed either as regular elementary or secondary teachers or in some other school or college assignment.

18% of the 1977-78 graduates secured regular employment as teachers after the opening of school (between September 30, 1978 and June 30, 1979).

For individuals completing teacher education programs in 1977-78 but not applying for the certificate (about 7% of the total population of 1977-78 graduates in teacher education):

- 61% were employed full-time in an occupation other than teaching, of which 21% were employed in an occupation directly related to their teaching major.
- 12% were employed in a school assignment other than teaching.
- 10% were continuing full-time studies.
- 10% were homemakers.
- 2% were in military service.
- 5% were not employed.
- 17% were seeking a teaching position.

A comparison of the placement of 1977-78 teacher education graduates with the placement of 1976-77 graduates reveals the following:

The number completing student teaching dropped significantly in 1977-78 as compared with 1976-77 (a percentage drop of 6.6%).

The percentage employed as regular teachers at the end of the school year following graduation dropped from 63.1% in 1976-77 to 58.2% in 1977-78. For the elementary education graduates, the percentage employed as teachers decreased from 67.7% to 61.5%, and for secondary education graduates, the percentage decreased from 59.7% to 55.6%.

The percentage employed full-time in an occupation other than teaching increased markedly, from 7.7% to 14.1%.

Variations were slight in the percentage employed in a school assignment other than teaching, continuing full-time studies, engaged as homemakers, or serving in the armed forces.

The percentage not employed remained relatively constant (2.0% of the 1977-78 graduates as compared with 1.8% of the 1976-77 graduates).
Although the percentage of the graduates employed as regular teachers in 1977-78 was somewhat less than in 1976-77, the percentage of certified graduates seeking teaching positions decreased slightly (26.1% of the 1977-78 graduates as compared with 28.0% of the 1976-77 graduates).

Since health and physical education programs differ from most teacher education programs in that the programs prepare for professional employment in both teaching and non-teaching positions, a placement follow-up study was made of 1977-78 health education and physical education majors enrolled in the non-teaching option.

It was found that for the non-teaching majors in physical education:
- 48% were employed in occupations directly related to the physical education major.
- 24% were employed in occupations not directly related to the major.
- 21% were continuing full-time studies.
- 4% were homemakers.
- 3% were not employed.

For the non-teaching majors in health education:
- 71% were employed in occupations directly related to the health major.
- 19% were employed in occupations not directly related to the major.
- 7% were continuing full-time studies.
- 3% were not employed.

Discussion and Recommendation by the Committee

Dr. Romney reported that there is now in place mechanisms to provide the means for following very closely what happens to teacher education graduates the year following graduation. This information will be very helpful to the institutions in planning teacher education programs and providing information to prospective students, including data on specific secondary school fields.

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

Board Discussion and Action

Mr. Perry expressed appreciation to the staff and the Committee for the excellent report and the detailed information provided.

In response to questions concerning the decrease in production, it was indicated that there had been a very significant drop in the production of both elementary and secondary teachers. There are still about three or four secondary fields in which there is excessive production.

The Chancellor commented that there may have been an overreaction to the growth rate a few years ago. In view of the demographic data, there will be an increase in the number of elementary and secondary school students a decade hence, there is a hazard that this earlier decrease in production will create a significant shortage of teachers for the added student population. He said it will be necessary to remain alert to that demographic trend to be certain that an overreaction does not occur again.
The Board accepted the report as presented, with the following voting in favor: Directors Anderson, Batiste, Carpenter, Green, Harms, Ingalls, Thorp, Warner-Yasuda, Wyss, and Perry. Those voting no: None.

(Considered by Committee on Finance, Administration, and Physical Plant, September 14, 1979; present--Ingalls, Ater, Batiste, Perry, and Thorp.)

Schematic Design Phase of Planning and Budget Revision for Proposed Recreation and Sports Facilities, PSU

Staff Recommendation to the Committee

It was recommended that the schematic design phase of planning which Architects Martin/Soderstrom/Matteson have completed for the proposed Recreation and Sports Facilities at Portland State University be approved and that the expenditure limitation for the project be increased to $4,500,000, excluding land rededication, with the understanding that at least $500,000 thereof will be provided from gifts. The remainder would be financed from self-liquidating bond proceeds or balances available for auxiliary enterprises. It was also recommended that any requirement of rededication of the site to an auxiliary enterprise use be waived in view of the anticipated shared use of the proposed facilities for educational and general purposes.

Discussion and Recommendation by the Committee

Mr. Hunderup indicated that in addition to the facilities outlined within the staff report the development would include a cluster of nine or ten offices and some mechanical space. He stated that seating in addition to that specified in the report may be possible. He emphasized that the seating would be of relatively high quality so that the facilities could be used for purposes other than athletic events.

Mr. Perry asked whether the facilities would be available to the community.

President Blumel said the project was intended to fill a community need for a facility of that scope as well as to meet the needs of the institution. The charges made for the anticipated community use would offset operating costs. With respect to seeking private funds to assist in the construction, President Blumel said he would prefer to seek private resources at this point only for the seating.

The Committee discussed financing of the facility, prorating of costs, requirements under the urban renewal program, and building use.

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

Board Discussion and Action

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

Staff Report to the Committee

The capital construction program approved by the 1979 Legislature includes $3,200,000 for Recreation and Sports Facilities at Portland State University. To gain a better understanding of the project, and the need for the proposed budget adjustment now being recommended, some additional background information may be helpful.

