STATE BOARD OF HIGHER EDUCATION
MINUTES OF REGULAR MEETING HELD ON May 23, 1980,
AND ADJOURNED MEETING HELD ON June 27, 1980

<table>
<thead>
<tr>
<th>MINUTES APPROVED</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appreciation to SOSC</td>
<td>335</td>
</tr>
<tr>
<td>CHANCELLOR'S REPORT</td>
<td>335</td>
</tr>
<tr>
<td>K. McCumsey, Appointment as WICHE Certifying Officer</td>
<td>335</td>
</tr>
<tr>
<td>C. Kahanarui, Designation as Acting Vice Chancellor for Academic Affairs</td>
<td>335</td>
</tr>
<tr>
<td>P. Olum, Designation as Acting President, UO</td>
<td>335</td>
</tr>
<tr>
<td>Location of the Office of the Board of Higher Education</td>
<td>335</td>
</tr>
<tr>
<td>Allocations from Board's Reserve for Physical Plant Rehabilitation and Minor Capital Outlay</td>
<td>343</td>
</tr>
<tr>
<td>Residence Hall Budget and Management Plan, EOSC</td>
<td>344</td>
</tr>
<tr>
<td>Change in Admission Requirements to BS in Industrial Management, OIT</td>
<td>345</td>
</tr>
<tr>
<td>Reserve Base and Timber Harvest Tax for Forest Research, OSU</td>
<td>346</td>
</tr>
<tr>
<td>Request for Board Authorization to Establish an Energy Research and Development Institute, OSU</td>
<td>347</td>
</tr>
<tr>
<td>Schematic Design for Student Union Facilities Rehabilitation, UO</td>
<td>354</td>
</tr>
<tr>
<td>Termination of Degree Programs, UO</td>
<td>356</td>
</tr>
<tr>
<td>Request for Authorization to Establish A Center for the Study of Business Regulation, UO</td>
<td>357</td>
</tr>
<tr>
<td>Request for Authorization to Offer A New Instructional Program Leading to MS In Historic Preservation, UO</td>
<td>359</td>
</tr>
<tr>
<td>Termination of Cardiopulmonary Physician's Assistant Program, UOHSC</td>
<td>363</td>
</tr>
<tr>
<td>Increase in Expenditure Limitation for Drama Laboratory (Theater), SOSC</td>
<td>364</td>
</tr>
<tr>
<td>Tuition and Fee Recommendations for 1980-81, Amendment to OAR 580-40-040, Academic Year Fee Book</td>
<td>366</td>
</tr>
<tr>
<td>Amendment to OAR 580-13-035(1), Confidential Records--Restrictions on Release</td>
<td>374</td>
</tr>
<tr>
<td>Adoption of OAR 580-13-036, Transfer of Education Records</td>
<td>375</td>
</tr>
<tr>
<td>Proposed Revision of IMD 7.135, Bid Procedures</td>
<td>376</td>
</tr>
<tr>
<td>Adoption of Temporary Rule, OAR 580-50-105, Properties Subject to Flood Hazards</td>
<td>377</td>
</tr>
<tr>
<td>Request for Authorization to Offer A Program In the Economics Of Public Policy Leading to the MA/MS Degree, OSU</td>
<td>378</td>
</tr>
<tr>
<td>Authorization of Final Planning of Parking Improvements, OSU</td>
<td>388</td>
</tr>
</tbody>
</table>
Minutes of Regular Meeting held on May 23, 1980, and Adjourned Meeting held on June 27, 1980

Page 2

S. Watson, Presentation re Higher Education

Post-High School Pursuits of Oregon's High Achieving High School Graduates

Chancellor's Salary Recommendations for 1980-81

Report of Ad Hoc Inter-Agency Council For Continued Professional Development of School Personnel

Off-Campus Instruction in the State System of Higher Education

1981-1983 Biennial Budget Request for Program Improvements

1981-1983 Workload Increase Request

1981-1983 Biennial Budget Request for New Building Operation and Maintenance

Review and Discussion of Tentative Capital Construction Requests for 1981-1983

PRESIDENT'S REPORT

M. C. Romney, Adoption of Certificate of Recognition

Election of Officers

Communications, Petitions, and Memorials

Appointment of Committees

Report of Bids and Contract Award for Surface Drainage Improvements and Physical Education Fields Relocation, EOSC

Report of Inspection and Acceptance of Student Union Additions and Alterations, OIT

Report of Bids and Contract Award for Library Building (and a Portion of Accessibility for Handicapped), OIT

Report of Bids and Contract Award for Gilbert Hall Remodel, OSU

Engineering Services for Correction of Safety Deficiencies within Various Buildings, OSU

Architectural Services for Marine Science Center Dormitory III, OSU

Report of Bids and Contract Awards for Crop Science Building, Phase I, OSU

Report of Bids and Contract Award for Memorial Union Remodel, Phase III, OSU

Report of Inspection and Acceptance of Gilbert Hall Addition, OSU

Report of Bids and Contract Award for Safety Deficiency Corrections, Phase II (Lawrence Hall/North Site Arts Building Ventilation Improvements), UO

Report of Inspection and Acceptance of Marine Biology (Charleston) Maintenance Facility, UO
Minutes of Regular Meeting held on May 23, 1980, and
Adjourned Meeting held on June 27, 1980

| Report of Inspection and Acceptance for the College of Education Addition and Alterations, UO | Page 449 |
| Engineering Services for Utility Improvements (Steam Phase II), UCHSC | Page 451 |
| Architectural Services for Correction of Safety Deficiencies within Campus Services Building, UCHSC | Page 452 |
| Report of Appointment of Architects for Surgical Pathology Project in University Hospital South, UCHSC | Page 452 |
| Report of Bids and Contract Award for Safety Deficiency Corrections, Phase II (University Hospital South Storeroom Alterations), UCHSC | Page 452 |
| Report of Bids and Contract Award for Accessibility for the Handicapped (Lincoln Hall, Cramer Hall, University Services Building, Neuberger Hall, East Hall, DCE Building, Science Building I and Millar Library), PSU | Page 454 |
| Report of Bids and Contract Award for Smith Memorial Remodel, Phase II, PSU | Page 455 |
| Report of Bids and Contract Award for Accessibility for Handicapped, OCE | Page 456 |
| Report of Bids and Contract Award for Accessibility for the Handicapped, SOSC | Page 458 |
| Condition of Board's Special and Plant Rehabilitation Reserves | Page 459 |
| Report of Bid and Contract Award for Accessibility for the Handicapped, OIT | Page 460 |

ADJOURNMENT & RECONVENING DATE

Adjourned Session of Meeting of May 23, 1980 | Page 462

PRESIDENT'S REPORT

Next Meeting Dates | Page 462

CHANCELLOR'S REPORT

Current Budget Level | Page 462

Resolution Regarding Classified Information for the U. S. Department of Defense, OSU | Page 465

Schematic Design for School of Architecture and Allied Arts Additions and Alterations, UO | Page 466

Request for Authorization To Establish A Center for Biologic Effects of Volcanic Ash, UCHSC | Page 469

Louis B. Perry, Certificate of Recognition | Page 472

ADJOURNMENT | Page 473
A regular meeting of the State Board of Higher Education was held in Stevenson Union at Southern Oregon State College, Ashland, Oregon.

The meeting was called to order at 8:30 A.M. (P.D.T.), May 23, 1980, by the President of the Board, Mr. Louis B. Perry, and on roll call the following answered present:

Mr. Lester E. Anderson
Mr. Jonathan A. Ater
Mr. Alvin R. Batiste
Mrs. Jane H. Carpenter
Mrs. Edith Green

Mr. Edward C. Harms, Jr.
Mr. Robert C. Ingalls
Mr. William C. Thorp III
Mr. Loren L. Wyss
Mr. Louis B. Perry

Absent--Ms. Elizabeth Warner-Yasuda was absent due to illness.

OTHERS PRESENT

Centralized Activities--Chancellor R. E. Lieuallen; Secretary Wilma L. Foster; W. T. Lemman, Jr., Vice Chancellor for Administration; J. I. Hunderup, Vice Chancellor for Facilities Planning; Mrs. Clarethel Kahananui, Acting Vice Chancellor for Academic Affairs; E. Rex Krueger, Vice Chancellor for Educational Systems; Edward Branchfield, Assistant Attorney General; Melinda Grier, Compliance Officer; Virgina Avery, Assistant Director, Public Services and Publications; Francetta Carroll, Management Assistant; Karen McCumsey, Secretary to the Chancellor.

Oregon State University--President R. W. MacVicar; Clifford V. Smith, Vice President for Administration; Sylvia Moore, Administrative Intern.

University of Oregon--President William B. Boyd; Ray Hawk, Vice President for Administration and Finance.

University of Oregon Health Sciences Center--President Leonard Laster; James T. McGill, Vice President for Finance and Administration.

Portland State University--President Joseph Blumel.

Oregon College of Education--President Gerald Leinwand; James H. Beaird, Provost; John N. Sparks, Director of Business Affairs.

Eastern Oregon State College--President Rodney A. Briggs; David Gilbert, Dean, Academic Affairs; William P. Wells, Director, Student Affairs.

Southern Oregon State College--President Natale Sicuro; D. E. Lewis, Dean of Administration; Marythea Grebner, Director of Public Affairs; Jack Thorsen, Director of Placement; Harry Gates, Media/Library.

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

Others--Richard E. Moore, Library Council; Janell Beebe, Oregon Education Association; Bob Watrus, Executive Director, Oregon Student Lobby; Leslie Adams, President, Associated Students, Portland State University; A. Kuresa, President's Liaison, Southern Oregon State College; Valerie J. McMackin, President, Association Students, Southern Oregon State College; Nancy Carpenter, Senator, Southern Oregon State College; James S. Rodney; Student, Southern Oregon State College; Robert John Warsinski, Representative, Associated Students of Oregon College of Education; Jerry Bernau,
MINUTES
APPROVED

The Board dispensed with the reading of the minutes of the last regular meeting held on March 28 and April 22, 1980, and approved them as previously distributed. The following voted in favor: Directors Anderson, Ater, Batiste, Carpenter, Green, Harms, Ingalls, Thorp, Wyss, and Perry. Those voting no: None.

Appreciation to SOSC

President Perry expressed the Board's appreciation to President Sicuro and his staff and faculty for the information and hospitality to the Board during its visitation to the institution. He also thanked Mrs. Carpenter for the hospitality in honor of Vice Chancellor Romney.

CHANCELLOR’S REPORT

The Chancellor stated that OAR 580-10-045(3) states that the Board of Higher Education shall appoint the certifying officer for the Western Interstate Commission on Higher Education exchange program. The person appointed is responsible for reviewing the applicants for the student exchange program and certifying that they are eligible for support through the program. The Chancellor said that he had served in that capacity for several years. He recommended that the Board appoint Mrs. Karen McCumsey as certifying officer. He indicated that she had assisted him in these responsibilities for some time.

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

C. Kahananui, Designation as Acting Vice Chancellor for Academic Affairs

The Chancellor reported that Mrs. Clarethel Kahananui had been designated Acting Vice Chancellor for Academic Affairs, effective May 19, 1980, to fill the position until the appointment of a successor to Vice Chancellor Romney.

P. Olum, Designation as Acting President, UO

Dr. Paul Olum, Provost at the University of Oregon, has been designated as Acting President of the University of Oregon, effective July 1, 1980, until the appointment of a successor to President Boyd.

Location of the Office of the Board of Higher Education

Summary

The Emergency Board, at its April 25 meeting, released to the Department of General Services funds for construction of Mall Office Building, Phase II (MOB II) with the restriction that construction contracts were not to be signed until after the June 6 meeting of the Emergency Board. The signing of construction contracts was delayed to permit the Emergency Board to examine the State's revenue estimates as of June 6, since the approximately $22,000,000 appropriated for MOB II constitutes the state's principal hedge against declining revenue.

In presenting its request for release of construction funds for MOB II, the Department of General Services submitted two occupancy options, the first identifying the Department of Commerce as an "anchor tenant" along with the Department of Education and the second substituting the System of Higher Education for a portion of space which otherwise would be assigned to the Department of Commerce as a primary occupant. The Department of General Services, with the endorsement of the Executive Department, recommended the first option.

The Emergency Board selected the second option, calling for the System of Higher Education to move its Eugene offices to Salem when MOB II is completed on or about June 30, 1982.
Staff Recommendation to the Board

It was recommended that the Board take an official position on the proposal to move the Eugene-based offices of the Board of Higher Education to Salem. Three options are offered:

1. Accept the tentative Emergency Board action without comment.

2. Inform Governor Atiyeh and the Emergency Board that the Board of Higher Education does not object to the move to Salem but believes that the proposed timing is inappropriate, with reasons for that conclusion.

3. Inform Governor Atiyeh and the Emergency Board that the Board of Higher Education believes the Board's offices should remain campus-based, with reasons for that conclusion.

Board Discussion and Action

At the conclusion of the presentation of the agenda item, the Chancellor said that after the item had been prepared, a fourth option seemed to be emerging which he tended to favor in lieu of the three presented in the report. This option would call for the Board to ask the Emergency Board to reconsider the conclusion that the Board's offices should be located in Mall Office Building II, the building now scheduled for construction, because since the proposal was made about a month ago, the decision has been elevated to a public policy issue rather than simply a management detail. The state's major newspapers have editorialized on this issue and all but two of them have taken the position that the offices should be campus-based rather than located in Salem. In addition, the Federated American Association of University Professors, the faculty groups of the State of Oregon, have drafted and sent to the Emergency Board a resolution indicating that in the judgment of the members of that organization there are significant educational implications in the location of the Board's offices and that these educational implications have not had a public hearing. Therefore, it would be wise for the Emergency Board to defer this kind of decision to the 1981 Legislative Assembly rather than for the seventeen-member Emergency Board to make what many people are now considering a major policy for public higher education in Oregon. The Chancellor said he was inclined to favor this option because it would provide the opportunity for discussion of the educational implications and might result in some action being taken by the Legislature which would be pretty definitive for the future. The State System would not be faced each biennium with the anxiety of possibly having to disrupt families by this move, and the matter perhaps would be settled on a more permanent basis.

President Perry said that in addition to the newspaper comments or articles, there have been personal approaches to Board members with respect to the question, and the matter definitely had become a public policy issue.

Mr. Ater said the thing that fundamentally struck him with the proposal at the present time was that it was untimely for the reasons stated by the Chancellor under the second option with respect to staff disruption and turnover. At a time when there is one new Vice Chancellor, a search for a second, and soon the search for the Chancellor's successor, it seemed to him to be a terribly inappropriate time to move the office and risk fallout of other staff persons at all different levels. In his opinion, he said a substantive decision on the merits should be made at a time when the new Chancellor and staff are in place so that they could look at the issue and define it in terms of their intended management style.
Mr. Perry asked whether the location of the Board's Office would have a bearing on the kind of person who could be employed as the new Chancellor.

Mr. Ater responded that he was not entirely sure. The Chancellor said the chairman of the search committee for the position of Vice Chancellor is of the opinion that there is a problem in connection with the selection of that person. Whether this will be the case can be determined better at a later time. Further, if it is an issue in the selection of the Vice Chancellor, it could be an issue when the time comes to choose a new Chancellor.

Mr. Harms said the single most important speculative assumption is that the Salem location would make the State Board of Higher Education more responsive to the Executive Department and the Legislature, and secondly; that that would be in the best interest of the state. While the Legislature has the right to decide the location, insufficient attention has been given to the factors that are known. Some Board members would argue that the Board's offices should be campus-based and that this would be in the educational interests of the state for many reasons. These reasons are not hard evidence, but there is hard evidence regarding a disruption of staff and the fact that the move will cost more money than it will save in terms both of expense to the State Board of Higher Education and presumptively also to the Department of Commerce that will then not get the space assigned to higher education and will continue to rent space in the Salem area. Mr. Harms said that the statement that the Oregon State System of Higher Education is admired and emulated elsewhere is one that is subject to argument and he could not accept it as evidence. Further, there is a strong question that an issue of this kind, which may well be one of public policy, is one which should be decided by the Legislature, if at all.

