MINUTES OF REGULAR MEETING OF THE
STATE BOARD OF HIGHER EDUCATION HELD
ON DECEMBER 12, 1980

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STATE BOARD OF HIGHER EDUCATION  
MINUTES OF REGULAR MEETING HELD IN  
THE DADS ROOM, ERB MEMORIAL UNION  
UNIVERSITY OF OREGON, EUGENE, OREGON  

December 12, 1980

Meeting #471  
A regular meeting of the State Board of Higher Education was held in the  
Dads Room of the Erb Memorial Union, University of Oregon, Eugene, Oregon.

ROLL CALL  
The meeting was called to order at 10:30 A.M. (P.S.T.), December 12, 1980,  
by the President of the Board, Mr. Edward C. Harms, Jr., and on roll call  
the following answered present:

Mr. Lester E. Anderson  
Mr. Alvin R. Batiste  
Mrs. Jane H. Carpenter  
Mr. John A. Elorriaga  
Mrs. Edith Green  
Mr. Robert C. Ingalls

Mr. David M. Lomnicki  
Mr. James C. Petersen  
Ms. Elizabeth Warner-Yasuda  
Mr. Loren L. Wyss  
Mr. Edward C. Harms, Jr.

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; Clarethel Kahananui,  
Acting Vice Chancellor for Academic Affairs; E. Rex Krueger, Vice Chancel­  
lor for Educational Systems; Richard Zita, Director of Public Services and  
Publications; Virginia Avery, Assistant Director of Public Services and  
Publications; Averno Rempel, Assistant Vice Chancellor for Academic Affairs;  
Edward P. Kelley, Jr., Associate Vice Chancellor for Personnel; Melinda  
Grier, Compliance Officer; Keith Jackson, Assistant Budget Director; Judith  
Burridge, Student Intern, Office of Academic Affairs; Francetta Carroll,  
Management Assistant; Karen McCombey, Secretary to the Chancellor.

Oregon State University--President R. W. MacVicar.

University of Oregon--Acting President Paul Olum; Ray Hawk, Vice Presi­  
dent for Administration and Finance; Richard Hill, Provost; Robert Albrecht,  
Vice-Provost, Academic Affairs; Glenn Starlin, Acting Dean of Arts and  
Sciences; Ralph Sunderland, Budget Director; James Tattersall, U of O  
Representative of Association of Oregon Faculties and Interinstitutional  
Faculty Senate.

University of Oregon Health Sciences Center--President Leonard Laster;  
James T. McGill, Vice President for Administration; Mary Ann Lockwood,  
Executive Assistant to the President.

Portland State University--President Joseph Blumel; James Todd, Vice  
President for Administration; Orcilia Forbes, Vice President for Student  
Affairs; Ken Harris, Budget Director.

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

Eastern Oregon State College--President Rodney Briggs; Dave E. Gilbert,  
Dean of Academic Affairs; James Lundy, Director of Business Affairs.

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

Oregon Institute of Technology--President Kenneth Light; W. M. Douglass,  
Dean of Administration; William W. Smith, Dean of Academic Affairs.
The Chancellor announced that Mr. Edward Branchfield, Assistant Attorney General and Chief Counsel to the Department of Higher Education, was attending his last regular Board Meeting because he was retiring on December 31, 1980. The Chancellor stated that Mr. Branchfield had served as the Board's legal counsel since 1973 and would be missed a great deal.

The Chancellor read the following statement for consideration and discussion by the Board:

The past decade has witnessed a slow, but steady, decrease in the level of public support for 4-year colleges and universities. The economic decline of the current decade, and the prospect that economic improvement will be postponed, have combined to produce a probable further decline in support.

This decline in support, if for only a brief period, might not cause serious harm to quality of education. If, however, it is continued for any extended period, and it now appears probable that it will, serious and long-range erosion of quality will result.

This erosion of quality will be reflected in larger classes, fewer course choices, decreased library service, insufficient and out-dated instructional equipment, inadequate opportunity for faculty to participate in out-of-state professional meetings, a decline in research activities, and a deterioration of faculty morale. In addition to the erosion of quality, the State's billion dollar investment in a physical plant for the Department of Higher Education will be endangered.