In December 1977, when the institutions submitted their initial recommendations for capital construction items for 1979-1981, based upon the January 1978 price level as reported to the Board's Committee on Finance, Administration and Physical Plant on April 28, 1978, Portland State University...
officials included a request for expenditure authorization of $5,555,000 for a "Student Activity Center". In response to an inquiry from the staff, the following explanation of the proposed facilities was provided:

"This is not a totally new project, inasmuch as it incorporates a prior request for Health and Physical Education Building II. There are new elements in the project, as well as a different thrust to the project which has led to the change from an Education and General-funded request to an Auxiliary Enterprise request.

"The major elements of the facility will be a 6,000-seat arena; facilities for the training and coaching of gymnastics, wrestling and similar programs; dressing and shower rooms; training facilities; and a student activity center, including food service, lounge and meeting space, and additional bowling lanes.

"The competition between instruction and intercollegiate programs for both men and women students, as well as recreation and intramural requirements, within the existing HPE building, works to the continual disadvantage of all. During Fall and Winter quarters, three or four teaching stations are lost to instruction for most of each afternoon because of the requirements of men and women's basketball and volleyball. Intramural and recreational use of the facility is minimal because of the priority of other uses.

"The plan, then, is to provide a facility to permit relocation of the intercollegiate programs to permit fuller use of the existing facility for instruction and recreation.

"Intramural and recreation programs for enrolled students are particularly limited, and, when available, are unresponsive to Portland State's student scheduling patterns. For example, such programs can only be scheduled after 6 p.m. or on weekends.

"With the great majority of students living remote from the campus, the prospects of an extra trip to the campus to have access to the physical education facilities is not attractive. If P.S.U. was a residential campus, such activity opportunities would be more agreeable.

"There is a need as well for a larger pavilion than the main gymnasiun in HPE for intercollegiate, academic-related and cultural performances. The present choice is between the 2,200-seat gymnasium and the 10,000-seat Memorial Coliseum operated by the City of Portland. An arena of 6,000 seats appears to us to meet many needs now unmet for the University as well as appropriate metropolitan organizations.

"Since the project, as now described, reduces the instructional role in the proposed facility, the University believes the project is more legitimately funded through the use of commingled student building fees and revenues produced through operation of the facility. A financial plan is presently undergoing refinement, and will be provided as soon as it has completed institutional review process.

"The paper program for this project will be completed on or before June 30, 1978.

"An element of land cost has been identified, which presumes siting of the project on Block 270 and a portion of Block 269, roughly between 11th and 12th Avenues and Hall and Harrison Streets. A site of approximately 50,000 s.f. is anticipated."

In his comments to the Finance Committee on April 28, 1978, President Blumel indicated that a student activities facility, perhaps in cooperation with other groups in Portland, was being explored to provide relief for crowded recreation areas. Subsequently, in response to a further request from institutional officials that $2.5 million of auxiliary enterprise funds for Recreation and
Sports Facilities at Portland State University be included in the capital construction program, this matter was reviewed with the Board on May 26 and was approved as one of the projects for further consideration in the preparation of the priority listing of auxiliary enterprises for 1979-1981. It was acknowledged that the scope of the project had not been defined fully, but that with the assistance of the campus planning architects and their consultant, Mr. James S. Vas Dias of SRI International, institutional officials expected to be able to outline the basic concepts of a project to increase the capacity of the institution for recreation and sports.

Following adjustment for price increases anticipated to a projected bid date early in 1980, a budget of $3,200,000 was developed for the project. It was assigned Priority No. 23 in the listing of auxiliary enterprises for 1979-1981, and was described as follows in the materials furnished to the Executive Department and the Legislature:

"Since construction of the Health and Physical Education building at PSU in 1966, facilities for instruction in Physical Education and for Recreation and Athletics have been seriously stressed through competition for the limited activity areas. This project is intended to provide this long-needed relief by constructing a facility which would permit transfer of indoor intercollegiate athletics practices and events from the HPE Building, permit expanded recreation and intramural programs, create additional indoor instructional opportunities for courses requiring large floor areas, and restore scheduling opportunities in the original building for additional instruction and recreation. The facility proposed in this request would include a large arena floor area, with retractable seating to 4,200 capacity. Serving the arena area would be facilities for dressing and showering, concessions, ticket selling and a few offices. Insofar as possible, because of the proximate location to the existing facility, duplication of more expensive facilities, such as sports medicine and shower-dressing facilities for instructional and recreational programs, would be avoided. The facility would be constructed in such a way as to permit later expansion for additional seating and for smaller instructional activities. During times when not required for University programs, it is anticipated this requested building would be available for scheduling for various appropriate community uses. The estimated annual operating and maintenance costs of $150,000 would be recovered from user fees and rental income."

After the detailed "paper program" for the project was completed by the institution and had been reviewed and approved by the Board’s staff, architects interested in the commission were interviewed. A report of the selection of Martin/Soderstrom/Matteson, AIA, Portland, was made to the Board on May 25, 1979. During the fee negotiations, it became apparent that the project budget would not likely be adequate to accomplish the program outlined for it. This initial reaction has been confirmed as the planning progressed.