Mr. Thorp asked whether the decision presently would go to the Legislature if the Emergency Board acted in June in accordance with the earlier decision.

Mr. Harms said there was a strong legal question as to whether the Emergency Board has legal authority to require the move.

Mr. Thorp said that, in his opinion, the Board should take a position on the proposed move.

Mrs. Green said she did not have particularly strong feelings about this matter but with respect to timeliness, she was inclined to think that it would be preferable to make the move before new people were settled. She said she agreed that the Legislature could overturn the action of the Emergency Board. She moved that the Board approve the fourth option as recommended by the Chancellor.

Mrs. Carpenter said her observations for several years led her to believe that the campus-based location of the Board's offices was an important element in the educational process and in the honesty of the Board's Office relative to its purpose. Students can come to the office and discuss issues in relation to programs and courses. This, in turn, is an important means of keeping the Chancellor's staff in touch with the kinds of realities that are valuable educationally. While it is difficult to make dogmatic statements, there is evidence of advantages from the campus location. This would suggest the importance of a statement from the Board, as suggested by Mr. Thorp, even if the Board approved the fourth option.

The Chancellor restated the fourth option that the Emergency Board reconsider its decision to have the Board of Higher Education be one of the anchor tenants in the new building on the assumption that the location of the Board's Office has significant educational implications which ought to be debated by the full Legislature before such a decision is implemented. The Chancellor said that comments by Mrs. Carpenter and Mr. Thorp suggested that the Board might want to supplement the option with a statement of the Board's position on the issue.
Mrs. Green said that adding a statement of the Board's position would weaken the fourth option because the Board would be asking for public debate, but at the same time stating its own position prior to the public debate.

Mr. Ingalls said he was not enthusiastic about telling the Ways and Means Committee or the Legislature what it should do, but he did feel that the Board should take a stand. He said he personally preferred option 3 to inform the Emergency Board and the Governor that the State Board of Higher Education believed the Board's offices ought to remain campus-based and the reasons for that conclusion.

Mr. Wyss indicated that earlier he had found the arguments of greater coordination with other state agencies in education and accessibility persuasive for a Salem location. However, Mr. Wyss indicated that he had become convinced that people outside of Oregon do look upon the State System as a model which is admired and is being emulated increasingly by other states which have had systems that were not necessarily as coordinated as the Oregon State System of Higher Education. It would be a disservice to the people of Oregon, he said, to meddle with something that may be a very important factor in the effectiveness of the State System. In view of that evidence, Mr. Wyss said he would be inclined to favor the fourth option to let the Legislature see the evidence and determine whether a system that is operating now as effectively as it does should be meddled with by making this important move.

Mr. Anderson said he agreed that the Board must state its position firmly at the outset, and if the position of the Emergency Board remains unchanged, then the Board should offer an appropriate option.

Mr. Batiste indicated he favored the third option and that it should be developed further so that the arguments would be strong enough to convince the Emergency Board to reverse its proposed action.

Mr. Perry said it was his opinion the citizens of Oregon would be better served by leaving the Board's offices on a campus. The subjective factors related to the atmosphere of a campus are very important. The campus location helps to assure that the atmosphere of higher education is not forgotten by the Board. A non-campus location would tend to make the Board more bureaucratic and administrative with a loss of the educational factor. He also commented that a Board action in favor of a campus location would be unlikely to impede Legislative discussion because that body would act independently on the basis of its own conclusions. He emphasized the importance of considering service to the state in any Board action with respect to this issue.

Mr. Batiste said the statements by Board members apparently favored a campus-based location for the Board's offices and asked whether the fourth option really stated that position clearly.

Mr. Perry said an amendment to the fourth option would be required to indicate that it was the Board's desire to keep the offices campus-based.

It would be impossible for anyone after hearing the discussion to think that a majority of the Board believed anything other than that the Board's offices should remain on a campus, Mr. Ater said. That being true, it would seem that the most forthright approach would be to state that position, and if that were not successful with the Emergency Board, the matter should be heard by the Legislature before it is finally resolved. He proposed this approach as a substitute motion for the motion made by Mrs. Green to approve the fourth option. He noted that some legislators with whom he had talked, and who were not on the Emergency Board, were not even aware that the matter was being considered.
Mr. Wyss commented that it would be possible to support the fourth option with the rationale stated by Mr. Ater. He said there were two distinct questions, (1) how does the Board feel as a body; and (2) what should be the method of convincing the public that the Board is correct. It would seem that if the statements are true and the evidence is viewed objectively, one would reach the same conclusion as the Board had if it supported option three. Therefore, a full legislative hearing could be requested with full confidence that the evidence will aim in the same direction. It would be possible to support option four without seeming to override a discussion of the public interest by the full Legislature. Mr. Wyss added that for this reason he would continue to support option four.

Mr. Ater commented that if the Emergency Board, having listened to the Board's persuasive arguments, were to reverse the proposed position previously taken by the Emergency Board, that would be the end of the question. He said it seemed unfortunate to make the issue any larger than necessary because there were many important issues to be discussed with the next Legislature.

Mr. Wyss said he feared that unless the matter was finally resolved with convincing public discussion of the arguments, it would arise again when the next building is built.

The Chancellor commented that he did not anticipate there would be an opportunity at the June meeting of the Emergency Board for any debate to occur because the question would not be before any of the subcommittees but before the full Emergency Board. The only argument that could be presented would be through a letter rather than in any kind of testimony.

Mr. Harms said his understanding of Mr. Ater's motion was that the Board was following option four but the comments made during the discussion, regardless of whether a formal motion were adopted, expressed the preference for a campus-based location. He said he did not feel the substitute motion would be inconsistent with the position expressed by Mr. Wyss.

Mr. Anderson said if the Board obviously favors retention of a campus-based office, it should use every possible persuasive argument at every level of the process in an effort to secure a favorable decision. He expressed the opinion that the Board should take a strong position on the issue and state every possible argument at every opportunity. Therefore, he favored Mr. Ater's substitute motion.

Mrs. Green said in view of some differences of opinion on the present Board and possible changes in Board membership, there was no assurance that every member of the Board would go to the Legislature or the Emergency Board and argue for the status quo.

Mr. Ater said he was now mindful of Mrs. Green's reservations on this issue but had heard no other strong reservations with respect to the campus-based location. He restated the essence of his substitute motion that the Board express itself on the merits of the move as supporting a campus-based Chancellor's Office and Board's Office and reasons for this support, to go forward in a letter to the Emergency Board, and further, that the Board thinks these matters are of enough significance that if the Emergency Board is still of the same opinion on the move, the matter should be discussed by the full Legislature.

Mr. Batiste asked that the Chancellor and the Executive Committee to prepare the communication to the Emergency Board setting forth the Board's action and the rationale. Mr. Ater agreed to incorporate that in his motion.

Mrs. Green agreed to the motion made by Mr. Ater as a substitute for her earlier motion to support the fourth option, with the understanding that she would not necessarily vote for the substitute motion.
The Board approved the substitute motion by Mr. Ater, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Harms, Ingalls, Thorp, and Perry. Those voting no: Directors Green and Wyss.

Staff Report to the Board

Before 1929, separate boards of regents governed the University of Oregon, the Oregon Agricultural College, and the three state normal schools located at Ashland, La Grande, and Monmouth. A State Board of Higher Curricula performed a coordinating function in the assignment of academic programs.

Following creation of the single Board of Higher Education by the 1929 Legislature, the new Board spent several years developing its plan for the coordination and unified administration of the institutions. In 1931, the Board located its central offices, including the central business office, in the state capital. In 1933, the Board moved the Board's Office to the University of Oregon, and at the same time moved the central business office, now the Controller's Office, to the Oregon State campus.

Periodic attempts have been made by the Legislature to relocate the Board's offices in Salem, a major one occurring in 1969 when House Joint Resolution 7 was passed, stating that it was the intent of the Legislature that the Executive Department should move the Board's offices to Salem "in the general office building next constructed on the Capitol Mall."

Other than the major additions to the Capitol Building which were completed in 1977, the "general office building next constructed on the Capitol Mall" was MOB I, now under construction and scheduled to be occupied primarily by the Department of Revenue.

The 1979 Legislature authorized the construction of MOB II. At the April 1980, meeting of the Emergency Board, the Department of General Services, in requesting release of construction funds, presented the Emergency Board with two occupancy options, the first calling for the Department of Commerce to join the Department of Education, the Educational Coordinating Commission, and the Teacher Standards and Practices Commission as primary occupants of MOB II. The second option called for the System of Higher Education to be assigned a portion of the space which otherwise would be allocated to the Department of Commerce. The Department of General Services and the Executive Department recommended approval of the first option.

The Emergency Board, however, selected the second option, calling for the offices of the System of Higher Education, which are now located in Eugene, to be accommodated in MOB II.

The Emergency Board released the construction money but instructed the Department of General Services to delay signing construction contracts until after the June meeting of the Emergency Board, at which time a report on the state's financial condition would be available. The approximately $22 million appropriated for MOB II, it was pointed out, constituted the state's principal hedge against declining revenue.

Thus, the final Emergency Board action, determining whether the Board's offices should be moved to Salem, appears to be scheduled for its June 6, 1980, meeting.

If the Emergency Board declines at that time to authorize the signing of construction contracts, the issue of moving will be postponed, though not settled. If the Emergency Board approves the signing of construction contracts, the action will call for the move unless a specific motion to the contrary is adopted.
Analysis of Options

The first option listed for Board consideration, namely, accepting the tentative Emergency Board action without comment, could be defended on the following bases:

1. The central offices and staffs would be located in proximity to the state executive offices, legislators and respective staffs, with whom the Board of Higher Education deals in the financing of higher education and in its compliance with state laws and regulations. Some reductions in travel costs might result.

2. Relocation would lay to rest any suspicion that the location of the Board’s central offices on the campus of a particular institution would result in favoritism.

3. By occupying space in the same building, the Board of Higher Education, the Board of Education, the Educational Coordinating Commission, and their staffs could confer and cooperate more effectively in formulating policies and procedures.

This environment, it could be argued, would create greater opportunity to coordinate educational programs at all levels, avoid unnecessary duplication of services and resolve any jurisdictional problems which might occur.

The second option, accepting the conclusion that the Board’s Office should be moved from Eugene to Salem but urging that the time is inappropriate, could be defended on the following bases:

1. The three arguments listed under option one are valid, but the timing is inappropriate because of the discontinuity in administrative leadership which would result from a move in 1982 or 1983.

A move to Salem would almost certainly cause some of the personnel in the Board’s Office to resign or retire early rather than disrupt the family or pay the high costs, both personal and financial, which would result. Many of the key staff members have such deep roots in the Eugene community that they would choose to remain in Eugene; others would hesitate to assume the costs associated with the selling and purchasing of homes at the current interest rates and in the current real estate market.

Such a turnover in staff, coincidental with the retirement of the incumbent Chancellor, could create a vacuum in leadership which should be avoided. It would be better, the argument runs, to postpone the move until the new Chancellor has become familiar with the System.

2. The cost of moving 40-45 families (an estimate of the number of staff members who, out of 63, would elect to move) and the cost of renting office space which currently is available at only the cost of maintenance, should not be assumed during a depressed economy and rapidly rising costs.

The third option, continuing a campus-based location for the Board’s offices, could be supported on the following bases:

1. A campus-based location would continue to enhance the Board’s Office staff’s ability to exercise the educational leadership role rather than assuming more of a regulatory function as a Salem-based department of the state government.
Faculty members and students of the several institutions, as well as some of the administrators, are sometimes inclined to view the present staff as imposing onerous limitations on their legitimate aspirations, rather than primarily obtaining the needed resources and providing educational leadership for the System. Locating the staff in Salem would, in the judgment of many of the staff members, accentuate this view.

2. A campus-based location would continue to assure a Board's Office staff which would represent the System (the institutions and the Board) to state government rather than represent primarily the interests of state government to the System, a shift in perspective that would almost inevitably result from moving the offices to Salem.

Although this may seem at first glance to be a relatively unimportant distinction, it does, in fact, represent one of the major factors in determining, across the nation, whether system-wide governance is viewed by the colleges and universities as a negative or a positive influence.

3. A campus-based location would continue the likelihood that the Board will be able to employ staff members who are more sensitive to the needs of higher education.

Many staff members attached to the central administrative and service offices of the Board of Higher Education strongly feel that they can function more effectively if their work is done in an academic environment in which the primary functions of teaching, research, and public service also are constantly being performed. They feel that the presence of students and faculty members helps bring to the Board's Office staff a realistic sense of the everyday problems of the students and the institutions, a sense which would be lost to them if they were physically separated from the campuses.

4. The Salem relocation of the System of Higher Education would prevent the transfer to state-owned space of one or more state agencies now occupying leased space.

If the Board's offices remain in their present location, no increase in operating cost will result.

If the offices are moved to Salem, some other agency (or agencies) of state government would be required to continue in relatively expensive leased space.

To summarize, the arguments both for and against relocating the Board's offices in Salem are, for the most part, built upon a body of opinion, some of it more informed and persuasive than others. Unfortunately, there is no one sure method by which we can separate one from the other, or test whether the move would have any significant impact on administrative behavior. We can only assume that it will.

There is little hard evidence on either side; the arguments generally are based on beliefs. However, some facts do emerge:

1. The move will cause serious disruption in staff.

2. The move will cost more money than it will save.

3. The State System, as it exists today, is viewed by many people outside Oregon, and some within, as a model for other states to follow.
In its deliberation, the Board may wish to consider what appears to be the major questions before it:

--What are the relative merits of a campus-based Board's office versus a Salem-based office as they pertain to the over-all management of the State System?

--Would the State System be better served by moving to Salem?

(Considered by Committee on Finance, Administration, and Physical Plant, April 25, 1980; present--Ingalls, Batiste, Thorp, and Perry.)

Summary and Staff Recommendation

To meet a small portion of the needs at several institutions for deferred maintenance and repair items, it was recommended that the remaining balance of $128,055 within the Board's reserve for physical plant rehabilitation and minor capital outlay be allocated as follows:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Allocation Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oregon College of Education</td>
<td>$30,000</td>
</tr>
<tr>
<td>University of Oregon Health Sciences Center</td>
<td>$36,355</td>
</tr>
<tr>
<td>Portland State University</td>
<td>$25,700</td>
</tr>
<tr>
<td>Oregon Institute of Technology</td>
<td>$36,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$128,055</strong></td>
</tr>
</tbody>
</table>

Discussion and Recommendation by the Committee

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

Board Discussion and Action

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

Staff Report to the Committee

On September 14, 1979, in response to recommendations from the staff, most of the resources available to the Board in its reserve for physical plant rehabilitation and minor capital outlay during 1979-80 were allocated for the highest priority needs of this nature identified by institutional officials. Subsequently, further allocations were approved by the Chancellor (under the provisions of IMD 7.145) and reported to the Board. The remaining unencumbered balance in the reserve for the year ending June 30, 1980 is $128,055.

To expedite the planning and contracting for various items of work which could be undertaken with these funds during the next few months, and at the same time take advantage of the best weather conditions for the roof and sidewalk repairs included within the staff recommendations, it is proposed that allocations be made prior to the close of the fiscal year. In each instance, the projects recommended have been assigned the highest priorities at the respective institutions.
Meeting #465  May 23, 1980

Additional resources will be required for the replacement of the chiller within the Dental School Building, which appears to be beyond repair for continued operation, but the source of such funding is yet to be determined by the University of Oregon Health Sciences Center. Engineering analyses and cost estimates are new being prepared.

For the fiscal year beginning July 1, 1980, the amount budgeted within the Board’s reserve for physical plant rehabilitation and minor capital outlay will be $713,107, including more than half of the increase provided from the program improvement authorized for such items by the 1979 Legislature. It is expected that recommendations for the allocation of these funds will be presented at a later time.

Residence Hall Budget and Management Plan, EOSC

(Considered by Committee on Finance, Administration, and Physical Plant, April 25, 1980; present--Ingalls, Batiste, and Perry.)