The only apparent antidotes to this further and long-range erosion of quality are one or more of the following: (1) an increase in the amount of state resources appropriated to higher education; (2) a sharp increase in the share of costs to be paid by students; (3) a reduction in the number of students served; and (4) changes in instructional formats which will allow faculty members to do more with less.

Some of each may be required.

A major concern of those within the higher education establishment is that decisions concerning the mix of these several possible ameliorating actions may be selected without adequate participation by those who will be affected.

It is probable that improved management practices and changed instructional formats can moderate the negative impact of reduced resources. It appears inevitable, nonetheless, that in the absence of increased resources or reduced enrollments the quality of education will decline.

The entire nation, and especially the Northwest, increasingly must rely upon the development of its human resources if the pace of capital development is to be maintained. Natural resources, the historical base for capital development, are declining and will continue to decline. Thus, the development of human resources as a substitute for natural resources in the growth of capital takes a major and increasing significance.

Permitting the state's capital development to languish through failure adequately to develop our human resources would be a public policy decision which should be made only after broad and intensive participation by the State's policy makers, including those in business, industry, and the professions as well as those in government and education.
It is suggested, therefore, that you ask the Governor to appoint an ad hoc commission consisting of prominent persons from business, industry, and the professions to examine and report to him, to you, and to the Legislature on the state of public higher education in Oregon and to prepare recommendations concerning its future.

I believe such an examination and report are especially timely now in view of the crucial condition of the State's financial structure. It is timely also because the State System has just completed its 50th anniversary year and because you soon will be engaged in a search for my successor.

The Chancellor said he had discussed this proposal informally with a number of individuals concerned with education and had received a letter from Dr. T. K. Olson, Executive Director of the Educational Coordinating Commission, expressing support for the idea and pledging the willingness of the Commission to cooperate. However, the Chancellor said that he favored a group external to all of the existing groups so that an objective, external, and acceptable report could be developed that hopefully could be implemented, at least to some degree.

Mr. Harms commented that he also had received a letter from Mr. James Meyer, Chairman of the Commission, stating that he was pleased with the prospect of working cooperatively with the Board and its staff on such a study and that the Commission's statutory planning responsibilities were coincident with the issues identified by the Chancellor. Mr. Harms said the offer of cooperation was appreciated but the reason for recommending a citizen commission was to have the analysis of an agency outside of the Oregon educational community.

Mr. Batiste stated that prior to the appointment of any ad hoc commission, the Committee on Instruction, Research, and Public Service Programs should review the proposal and determine the scope of the program and then discuss the elements of it with the entire Board.

Mr. Petersen expressed wholehearted support for an early implementation of the Chancellor's proposal. He said a broad, independent, non-educational establishment group should be assigned the task of looking at higher education without any restraints.

Mrs. Carpenter suggested that an individual who is nationally known in the consultant field from outside of Oregon would have real value.

The Chancellor commented that an objective, external view would be precluded if too many limitations were placed upon the commission. He agreed that an outstanding external consultant would be very desirable.

Mr. Anderson said the State System is so complex that he would favor directing the review at some very specific parts of the System that were in obvious need of correction.

With respect to timing and cost, the Chancellor indicated that the report should be completed prior to the 1983 Legislative Assembly, and would cost between $50,000 and $75,000. He said if the Board approved the concept and the Governor decided to implement the proposal, efforts would be made to secure foundation grant money to support the study. Data gathering, but not data analysis, probably could be provided from State System resources.

Mr. Ingalls said fiscal support for four-year colleges and universities had declined but he questioned whether public support had. He indicated that he was not enthusiastic about the proposed ad hoc commission because the Board of Higher Education over the years had been comprised of a number of good citizens of Oregon who were probably capable of doing the job suggested in the proposal.
Mrs. Carpenter asked whether the Chancellor was thinking in terms of the political impact of emphasizing what higher education means to the state in human resources, the solution of problems, and the financial impact in order to emphasize the economics. The Chancellor responded that he would like somebody outside of the educational establishment to examine generalizations made concerning higher education and draw some conclusions as to their validity. The credibility of the contentions made by the Board, the Chancellor, and the Presidents would be enhanced if an individual group outside of the educational establishment reached the same conclusions.