To stay within a direct construction cost allowance of approximately $2,481,000 (out of the total project budget of $3,200,000), the architects have indicated that spectator seating would be limited to about 1,400, and the support facilities for both participants and spectators would have to be omitted. The basic space frame involving long-span requirements would have to be constructed even in the smaller design solution. This factor, together with necessary site work, would place an inordinate burden on the project and force the exclusion of other features needed for the program. When analyzed on a square footage basis, the unit costs of the smaller structure would be about 3% greater than those for a larger facility. After extensive review by the user committee, institutional officials have concluded that this alternative would not be acceptable. Not only would it fall short of meeting the space needs, but it would provide little or no opportunity to generate the income necessary to maintain and operate the facility. It would not provide relief for the University's intercollegiate programs for men and women, would not permit the scheduling of cultural and entertainment events on campus, and would have singular use as a recreation and instructional facility.
The recommended scheme would respond to most of the program requirements. It would anticipate the construction of a building containing approximately 48,900 square feet generally within the block bounded by S. W. Tenth and Eleventh Avenues between S. W. Harrison and Hall Streets. A connection would be made to the Health and Physical Education Building by means of a tunnel beneath S. W. Hall Street. The maximum height of the two-story structure would be about thirty-four feet from the lowest grade level on the site. Because of the sloping terrain, it would be considerably below 34' at S. W. Hall. Using a combination of retractable seats and fixed seats, the total capacity of the facility for sporting events would be about 3,872 persons. A larger number could be accommodated for other activities if seating could be placed on the main playing floor. The space would permit alternate use or uses for basketball, wrestling, badminton, volleyball, etc. Toilet and locker rooms for intercollegiate athletic events would be included, and there would be public restrooms, concession areas and lobby spaces. Pending future expansion to increase spectator capacity and provide additional recreation areas, the northwest corner would provide an amphitheater with a cable-supported membrane covering. This area would be adapted for alternate uses, including tennis. It would also provide shelter for the northwest portion of a one-tenth mile running track.

Based upon the price level projected to January 1980, the estimated direct construction costs total $3,259,688, or about $66.66 per square foot of gross area. The total project budget of $4,500,000 also includes $675,000 for furnishings and equipment, the major portion of which relates to spectator seating. Institutional officials have indicated their willingness to seek financing of at least $500,000 from gifts. These funds would be directed to the acquisition and installation of seating, particularly the more expensive portable seating required to provide the multi-purpose uses of the structure. The remaining $2,000,000 would be provided from commingled student building fees and self-liquidating bond borrowings under the provisions of Article XI-F(1) of the Constitution. This would reflect an increase of $800,000 over the amount of $3,200,000 anticipated initially from such resources. Preliminary calculations by the Controller's Division indicate that this may be possible, but "tight" in relation to projected debt service on bond borrowings dependent upon student building fees.

As noted in earlier sections of this report, provision was made for rededication of the project site in response to the general policies of the Board which expect that land costs for auxiliary enterprises will be financed in the same manner as the building or other improvements. The staff believes, however, that some participation from state tax funds is warranted in view of the planned shared use of the facilities for instructional purposes as well as for recreation and sports. Consequently, it is recommended that the budget exclude any amount for site rededication. (This had been estimated by institutional officials to be slightly in excess of $300,000 out of a total budget of $4,800,000.)

If the recommended increase of $1,300,000 is approved, thus reflecting an estimated total project cost of $4,500,000, the revised expenditure limitation will be requested from the State Emergency Board later this year when a request is made for expenditure authorization in accordance with the provisions of Chapter 511, Oregon Laws 1979.

RECAPITULATION UPON COMPLETION OF SCHEMATIC DESIGN PHASE OF PLANNING

Project - PSU Recreation and Sports Facilities

Architects - Martin/Soderstrom/Matteson, AIA, Portland

Board's priority - No. 23 in 1979-1981 (Auxiliary Enterprises)

Legislative authorization - Chapter 511, Oregon Laws 1979
(for $3,200,000)
Estimated total project cost, excluding land $4,500,000

Estimated gross area - 48,900 square feet

Estimated direct construction costs:
  Total $3,259,688
  Average (per square foot) - $66.66

Tentative schedule:
  Bidding - April 1980
  Completion - September 1981

Tentative financing plan:
  Gifts and grants $500,000
  Article XI-F(1) bond borrowings and/or balances available for auxiliary enterprises 4,000,000
  Total $4,500,000

Staff Recommendation to the Committee

It was recommended that the updated long-range campus plan for Southern Oregon State College, which has been prepared by institutional officials with the assistance of The Amundson Associates, P.C., and incorporated within a document entitled "The Southern Plan for the 80's" be accepted as a guide for the future development of the campus in Ashland.

Discussion and Recommendation by the Committee

Mr. Hunderup explained that the proposal was intended to update the long-range campus plan to acknowledge a reduction from the previous master campus plan which had a larger objective than the 4,000 student level. The present proposal would scale the plan to one which would be a realistic optimum for 4,000 students.

Mr. Batiste expressed concern that in a time of decreasing enrollments it seems unwise to add new programs which ultimately require new buildings in some instances.

Mr. Thorp said the traffic on Siskiyou Boulevard made it unsafe for pedestrians to cross and asked whether any provisions were included in the long-range plan to alleviate the situation. Mr. Hunderup explained that a critical element for the improvement of traffic control was the development of a perimeter road which would permit closing the access from Indiana Avenue into Siskiyou Boulevard.