Staff Recommendation to the Committee

It was recommended that the Eastern Oregon State College residence hall budget and management plan for the five-year period 1980-81 through 1984-85 be approved as being responsive to the requirement of the Internal Management Directives. The budget and management plan follows:

### Occupancy and Rate Projections

<table>
<thead>
<tr>
<th>Residence Halls and Food Service</th>
<th>Eastern Oregon State College</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual 1978-79</td>
<td>Estimated 1979-80</td>
</tr>
<tr>
<td>Three term average occupancy</td>
<td>376</td>
</tr>
<tr>
<td>Income</td>
<td>810,199</td>
</tr>
<tr>
<td>Expenses</td>
<td>953,490</td>
</tr>
<tr>
<td>Personal Service</td>
<td>378,537</td>
</tr>
<tr>
<td>Service &amp; Supply</td>
<td>239,178</td>
</tr>
<tr>
<td>Food</td>
<td>231,796</td>
</tr>
<tr>
<td>Debt Service</td>
<td>128,009</td>
</tr>
<tr>
<td>Total Expense</td>
<td>977,520</td>
</tr>
<tr>
<td>Net Earnings (loss) Operations</td>
<td>(167,321)</td>
</tr>
<tr>
<td>20% of Required Reserve for Debt Service</td>
<td>- 5,784</td>
</tr>
<tr>
<td>Equipment Reserve Deficiency</td>
<td>2,388</td>
</tr>
<tr>
<td>Total Earnings (loss)</td>
<td>(167,321)</td>
</tr>
</tbody>
</table>

**ASSUMPTIONS:**
1. Rate increase of 7% per year.
2. Require full-year contracts effective 1980-81. This would eliminate one-term contracts.
3. Freshmen live-in requirement effective 1982-83 if it appears at that time that our improved marketing and residence hall programming will not increase occupancy to a level which will cover costs.


5. Cut 3.00 FTE Food Service personnel between 1979-80 and 1980-81.

6. Estimates are based on the assumption that Eastern Oregon State College will continue to charge in-state rates to out-of-state students for tuition and fees. The residence halls benefit from this policy in that a much higher percentage of the out-of-state students live in the residence halls.

7. Cut 1.00 FTE Cook I, 1982-83.

8. Cost increase of 7% in Personnel, Services, and Food, except utilities which are estimated to increase 20% the first 2 years and 10% the remaining three years.

Discussion and Recommendation by the Committee

In presenting the report, Mr. Lemman stated that the budget plan is fully achievable if the projected occupancy is achieved. He noted, however, that the occupancy estimates appeared to be somewhat optimistic even though steps are being taken to improve the attractiveness of the residence halls.

Mr. James C. Lundy, Director of Business Affairs, emphasized the importance of Assumption No. 6 to the success of the plan.

Mr. Perry said, in his opinion, the figures in general were quite unrealistic and the plan would need to be monitored closely.

It was suggested that it might be necessary to consider a freshmen live-in requirement if that became the only way to achieve sufficient occupancy to operate the residence halls.

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

Board Discussion and Action

In presenting the report, Mr. Batiste requested additional explanation of the reserve requirements specified in Board regulations and reflected in the budget and management plan.

Mr. Lemman explained that an excess of earnings over debt service is required and must be projected as a part of the necessary earnings even though it places the institution in a deficit position to do so. In 1980-81, the issue is whether to increase the deficit from $32,000 to $40,000, with the deficit having to be paid from commingled student building fees in order to make a deposit in the excess sinking fund reserve. At the time the entry is to be made, it will be necessary to resolve this question with the assistance of the Board. In approving the budget and management plan, the Board would be acknowledging a budget deficit of approximately $40,000 with the understanding that the plan will be reviewed each year in which a deficit is projected.

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

(Considered by Committee on Instruction, Research, and Public Service Programs, April 25, 1980; present--Carpenter, Anderson, Green, Warner-Yasuda, and Wyss.)

Oregon Institute of Technology requests authorization to admit qualified graduates of associate degree programs in accounting to its upper-division baccalaureate degree program in industrial management. The program is now limited to graduates of associate degree programs in engineering and industrial technologies.
Oregon Institute of Technology believes that students graduating with the proposed accounting-industrial management combination of course work will be well prepared to pass the written examination requirement for the Certificate in Management Accounting awarded by the Institute of Management Accounting.

Staff Recommendation to the Committee

The Board's Office recommended that the Board authorize Oregon Institute of Technology to admit qualified graduates of associate degree programs in accounting to its upper-division program in industrial management, effective 1980-81.

Discussion and Recommendation by the Committee

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

Board Discussion and Action

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

Staff Report to the Committee

The upper-division program leading to Oregon Institute of Technology's bachelor of science degree in industrial management consists of 102 hours of credit, distributed as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Cr. Hrs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper-Division Business</td>
<td>45</td>
</tr>
<tr>
<td>Upper-Division Technology</td>
<td>15</td>
</tr>
<tr>
<td>Mathematics, Science, Social Science</td>
<td>18</td>
</tr>
<tr>
<td>Humanities</td>
<td>9</td>
</tr>
<tr>
<td>Advanced Communications</td>
<td>6</td>
</tr>
<tr>
<td>Electives</td>
<td>9</td>
</tr>
</tbody>
</table>

The 15-credit-hour upper-division requirement in technology listed above would be met with specified upper-division course work in computer science technology. Acquisition of competency in computer techniques is considered an important feature of the program, which is possible within the 102 hours specified for the industrial management degree because Oregon Institute of Technology's accounting technology graduates will have completed six credit hours of upper-division business (Principles of Management and Financial Accounting) required for the BS in industrial management as part of their associate degree program. This will free time during the junior year to permit completion of lower-division prerequisites in computer science.

Authorization to add accounting to the list of eligible technologies for the BS in industrial management will not only provide advanced career opportunities for Oregon Institute of Technology's accounting graduates, but will also open these opportunities to graduates of accounting technology programs of the community colleges. At the present time there is no suitable transfer opportunity for graduates of these programs.

(Considered by Committee on Finance, Administration, and Physical Plant, April 25, 1980; present--Ingalls, Batiste, and Perry.)

Staff Recommendation to the Committee

It was recommended that, pursuant to law, the Department of Revenue be notified that the reserve base for the Forest Research and Experiment account has, as of February 16, 1980, a negative balance of $1,190,482.
Discussion and Recommendation by the Committee

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

Board Discussion and Action

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

Staff Report to the Committee

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

An examination of the condition of the Forest Research Laboratory account as of February 16, 1980, and projected expenditures to June 30, 1981, using the formula prescribed by statute, shows the following:

| Actual unexpended balance as of February 16, 1980 | $ 280,404 |
| Less budgeted expenditures: | |
| February 16 to June 30, 1980 | $ 319,710 |
| July 1, 1980, to June 30, 1981 | 1,151,176 |
| | 1,470,886 |
| Balance as of February 16, 1980 (negative) | ($1,190,482) |

The negative balance results from the calculation of budgeted expenditure of funds for the period following February 16, 1980, without anticipating income during the budget period. This is the insurance principle recognized in ORS 321.035. During the period February 16, 1980, through June 30, 1981, income is projected to be $1,433,492. When the $1,190,482 negative balance is deducted, there would remain a balance estimated at $243,010 in the Forest Research and Experiment Account at June 30, 1981.

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

(Considered by Committee on Instruction, Research, and Public Service Programs, April 25, 1980; present--Carpenter, Anderson, Green, Warner-Yasuda, and Wyss.)

Oregon State University requests authorization of the State Board of Higher Education to establish an Energy Research and Development Institute.

A statement of the proposed Institute's objectives, functions, and activities; its resource needs; the relationship of the proposed Institute to Oregon State University's Board-assigned institutional mission; and the long-range goals and plans for the proposed Institute are set forth on pp. 9-11 of the document entitled OSU Request For Board Authorization To Establish An Energy Research And Development Institute, which is on file in the Board's Office.

Staff Recommendation to the Committee

The Board's Office recommended that the Board authorize Oregon State University to establish an Energy Research and Development Institute through which to coordinate and promote energy-related research and
development within the University and in collaboration and coordination with
other entities including federal, state, and local governmental agencies
(including other colleges and universities), and industry.

Discussion and Recommendation by the Committee

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

Board Discussion and Action

In discussing the budget, it was noted that it is presently expected to
remain about the same if the institute is approved. Any additional funds
from growth would be provided out of resources in the general budget of
Oregon State University.

Mr. Ingalls asked that information be assembled relative to State System
activities in the area of energy conservation for dissemination to legislators
and others. It was indicated that Mr. Hunderup, in cooperation with
Mrs. Kahananui, would provide this report.

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

Staff Report to the Committee

In recommending authorization of the proposed Institute, the Board's Office
has taken into account the following matters:

1. The proposed Energy Research and Development Institute would enable
Oregon State University to do better what it has been doing through
its Office of Energy Research and Development over the past six
years. The Institute would be a replacement for the Office of Energy
Research and Development.

The staffing, budget, and objectives of the Institute would be similar
to, if not identical with, the staffing, budget, and objectives of the
present Office of Energy Research and Development.

- Staffing - The Office of Energy Research and Development presently
has a part-time director (Associate Dean of Engineering James G.
Knudson) and a part-time secretary. The proposed Institute
would have a .50 FTE director and a .50 secretary initially. If
the Institute grows, the staff will be increased to 1.0 FTE director
and secretarial staff.

- Budget - The budget proposed for the Institute - $41,022 and
$45,110 for 1979-80 and 1980-81, respectively - is similar in size
to the current budget of the Office of Energy Research and
Development. The budget will continue to be met from going-
level Oregon State University funds.

- Objectives - The almost identical nature of the objectives of the
proposed Institute and those currently being served by the Office
of Energy Research and Development may be readily seen by
comparing the objectives of the Office, as set forth below, with
the objectives of the proposed Institute, as set forth on pp. 9-10
of the full report.

The Office of Energy Research and Development
was established in January 1974 to coordinate
research, training and service activities
related to the conservation of energy and to
the development of new energy sources. The
office is advised by a faculty steering committee which works with the Director in the development of programs and functions and in disseminating information on energy programs to faculty in their respective disciplines and schools. The Office will work with interested faculty to develop disciplinary and interdisciplinary research and training programs, identify programs for which funding is available and attempt to seek out funding for proposals developed by the faculty; assemble pertinent information on energy research and development and disseminate this information to the public; and serve as a center for interaction between the University and federal and state agencies, industry, and the general public on energy problems, programs, and information.

Title of "Institute" consistent with OSU policies and practices. In giving the title "Institute" to Oregon State University's coordinating agency through which interdisciplinary resources are brought to bear upon the problems of energy research and development, Oregon State University is following an institutional policy, namely, that coordinating agencies of this sort should carry the title of "Institute" or "Center". Illustrative of this policy or pattern are the following research and development agencies at Oregon State University: Climatic Research Institute, Nutrition Research Institute, Transportation Research Institute, Water Resources Institute, Air Resources Institute, Radiation Center, Environmental Health Sciences Center.

Institute is to be catalyst and coordinator, not a research arm. As with the present Office of Energy Research and Development, it is not Oregon State University's intent that the Institute should undertake energy research and development activities with staff supported directly by, or working directly for, the proposed Institute. The staff of the proposed Institute is expected to remain limited to a director and secretarial-clerical staff. This pattern of operation is consistent with Oregon State University's long-standing conviction that research and development in the various interdisciplinary areas (e.g., climate, nutrition, transportation, water, air) should be conducted through the various departments and schools of the University, thus strengthening them in their research capacities.

The Institute director would work closely with the departments and schools as a catalyst and coordinator in the promotion and conduct of interdisciplinary efforts focused upon the attainment of the Institute's objectives. It is quite common at Oregon State University to establish (a) an internal executive committee of faculty members to work with the Institute director in giving policy direction to the Institute's efforts, and (b) an external advisory committee consisting of individuals from business, government, industry and the broader community to advise with the Institute as to problems warranting research and development efforts and to act as a conduit through which knowledge of the Institute and its resources and activities can be made known to the broader community, statewide and regionally.

Title of "Institute" gives research and development greater visibility. In considering other reasons for Oregon State University's desire to be authorized an Institute in lieu of an Office of Energy Research and Development, it should be noted that the title "Institute" or "Center" seems to serve the need of colleges and universities to make visible to the academic community, to the public they serve, and to a wide range of funding agencies, the university's interest in, and capacity for,
undertaking research and instruction in given multidisciplinary areas, in particular in those areas in which there appears to be a manifest or latent interest among funding agencies (e.g., federal and state agencies, foundations, business and industry, agriculture).

2. The objectives of the proposed Institute appear to fall within the mission assigned OSU by the Board.

The emphasis at Oregon State University on science and the professional schools which science undergirds has given Oregon State University the opportunity to develop significant strength in energy research and development, as the following resume attests.

Oregon State University departments currently involved in energy research. Oregon State University has had a long-time interest in energy research and development. That interest led, in 1974, to the establishment of the Office of Energy Research and Development, which the Institute would now replace. At that time, Oregon State University had contracts and grants for energy-related activities totaling approximately $2 million. In December 1979, Oregon State University reported that the total was then about $4 million, covering some 40 projects, and involving Oregon State University faculty in a wide range of departments, as follows:

<table>
<thead>
<tr>
<th>Anthropology</th>
<th>Physics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atmospheric Science</td>
<td>Soil Science</td>
</tr>
<tr>
<td>Botany</td>
<td>Agricultural Engineering</td>
</tr>
<tr>
<td>Chemistry</td>
<td>Chemical Engineering</td>
</tr>
<tr>
<td>Forest Products</td>
<td>Electrical Engineering</td>
</tr>
<tr>
<td>General Science</td>
<td>Extension Engineering</td>
</tr>
<tr>
<td>Microbiology</td>
<td>Mechanical Engineering</td>
</tr>
<tr>
<td>Oceanography</td>
<td>Nuclear Engineering</td>
</tr>
</tbody>
</table>

Commenting on the orientation of its energy research and development, Oregon State University says:

Energy research at OSU is directed toward conservation, alternative and renewable energy resources, and conventional energy resources. The projects range from very basic to very applied. Solar energy utilization in agriculture, fluidized bed combustion of coal, low-head hydroelectric, combustion mechanics of wood residue fuels, wind energy resources and utilization, nitrogen fixation in plants, geothermal resources and utilization, and alcohol production from biomass materials are some of the areas studied.

Alternate energy sources such as geothermal, wind, solar, biomass materials (wood, straw, municipal waste) and nuclear fusion have problems which must be solved before they can make a significant contribution to the nation's energy supply. The extent of geothermal resources is not well known and expensive exploration is needed. Problems of handling corrosive geothermal brines need solving. Wind and solar resources are dispersed and unpredictable. The development of more efficient collection systems and economical, reliable means of storing energy would greatly enhance the viability of these resources. Presently, basic research on solar cells and photochemical reaction could, if successful, provide long range options for converting solar energy into electrical and chemical energy (gaseous and liquid fuels). Biomass materials are dispersed and variable. Research into transporting, handling and burning these materials is the key to their effective utilization. Nuclear fusion has yet to produce net energy and will require a long term research and development effort to achieve commercial viability.
Conventional energy sources will be used well into the future. Continued research is needed to ensure the efficient, safe, and environmentally acceptable production of energy from nuclear, petroleum and coal resources. The shift from petroleum to coal involves a significant research and development program.

The efficient use of energy (conservation) must be part of the energy research effort in order to develop ways to use less energy for a given product or activity. OSU has organized an Energy Management Committee which has developed energy use policies for the campus. Conservation efforts have resulted in savings of $2 million during the past seven years.

The production and utilization of energy (even direct solar home heating) is and will remain a high technology enterprise. It, therefore, must be based on a strong fundamental and applied research program not only in science and technology but in liberal arts and social sciences as well.

Oregon State University dissemination of energy information to the public. Oregon State University has considered that the dissemination of energy information to the public is a high priority need. Through the Cooperative Extension Service, Oregon State University has undertaken an integrated activity by which energy information is provided within existing programs in agriculture, forestry, home economics, 4-H, marine advisory, and community resource development. The activity is coordinated by an energy committee consisting of specialists in these program areas.