Mrs. Carpenter said a group of outside experts, assisted by a small guiding committee of widely respected persons representing different constituencies throughout the state, might be very applicable. She said she would like to consider the alternatives further before reaching a conclusion.

Mr. Elorriaga said he favored the proposal and that it was something which was needed by the Board.

Mr. Petersen moved that the Chancellor’s proposal for an ad hoc commission to review aspects of the State System of Higher Education be forwarded to the Governor.

Mr. Wyss said his concern was with how the information would be assembled, who would serve as staff, and whether that would compromise the decisions and recommendations that were made. He said the issues are very complicated and it is a lot easier to make a decision if you do not know the information and details behind it. If an outside consultant is employed who has neither the information nor the time to spend on the details, Mr. Wyss said there might be a lot of decisions but he was not very confident about the value of those decisions. He commented that when a Board member is first appointed to the Board, the issues seem crystal clear, but as time goes on and the actual results of those decisions are known, one is no longer so sure that things are crystal clear.

In discussing staff, Mr. Wyss said there were three choices. If it were the Board’s staff alone, the source of information would be compromised. If the staff were the Educational Coordinating Commission, the Legislature would probably find that satisfactory, but most of the presidents would be resistant to any of the recommendations reached. If there were a new outside group, the budget would not be adequate or the time available within that budget would preclude adequate analysis and it might be superficial or insensitive to some important problem. Mr. Wyss stated that the Board itself should investigate the way the Department has been going over the last 40 or 50 years and a part of the process would occur naturally as the Board selects a replacement for the Chancellor and the new Chancellor makes selections for Vice Chancellors or continues with the individuals in those positions.

Mr. Wyss said the review process should always be kept in mind, but he did not think it could be served by giving away part of the authority and responsibility of the Board to a group of outsiders. They could not do anything more than be compromised themselves and give the impression that they have a better way of reaching decisions than the people selected and charged with guiding the State System institutions.

Mr. Petersen said the opportunity for an outside view would be welcomed as a means of gaining a fresh viewpoint. Mr. Wyss suggested that new Board members might themselves raise questions that should be investigated by the Board.

Mr. Anderson said he could not support the motion in its present form because he did have some reservations on the purposes set forth in the proposal. While he recognized the value of consultants, this is too massive a project for one single commission to undertake and to become familiar with in a reasonable period of time so that reasoned judgments could be made on the findings. He said he would want further explanation of what the group would actually do before voting for the motion.
Mrs. Green said it was the Board's job to get into the whole field of higher education and do precisely what the Chancellor outlined in his statement. It decreases the credibility of the Board because it implies that the Board is not doing its job. Under the statutes, the Educational Coordinating Commission could undertake the task, she said, but she would prefer that the Board do it because the Board would have to implement any recommendations which an ad hoc commission would make. She said she was not convinced this would be a wise expenditure of money when the budget is so stringent.

Mr. Batiste indicated that he was not speaking against the idea but was seeking further information as to the scope of the review.

Mrs. Carpenter said she would prefer to postpone the decision until there had been an opportunity to think through all of the issues. She said her preference would be for outside consultants of real stature to look at the relationship of the whole community of higher education.

Mr. Anderson moved to table the motion. The motion was defeated by a vote of five to six. The following voted in favor: Directors Anderson, Batiste, Carpenter, Green, and Ingalls. Those voting no: Directors Elorriaga, Harms, Lomnicki, Petersen, Warner-Yasuda, and Wyss.

Mrs. Green moved that the recommendation be referred to the Committee on Instruction, Research, and Public Service Programs for further consideration as to scope, cost, time, and areas of study, with a later report to the entire Board in terms of action that should be taken. The following voted in favor: Directors Anderson, Batiste, Carpenter, Elorriaga, Green, Harms, Ingalls, Lomnicki, Petersen, Warner-Yasuda, and Wyss. Those voting no: None.