Mr. Perry said approval of the long-range campus plan would imply no commitment on specific projects at this time. Mr. Hunderup said that in bringing specific project recommendations to the Board, they would be reflective of the guidelines in the campus plan. He also commented that in the reexamination that had occurred in updating the long-range campus plan the concept of major new construction at Southern Oregon State College had been eliminated. The utilization of existing facilities upon rededication and remodeling had been substituted. The reexamination of the campus plan has resulted in a reduction of future proposed new construction with the intention of utilizing more effectively the present space to accommodate different functions.

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

Mr. Perry said he had noticed in the press that the long-range campus plan had generated substantial controversy and asked President Sicuro to comment on relationships with the community with respect to long-range planning.

President Sicuro said that any time the planning process is opened to a number of people, in this instance virtually the entire campus and community, there will be a free exchange of ideas. This is healthy and beneficial. Specific projects, such as the closing of Indiana Street, or a perimeter road, are emotional in terms of property owners affected. These matters have not come to any kind of fruition and will not for some time. An effort has been made to communicate this to the individuals who have raised the questions in the community. Dr. Sicuro said the planning commission and the city council have moved very deliberately toward a conclusion of land use approvals, which really are the only controversies that exist at the present time. He said there would be a much better concept of where Southern Oregon State College was going in the future as a result of this planning mechanism.

Mr. Batiste said he had been pleased with the reports of the discussions that have taken place in Ashland because they show great involvement of the community. He asked if students were also enthusiastic about the plan.

President Sicuro said students had been heavily involved in the planning process. The Student Senate and the Faculty Senate are participating in the development of each year's implementation. They have currently been working on the first phase.

The Board approved the Committee recommendation as presented, with the following voting in favor: Directors Anderson, Batiste, Carpenter, Green, Harms, Inglis, Thorp, Warner-Yasuda, Wyss, and Perry. Those voting no: None.

Staff Report to the Committee

Based upon the planning assumptions, objectives and principles approved by the Board on March 30, 1979, officials of Southern Oregon State College have been working with the consulting architects and planners, The Amundson Associates, P.C., Springfield, in updating the long-range campus plan for the institution. (These assumptions, objectives and principles were detailed on pages 175 through 179 of the minutes of the March meeting.) The land and facilities portion of the plan is expected to be printed as Part 2 of "The Southern Plan for the 80's" following Part 1, Report of the President's Planning Council. The guidelines for Southern Oregon State College, approved by the Board, will be included as an appendix.

The current study is a reassessment of the campus and its facilities. It provides a substantial amount of statistical information about the campus and it focuses on a number of concerns in the physical development of the institution, including the impact of a relatively stable student enrollment and an enrollment ceiling of 4,000 full-time equivalent students. Of principal concern are the instructional facilities, most of which are located in or adjacent to a central campus "crescent" south of Siskiyou Boulevard. Some of the most recent facilities, such as the Music Building and the Education-Psychology Building, were built in anticipation of considerably higher enrollment projections assumed in previous planning studies for the college. This has resulted in a less-than-ideal distribution of space among disciplines. Further, in the process of incremental expansion by separate new buildings for some disciplines, other instructional units were accommodated in spaces available, resulting in inefficiencies and some less-than-appropriate juxtapositions of space uses.
A significant portion of the current study identifies several alternate Planning Scenarios. These scenarios describe sequences of moves which are based upon an evaluation of current building space utilization and an effort to distribute space to achieve the optimum support of existing and anticipated academic program space requirements. Each scenario identifies a space modification catalyst, a reaction to the space modification and, finally, a redistribution among disciplines of the spaces vacated. For example, the Drama Laboratory which was authorized by the 1979 Legislature and is expected to be bid early in 1980, would free space in Churchill Hall for Administration and in Central Hall for reassignment to other academic functions. The goal in each move is to consolidate each discipline further and to allocate an adequate amount of space for it. In some cases, the goal of providing well-located and adequate spaces leads to a proposal to construct new spaces. These include additions to Taylor Hall for Business Administration, to Central Hall for specialized proposed facilities for Nursing, Mathematics, Speech and other disciplines housed within the existing building, and to Siskiyou Commons for Art (after it is redeated from auxiliary enterprises to educational and general plant use).

Additional facilities proposed to meet other program needs include a new building complex for Physical Plant services at the east side of the north campus adjacent to Walker Avenue and some Physical Education facilities, including court sports, women's facilities and special purpose exercise rooms also on the north portion of the campus. If the need arises, an area is available for the construction of family housing units at the edge of the south campus west of Mountain Avenue, and for an addition to the Greensprings Residence Hall complex north of Siskiyou Boulevard. These projects may be proposed if current transportation problems make on-campus housing even more attractive than it is presently.

Due to significant grade differences within the campus boundaries, the identification and development of a pedestrian circulation scheme that would be responsive to the needs of handicapped persons was of considerable concern. The campus planning consultants are assisting the institution in its program for improved access for the handicapped. They propose a campus loop with legs leading off to the several housing complexes and to Physical Education areas. It is intended that this pedestrian system be ample enough to serve bicycle traffic also and to serve as the primary fire and emergency services lane for the inner academic core area.

Arterial and collector street development around the campus, as well as vehicular parking for the campus, assumed considerable importance during the development of the plan because of the impact upon the City of Ashland's Comprehensive Land Use Plan. As far as possible, the plan proposes streets which are peripheral to the campus and parking lots which are located conveniently throughout the campus with easy access from peripheral streets.