Also, just getting underway is an Oregon State University Energy Extension Service (EES), which is funded by a grant from the U. S. Department of Energy to the Oregon Department of Energy. The Oregon Department of Energy has contracted with the Oregon State University Extension Service to conduct Energy Extension Service programs in Oregon. An Oregon Energy Extension Service Advisory Committee (27 members) has worked with the Oregon State University Cooperative Extension Service and the Oregon Department of Energy in the development of plans for the program. The foregoing Advisory Committee is made up of approximately equal representation from citizen/non-profit groups, educational institutions, energy suppliers, government, and industry.

The EES program consists of four program elements, as follows:

- A Builder/Contractor Program, which will provide seminars, workshops, and on-site demonstrations for individuals who influence energy conservation decisions in the housing industry.
- A Consumer Response Program, which will provide a personal counseling and referral service to individuals with energy conservation questions or concerns.
- A Master Conserver Program, which will provide 40 hours of training in alternate energy technology to volunteers in the state’s largest urban areas. In turn, volunteers will provide public service to others - sharing what they have learned.
- A Small Business Program, which will provide seminars, workshops, and on-site counseling in energy management to small business owners in cooperation with the Oregon Department of Energy’s Clearinghouse for Commerce and Industry and trade associations.
All these programs will be implemented at the local level through energy Extension agents. When possible, these agents will be housed at Extension Service offices and will receive technical support from energy Extension specialists at Oregon State University.

3. The proposed Institute would foster Oregon State University’s collaboration with other colleges and universities and with Federal and state agencies, industry, and the public generally, in energy research and development.

Some collaboration and cooperation already exists, and should be further encouraged by the Board. Space does not allow a detailed review of the energy-related activities of the State System institutions, but a brief resume of a selection of such activities will enable us to suggest the nature of the collaboration currently in process.

University of Oregon. The University of Oregon has a number of energy-related teaching and research activities. The University cites as departments that have interest in and potential for engaging in a variety of energy-related activities, the Institute of Social Science Research, Architecture, Geology, Physics, Urban and Regional Planning, the Law School, Biology, and Chemistry.

Perhaps the most notable of the University of Oregon’s energy-related activities are carried on through the Solar Energy Center. The Center emphasizes a regional approach to research in the utilization of the sun’s radiant energy for heating water and heating and cooling of buildings. The Center’s current work also includes the development and distribution of information, the development of needed technology and the facilitation of its application, and the study of legal, economic, and subsequent technical problems which accompany solar energy development in this region.

University research personnel in the areas of Architecture, Business Administration, Law, and Physics are among the University of Oregon departments initially involved in the work of the Center.

The Oregon State University Department of Mechanical Engineering is collaborating with the University of Oregon in relevant aspects of the work of the Center. In addition, one of the Solar Energy Center’s monitoring stations is located at Oregon State University.

The Center is funded by grants of approximately $80,000 per year from the Bonneville Power Administration, $45,000 per year from the U. S. Department of Energy, and $10,000 per year from the Eugene Water and Electric Board.

Portland State University. Portland State University reports that it has in grants and contracts some $438,195 in support of energy-related research and educational activities. Involved in these activities are the following departments:

Earth Sciences  Systems Science
Engineering and Applied Chemistry
Science  Geography
Physics  Education

Pending energy-related projects for which Portland State University is seeking grant or contract support amount to $424,264, and would involve the following departments:

Biology  Earth Sciences
Chemistry  Physics
Eastern Oregon State College. Eastern Oregon State College reports that it has the following energy-related activities underway:

- An alcohol fuels program, funded by a $10,000 grant from the Department of Energy and $38,000 from participant fees.
- A gasohol clearinghouse, funded by $10,000 from the Oregon Department of Energy and some $4,000 from participant fees.

Eastern Oregon State College has applied for grants in support of the following projects:

- An energy research program (biomass, screening and utilization), just over $79,000 from the Science and Education Administration of the U. S. Department of Agriculture.
- A project entitled "Hydrazinium Salts for Heat Storage," approximately $10,000 from the Department of Energy.

Eastern Oregon State College reports that the Governor's Alternative Energy Task Force on Alcohol Fuels has requested that Eastern Oregon State College submit funding proposals for continuation of the Alcohol Fuels Program and the Oregon Gasohol Clearinghouse.

The Director of the Eastern Oregon State College Regional Services Institute and a representative of the Oregon State University Agricultural Engineering department are presently (April 1980) consulting as to the feasibility of developing a cooperative proposal for funding some energy-related activities. Such interinstitutional collaboration is consistent with the regional role assigned Eastern Oregon State College by the Board and is to be encouraged.

Oregon Institute of Technology. The Oregon Institute of Technology Geo-Heat Utilization Center is Oregon Institute of Technology's principal involvement in energy-related activities. The Center was established in April 1975 under a grant from the Pacific Northwest Regional Commission.

The Center's purpose was to conduct applied research in the non-electric, direct heat use of geothermal energy and to foster the exchange of information regarding direct heat use of geothermal resources. The primary tool used in the information exchange program is the Quarterly Bulletin, a quarterly newsletter containing articles written by knowledgeable persons of national and international stature in the geothermal community. The Bulletin is some 24 pages in length and is circulated to some 3,500 subscribers in 50 states and 20 foreign countries. It is currently funded by the United States Department of Energy.

The Center has undertaken a number of applied research projects since 1975, funded by such agencies as the following:

- Pacific Northwest Regional Commission
- OSU Agricultural Experiment Station
- OSU Sea Grant College
- Energy Research and Development Agency
- U. S. Geological Survey
- Klamath County
- Oregon Department of Energy
- Bonneville Power Administration

Funds in support of this research have aggregated $1,699,944 since 1975.

Oregon Institute of Technology reports that continuation by the Department of Energy of the Technical Assistance and Northwest Regional Planning Support Projects for 1980-81 is confidently anticipated.
funding level for the former is expected to be $500,000 or more, and the latter project is expected to be funded at the $225,000 level, according to Oregon Institute of Technology.

The Geothermal Greenhouse, developed in cooperation with the Oregon State University Agricultural Experiment Station, is now an on-going project at Oregon Institute of Technology. Funding for the Geothermal Aquaculture project in 1981 is anticipated from the Pacific Northwest Regional Commission.

The Technical Assistance project has expanded rapidly. The goal has been to provide 100 hours of free consulting to prospective users of geothermal energy. Normally this is enough expertise to convince a prospective geothermal user of the feasibility or non-feasibility of the intended use of the geothermal source, following which, if the user wishes to proceed further, he/she generally hires a consulting engineer.

In the future, Oregon Institute of Technology proposes that this consulting service be offered by consulting engineers operating under contract with Oregon Institute of Technology, and with Oregon Institute of Technology monitoring their work and approving the publications resulting therefrom. This is intended to give more consulting engineers knowledge concerning geothermal uses and thus speed up the use of geothermal energy.

The Northwest Regional Planning Support project provides assistance to the states of Oregon, Washington, and Alaska in planning for the eventual commercial use of the geothermal resources in those states. A faculty member from the Oregon Institute of Technology Geo-Heat Center is resident in each of those states and works directly with the appropriate state agencies in this effort. Oregon Institute of Technology feels that funding of this project beyond 1980-81 is a real possibility.

Schematic Design (Considered by Committee on Finance, Administration, and Physical Plant, April 25, 1980; present--Ingalls, Batiste, and Perry.)
for Student Union Facilities Rehabilitation, UO

Summary

Architects Sheldon, Eggleston, Reddick Associates, P. C., have completed the schematic design phase of planning for modifications to the fishbowl area within the Erb Memorial Union Building which are expected to be accomplished as part of the Student Union Facilities Rehabilitation project authorized at the University of Oregon by the 1979 Legislature.

Staff Recommendation to the Committee

It was recommended that the appropriate Board officials be authorized to accept the schematic design phase of planning for proposed alterations within the northwest portion of the main floor of the Erb Memorial Union Building, which is the area commonly identified as the "fishbowl", and instruct the project architects to proceed with the design development phase of planning based upon a direct construction cost allowance of approximately $110,863. The estimated total project cost of $167,050 would be financed from self-liquidating bond borrowings and/or other balances available for auxiliary enterprises out of the expenditure limitation of $205,000 approved within Chapter 511, Oregon Laws 1979, for Student Union Facilities Rehabilitation at the University of Oregon.

Discussion and Recommendation by the Committee

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, Ater, Batiste, Carpenter, Green, Harms, Ingalls, Thorp, Wyss, and Perry. Those voting no: None.

Staff Report to the Committee

As reported to the Board on January 25, 1980, arrangements were made with Sheldon, Eggleston, Reddick Associates, P. C., Architects, Portland, for professional services relating to an analysis of the building program prepared by the staff of the University of Oregon for the Erb Memorial Union Fishbowl Renovation project and for the schematic design phase of planning for it. The building program directed attention to the proposed improvement in the efficiency and attractiveness of the food service area in this space, as well as improved lighting, seating and traffic patterns. The plan developed by the user group and the architects accentuates the existing geometry of the space and makes major use of the present furnishings and equipment. It features an expanded food service area, a new entry, a raised floor on the periphery of the room, a dropped ceiling (perhaps in mylar highlighted by a neon tube), banquette-type seating, and pendant lighting.

The existing entry to the area from the west would be closed and a new entry developed on the north side of the room. As revised, the circulation system would provide better separation of the serving and seating areas. The seating near the windows would be raised somewhat, and there would be more extensive use of banquette-type seating for small groups (two or three persons). Seating on the main level would be capable of being moved in order to clear the floor space for dancing and similar activities.

The architects have identified additional items of food service equipment and furnishings which would not be included within the current capital construction project but could be installed at a future time when and if resources become available and the need for them becomes more urgent. Eventual placement of these units would be consistent with the over-all scheme now being presented.

The time schedule anticipates that bids for the alterations work will be solicited early in the Summer so that the remodeled space would be available for use prior to the Fall Term 1980.

RECAPITULATION UPON COMPLETION OF SCHEMATIC DESIGN PHASE OF PLANNING

Project - UO Student Union Facilities Rehabilitation

Architects - Sheldon, Eggleston, Reddick Associates, P. C., Portland

Board's priority - Part of No. 22 in 1979-1981 (Auxiliary Enterprises)

Legislative authorization - Chapter 511, Oregon Laws 1979

Estimated total project cost (this portion) $167,050

Estimated total direct construction costs $110,863

Tentative financing plan:

Article XI-F(1) bond borrowings and/or balances available for auxiliary enterprises $167,050
Termination of Degree Programs, UO

The University of Oregon requests authorization to terminate two degree programs of the College of Business Administration, effective 1980-81, as listed below, because of declining student interest:

1. BA/BS in Business Administration, with major option in Business Environment.
2. Ph.D. in Business Administration, with major area of concentration in transportation.

Students presently enrolled in the programs will be permitted to complete their programs and graduate.

Staff Recommendation to the Committee

The Board's Office recommended that the University of Oregon be authorized to discontinue the two programs as requested.

Discussion and Recommendation to the Committee

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

Board Discussion and Action

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

Staff Report to the Committee

The University presents the following information in support of its request:

The College of Business Administration would like to terminate two degree programs.

1. The College would like to terminate the undergraduate degree program in Business Environment. Student interest in this program has always been limited and is declining, as the figures below show.

Furthermore, faculty interest and capacity to teach in this area is virtually non-existent. Two of the professors who were initially more active in this area have left the University, and teaching demands in other areas have precluded our replacing them "in kind." Students currently majoring in Business Environment will be allowed to continue to completion.

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Business Environment Graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972-73</td>
<td>5</td>
</tr>
<tr>
<td>1973-74</td>
<td>3</td>
</tr>
<tr>
<td>1973-75</td>
<td>4</td>
</tr>
<tr>
<td>1975-76</td>
<td>1</td>
</tr>
<tr>
<td>1976-77</td>
<td>2</td>
</tr>
<tr>
<td>1977-78</td>
<td>2</td>
</tr>
<tr>
<td>1978-79</td>
<td>1</td>
</tr>
<tr>
<td>Fall 1979</td>
<td>1</td>
</tr>
</tbody>
</table>
2. We would also like to discontinue accepting students in the Ph.D. program in Transportation effective this September (1980). As the list of Ph.D. graduates shown below indicates, this has always been a very marginal program for us. Our desire to terminate the program at this time is triggered by the impending retirement of the professor who works with the doctoral students in this area. Since the program typically lasts for four years and since it is unlikely that we will replace Professor Sampson with another transportation professor, it is critical that the program be terminated now so that no student will be caught "in stream" at Professor Sampson's retirement.

<table>
<thead>
<tr>
<th>Year</th>
<th>Ph.D. Graduates in Transportation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972-73</td>
<td>0</td>
</tr>
<tr>
<td>1973-74</td>
<td>1</td>
</tr>
<tr>
<td>1974-75</td>
<td>0</td>
</tr>
<tr>
<td>1975-76</td>
<td>3</td>
</tr>
<tr>
<td>1976-77</td>
<td>0</td>
</tr>
<tr>
<td>1977-78</td>
<td>0</td>
</tr>
<tr>
<td>1978-79</td>
<td>0</td>
</tr>
<tr>
<td>1979-80</td>
<td>0</td>
</tr>
</tbody>
</table>

Currently in program - 1 (anticipated graduation 1981)

(Considered by Committee on Instruction, Research, and Public Service Programs, April 25, 1980; present--Carpenter, Anderson, Green, Warner-Yasuda, and Wyss.)

The University of Oregon College of Business Administration, at the request of the Oregon State Department of Economic Development, has initiated a study of the costs and impacts of state and local government regulations on Oregon business and industry.

The first year study has been fully funded by the Department of Economic Development in the amount of $175,000. It is expected that further research will be requested by the Department over a period of two additional years.

Because of the purpose of the study and the sensitivity occasioned by the level of participation expected from governmental and private sectors, the University believes it is important that the project be identified and administered as a Study Center.

The University of Oregon request for authorization to establish a Center for the Study of Business Regulation to conduct the studies and research being requested by the Department of Economic Development is presented on the following pages. No University of Oregon money will be involved. If no further funding is forthcoming upon completion of the present series of studies, the University will terminate the Center.

Staff Recommendation to the Committee

The Board's Office recommended that the Board authorize the University of Oregon to establish a Center for the Study of Business Regulation, as requested.

Discussion and Recommendation by the Committee

Members of the Committee suggested modification of the original title for the Center and this has been reflected in the material presented above. Mrs. Green also requested that the new center include in its study rules and regulations which apply to hospitals, nursing homes, and other medical services.
The Committee recommended that the Board approve the staff recommendation as presented, with the incorporation of the suggestions made during the discussion.

Board Discussion and Action

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

Staff Report to the Board

1. Title:
   Business Regulation Study Center

2. Organizational Location:
   College of Business Administration
   University of Oregon
   Eugene, OR 97403

3. Objectives:
   A center for the study of costs and benefits of state and local regulation of business in Oregon.

4. Resources:
   (a) Personnel
      (1) Academic:
         Director: .11 FTE
         Associate Director (Planning): .30 FTE
         Assistant Director (Administration): 1.00 FTE
         Researchers 6 @ .27 FTE: 1.62 FTE
         Research Assistant 2 @ .50 FTE: 1.00 FTE
      (2) Classified
         Secretary: 1.00 FTE
   (b) Facilities
      (1) Space:
         Approximately 600 square foot office
      (2) Equipment:
         Usual administrative office equipment
      (3) Other:
         Library, utilities, custodial, mail, etc., as usually provided by budget line item overhead.

5. Funding:
   (a) Budget:
      Personnel: $99,000
      OPE: 25,740
      Services & Supplies: 8,550
      Overhead: 41,710
      $175,000
Meeting #465  May 23, 1980

(b) Source:

State of Oregon Department of Economic
Development Contract $175,000

6. Relationship to Institutional Mission:

This study will make a direct contribution to the State and will be consistent with the educational and research goals of the College of Business in providing the broad education and understanding that is essential.