The Chancellor said his recommendation had not been intended as a criticism of anyone and was intended to obtain credibility for what the Board has done in the broader community.

NYACC Program at SOSC

Staff Report to the Board

At its March 24, 1978, meeting, the Board concurred with a Board's staff recommendation that a contract be executed with the Bureau of Land Management for the establishment of a National Young Adult Conservation Corps (NYACC) encampment at Southern Oregon State College. The program was authorized by Public Law 95-93. Under the terms of the contract, Southern Oregon State College has provided food, lodging in Siskiyou Hall, health service, and access to recreational activities on the campus for approximately 100 workers, 18-23 years old, engaged in conservation work on public lands.

The initial contract period was July 8, 1978, through September 30, 1978. Extensions of this contract covering 1978-79 and 1979-80 were executed at the appropriate times. The second extension expired September 20, 1980.

At the time the Board authorized Southern Oregon State College officials and the Board's staff to proceed with the original negotiations, Board members requested that the program be reviewed prior to renegotiation of another contract.

Because of time constraints arising from delays by the Bureau of Land Management, the College was unable to return to the Board's Office and subsequently to the Board with a program review and recommendation to concur with the institutional recommendation to enter into a new contract prior to November 1, 1980—the effective date of the new contract. It was mid-October before the BLM was assured that it would be funded to renew the contract. The BLM also decided during the period of uncertainty to initiate an on-campus audit. The audit was not completed until late October 1980. Meanwhile, a one-month extension of the existing contract was necessary to accommodate these problems and to continue the program. By the
time the audit was completed and funding assured, the extension was nearing expiration. Therefore, College officials completed negotiations and sent the contract to the Board's Office for execution on November 4, 1980. The contract was signed immediately and forwarded to the BLM. The new contract covers the period November 1, 1980, through September 30, 1981.

Southern Oregon State College officials report that from its inception the NYACC program has been advantageous for both parties. The program has been rated as a model by a Bureau of Land Management evaluation team because it has provided opportunities for educational and social exchange for young people from all types of social, economic, ethnic and racial backgrounds. The College has received only positive reactions from Southern Oregon State College students, faculty, and staff and the community of Ashland who have interacted with the enrollees and administrators of the NYACC program. Further, the College has experienced a positive financial impact from the program, especially in the residence halls, for it has enabled Southern Oregon State College to maintain near maximum occupancy.

In light of the positive financial impact, the successful relationships among the College, NYACC, and community, and the opportunities provided to everyone involved with the program, Southern Oregon State College and the Board's staff executed the new contract with the Bureau of Land Management.

Board Discussion and Action

The Board confirmed the action of the Board's staff in executing the contract. The following voted in favor: Directors: Anderson, Batiste, Carpenter, Elorriaga, Green, Harms, Ingalls, Lomnicki, Petersen, Warner-Yasuda, and Wyss. Those voting no: None.

Staff Recommendation to the Board

On July 25, 1980, the Board approved a staff recommendation to offer for sale an older duplex at 2556 and 2556-1/2 Friendly Street, Eugene, Oregon. The minimum acceptable bid price was set at $43,000. Terms were 20% down, payable on closing, with the balance payable in equal monthly principal and interest installments over a period not to exceed ten years. The rate of interest was to be comparable to the average lending institution rate in effect at the time the property was advertised for bids.

The advertised bid opening date was July 29, 1980. No bids were received.

Subsequently, in accordance with ORS 273.201, 273.205, 273.211, and 273.216, the Board's staff attempted to negotiate a sale for cash or on contract for not less than the advertised minimum acceptable bid price and other terms.

Subsequent discussions with interested purchasers of the property have enabled the staff to conclude that the advertised minimum bid price may have been somewhat high and that the terms of an installment sale contract limited the ability of an investor to at least break even on the rental income-installment payment relationship.