Probably the most vexing problem for the campus, and one shared by the City, is the division of the campus by Siskiyou Boulevard, a major arterial street (also identified as Highway 99). Grade separation schemes favored by the Highway Division of the Department of Transportation appear to be expensive, pose extreme problems in making them accessible to the handicapped and probably cannot be made attractive enough to encourage most people to want to use them. It is proposed that the grade crossings of Siskiyou Boulevard be retained, at least in the short term, and that pedestrian crossings be channeled to a few locations by a median-strip barrier such as a fence and/or plantings.

Other proposed arterial and collector street improvements include the construction of a perimeter road at the southern boundary of the campus, closing Indiana Avenue from the south before it reaches Siskiyou Boulevard, and the construction of an arterial along the railroad tracks on the north campus. The possibility of making Iowa Street a traffic collector beginning at Walker Avenue and proceeding west through the campus and beyond.

Wightman Street, as proposed by the City, is still being discussed. College officials would prefer to vacate Iowa Street within the campus boundaries and construct a pedestrian and bicycle path there which would be available for use by the students attending the elementary and junior high schools adjacent to the campus.

Long-range campus plans and the periodic reviews and updates of them provide a means for the land use needs of the Department of Higher Education to be expressed in local jurisdiction comprehensive land-use plans. Eventually, these will become part of the State's comprehensive land-use plan. Concurrently with the Board's review, the Southern Plan for the 80's is being reviewed by the City of Ashland Planning Commission and the City Council. The College is negotiating with the City for the inclusion of a special college district classification within the City of Ashland Zoning Ordinance.


Staff Recommendation to the Committee

It was recommended that the resolution outlined below be adopted by the Board by roll call vote in order to authorize the filing of applications for federal grant funds expected to be available under Title III of the National Energy Conservation and Policy Act of 1978 (PL 94-163), and it is also recommended that the appropriate Board officials be authorized to apply for matching funds made available to the State Emergency Board by Chapter 290, Oregon Laws 1979 (Enrolled House Bill 5051) for projects which qualify under the State Plan which is the planning document used by the Oregon Department of Energy for organizing and managing technical assistance programs and energy conservation measures within the State for the duration of the grant program:

RESOLUTION AUTHORIZING FILING OF APPLICATION(S) WITH THE UNITED STATES OF AMERICA UNDER THE TERMS OF PUBLIC LAW 94-163 FOR GRANT FUNDS TO PROVIDE FOR THE PLANNING AND CONSTRUCTING OR EFFECTING OF ENERGY CONSERVATION MEASURES AT INSTITUTIONS GOVERNED BY THE OREGON STATE BOARD OF HIGHER EDUCATION

WHEREAS, the Oregon State Board of Higher Education, herein called the "Applicant", on behalf of the eight institutions of higher education under its jurisdiction, after a review of the guidelines and a study of the State Plan has hereby determined that the effecting of certain energy conservation measures is desirable and in the public interest; and

WHEREAS, under the terms of Public Law 94-163, The United States of America has authorized the making of grants to schools and hospitals to finance the cost of planning, constructing or effecting such energy conservation measures; and

WHEREAS, the Applicant has examined and duly considered such Act and the Applicant considers it to be in the public interest and to its benefit to file one or more applications under such Act and to authorize other action in connection therewith;

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

1. That the effecting of said energy conservation measures is essential to and is in the best interest of the Applicant, and to the end that such energy conservation measures be provided promptly as an aid to conservation of energy at the eight institutions governed by the Oregon State Board of Higher Education;
2. That J. I. Hunderup, Vice Chancellor for Facilities Planning, be hereby authorized to file on behalf of the Applicant an application or applications (in such form as may be required by the United States and in conformity with said Act) for grant funds to cover the costs of architectural/engineering planning, and the constructing or effecting of said energy conservation measures;

3. That said J. I. Hunderup, Vice Chancellor for Facilities Planning, is hereby authorized to furnish such information and take such action as may be necessary to enable the Applicant to qualify for such grant funds;

4. That the Board official designated in the preceding paragraph is hereby designated as the authorized representative of the Applicant for the purpose of furnishing to the United States such information, data, understandings, assurances, and documents pertaining to any application for grant funds as may be required; and otherwise to act as the authorized representative of the Applicant in connection with such applications.

5. That certified copies of this resolution be included, as required, as part of any application for grant funds to be submitted to the United States under the terms of Public Law 94-163.

Discussion and Recommendation by the Committee

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

Board Discussion and Action

Mr. Hunderup indicated that the date for filing the application had been extended to December 17. It is now probable that material will be presented to the Emergency Board at its December meeting rather than in November as previously planned. He also noted that it is expected that this same resolution will be attached to a number of grant applications rather than to a single application for the entire State System.

The Board adopted the resolution as recommended by the Committee, and on roll call vote the following voted in favor: Directors Anderson, Batiste, Carpenter, Green, Harms, Ingalls, Thorp, Warner-Yasuda, Wyss, and Perry. Those voting no: None.

Staff Report to the Committee

The National Energy Conservation and Policy Act of 1978 authorizes a voluntary three-year energy conservation program for public and private non-profit schools, hospitals, local government buildings and public care facilities. The objective of the program is to reduce energy consumption and the associated costs of conventional energy resources. This objective is to be achieved through several means, including financial assistance for:

(a) Identifying improved operating and maintenance procedures;

(b) Identifying energy conservation measures, including solar energy or other renewable source measures; and

(c) Implementation, in the case of schools and hospitals, of selected energy conservation measures.