7. Long-Range Goals and Plans:

The first year of study is expected to produce a methodology and an assessment of costs in one specific segment of the regulatory environment. It is expected that this initial part of the study will more accurately identify the scope of the problem and assist in defining the follow-on studies necessary to accomplish the long-range goals of reducing the costs to business and consumers caused by government regulations. At this particular time, it would appear that a complete study of the regulatory environment may take as long as three years. Annual funding levels should be no more than the present funding. DED is projecting a duration of three years for a series of studies in this area, subject to the availability of funds. We shall submit proposals for future funding through the Department of Economic Development at the appropriate time.

(Calculated by Committee on Instruction, Research, and Public Service Programs, April 25, 1980; present--Carpenter, Anderson, Green, Warner-Yasuda, and Wyss.)

Summary

The University of Oregon requests authorization to offer a 69-credit-hour master's degree program in historic preservation, effective 1980-81. The detailed University request is presented on pp. 1a-16a of the document entitled Request Of The University Of Oregon For Authorization To Offer A New Instructional Program Leading To The MS In Historic Preservation, which is on file in the Board's Office.

The objective of the program is to prepare architects and architectural historians for work in historic preservation, a recognized, highly specialized employment area, which is becoming increasingly attractive to persons with professional backgrounds in architecture or architectural history.

The University proposes to offer a rather straight-line, specialized program as an alternative to its more traditional programs in architecture, landscape architecture, and art history.

Inauguration of the program will not increase the numbers of graduate students in the school of architecture and allied arts, nor will it require any additional faculty, facilities, or other resources, but it will enable present faculty to serve their students more effectively.

Courses in historic preservation now being offered for students enrolled in master's degree programs in architecture, landscape architecture, and art history attract 15-30 students each year. Students have taken, and are now taking, advantage of these course offerings to prepare themselves for employment in the field of historic preservation, but completion of an adequate program of preparation as an option to one of the present degree programs can only be accomplished at a greatly increased expenditure of time. For example, a student with a four-year bachelor of arts degree in art history could complete a master's degree in art history with an option in historic...
preservation in approximately three years. A minimum of four years would be required were the student to complete the program as an option in a master of architecture degree. The situation would be equally difficult for the student with a five-year professional degree in architecture. The proposed program can be completed in less than two years.

Approximately 15 (25%) of the some 60 new master's degree students who are admitted and enroll each fall in master's programs in architecture, landscape architecture, and art history will be admitted instead to the specialized program in historic preservation. The University believes 15 students each year is a realistic figure, in view of demonstrated student interest, the employment market, and economical operation of the program within the resources assigned graduate education in these fields.

No new resources are required to offer the program. A number of faculty who will be involved in the new program currently offer courses directly or closely related to historic preservation studies. These courses will be continued and more carefully coordinated, to enable students to complete the program in an expeditious manner. New courses required will be offered by existing qualified faculty by reducing their responsibilities in the more traditional master's degree programs.

The program would be the nineteenth program in this specialized field offered in the nation and the only degree program west of the Mississippi. The University of Oregon departments of architecture, landscape architecture, and art history have had a long-time interest in American architectural history, and have, over the years, employed staff persons who are admirably qualified to contribute to the proposed program, as shown in staff vitae, pp. 29a-64a of the full report.

Employment in the field of historic preservation has been greatly stimulated by the passage of the National Historic Preservation Act of 1966 (PL 89-665) and by growing public interest in restoration rather than replacement of aging buildings. Students who have enrolled in University of Oregon courses in preservation theory and technology have been and are presently employed in state and local agencies in Eugene, Springfield, Medford, and Salem; in architectural firms whose work includes historic preservation and restoration projects; and as supervisors and craftsmen in historic restoration projects. One recent graduate, for instance, is a consultant on the care and interpretation of early wallpapers.

Staff Recommendation to the Committee

The Board's Office recommended that the Board authorize the University of Oregon to inaugurate a master of science degree program in historic preservation, effective 1980-81, as an alternative, for a limited number of students, to the present programs in architecture, landscape architecture, and art history. The Board's Office suggests that the Board request the University of Oregon to monitor the success of graduates of the program in obtaining employment in their field of specialization so that (1) students entering the program may be apprised of the nature of employment opportunities in the field and (2) faculty will have the information they need to maintain the program in a manner which will meet its stated employment objectives.

Discussion and Recommendation by the Committee

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

Board Discussion and Action

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

-360-
Staff Report to the Committee

The University of Oregon presentation, pp. 1a-16a of the full report, provides detailed information concerning the proposed program.

Admission Requirements

It will be noted that admission to the program will be limited to students who hold a baccalaureate degree in architecture, architectural history, or art history with emphasis in architectural history. A background in American history is recommended. Admission will be competitive. Criteria for selection will include appropriate preparation, clarity of purpose, and quality of recommendations.

Resources to Offer Program Courses: The course of study for the proposed new program will include general training in preservation theory and law and specific training in the structural characteristics of historic buildings, historic building technology, and the procedures for evaluation and recording of historic sites and buildings.

Courses regularly offered applicable to the new program include:

Art History
ArH 448. History of Landscape Architecture. (Landscape garden since the 18th century.) (G)
ArH 451, 452, 453. History of Interior Architecture. (G)
ArH 470. Historic Preservation. (G)
ArH 471, 472, 473. American Architecture. (G)
ArH 445. Nineteenth Century Architecture. (G)
ArH 446. Twentieth Century Architecture. (G)

Architecture
Arch 432. Settlement Patterns. (G)

Landscape Architecture
LA 432. The Garden. (Pacific Northwest.) (G)

Courses which will need to be added, which have been offered under experimental numbers, include:

Theory and Practice of Recording Historic Buildings
Preservation Technology
Design, Preservation/Adaptation

Some additional new courses would be developed and offered on alternate years. Examples of topics which might be covered in these courses are:

Interior Finish Applications
Oregon Construction Techniques
History of Building Technology
History of Structural Theory
History of Tools
Research in Public Archives

Faculty. The new program will be offered by graduate faculty of the departments of architecture, landscape architecture, urban and regional planning, and art history. Vitae for the nine faculty who will be principally involved with the program, five from architecture, one from landscape architecture, one from urban and regional planning, and two from art history, are shown in Appendix 3 to the University's presentation.

All of the faculty listed have established reputations in the field of historic preservation and restoration through their lectures, publications, and professional activities.
Employment in Historic Preservation

The field of historic preservation, once the rather exclusive domain of private individuals and trusts, has expanded substantially since the mid-1960's in large part as the result of the National Historic Preservation Act of 1966. This Act directed the Secretary of the Interior to "expand and maintain a national register of districts, sites, buildings, structures, and objects significant in American history, architecture, archeology, and culture," and to grant funds to the states for the purpose of preparing comprehensive statewide surveys and plans for the "preservation, acquisition, and development of such properties." Grants to support these activities, on a matching basis, are made by the Secretary of the Interior through the National Trust for Historic Preservation in the United States (chartered in 1949).

Implementation of this Act has created a demand for historians, archeologists, architectural historians, and historical architects qualified to work in this highly specialized area. Rules and regulations promulgated by the Department of the Interior concerning the National Register and grants program provide explicit statements of the professional qualifications for employment in activities undertaken under this Act by these job classifications. All graduates of the proposed master of science program in historic preservation will meet requirements for employment as architectural historians; those graduates whose undergraduate preparation was a professional program in architecture will qualify for employment as either architectural historians or historical architects. Graduates are also expected to find employment in private practice in architecture, particularly in firms working in the area of historic restoration, and with a variety of local agencies and associations.

The staff who will be involved in the program have had some experience in placement of students in the field of historic preservation. They do not believe the 5-10 graduates expected to be produced each year will oversupply the market.

Impact on Other Programs in State

A tabulation of preservation education programs in the United States published by the National Trust for Historic Preservation, October, 1979, lists 18 programs leading to a degree in historic preservation or a traditional degree with emphasis in historic preservation. Only nine of these programs are sponsored by schools or departments of architecture; the other nine programs are offered in history, geography, American studies, or some combination of these fields. The only program offered in the western states is a master's degree in history at Colorado State University.

The departments of anthropology at Oregon State University (through the MA in interdisciplinary studies) and the University of Oregon (MA/MS) offer graduate preparation meeting Department of the Interior requirements for employment in historic archeology, and Portland State University, in cooperation with the Oregon Historical Society, offers special work in the field of public history as an option in its MA degree program in history. Graduates of these programs are not eligible for employment requiring specialized knowledge in architecture and architectural history.

Impact on Other Programs of School of Architecture and Allied Arts

The school of architecture and allied arts offers master's degree programs in architecture, landscape architecture, and art history, as indicated below:

Master of Architecture (Majors Enrolled Fall Term 1979-80: 93)

Option I: A four-six term program leading to the M.Arch. as a second professional degree. Applicants must have a professional degree in architecture.
Meeting #465
May 23, 1980

Option II: A six-seven term program leading to the M. Arch. as a first professional degree, for students who have a nonprofessional degree in architecture or environmental studies.

Option III: A ten-term program leading to the M. Arch. as a first professional degree, for students whose baccalaureate degree is in an unrelated field.

Master of Landscape Architecture (Majors Enrolled Fall Term 1979-80: 48)

A three-term program for students who have completed a baccalaureate degree program or its equivalent in landscape architecture and who are prepared to do original work in the field.

Master of Art in Art History (Majors Enrolled Fall Term 1979-80: 28)

A three-term program for students who have completed a baccalaureate degree program or its equivalent in art history.

The proposed program would add a MS in Historic Preservation to this list. Accommodations for the proposed program will be made through restructuring of admissions and teaching assignments.

Termination of Cardiopulmonary Physician's Assistant Program, UOHSC

(Considered by Committee on Instruction, Research, and Public Service Programs, April 25, 1980; present--Carpenter, Anderson, Green, Warner-Yasuda, and Wyss.)

The University of Oregon Health Sciences Center requests authorization to terminate its cardiopulmonary physician's assistant program, effective 1980-81.

The program, as it has been offered in the past, did not meet requirements for accreditation by the American Medical Association, nor are resources presently available to create a program that would meet these requirements. In view of this situation, no new students were admitted to the program in 1979-80. The institution now requests that the program be officially discontinued.

Staff Recommendation to the Committee

The Board's Office recommended that the University of Oregon Health Sciences Center be authorized to terminate the Cardiopulmonary Physician's Assistant Program, as requested.

Discussion and Recommendation by the Committee

In response to a concern expressed by Mrs. Green about the discontinuance of the program, President Laster explained that these individuals are technicians who operate the cardiac pumps during cardiac surgery. He stated that an adequate supply is now being trained in other hospitals and the University of Oregon Health Sciences Center program is no longer needed.

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

Board Discussion and Action

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

To provide resources for the reinstatement of deductive bid alternates which had to be exercised when contract awards were made earlier this month for the construction of the proposed Drama Laboratory (Theater) at Southern Oregon State College, and to restore much of the estimated requirements for furnishings and equipment for the project which had to be omitted from the initial post-bid budget, it is proposed that $100,000 of the "savings" realized from the bidding of the new Library Building at Oregon Institute of Technology be transferred to the Drama Laboratory (Theater) project, thus increasing the expenditure limitation therefor from the previously approved total of $3,735,000 to the revised sum of $3,835,000.

Staff Recommendation to the Board

It was recommended that the appropriate Board officials be authorized to seek the concurrence of the State Emergency Board in providing an increase of $100,000 in the expenditure limitation of the Drama Laboratory (Theater) project at Southern Oregon State College by utilizing "savings" realized in the bidding of the new Library Building at Oregon Institute of Technology. Both of these capital construction projects are being financed from General Fund appropriations and Article XI-G bond borrowings authorized by Chapter 511, Oregon Laws 1979.

Board Discussion and Action

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

Staff Report to the Board

Inasmuch as the construction documents for the proposed Drama Laboratory (Theater) conformed to the design development phase of planning which had been reported to the Board on March 28, 1980, bids were solicited for the project. They were received on the campus in Ashland at 8 p.m. on April 22, and may be summarized as follows:

<table>
<thead>
<tr>
<th>Class of Work</th>
<th>No. of Bids</th>
<th>Low Bid</th>
<th>High Bid</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Work</td>
<td>5</td>
<td>$2,376,000</td>
<td>$2,857,400</td>
</tr>
<tr>
<td>Mechanical Work</td>
<td>2</td>
<td>499,985</td>
<td>510,410</td>
</tr>
<tr>
<td>Electrical Work</td>
<td>4</td>
<td>480,483</td>
<td>767,435</td>
</tr>
</tbody>
</table>

The sum of the lowest basic bids exceeded the final direct construction cost allowance of $3,169,160 authorized to Architects Broome, Ortingdulph, O'Toole, Rudolf and Associates by $187,318, or approximately 6%. By exercising the first four deductive alternates (in the total amount of $56,734), by reducing the contingency reserve to two percent of the construction costs, by eliminating most of the amount previously budgeted for furnishings and equipment, and by negotiating change order modifications in the net amount of $55,627 (to reflect the substitution or omission of certain materials as well as other minor revisions in the contract documents), it was possible to make contract awards to the lowest bidders and approve a tentative budget within the previously approved expenditure limitation of $3,735,000. This was done, however, with the understanding that a recommendation would be presented to the Board and the State Emergency Board to increase the budget for the project by $100,000. This additional amount would be financed from "savings" realized in the bidding of the new Library Building at Oregon Institute of Technology.
A comparison of the pre-bid budget, the tentative post-bid budget and the recommended adjusted budget for the Drama Laboratory is shown in the following tabulation:

<table>
<thead>
<tr>
<th></th>
<th>Pre-Bid</th>
<th>Tentative Post-Bid</th>
<th>Recommended Post-Bid</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct construction costs:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General work - Jack Mathis</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Contractor, Inc., Roseburg</td>
<td>$2,288,165</td>
<td>$2,344,610</td>
<td>$ 56,445</td>
<td></td>
</tr>
<tr>
<td>Mechanical work - Patterson Plumbing Co., Inc., Medford</td>
<td>497,858</td>
<td>497,858</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Electrical work - Sims Electric of Medford, Inc., Medford</td>
<td>458,094</td>
<td>458,383</td>
<td>289</td>
<td></td>
</tr>
<tr>
<td>Subtotals</td>
<td>$3,165,177*</td>
<td>$3,244,117</td>
<td>$3,300,851</td>
<td>$56,734</td>
</tr>
<tr>
<td>Professional services fees</td>
<td>304,608</td>
<td>324,867</td>
<td>329,406</td>
<td>4,539</td>
</tr>
<tr>
<td>Works of art (1% of direct construction costs)</td>
<td>27,016</td>
<td>32,441</td>
<td>33,008</td>
<td>567</td>
</tr>
<tr>
<td>Furnishings and equipment</td>
<td>40,000</td>
<td>8,693</td>
<td>45,718</td>
<td>37,025</td>
</tr>
<tr>
<td>Construction supervision, other Physical Plant costs, legal and miscellaneous expenses</td>
<td>63,119</td>
<td>60,000</td>
<td>60,000</td>
<td>-</td>
</tr>
<tr>
<td>Contingencies</td>
<td>135,080</td>
<td>64,882</td>
<td>66,017</td>
<td>1,135</td>
</tr>
<tr>
<td>Totals</td>
<td>$3,735,000</td>
<td>$3,735,000</td>
<td>$3,835,000</td>
<td>$100,000</td>
</tr>
</tbody>
</table>

*Includes $463,594 budgeted for theatrical equipment.

As noted, the proposed increase of $100,000 in the expenditure limitation for the project would permit the reinstatement of the four deductive alternatives involving landscaping, floor finishes, certain built-in theatrical equipment and the installation of an elevator. It would also restore the reductions made in the line item for movable equipment and provide some improvement there to cover items inadvertently omitted previously. These adjustments would make it possible to achieve most of the program originally contemplated for this instructional laboratory facility.