The Board's staff and institution officials requested Board approval to readvertise for bids using (1) a minimum acceptable bid price related to a new appraisal and (2) minimum acceptable terms of 20% down payable on closing, an interest rate which is not more than 3% below the average mortgage rate being charged by lending institutions at the time the property is advertised for bids, and an installment payment period not to exceed twenty years.

If no acceptable bids are received, the staff would again attempt to negotiate a sale for cash or on contract for not less than the advertised terms, as authorized by Oregon Revised Statutes.
Board Discussion and Action

The Board approved the staff recommendations as presented, with the following voting in favor: Directors Anderson, Batiste, Carpenter, Elorriaga, Green, Harms, Ingalls, Lomnicki, Petersen, Warner-Yasuda, and Wyss. Those voting no: None.

Sale of Property, Ada Matthews Estate, OIT

When Ada Matthews died in 1967, she left her entire estate to the Board to be used for the creation of a loan fund for Klamath County residents attending the institution now known as Oregon Institute of Technology. She did not know that when her father, William W. Erb, died in 1907, a strip of land approximately 60 feet wide in Ashland passed to her and her mother, Laura Erb. Laura Erb died circa 1941 without knowing of that property. Apparently William W. Erb thought he had deeded the land to Jackson County for a road, but he had not. The land was therefore not described in any records of his estate. The strip runs west from Clay Street for approximately 890 feet.

Neither Laura nor Ada Erb ever used the property nor paid taxes on it. The property has been used by others for a number of years as pasture and perhaps for other purposes.

Kenneth L. Zimmerlee, Katherine McMurtrey, and Lester G. Zimmerlee claim the land by adverse possession. Although the applicable statutory limitations do not run against the state, there is a strong possibility that the present users could tack their occupation to that of other users during the lifetime of Ada Matthews and defeat the Board's claim of ownership. The persons named have offered to pay $800 for a deed to the property, in lieu of suing to quiet title to the land.

The property cannot be used by Oregon Institute of Technology or Southern Oregon State College for instructional purposes and is of value only to persons owning land abutting the property.

Staff Recommendation to the Board

The Board's staff and Oregon Institute of Technology officials, therefore, recommended that the Board authorize execution of a deed to the Zimmerlees and McMurtrey in exchange for $800. Assistant Attorney General Ed Branchfield advises that the figure is reasonable under the circumstances, and that the Board is authorized to dispose of its interest without the necessity for appraisals and of advertising for bids, as settlement of threatened litigation.

Board Discussion and Action

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

Communications, Petitions, and Memorials

The President and Secretary of the Board reported that communications had been received from the following individuals and groups:

Leo W. Parks, President of the Oregon State University Faculty Senate, transmitting a resolution adopted by the Faculty Senate on October 9, 1980. The resolution requested restoration of the 1980-81 budget and adoption of the 1981-1983 biennial budget for Oregon State University, including the Agricultural Experiment Station, Extension Service, and Forest Research Laboratory, as recommended by the Board of the State System of Higher Education.

Joanne J. Trow and Marythea Grebner, on behalf of the Oregon Identification Program for the Advancement of Women in Higher Education, expressing the concern of that organization that the position of Vice Chancellor for Personnel Administration had been filled without following appropriate affirmative action procedures. The organization expressed its formal objection to this action. The Chancellor was requested to provide a written response to the Board.
President Louis B. Perry and President William B. Boyd, expressing appreciation for the certificates adopted by the Board in recognition of their service as President of the Board and President of the University of Oregon.

Ellen D. Mullen, Graduate Teaching Assistant in the Department of Geology at Oregon State University, transmitting signatures indicating great concern for and support of library resources at that institution and urging support for the library.

Mr. Batiste commented during the presentation of the letters that the Governor should be advised of the letters describing the impact of the budget cuts upon the institutions.

ADJOURNMENT The Board meeting was adjourned at 12:00 Noon, December 12, 1980.

Wilma L. Foster, Secretary
Oregon State Board of Higher Education

Wilma L. Foster, Secretary

Edward C. Harms, Jr., President