Under this program, federal funds will be available for one-half the cost of energy audits and technical assistance studies to identify energy conservation opportunities. In addition, schools and hospitals will be eligible to apply for federal funds to defray one-half of the cost of energy conservation and renewable resource projects.
There are four phases of the energy conservation program:

1. Preliminary Energy Audit (Completed by all eight institutions.)
2. Energy Audit
3. Technical Assistance Program
4. Energy Conservation Project Assistance

The Energy Audit portion of the program can be met by being able to demonstrate from actual records that not less than a 20% saving of energy has been achieved from a corresponding base year, or by having a State trained energy auditor make a site survey of the building. The auditor would recommend appropriate energy conservation operating and maintenance procedures and include an evaluation of the need and potential for retrofitting based upon consideration of energy consumption and physical characteristics of the building. A number of State System institutions would qualify under the 20% savings from a base year.

During the Technical Assistance portion of the program, specialized studies would be conducted by registered engineers or architects to identify and specify energy savings and related cost savings that are likely to be realized as a result either of modifying operating and maintenance procedures in a building, or of acquiring and installing one or more energy conservation measures in a building, or both. Also included in this Technical Assistance portion is the planning of specific remodeling, renovation, repair, replacement, or insulation projects related to the installation of energy conservation measures in a building.

The final portion of the program, Energy Conservation Project Assistance, is the actual building modification or acquisition and installation of energy conservation measures following the completion of a technical assistance program. Emphasis in applying for grants will be placed upon the Energy Conservation Project Assistance portion of the program inasmuch as $1,550,000 has been appropriated to the State Emergency Board by Chapter 290, Oregon Laws 1979 (Enrolled House Bill 5051) to be used as match money for federal grants for the installation of energy-saving devices in existing state-owned buildings. This appropriation may be used for any other purpose by the Emergency Board after October 1, 1980.

The Oregon Department of Energy, which will be the coordinating agency for the program, is required by the regulations to draw up a State Plan. The Plan, which is being developed in accordance with quite specific provisions of the federal regulations, is to be reviewed by the benefiting agencies such as the Department of Higher Education and is then subject to approval by the federal Department of Energy. Upon approval of the State Plan, applications for financial assistance for eligible schools and hospitals will be reviewed and ranked. Thereafter, the applications and State recommendations will be forwarded to the federal Department of Energy separately for each grant cycle. Submission for the first grant cycle, for which a number of institutions are now formulating plans, will require applications to be forwarded by the first of December.

Responsibility for Working Funds

(Considered by Committee on Finance, Administration, and Physical Plant, September 14, 1979; present--Ingalls, Ater, Batiste, Perry, and Thorp.)

Staff Recommendation to the Committee

It was recommended that the Board amend Internal Management Directive 6.006, Working Funds, as follows:

Revolving Funds and Petty Cash Funds may be authorized by the Vice Chancellor for Administration, as necessary, for department activities. [Authorization must designate the individual to be personally responsible.]
Prior approval for deposit of such funds in commercial banks must be obtained from the Vice Chancellor for Administration.
Discussion and Recommendation by the Committee

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

Board Discussion and Action

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

Staff Report to the Committee

The present IMD requires the Vice Chancellor for Administration to designate the institutional employee to be personally responsible, except in the case of a bank failure.

From time to time, losses occur in the handling of money which are beyond the control of an individual or are not the result of deliberate mishandling of funds. In practice, individuals have not always been required to make up losses, as the circumstances surrounding the loss are normally taken into consideration.

The revised IMD would continue to require authorization by the Vice Chancellor for Administration to establish Revolving and Petty Cash funds. The Financial Administration Standard Operating Manual would be revised to require an institution executive to designate the person to administer the funds who may be held personally responsible, if the circumstances warrant.

The amended IMD and FASOM section would provide adequate authority to hold individuals responsible, where there has been negligence or carelessness on the part of the responsible person. Institution administrators will have the primary responsibility for determining liability in the event of a loss.

The additional requirement for obtaining prior approval for deposit in commercial banks relates to an action taken by the 1979 Legislature, requiring state agencies to have the approval of the Treasury Department before funds can be placed in a commercial bank.

(Considered by Committee on Finance, Administration, and Physical Plant, September 14, 1979; present-Ingalls, Ater, Batiste, Perry, and Thorp.)

Staff Recommendation to the Committee

It was recommended that the Board adopt the modifications of its Internal Management Directives (IMD's) relating to budget administration delineated in the staff report.

Discussion and Recommendation by the Committee

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

Board Discussion and Action

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

Staff Report to the Committee

The Board's IMD's relating to budget planning, approvals, and adjustments are found in widely separated sections. Furthermore, they are in some respects less than fully descriptive of current practice.
In Section 1 of the IMD's, entitled "Administrative Organization and Procedures," Section 1.025 is headed "Budget Authority" and subheaded "Budget Adjustments." It describes the Chancellor's authority to approve some budget adjustments and to keep a record thereof. "Finance and Business Affairs" is the title of IMD Section 6 and Sections 6.050 through 6.057 are headed "Budget Policies," with 6.056 being headed "Budget Adjustments."

The first step of adjustment would be to repeal IMD 1.025. (Recited at the end of this report.) Subsections (1) (a) and (b) have been superseded by IMD 6.056 (2) and (3). IMD 1.025 (2) requiring a record of all personnel adjustments in the Board's Budget Office has not been observed since the implementation of the automated personnel files in the Controller's Office. The only unallocated funds now maintained by the Board (IMD 1.025 (1) (c)) are those which are designated by the Board for specific purposes.