The funds needed for the increase of $100,000 in the budget are available from resources authorized for the Library Building at Oregon Institute of Technology. As noted in a separate agenda item, because of favorable bids for that work in Klamath Falls on April 15, "savings" of approximately $165,000 were realized. With the approval of the Board and the concurrence of the State Emergency Board, it would be possible to transfer some of these "savings" to the Drama Laboratory (Theater) project at Southern Oregon State College, divided equally from the General Fund appropriation within Chapter 511, Oregon Laws 1979, and from proceeds of the sale of bonds under the provisions of the Act and Article XI-G of the Oregon Constitution.

RECAPITULATION UPON RECEIPT OF BIDS AND CONTRACT AWARDS

Project - SOSC Drama Laboratory (Theater)

Architects - Broome, Oringdulph, O'Toole, Rudolf and Associates, Portland

Board's priority - No. 7 in 1979-1981 (Educational and General Plant)

Legislative authorization - Chapter 511, Oregon Laws 1979

Estimated gross area - 39,855 square feet
Meeting #465

Tuition and Fee Recommendations for 1980-81,
Amendment to OAR 580-40-040,
Academic Year Fee Book

Staff Recommendation to the Committee

It was recommended that the Committee approve guidelines for proposed fee rates to be set forth in the Academic Year Fee Book for the 1980-81 Academic Year and that a public hearing be scheduled to set 1980-81 fees at the May 1980 Board meeting.

It was further recommended that following public hearing at the May 23, 1980 Board meeting, OAR 580-40-040, Academic Year Fee Book, be amended as follows:

Academic Year Fee Book

580-40-040 The document entitled "Academic Year Fee Book", dated May 27, 1980 [July 30, 1979], is hereby adopted by reference as a permanent rule. All prior adoptions of academic year fee documents are hereby repealed except as to rights and obligations previously acquired or incurred thereunder.

Discussion and Recommendation by the Committee

Minor modifications suggested during the discussion have been incorporated in the material presented. It was indicated that the health service fees and the incidental fees were tentative and subject to change prior to the Board meeting.

It was explained that recent developments with respect to Title IX and the budgeting for women's athletics would suggest that it might be useful to establish a separate fee for athletics which might assist in the fulfillment of Title IX recommendations and obligations.
Mr. Lemman said it was not intended to suggest that the separation of the fees would result necessarily in an increase. It was indicated that at one time there had been five separate fees—health service, educational activities, student unions, athletics and gym suit service. The health service fee was made a separate fee, gym suit service was absorbed into the education and general fund, and the other three were combined.

Mr. Bob Watrus of the Oregon Student Lobby stated that the proposed option to permit separate fees for athletics and student center activities raised a number of questions concerning meaning and procedure. He also questioned whether the proposed separation of the athletic fee would assist in complying with Title IX and pointed out that incidental fee support of athletics has been increasing. He suggested there was no need to change a policy that had apparently worked satisfactorily for several years.

Miss Cindy Wilhite, President of the Associated Students of Oregon State University, emphasized student concern for compliance with Title IX but indicated uncertainty as to the benefit to compliance under the proposed option. She also said that students are interested in maintaining accessibility to education by keeping the total cost for tuition and fees as low as possible.

Mr. Watrus said he questioned the option and its implications in terms of the fees levied at the various schools and he opposed the establishment of separate fees. Miss Wilhite also mentioned that there was objection to the fees going through a separate process as they might if the fees were separated under the option.

Mr. Lemman said it appeared the problem was student concern about the possible division of the decision-making process. Related to that is the question of whether the control of the programs by some group might be diminished or a higher fee might result. The procedure has been left with the institutions because each institution is organized differently.

Mr. Thorp commented that he saw no way in which this proposal would result in taking the incidental fee process out of student control.

Mr. Scott Bassett, President of the Associated Students of the University of Oregon, said the recommendation to allow each institution the option of dividing present incidental fees to identify separate amounts for athletics and student centers was an unwise shift of Board policy. The proposal opens the opportunity for the establishment of separate mandatory fees for individual programs, a policy which the Board has rejected consistently in an effort to maintain flexibility and be responsive to shifting student attitudes regarding programs funded from incidental fees. The present guidelines work well at the University of Oregon and other campuses. Mr. Bassett said the proposal was viewed as an ill-conceived attempt to make a substantial shift in Board policy through very cursory statements that do not protect the appropriate student government participation method in the proposal. He raised the following questions:

1. What is the need for the separate athletic and student center fees?

2. What is appropriate student government participation with respect to these potential separate mandatory fees?

3. What is envisioned to insure the appropriate amount for athletics and student centers will indeed be reflective of shifting student attitudes?

Mr. Bassett then cited decisions made in support of athletics and other programs.

Mr. Dave Eaton, a member of the incidental fee committee at the University of Oregon and incoming student body president, questioned the student control and mentioned student support of athletics.
Mr. David Johns, a senior in business at the University of Oregon, reviewed the history of incidental fees with respect to the consolidation and separation of various activities.

Mr. Jerry Bernau, a member of the incidental fee committee at the University of Oregon, reviewed the financial impact on students and its relationship to accessibility. He also mentioned other important incidental fee programs and the issues of quality which might have more meaning for many students if additional fees were to be assessed.

In summary, the students indicated that they were satisfied with the incidental fee guidelines and were opposed to any change. Mr. Lemman stated that there was nothing in the proposal per se that would require a change in the incidental fee process at the institution, although institutions may find it necessary or desirable to alter current practices. Mr. Ingalls asked who proposed the changes and the rationale for the recommendation.

Vice President Ray Hawk said the first discussion occurred at a meeting of the interinstitutional fee committee which includes representatives of all institutions. This group approved the concept of separating the athletic and student center fees. The proposal was favorably received at a meeting of the vice presidents and deans of administration. He indicated that in addition to these programs there are approximately 50 programs which must be reviewed by the campus incidental fee committee at the University of Oregon. This places a tremendous burden on the seven student members of that committee. He further described the committee's work with intercollegiate athletics and the student unions.

Dr. Hawk then spoke of the financial situation for athletics in terms of the regulations which affect those programs. He cited the fringe benefits which accrue to other programs by remaining competitive in the intercollegiate athletic programs. Dr. Hawk confirmed that there is strong student support for remaining in the Pac-10 and providing financial support to do so.

Mr. Lemman emphasized that the proposed action is to allow the institutions the option of establishing separate fees within a total set by the Board. It was indicated that student control would depend upon the structure at each institution in terms of guidelines approved by the Board.

Mr. Adam Cohen, chairman of the incidental fee committee at the University of Oregon, said an independent accounting firm had been employed to provide assistance in analyzing the budgets, particularly the larger ones. The amount of $3,000 was provided from student funds for this service.

The Committee recommended that the Board approve the tuition and fee recommendations for 1980-81, with the exception of the proposed authorization to the institutions of an option to identify separate amounts for athletic and student center activities within the limits of a Board-approved total and with appropriate student government participation.

The Committee recommended that the incidental fee matter be referred to the June meeting of the Finance Committee, together with recommendations from the interinstitutional fee committee and information on the way in which the proposal would assist in compliance with Title IX.

Board Discussion and Action

Mr. Lemman said the institutions and the student government representatives had been advised that the Board would not be hearing the matter of the separate athletic fee at the May meeting.

Mr. Perry stated that the time set for the public hearing on the tuition and fee recommendations for 1980-81 and the amendment to OAR 580-40-040, Academic Year Fee Book, had arrived and asked if anyone wished to be heard for or against the proposed actions.
Mr. Ater stated that the issue of a separate athletic fee should be considered by the Finance Committee in June and would not be adopted as part of the fee book.

Miss Leslie Adams, President of the Associated Students of Portland State University, was recognized for the purpose of presenting testimony at the public hearing. Copies of her prepared statement were distributed. Miss Adams expressed support for retaining the men's programs at the present level of operation and at the same time bringing women's programs into compliance with Title IX. However, she objected to the $30,553 budgeted to offset the deficit in the men's basketball program and asked that the men's programs be required to stay within their budgets.

In commenting on the fees, President Blumel said the original incidental fee support for intercollegiate athletics was based upon the assumption that Portland State University would continue to make reasonable progress but would not be required to be in full compliance with Title IX in the budget submitted for next year. When the Chancellor's directive was received that budgets must be submitted in full compliance with Title IX, an additional increase was required. Persistent shortfalls in revenues in some of the men's programs then had to be covered from incidental fee revenues. It did not seem reasonable to continue unrealistic revenue projections. The projections were revised and the incidental fee support calculated. President Blumel said the budget as presently proposed is realistic in terms of meeting the expenditure requirements for both men's and women's programs, it will be in full compliance with Title IX, and will require an increase in the incidental fee of $6 for full-time students and $9 for part-time students. In response to questions, President Blumel said the decision had been made by the administration after consultation with the incidental fee committee. The incidental fee committee, however, is not in agreement with the recommendations. Nevertheless, the administration has a responsibility to ensure the continuity of programs by avoiding major funding changes from year to year. He also stated that he believed eliminating the $30,000 in question would damage the integrity of the budget and noted that the fee at Portland State University is at or near the bottom for the State System institutions.

President Blumel said it was his understanding of previous discussions that the Board did not wish to become involved in the internal allocations of the incidental fees but would act only on the incidental fee level itself.

Mr. Harms confirmed that was his recollection also that the Board would establish the level of the incidental fee, and that problems as to how the fee was to be distributed and handled with regard to consultation with the incidental fee committees on the campuses was to be left to the institutions.

Mrs. Carpenter asked whether President Blumel was stating that the future budgets of the men's basketball program, for example, would be required to be more realistic. President Blumel said the revenue estimates included in the budgets in the future are expected to be realistic revenue estimates so that it will be unnecessary to go to incidental fee reserves to cover deficits.

The Chancellor pointed out that with respect to Chapter 204, the Board had a responsibility in the internal distribution of incidental fees. Chapter 204 specifies that the Chancellor is the enforcement officer for compliance with Chapter 204. If the internal distribution of incidental fees appeared to involve discrimination, the Chancellor's Office would become directly involved in the internal distribution.

Mr. Ingalls asked Miss Adams to state her specific request to the Board. She said she was asking the Board to review the deficit situation, noting that the men's athletic teams have been able to run deficits and overspend their budgets while at the same time the women's programs are required to stay within their budgets and often exceed the estimated revenues. Paying for the deficits when they occur each year in the men's programs does not discourage incurring future deficits.
President Blumel commented that the reason the women's programs have not been incurring deficits is because virtually no revenue has been projected for those programs and they are almost totally supported by incidental fees. As long as there is little or no revenue being projected, then the shortfall in revenue is going to be very low.

In seeking clarification, Mr. Wyss asked President Blumel whether he was saying that if the income projections had been accurate and the deficits anticipated, that the incidental fees would be exactly at the same level anyway. President Blumel said that was essentially his statement and that the issue is whether the revenues are included realistically in the initial budget or whether the shortfalls must be covered later from incidental fee reserves.

Mr. Robert Watrus, Executive Director of the Oregon Student Lobby, said there is an issue in addition to the $30,000 deficit in the men's basketball program. The incidental fee committee and the student senate, in going on record as supporting Title IX compliance, allocated incidental fees to fund a number of the items which are once again included in the $187,000 amount. The student appropriation was approximately $42,000 for compliance with Title IX. Mr. Watrus said the administration's justification for the $187,000 needed for compliance with Title IX shows a number of the items for which the students initially earmarked incidental fee dollars and this raises the issue of the intent of the administration.

President Blumel responded that the intent of the administration for the coming year is to maintain the men's programs at their present level and to achieve Title IX compliance by bringing up the women's programs. There may be differences in estimates of what is required in various places. Title IX compliance ultimately can be achieved by reducing the scale of all programs, and eventually that may be what is necessary in sustaining Title IX over a longer period of time. This cannot be done in a short period of time in response to a directive to achieve Title IX compliance immediately.

Mrs. Green asked whether Miss Adams was saying that the administration requires the women's athletic department to live within its budget and does not require this of the men's athletic department. Miss Adams said she had made that statement but had intended to indicate that the men's department should make a greater effort to reduce expenditures.

Mr. Ater pointed out that the problem is on the revenue side because revenue estimates have been too generous. President Blumel stated that expenditures are controlled very closely in the athletic programs and the real problem is on the revenue side.

Mr. Ater said the Board would need additional information to consider how the budget is constructed and what is spent from it. Mr. Ater indicated that he would disagree with the statement that the Board should never look at these matters. The Board should set the level of fees, but the incidental fee budgets should be determined at the institution. In the event differences cannot be resolved, Mr. Ater said it was his opinion that the Board was obligated to review the issues. He suggested that the Board approve the proposed incidental fee from Portland State University, with the strong suggestion that the administration and the incidental fee committee attempt to reach agreement.

Miss Adams said President Blumel did work with the incidental fee committee on the budget and the only problem is the matter of the additional increase in the intercollegiate athletic budget each year. The president usually does take recommendations from the incidental fee committee and the student senate.

President Blumel indicated this was substantially correct although in the instance of the child care program in recent years he had not followed the recommendation to make substantial reductions in the support for that program. The decision was made in the interests of maintaining stability for the program.
The question was raised by Mr. Batiste as to whether the deficits were planned deficits. If so, this issue should be explored further, perhaps at the next Committee meeting. President Blumel said the fee does not contemplate planned deficits and the fee is judged to be high enough not to incur deficits. Mr. Batiste said he would like to see the fee schedule if there is built-in funding of planned deficits. He recognized that there is a need to maintain a reasonable reserve.

Mrs. Carpenter expressed support for Mr. Ater's proposal to close the hearing. Safeguards are in place and more realistic budgeting is being planned for the coming year. In addition, the Chancellor is delegated to be the supervising officer in this matter. Mr. Ingalls asked President Blumel whether he believed that compliance with Title IX would bring about an automatic deterioration in the quality of men's sports.

President Blumel responded that there are two alternatives—to raise the level of support for women's athletics or to bring the level of support for men's athletics more nearly to the current level of support for the women's programs. The present proposal is based on improving the level of women's athletics. He pointed out that he believed there was serious question whether in the long run it would be possible to sustain programs with that philosophy and the impact may well be an overall reduction in the level of athletic programs in general. There being no other persons who wished to be heard, President Perry declared the public hearing closed.

Mr. Lemman then reported modifications to the figures presented in the section on health and incidental fees and indicated that the incidental fee for the University of Oregon would be deferred to a public hearing at the July Board meeting. The changes have been incorporated in the fee schedule.

Mr. Ater moved that the Board approve the recommended tuition and fees for 1980-81 and adopt the amendment of OAR 580-40-040 as presented.

Mr. Thorp expressed concern over the increase for part-time students at Portland State University. President Blumel said the relationship between tuition and fees for part-time and full-time students appeared to justify an upward adjustment in the relative rates for part-time students. A considerable range of services is provided for part-time students regardless of total hours taken. He also indicated that he was of the opinion this would not affect the decisions of part-time students with respect to taking courses.

Mr. Ater referred to the previous discussion in which the concept of the deficit occurred. By definition there is funding with incidental fees of activities which are not revenue-supported. Therefore, it is necessary to establish an expenditure level for each activity and determine how much is to be supported by any revenues which it might earn. The balance, assuming there is agreement on the budget, must be funded from fees. The ultimate discussion, which was not addressed, is the level of the budget items for individual activities, particularly in sports. Once the level of budget is determined, if there is a realistic estimate of revenues, the remainder will be provided from fees. Mr. Ater said he did not believe that procedure is funding a deficit. A deficit occurs if revenues are over-estimated.

The Board approved Mr. Ater's motion, with the following voting in favor: Directors Anderson, Ater, Carpenter, Green, Harms, Ingalls, Wyss, and Perry. Those voting no: Directors Batiste, and Thorp.

Staff Report to the Committee

Policies affecting 1980-81 have been reviewed by the Interinstitutional Fee Committee and are recommended to the Board for action in accord with the Administrative Procedures Act. In the main, policy decisions affect the instruction fees and other assessments which apply toward support of the Education and General Services budget. Other fees, for student health
service and student incidental fees, require Board approval but are directed to the Board based upon recommendations that follow individual institutional procedures and guidelines.