The following amendment of IMD's 6.052 through 6.057 is proposed:

**IMD Section 6--Finance and Business Affairs**

* * *

**Budget Policies**

* * *

**6.052 Budget Development Process**

The Chancellor shall review the biennial budget requests developed by the institutions, divisions, and statewide services, conferring with other Department personnel as necessary, before submitting recommendations for Board consideration.

**6.053 Annual Operating Budget [Execution]--Board Approval**

(1) No funds appropriated or limited in their expenditure by the Legislature may be authorized for disbursement by an institution, division, or statewide service [except as provided in an] unless approved by the Board as a part of the annual budget [execution program approved by the Board] plan, except as delegated to the institution or public service executives or the Chancellor.

(2) Transfers between funds or institutions not anticipated in the budget require Board approval unless otherwise delegated to the Chancellor for approval. (Restates the gist of IMD 1.025.)

**6.054 [Budget Execution Plans] Annual Operating Budget-Planning**

(1) Consistent with legislative appropriations and Executive Department [allocations] allotments, the Vice Chancellor for Administration shall develop plans for the annual operating budget pursuant to Board policy and the Chancellor's instructions.

[6.055 Institutional Participation]

(2) [The] Institutions, divisions, and statewide services shall provide such assistance in developing the annual operating budget as the Vice Chancellor for Administration deems necessary.

**6.056 Annual Budget Adjustments**

(1) Each President, Division Head, or Statewide Service Executive is personally responsible for maintaining expenditures within limits established by the annual operating budget [execution program adopted] approved by the Board.
(2) Transfers within budget accounts may be made by the presidents, division heads, and statewide service executives.

(3) Transfers between budget accounts may be made by the presidents, division heads, and statewide service executives provided that such transfers do not exceed the total budget authorization of the institutions and divisions and provided that they conform to budget limitations [by function and category].

(4) Transfers between funds or institutions not anticipated in the budget require Board approval unless otherwise delegated to the Chancellor for approval.

The Chancellor is authorized to:

(a) Determine the distribution of unallocated Board funds reserved for designated purposes. (See IMD 7.145 for specific authority concerning plant rehabilitation funds.)

(b) Reallocate budgeted allocations among institutions when required to accommodate changes in accounting processes, implement revised fiscal policies, make corrections, or other such adjustments which contain no policy or program decisions requiring Board consideration.

(c) Allocate adjustments in the appropriations and expenditure limitations approved by legislative authority.

(d) Approve reductions in budget plans when resources are projected to be inadequate to support authorized expenditure levels.

6.057 [Savings] Balances in Budget Accounts

All unobligated net budget balances remaining at each institution at the close of each fiscal year shall be returned to the Board's [unappropriated] fund[s] balances, except for those in auxiliary enterprises, [and] service activities, approved reserves and balances authorized as institutional funds [to] which may be carried over from one fiscal year to the next.

Recommended for repeal:

|Budget Authority|

1.025 Budget Adjustments

(1) The Chancellor is authorized to approve the following budget adjustments:

(a) Temporary and nonrecurring transfers between requisition and salary accounts within a department;

(b) Temporary and nonrecurring budget transfers between departments or other units of an institution or division provided they are not used to create new permanent positions or other recurring expenses;

(c) Budget additions to care for emergencies in staff requisition accounts, or repair and maintenance items from the Board's unappropriated fund or the Board's emergency reserves provided no single addition may exceed $10,000, and provided these funds are not used to create new permanent positions or other recurring expenses.
Retained and Disposition of Real Property

Staff Recommendation to the Committee

It was recommended that the Board adopt Internal Management Directives designed to provide policies and procedures for retention and disposition of real property held for the Board.

Discussion and Recommendation by the Committee

The Committee recommended approval of the staff recommendation.

Board Discussion and Action

The Board discussed the possible modifications in the language presented and voted to defer action and refer the revised version to the Committee of the Whole at a meeting on December 14. The following voted in favor: Directors Anderson, Batiste, Carpenter, Green, Harms, Ingalls, Thorp, Warner-Yasuda, Wyss, and Perry. Those voting no: None.

Amended Policies to Guide Institution Relations with Independent Affiliated Organizations, Response to January 11, 1979, Audit by Secretary of State's Office

(Considered by Committee on Finance, Administration, and Physical Plant, September 14, 1979; present--Ingalls, Ater, Batiste, Perry, and Thorp.)

Staff Recommendation to the Committee

It was recommended that the Board further clarify the relationships of institutions with and the independence of affiliated organizations by amending AR 580-41-005, deleting IMD 6.051, and adopting as Internal Management Directives several of the guidelines for relationships with affiliates which the Board discussed and approved in 1964, 1965, 1973, and 1974. AR 580-41-005 (1) and (2) currently read as follows:

DIVISION 41
ACCOUNTING POLICIES

(1) The assets, liabilities, income, and expenditures of affiliated organizations shall be excluded from the accounting records of the Board, its institutions and divisions.

(2) To protect the intent designated by the donor, gifts which are required by Board policy or rule to be transferred from an affiliated organization to an institution before disbursement shall be expended, by the institution from restricted accounts established for such purposes. Expenditures made by an institution for purposes designated by an affiliated organization shall be made only after the transfer of funds from the affiliate to the institution.