Instruction Fees

Charges for instruction fees are related to the cost of instruction for all classifications of students. Undergraduate residents at the universities pay 23% of the estimated cost of undergraduate instruction with slightly smaller charges at the Colleges. Undergraduate nonresidents at the universities pay 100% of the cost of undergraduate instruction, with a $113 college differential and Eastern Oregon State College at resident rates.

Graduate residents at the universities pay approximately 27% of the cost of graduate instruction with slightly smaller charges at the colleges. Graduate nonresidents pay 50% of the estimated cost of graduate instruction. Medical, dental and veterinary medicine students pay 17.5% of the WICHE student exchange rate.

Applying the cost of instruction principle to the currently authorized expenditure levels for 1980-81 generates instruction fee rates as follows:

<table>
<thead>
<tr>
<th></th>
<th>1979-80</th>
<th>1980-81</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universities and OIT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undergraduate--Resident</td>
<td>$211</td>
<td>$231</td>
</tr>
<tr>
<td>Undergraduate--Nonresident</td>
<td>919</td>
<td>1,002</td>
</tr>
<tr>
<td>Graduate--Resident</td>
<td>356</td>
<td>388</td>
</tr>
<tr>
<td>Graduate--Nonresident</td>
<td>661</td>
<td>719</td>
</tr>
<tr>
<td>Colleges (OCE-SOSC)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undergraduate--Resident</td>
<td>201</td>
<td>221</td>
</tr>
<tr>
<td>Undergraduate--Nonresident</td>
<td>805</td>
<td>889</td>
</tr>
<tr>
<td>Graduate--Resident</td>
<td>346</td>
<td>378</td>
</tr>
<tr>
<td>Graduate--Nonresident</td>
<td>651</td>
<td>709</td>
</tr>
<tr>
<td>EOSC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undergraduate--Resident</td>
<td>188</td>
<td>208</td>
</tr>
<tr>
<td>Undergraduate--Nonresident</td>
<td>188</td>
<td>208</td>
</tr>
<tr>
<td>Graduate--Resident</td>
<td>346</td>
<td>378</td>
</tr>
<tr>
<td>Graduate--Nonresident</td>
<td>651</td>
<td>709</td>
</tr>
</tbody>
</table>

The rates are intended to generate the resources necessary to support expenditure levels currently authorized. It may be necessary to modify the rate recommendations prior to Board action if costs and expenditure needs so require. Increases in these rates over the corresponding rates for 1979-80 range from 8.8% to 10.3%.

Health and Incidental Fees

Each institution is in the process of developing health and incidental fee recommendations. Rate projections provided by institutions are estimates, subject to revision prior to the Board's public hearing and final action. Tentative per term charges proposed for 1980-81 for full-time students are:
Health Service Fee

<table>
<thead>
<tr>
<th>Institution</th>
<th>1979-80</th>
<th>1980-81</th>
</tr>
</thead>
<tbody>
<tr>
<td>UO</td>
<td>$26.50</td>
<td>$29.50</td>
</tr>
<tr>
<td>OSU</td>
<td>21.50</td>
<td>23.30</td>
</tr>
<tr>
<td>PSU</td>
<td>23.50</td>
<td>23.50</td>
</tr>
<tr>
<td>OCE</td>
<td>17.00</td>
<td>18.50</td>
</tr>
<tr>
<td>SOSC</td>
<td>24.50</td>
<td>24.50</td>
</tr>
<tr>
<td>EOSC</td>
<td>19.50</td>
<td>19.50</td>
</tr>
<tr>
<td>OIT</td>
<td>16.50</td>
<td>17.00</td>
</tr>
<tr>
<td>HSC</td>
<td>70.00</td>
<td>85.00</td>
</tr>
</tbody>
</table>

Incidental Fee

<table>
<thead>
<tr>
<th>Institution</th>
<th>1979-80</th>
<th>1980-81</th>
</tr>
</thead>
<tbody>
<tr>
<td>UO</td>
<td>36.50</td>
<td>*</td>
</tr>
<tr>
<td>OSU</td>
<td>37.00</td>
<td>41.20</td>
</tr>
<tr>
<td>PSU</td>
<td>39.00</td>
<td>44.00</td>
</tr>
<tr>
<td>OCE</td>
<td>50.00</td>
<td>55.00</td>
</tr>
<tr>
<td>SOSC</td>
<td>48.00</td>
<td>56.00</td>
</tr>
<tr>
<td>EOSC</td>
<td>51.00</td>
<td>60.00</td>
</tr>
<tr>
<td>OIT</td>
<td>49.00</td>
<td>58.00</td>
</tr>
<tr>
<td>HSC</td>
<td>18.00</td>
<td>22.00</td>
</tr>
</tbody>
</table>

* Not yet determined; student government recommendation pending.

The incidental fee is currently assessed as a single sum but represents a composite of student center, educational activities, and athletic activities programs. A division of the fee to identify separate amounts for athletic and student center activities is proposed as an institutional option, provided that the combined fee is limited by the Board approved total and appropriate student government participation is accommodated.

Other Fees

Most of the miscellaneous fees and charges in effect during 1979-80 are continued without change in 1980-81. Specific changes or additions are:

1. General Deposit. Change OIT guideline to conform to other institutions and allow waiver of all or a portion of the deposit for students enrolled for seven hours or less.

2. Returned Check Charge. Currently $5.00, recommended increase to $7.50, applicable at all institutions.

3. Library Fines, UO Law School. Delete exceptions, change to conform to other library fines.

4. Graduate Assistants. Establish fee policy to record value of instruction fee waivers in the accounting records.

5. Veterinary Medicine. Establish a nonresident fee, for use only in emergency circumstances, equivalent to the annual per student fee paid to Washington State University by Oregon State University. The 1980-81 annual fee is $14,060.

There is the need to establish a nonresident fee for the School of Veterinary Medicine in order to alleviate potential financial hardships in the funding of this program. The nonresident fee would be used only in "emergency" circumstances.

Currently, Oregon State University is committed to the training of 28 Oregon residents and eight WICHE-supported students in a cooperative program with WICHE, Washington State University, and the University of Idaho. Within the framework of this agreement, Oregon State
University is committed to the payment of the "cost of education" fee to Washington State University each year the student is at Washington State University.

Oregon State University is funded for the Oregon residents and WICHE-supported students. If, however, a student for some unavoidable reason drops out of the program, Oregon State University is still committed to the "cost of education" fee to Washington State University. If this circumstance should take place, Oregon State University would desire to be able to find as a substitute another WICHE-supported student or a qualified nonresident student. This action would be more in the nature of emergency action and would enable Oregon State University to avoid a potential financial hardship in funding this program.

In addition, if for some reason a WICHE state was unable to provide funds for their quota of new students, this policy would be of extreme benefit to Oregon. The required fee would be the net obligation of Oregon State University for the year.

Other changes to be recommended for the 1980-81 Academic Year Fee Book are changes in language for greater clarity. No other substantive changes are proposed.

Amendment to

Confidential
Records--
Restrictions
on Release

(Considered by Committee on Finance, Administration, and Physical Plant, OAR 580-13-035(1), April 25, 1980; present--Ingalls, Batiste, Thorp, and Perry.)

Staff Recommendation to the Committee

It was recommended that the Board adopt, following public hearing, amendments to OAR 580-13-035(1), Confidential Records--Restrictions on Release. The proposed amendments appear below:

OAR 580-13-035(1) Confidential Records--Restrictions on Release

Personal records designated as confidential pursuant to [ORS 351.065 or pursuant to the federal legislation known as the Buckley Amendment, shall be available only to institutional personnel who have to fulfill their official, professional responsibilities as defined in institutional regulations.] ORS 351.070 or pursuant to the Federal Family Educational Rights and Privacy Act may be disclosed to institutional, state or statutorily authorized federal officials or employees who need the information in order to fulfill their official, professional responsibilities as required by law, institutional rules or internal management directives. Disclosure of personally identifiable information may also be made (i) in connection with financial aid for which a student has applied or which a student has received, or (ii) to accrediting organizations when necessary to their accrediting functions. These records may not be released to any other person or agency without the student's written consent, unless on receipt of a subpoena or other court order or process. Institutional rules may provide for designated institutional officials to appear in court to test the validity of a subpoena or court order or process relating to release of student records.

[Based on Sec. 168.14(d) of the federal Student Assistance Programs regulations; Sections 9915(a)(3), 99.31(a)(4), and 99.31(b) of the federal Family Educational Rights and Privacy Act regulations; 20 USC 1232g.]

Discussion and Recommendation by the Committee

Mr. Batiste urged that an opportunity be provided for adequate comment from students and student organizations.

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

Mr. Perry stated that the time set for the public hearing on amendments to OAR 580-13-035(1), Confidential Records--Restrictions on Release, had arrived and asked if anyone wished to be heard for or against the proposed amendments. There being no response, Mr. Perry declared the public hearing closed.

Mr. Ater proposed the inclusion of the words "statutorily authorized" in the amended wording of OAR 580-13-035(1), and moved the adoption of the amendment including the added words. The change is included above. The Board approved the staff recommendation and adopted the proposed amendment on roll call vote, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Green, Harms, Ingalls, Thorp, Wyss, and Perry. Those voting no: None.

Staff Report to the Committee

These changes in the student records rules are being proposed to comply with a request from the U.S. Office of Education. That office has complained that the present rule is too restrictive. In particular, the complaint is that State System institutions cannot comply with federal rules on Student Assistance Programs requiring transmittal of a financial aid transcript to another school when former students seek to enroll elsewhere.

Further, some relaxation of language was made to make it clear that the Board’s Office could have access to student records when necessary. Some institution personnel were uncomfortable about such requests, although I think they have always complied. The federal law has been recently amended to make it clear that state education officials do have access on proper occasions.

Adoption of OAR 580-13-036, Transfer of Education Records

(Considered by Committee on Finance, Administration, and Physical Plant, April 25, 1980; present--Ingalls, Batiste, Thorp, and Perry.)

Staff Recommendation to the Committee

It was recommended that the Board adopt, following public hearing, a new administrative rule, OAR 580-13-036, Transfer of Education Records. The proposed rule appears below:

OAR 580-13-036 Transfer of Education Records

Each institution may by rule notify students that it will forward education records on request to any school in which a student seeks or intends to enroll. If an institution so provides, no further notice need be given of the transfer of records to such other school.

(Based on Section 99.34(a)(ii) of the federal Family Educational Rights and Privacy Act regulations, and 20 USC 1232g(b)(1)(B).]

Discussion and Recommendation by the Committee

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

Board Discussion and Action

Mr. Perry stated that the time set for the public hearing on adoption of OAR 580-13-036, Transfer of Education Records, had arrived and asked if anyone wished to be heard for or against the proposed rule. There being no response, Mr. Perry declared the public hearing closed.

The Board approved the staff recommendation and adopted the proposed rule as presented. On roll call vote, the following voted in favor: Directors Anderson, Ater, Batiste, Carpenter, Green, Harms, Ingalls, Thorp, Wyss, and Perry. Those voting no: None.
Staff Report to the Committee

These changes in the student records rules are being proposed to comply with a request from the U.S. Office of Education. That office has complained that the present rule is too restrictive. In particular, the complaint is that State System institutions cannot comply with federal rules on Student Assistance Programs requiring transmittal of a financial aid transcript to another school when former students seek to enroll elsewhere.

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(Considered by Committee on Finance, Administration, and Physical Plant, April 25, 1980; Present--Ingalls, Batiste, Thorp, and Perry.)

In recognition of price escalation subsequent to October 1971 when the Board last amended its capital construction policies to reflect the amount of the estimated direct construction cost of projects for which separate bids would be received for the three major categories of work (general, mechanical and electrical), it is proposed that IMD 7.135 be revised to substitute $3,000,000 in lieu of $1,500,000 and to substitute $200,000 for the current reference to $100,000.

Staff Recommendation to the Committee (February 22, 1980)

It was recommended that IMD 7.135 be revised as follows:

7.135 Bid Procedures

(1) Normally, in soliciting bids for capital construction, the Board will seek separate quotations for at least three major categories of work (general, mechanical and electrical). However, in most instances involving direct construction cost estimates of $3,000,000 ($1,500,000) or less, or when the project includes substantial alterations to an existing building, a single bid will be sought for the work. Furthermore, when it is estimated that less than $200,000 ($100,000), will be spent for any one of the categories of work, that category will be lumped together with one or more of the other categories.

(2) The above procedures shall not preclude the possibility of soliciting separate bids for certain portions of work, such as built-in fixtures or special equipment items involving substantial sums, if, in the judgment of appropriate Board officials, such procedures appear necessary or desirable.

Discussion and Recommendation by the Committee (February 22, 1980)

Mr. Charles Lott, Executive Director of the Oregon State Association of Plumbing, Heating, and Cooling Contractors, spoke in opposition to the proposed modification. Mr. Lott pointed out that savings occur when individual contractors work directly with the owner, avoiding added costs whenever the mechanical and electrical portions of the work go through the general contractor.

At the request of Mr. John Boyer of the Oregon Columbia Chapter of the Associated General Contractors of America, Inc., who was not able to be present, copies of a brochure entitled "The Single Contract Method of Construction" were distributed to members of the Committee.
Mr. Ater stated that the directive included the word "normally" and thus allowed freedom to solicit separate bids on projects below the $3 million figure proposed in the amendment. Mr. Hunderup indicated that separate bids have been sought on a few occasions when it appeared advisable to do so, even under the present $1.5 million requirement.

Mr. Hunderup explained that the normal procedure on major new construction projects is to have three contracts--general, mechanical, and electrical. However, for minor projects, or rehabilitation, remodeling and renovation projects, it is often desirable to have a lump sum contract because of the interrelationships and coordination factors which are more complex in those projects than they are on new construction. The mechanical industry would prefer separate contracts even for those projects. The proposed change represents a compromise. The rehabilitation contracts would be on a lump sum basis regardless of the amount. For new construction, the projects above $3 million would have separate contracts and those below would normally have a single contract. There are isolated instances where it might be prudent to have separate contracts.

Action on the proposed amendment to IMD 7.135, Bid Procedures, was deferred to allow time for individual members of the Committee to discuss the matter with interested persons and for subsequent reconsideration and action on April 25, 1980.

Further Staff Report and Committee Discussion (April 25, 1980)

Mr. Hunderup distributed copies of a tabulation of the bids received for the Library Building at Oregon Institute of Technology which indicated a savings of approximately $185,000 for this $3.5 million project by taking separate contract awards for general, mechanical and electrical work. He said, in his opinion, this reconfirms the advisability of the policy established several years ago by the Board to permit seeking separate bids for the larger projects.

Mr. John Boyer was present and indicated he concurred in the increase as recommended but would prefer lump sum contracts for all projects.

The Committee recommended that the Board approve the staff recommendation as presented on February 22 and reaffirmed on April 25.

Board Discussion and Action

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

Staff Report to the Committee (February 22, 1980)

On October 25, 1971, the Board approved a recommendation to modify its policy statement regarding bid procedures in order to reflect an intent to bid projects of $1,500,000 or less on a lump-sum basis. Because of the escalation of construction prices since that time, it is recommended that the dollar amounts now reflected in Internal Management Directive 7.135 be increased to the figures shown above under the Staff Recommendation. The proposed adjustments are based upon cost index changes published by national reporting agencies and generally acknowledged by the construction industry.

Summary and Staff Recommendation to the Board

To comply with requirements of the National Flood Insurance Program and Executive Order EO - 79 - 23, a copy of which is attached as Supplement A, it was recommended that the following temporary rule be adopted:

Adoption of Temporary Rule, OAR 580-50-105, Properties Subject to Flood Hazards
Properties Subject to Flood Hazards

1. Flood hazards shall be evaluated in the administration of any construction program of buildings, structures, roads or other facilities to minimize the exposure to potential flood damage and preclude the uneconomic, hazardous or unnecessary use of flood plains.
   a. National Flood Insurance Regulations and criteria shall apply to any plans for construction or development in a flood plain.
   b. Flood proofing measures to existing facilities shall be made where budgets permit, to reduce flood damage potential.