It was recommended that the following amendment covering gifts made to an institution, but intended for the affiliate organization be inserted at this point in AR 580-41-005:

(3) Gifts to an institution accompanied by a letter or other documentation indicating that the gift is intended for a corporate affiliate shall be deposited initially to an institution agency account identified with the name of the affiliated organization, then transferred to the corporate affiliate by a separate check payable to the affiliate and shown as a disbursement from the agency account. The letter is retained to provide an audit trail and to support the cash transfer to the corporate affiliate. (Source: FASOM 01.99 A03.)
AR 580-41-005 (3) would become (4) and read as indicated below, including minor revisions. The amended portions pertain to information now reported annually to the Board.

[(3)](4) The institution shall prepare an annual report for the Board at the close of each fiscal year, summarizing the amounts received from each affiliated organization, or expended directly for the institution, the purposes intended, the expenditures therefrom, a balance sheet, and such other information about the relationships between the affiliated organization and the institution as may be pertinent to the full disclosure of the resources held for the institution.

Division 42 of the Administrative Rules titled Gift, Grant, and Contract Management, provides general authority for the Board to encourage gifts to the institution or via a foundation.

AR 580-42-005. The Board encourages gifts by faithfully devoting them, subject to the terms of the gift, to the institution or program for which intended, and by other suitable means.

The only other reference to relations with affiliated organizations appearing in the Administrative Rules and Internal Management Directives is IMD 6.051 (3), as presented below. It is recommended that this Internal Management Directive be repealed but that the concept be incorporated in proposed IMD 6.421 (1), Budgeted Support of Affiliated Organizations.

IMD 6.051, Special Requirements

[(3) When approved in the institution budget, operations of an affiliated organization may be subsidized, to a limited and reasonable degree, from funds otherwise available to the institution.]

To clarify more completely the relationships between the affiliated organization and the institution development activities, and to respond positively and forthrightly to the criticisms presented in the January 11, 1979, audit conducted by the Office of Secretary of State, it was recommended that the following Internal Management Directives be adopted by the Board.

Relations With Affiliated Organizations

IMD 6.401, Purpose of Independent Affiliated Organizations

(1) An independent affiliated organization is a nonprofit corporation created by persons outside the institution to assist and support the institution. (Source: FASOM 01.99 A01.)

(2) The activities of an affiliated organization complement and overlap to some extent with the much broader functions of the institution development office. (Source: Staff recommendation.) Enlistment and utilization of private citizens in the management and direction of the affiliated organization is a valuable means of strengthening the supporting constituency of the institution. (Source: Board discussion, May 22, 1973.) The independent organization may also be able to perform certain activities of assistance to the institutions, consistent with sound public policy, but inappropriate for the institution to perform. (Source: Board-approved statement, September 13-14, 1985.)

(3) Despite the complementary nature of the institution and affiliated organization activities, the Board assures independence of affiliated organization decisionmaking by prohibiting Board and full-time institution employees from holding positions as voting officers, directors, or trustees of the independent affiliated organizations supporting their respective institutions. (Source: Staff recommendation.)
IMD 6.411, Receipt and Use of Gifts and Bequests

(1) Employees working for the institution or assigned by contract to work for the affiliated organization are permitted by law to encourage gifts to the institution, either directly or through an affiliated organization. (Source: Board-approved statement, May 22, 1973.)

(2) The independence of the affiliate precludes the possibility of its resources being substituted for legislative appropriations. (Source: Board discussion, May 22, 1973.)

(3) The institution shall maintain a memorandum record of gifts received directly as a result of efforts by an affiliated organization. A summary report of such receipts shall be made annually to the Board. (Source: Board-approved statement, May 22, 1973.)

IMD 6.421, Budgeted Support of Affiliated Organizations

(1) In consideration of the statutory obligation of Board of Higher Education employees to encourage gifts for the benefit of the institutions and of the substantial amount of support for institutions generated by affiliated organizations, the Board approves institutional support, to a limited and reasonable degree, of the operations of these organizations from funds otherwise available to the institution, when approved by the institution president. (Source: Board-approved statement, September 13-14, 1965.)

(2) Support of an affiliated organization shall be clearly and specifically identified in the annual operating budgets and accounting expenditure records of the institutions in accordance with standard procedures established by the Department's budget and controller divisions. (Source: Board-approved statement, May 22, 1973.) The support may cover all or a portion of the payroll of institution employees assigned by contract to work for the affiliated organization, and the foundation's office space. Office space support may also include the cost of heating, electrical, cooling, and janitorial services. (Source: Staff recommendation.)

IMD 6.431, Contracts With Affiliated Organizations

(1) An institution may contract with an affiliated organization to provide services, including personnel and office space. The contract shall be executed by the institution-authorized contract officer, president or authorized officer or trustee of the corporate affiliate, and Vice Chancellor for Administration or designee. The Board's legal counsel shall approve the contract as to form. (Source: Board-approved statement, September 14-15, 1965; FASOM 01.99 A01.)

(2) Funds received by the institution as a result of entering into a contract shall be placed in a current restricted account which is not a depository for donated or gift moneys. (Source: FASOM 01.99 A02.)

Discussion and Recommendation by the Committee

Mr. Richard S. Perry, Director of the Division of Management and Planning Services, expressed appreciation to personnel at the institutions who had assisted greatly in providing the information and understanding of the corporate affiliates which is reflected in the report. He indicated that Mr. Gary Powell, Director of Audits, had been assigned the major responsibility of coordinating the responses to the January 1979 Secretary of State's