2. Flood hazards shall be evaluated in connection with lands or public properties proposed for disposal to other public instrumentalities or private interests to minimize future state expenditures for flood protection and flood disaster relief.
   a. Appropriate restrictions shall be imposed with respect to uses of the lands or properties for disposal.
   b. Appropriate allowance shall be made for any estimated loss in sales price resulting from the incorporation of use restrictions outlined in the disposal document.

Board Discussion and Action

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

(Considered by Committee on Instruction, Research, and Public Service Programs, April 25, 1980; present--Carpenter, Anderson, Green, Warner-Yasuda, and Wyss.)

Summary

Oregon State University requests authorization to offer in the department of economics in the College of Liberal Arts a program in the economics of public policy leading to the master's degree.

Oregon State University's proposed program would, if approved by the Board, be the fourth master's program in economics in the colleges and universities of the Willamette Valley--one each in the University of Oregon and Portland State University and two in Oregon State University (agricultural and resource economics, involving the School of Agriculture and the School of Forestry, and the economics of public policy in the College of Liberal Arts).

Oregon State University sees its proposed program as somewhat unique among the programs in economics. It provides for emphases in (1) public policy, (2) regional-locational economics, and (3) human resource economics. It has the potentiality of being supported by some instructional programs that in the State System are unique to Oregon State University, namely, agriculture, forestry, engineering, home economics, pharmacy, although there is little in the degree requirements of the proposed program which would require the student to avail himself/herself of these unique OSU resources.

The Oregon State University proposal was reviewed by the Board's Office in the light of (1) the issue of access, (2) the need for production of master's graduates in economics to serve the employment market, and (3) the benefits to the institution.
The following four selected options were reviewed, through which the College of Liberal Arts department of economics could make a contribution to graduate education in economics:

1. Through an open-ended, free-standing College of Liberal Arts master's program in economics (economics of public policy).
2. Through the interdisciplinary master's program already authorized Oregon State University.
3. Through a joint departmental program in agricultural and resource economics involving the department of economics in the College of Liberal Arts and the department of agricultural and resource economics in the School of Agriculture, for which Oregon State University's joint program in geography is the prototype.
4. Through a shared master's program in "resource economics," defined as incorporating the fields currently in the master's program in agriculture and resource economics but including, in addition, the field of human resources.

**Staff Recommendation to the Committee**

The Board's Office recommended:

1. That the Board's Committee on Instruction, Research, and Public Service Programs recommend to the Board that it not authorize at this time the offering of a free-standing, open-ended program in the economics of public policy at Oregon State University.
2. That Oregon State University consider expanding opportunities for the department of economics faculty to contribute to graduate education in economics through:
   a. Participation in the interdisciplinary master's program in economics which is described on pp. 43-44 of the full report.
   b. Participation in the master's degree program in agricultural and resource economics, as defined below, either through (1) a joint department encompassing the College of Liberal Arts economics faculty and the Agricultural and Resource Economics faculty, after the manner of the joint department of geography, as described on pp. 45-47 of the full report, or (2) a joint graduate faculty consisting of CLA and Agriculture and Resource economics faculty, as described on pp. 49-48 of the full report.

Agricultural and resource economics would be defined so as to encompass human as well as natural resources. Regional/locational economics would have its application within the master's program in agricultural and resource economics, as it has already had to a degree in the past. The same would be true with respect to public policy economics.

It is also proposed that master's programs offered within the broadened agricultural and resource economics area be encompassed within the framework of the current program in agricultural and resource economics, the general lineaments of which include:

| Theory - Micro and Macro economic theory | 14 credit hours |
| Quantitative - applied econometrics and/or graduate level statistics | 12 credit hours |
| Electives (in an area of emphasis) | 10 credit hours |
| Thesis | 9 credit hours |

Total credit hours 45
The Board's Office recommendations are based upon the following points:

1. That there is adequate access to master's programs in economics in the Willamette Valley with one program each at the University of Oregon, Portland State University, and Oregon State University (agricultural and resource economics).

A fourth free-standing master's program in economics is not essential to assure adequate access.

2. That policy analysis and administration is a major area of specialization in Portland State University's master's and doctoral programs in urban studies and planning; that graduates of these programs and of master's degree programs in urban and regional planning and public affairs at the University of Oregon, and public administration at Portland State University, Willamette University, and Lewis and Clark College are qualified for employment in a variety of positions requiring policy analysis skills.

3. That there is inadequate evidence that the employment market is not adequately served by the existing programs.

4. That there are several alternative ways through which the department of economics can make an effective contribution to graduate education in economics at Oregon State University, either through the interdisciplinary program or the program in agricultural and resource economics already authorized Oregon State University, as modified under 2b of the Board's Office recommendations.

5. That these provisions will facilitate the coordination of economics resources both within Oregon State University and within the State System as a whole.

The coordination of planning, resource use, and administration of programs in any given program area (e.g., economics) is necessarily much more of a problem when two programs leading to the same degree (e.g., master's degree) are offered as free-standing programs within a single institution, each administered by a different school within the institution.

Oregon State University has a long-standing program leading to a master's degree in agricultural and resource economics. The Oregon State University proposal, here under discussion, to develop a second master's program in economics, administered by the College of Liberal Arts (CLA), is fraught with real problems of coordination and effective use of resources, as well as of program control.

In the discussions with Oregon State University concerning ways in which the resources of the College of Liberal Arts (CLA) economics faculty could contribute to graduate education in economics, it has been the continuing position of the Board's Office that apart from any other considerations, the authorization of two free-standing programs in economics at Oregon State University would be unwise, because it would (a) pose problems of coordination, and (b) present problems of program control that would be difficult to handle. The latter problems would result from the quite natural inclination of the College of Liberal Arts faculty to wish to have the freest rein in developing the scope of the graduate programs offered in the College. This, in turn, would raise problems of unnecessary duplication in the State System.

To forestall such problems, several alternatives have been explored. The first of these was to provide that the CLA economics faculty make its contribution by working within the agricultural and resource economics master's program by (a) offering the core of graduate general economics and economic theory courses for graduate students in the
specialized applied graduate economics program in the department of agricultural and resource economics, (b) participate as members of graduate student advisory committees in instances in which the CLA faculty members' expertise would fit the nature of the study being carried on, (c) serving as major advisors in the agriculture and resource economics area when the CLA faculty expertise fitted well into the applied economics areas.

A second alternative considered was the creation of a single department of economics, encompassing economists in the College of Liberal Arts and those from the department of agriculture and resource economics, with the chairman of the department to be from the latter department.

Lastly, we have considered a "shared" master's program which provides for the master's program to be offered in the area of agricultural and resource economics, by a combined faculty, with resource economics being interpreted to include natural and human resources, and with the degree program to follow the pattern of the present agricultural and resource economics program.

The Board's Office believes that this last-named pattern combines within it the features of a program which could best serve the interests of the state in the utilization of the economics resources at Oregon State University, without presenting Oregon State University the difficult problems of coordination that would result from the existence of two free-standing economics programs offered in two separate schools. It would also provide for better program control, important in the avoidance of unnecessary duplication of courses and efforts as between Oregon State University and the University of Oregon and Portland State University.

The Board's Office believes that under this arrangement, the programs in economics offered by Oregon State University would develop in a form complementary to the programs offered at the University of Oregon or Portland State University, as has Oregon State University's program in geography.

Discussion and Recommendation by the Committee

Dr. Romney summarized the report to the Board's Committee.

President MacVicar then spoke in behalf of Oregon State University. President MacVicar asserted that during a visit of the Board of Higher Education to the Oregon State University campus some four or five years ago, the distinct impression had been left with him, the then dean of the graduate school and dean of the College of Liberal Arts, and with many faculty, particularly the faculty of the affected departments in the College of Liberal Arts, that the Board of Higher Education was prepared to review proposals for advanced degrees at Oregon State University in selected areas of the liberal arts on the merits of their respective proposals.

This is the first of such proposals. He was confident, he said, that the Committee would deal with the proposal on the basis of need for the degree as an addition to those already offered in Oregon and elsewhere in the region, and secondly, the capacity of Oregon State University to offer the degree within its existing or reasonably foreseeable resources.

He was not unmindful, he said, of the issues of duplication of offerings and of the need for the Board to maintain control of institutional aspirations that might jeopardize the system of allocation of functions. He then introduced others from Oregon State University who would speak to the issues raised by the Board's Office report concerning the Oregon State University proposal.
Dean David King of the Oregon State University College of Liberal Arts said that he supported the proposal for a master's degree in economics, as presented by Oregon State University, but that if the Board should conclude that approval of the proposal is not wise at this time, would support and aid the department of economics in any alternatives that they might wish to pursue. He then turned to remarks concerning the more general issue of graduate programs in the Oregon State University College of Liberal Arts.

Dean King asserted that when the Board heard testimony at Oregon State University in October 1976 concerning Oregon State University's aspirations for graduate work in the College of Liberal Arts, the Board members had listened sympathetically to the Oregon State University testimony presented by President MacVicar, several deans, and faculty and student representatives. Dean King said that this hearing by the Board had left a very positive and widely-shared attitude on the Oregon State University campus about how the Board would receive proposals from the College of Liberal Arts, namely, that the Board would examine Oregon State University proposals on the basis of their merits. Now, Dean King said, he understood more fully how that concept is interpreted, at least by the Board's staff, namely, in terms of the allocations system. This was not the impression that had been left with Oregon State University by the Board in its hearing, he said. He said he was seeking clarification of this seeming contradiction between this expression of the Board's positive support and the Board-approved guidelines for Oregon State University as stated in Appendix D of the Board's review of the humanities and social sciences at Oregon State University, dated October 22, 1976, in which it is said:

"Am I to assume that this remains part of the Board policy for OSU, or are we to pursue the general trend as indicated in your meetings on campus?" Dean King asked.

Dean King asserted that on September 29, 1977, the Board visited Oregon State University and gave the academic deans a whole hour for sharing of mutual concerns. At that time, he said, a member of the Board had asked him specifically whether or not the absence of graduate programs in the College of Liberal Arts had any influence on the facilities of the College. Since at that time he had been on campus only three months, the only answer he felt he could give was that he did not know, that there obviously was no necessary cause and effect relationship between the two. Given what he has learned since, Dean King said, he could now assert that there is no question that the lack of graduate programs in the College of Liberal Arts at Oregon State University has resulted in poor facilities for the College. There has been a significant improvement over the past 10 years he said, but not anywhere near approaching the extent one would expect of a major land grant institution, regardless of the existence or non-existence of graduate programs.

Dean King said that he fully understood that the present proposal for a master's program in economics should not be approved for this reason alone. And he felt sure that approval of the program would not suddenly result in the College's getting the facilities that it needs. But, he said, the possession of at least some graduate programs in the College of Liberal Arts would surely help in the long run to get the necessary facilities for the College.

He said that he understood the Board's concern that the authorization of the currently requested program might open the flood-gates, resulting in a deluge of graduate program requests from OSU. This, he said, the Board need not fear. In substantiation, he read from a statement which recently
appeared in the College of Liberal Arts self-study report to the Northwest Association of Schools and Colleges:

Throughout the country a large number of major universities, both public and private, are wrestling with the problem of what to do with their extremely expensive graduate programs in many of the liberal arts disciplines as job opportunities for professionals in these fields dwindle. Some are being scaled down in size, especially at lead institutions. Others are being phased out, while at the newly emerging institutions one has the distinct impression that quality standards are not being upheld as they should be in an attempt to maintain graduate enrollments. While our College feels that it should be allowed to develop master's programs in selected, specific areas, where we have special expertise, it is clear that general across-the-board development of graduate programs here in the decade of the 1980's is both unrealistic and inappropriate.

Dean King concluded:

"Ladies and gentlemen, I would ask you to examine the program put forward by the economics department. It is not in my opinion a typical liberal arts program in economics. It has a specific focus. It has a full one-third of its program required from outside the department of economics. I urge your approval."

Speaking to the issue of controls, President MacVicar said that he felt that Oregon State University has adequate internal controls to avoid their developing unnecessary duplication on the Oregon State University campus, were the Board to authorize the currently proposed program, and, thus, result in Oregon State University's having two units on the campus offering master's programs in economics (i.e., the department of economics in the College of Liberal Arts, and the department of agricultural and resource economics). He said that he felt that there are also adequate external controls to assure that the proposed program will not stray from its assigned responsibilities.

President MacVicar concluded his remarks by saying that he feels that the program is a sound one, that it is limited in scope, and that there are jobs available for its graduates.

Mr. Wyss asserted that as one Board member who was present at the October 1976 meeting at Oregon State University, to which reference had been made by Dean King, he would acknowledge that he had some of the same memories as recounted by Dean King. His recollection was that the Board did indicate it would review programs on their merits. But, he said, he saw no conflict between this statement and the use by the Board of the curricular allocations concept in reviewing programs. One important criterion used consistently by the Board in reviewing programs is societal need for the program. The issue is not only the quality of program the institution can offer but how broad is the need therefor. As President MacVicar has pointed out, the allocations system has been elastic during times when need seemed to be proven or was proven and it was shown that the institution could offer a program meeting a specific need.

Dean King said that he understood the Board's general definition of what it means by merit and it is clear when one reads the documents and appendices but, he said, when these things are presented orally, the impression that most people get is really not the impression that is given by the particular definition the Board uses.

Mr. Anderson asked what meaning Oregon State University attached to the fact that the number of advanced degree graduates in agricultural economics has been downward. Could it be that perhaps there's a case to be made for a broader program than the focused program to which President MacVicar alluded.
President MacVicar commented that the reduction in numbers may be in part the result of the fact that a great many graduate students are subsidized by specialized research contracts. A large, funded program grant from the Rockefeller Foundation during the mid-1970's, having to do with the funding of a model for the Willamette Valley, provided substantial funding for the agricultural and resource economics department. When those funds were no longer available, there was some impact on graduate students, he said. He also said that Oregon State University welcomed the broadened definition of resource economics proposed in the Board's Office report. Historically, natural resources at Oregon State University has had to do with soil, water, commodities, marketing, and the like. The inclusion of human resources will broaden the concept and be helpful to Oregon State University and its clientele.

Dean King invited attention to the fact that the Oregon State University proposal has a specific sunset clause in it, namely of five years duration. If at that point the program has not proven itself it will be discontinued.

Mr. Wyss asked from whence would come the $55,000 additional annual funds for the program (beginning the fourth year). Since Oregon State University is already at its ceiling enrollment and beyond, what programs or graduates are going to be replaced by this program if it is approved? Is the trade-off justifiable, or are there funds that would not be used otherwise that will be made available here.

President MacVicar said that some reallocations would be made within the University. The initial developmental phase will be the responsibility of the College of Liberal Arts. If they want to start a program, they're going to have to decide what they're going to reallocate and what's going to be done. In all probability that plan, at least in embryonic fashion is already developed. Over the long haul, assuming Oregon State University remains at its ceiling enrollment, presumably one graduate student in this program would replace an undergraduate student who would otherwise be enrolled. The other response is that graduate students carry a larger subsidy than do undergraduate students and so in trading an undergraduate student for a graduate one, the University gains financial support.

Dean King said that the number of majors in the College is increasing steadily. Student credit hours per faculty member in the College have increased very dramatically the past two years, but not in all departments of the College. It is his responsibility, he said, after careful thought, to reallocate positions in those departments where credit hour production is falling and still maintain quality with a smaller number of faculty members in the department. This has already been done in the economics department, he said. That department has the largest student credit hour FTE of any department in the College and they have, this year, been given a new position reallocated from another department. These kinds of adjustments the College is prepared to make as necessary.

Mrs. Green asked as to the demand for the proposed new program on the part of students now in agricultural and resource economics.

Dr. Patterson said no effort has been made to find out. He said that it was his impression that most of the students in agricultural and resource economics are becoming less interested in what used to be termed, or what he thinks of as agricultural economics, the study of agricultural firms, markets, and industries. They are concerned with water, air, natural resources, marine resources, the fisheries, and coastal industries. He said that he thought there would be few shifts of students from agricultural and resource economics into the proposed new program. He said he felt that the proposed new program would be competitive with the agricultural and resource economics program, in the future, but not at present.