STATE BOARD OF HIGHER EDUCATION
Minutes of Regular Meeting Held on May 29, 1981, and Adjourned Meeting Held on June 26, 1981

MINUTES APPROVED

CHANCELLOR'S REPORT

Legislative Budget Review
Proposed System-Wide Policy for Intercollegiate Athletics
Statement on Institutional Closure
Institutional Governance

1981 Summer Session Fees

Amendments to Administrative Rules, Residency Rules
Response to Oregonian Editorial of May 24, 1981

Problems of Higher Education in Oregon--A Response

Naming of Administration Building, EOSC
Naming of Classroom Building, EOSC

Architectural Services for Autzen Stadium Improvements, UO

Request for Ratification of Grant Application for Alterations for Department of Ophthalmology, UOHS C

Financing of Architectural Planning for Student Housing Rehabilitation, PSU

Request to Discontinue BS in General Engineering Degree Program, OSU

Requirements for BS Degree, UOHS C

Revision of Expenditure Requirements for Auxiliary Enterprise Building Modifications to Remove Access Barriers for Handicapped, UO

Revision of 1981-1983 Capital Construction Requests for Auxiliary Enterprises, UOHS C

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Report of Bids and Contract Award for Accessibility for the Handicapped, OSU

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A regular meeting of the State Board of Higher Education was held in the Main Lounge, Hoke Hall, Eastern Oregon State College, La Grande, Oregon.

The meeting was called to order at 8:30 A.M. 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
- Mr. Robert C. Ingalls
- Mr. David Lomnicki
- Mr. James C. Petersen
- Mr. Loren L. Wyss
- Mr. Edward C. Harms, Jr.

Absent--Mrs. Jane H. Carpenter was out of the country; Mr. John A. Elorriaga was absent for personal reasons; Mrs. Edith Green was absent due to illness; Ms. Elizabeth Warner-Yasuda was absent due to illness.

OTHERS PRESENT

Centralized Activities--Chancellor R. E. Lieuallen; Secretary Wilma L. Foster; 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; W. T. Lemman Jr., Vice Chancellor for Administration; Edward P. Kelley Jr., Associate Vice Chancellor for Personnel Administration; A. M. Rempel, Assistant Vice Chancellor for Academic Affairs; Richard Zita, Assistant to the Chancellor, Director, Public Services & Publications; Francetta Carroll, Assistant Board Secretary.

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

University of Oregon--President Paul Olum.

University of Oregon Health Sciences Center--James T. McGill, Vice President for Finance and Administration; Ralph Tuomi, Assistant Vice President for Facilities Management.

Portland State University--President Joseph C. Blumel; James Todd, Vice President for Finance and Administration.

Eastern Oregon State College--President Rodney Briggs; James C. Lundy, Director of Business Affairs; David Gilbert, Dean of Academic Affairs; William P. Wells, Dean of Student Affairs; Terry Edvalson, Director, Regional Services Institute.

Southern Oregon State College--President Natale Sicuro; Don Lewis, Dean of Administration.

The Board dispensed with the reading of the minutes of the regular meetings of the Board held on March 27 and April 24, 1981, and the special meeting held on April 3, 1981, and approved them as previously distributed. The following voted in favor: Directors Anderson, Batiste, Ingalls, Lomnicki, Petersen, Wyss, and Harms. Those voting no: None.
The Chancellor reported that it was expected that final recommendations on the budget would be made shortly. In the main, the Subcommittee will approve the Governor's budget with some exceptions. It will also approve a list of budget reductions below the Governor's budget, totalling 10% of the budget. It is anticipated the final list will represent a composite of the recommendations the Board made initially, the reactions of the Educational Coordinating Commission to those recommendations and its proposals for change, and suggestions made by the members of the Ways and Means Subcommittee. The Chancellor indicated that the revised revenue estimates would require a 3% reduction in the Governor's budget. This reduction would be achieved with the first 3% of the items on the 10% cut list. The 3% cut is virtually certain. The remaining 7% is uncertain, depending upon the action of the Legislature on the Governor's revenue proposals. Consequently, the Ways and Means Committee has placed the proposed reductions in priority order.

The Chancellor then reviewed the proposed 10% reduction list as tentatively approved by Subcommittee No. 3. He noted that the Ways and Means Committee has concluded that it would approve essentially a one-year budget for the Department of Higher Education, with the understanding that the budget for the second year of the biennium would be reviewed by either the Emergency Board or by a special session of the Legislature sometime prior to June of 1982. The cuts for the first year would amount to $14.2 million, and the remainder of the $30.6 million required for the biennium would be in the second year of the biennium. The budget reduction list, as distributed, appears below.

1981-83
Department of Higher Education
Education and General
Reduction List Worksheet

Final List As "Approved" by Subcommittee No. 3
on May 26, 1981
(Subsequently modified on June 5, 1981)

10% Reduction Package Items

<table>
<thead>
<tr>
<th>Item Description</th>
<th>1981-82 Only</th>
<th>Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Revenue increase-Continuing Education overhead</td>
<td>$434,332(1)</td>
<td>$434,332</td>
</tr>
<tr>
<td>2. Program reduction-Gym Suit Service</td>
<td>400,000</td>
<td>834,332</td>
</tr>
<tr>
<td>3. Revenue increase-Reduce Salary Adjust. Other Funds Reserve to 6% + 6%</td>
<td>316,257</td>
<td>1,150,589</td>
</tr>
<tr>
<td>4. Revenue increase-Omitted Indirect Cost Recovery Pickup</td>
<td>171,712(2)</td>
<td>1,522,301</td>
</tr>
<tr>
<td>5. Program reduction-Intercollegiate Athletics-Universities and Colleges</td>
<td>611,755(3)</td>
<td>1,934,054</td>
</tr>
<tr>
<td>6. Revenue increase-Medical/Dental Tuition</td>
<td>171,141</td>
<td>2,105,195</td>
</tr>
<tr>
<td>7. Revenue increase-Application and Transcript Fees</td>
<td>371,600</td>
<td>2,476,795</td>
</tr>
<tr>
<td>8. Budgetary correction-Phone, Postage, Fuel</td>
<td>455,704(2)</td>
<td>2,932,499</td>
</tr>
<tr>
<td>9. Budgetary correction-Salary Adjustment Underfunding Reduced to 90%</td>
<td>110,988(2)</td>
<td>3,043,487</td>
</tr>
<tr>
<td>10. Program improvement deleted-Extended Campus FTE</td>
<td>136,538</td>
<td>3,180,025</td>
</tr>
<tr>
<td>11. Program reductions-10% Public Services, Teaching Research, Sea Grant</td>
<td>99,765</td>
<td>3,279,790</td>
</tr>
<tr>
<td>12. Program reductions-10% Centralized Activities</td>
<td>210,423</td>
<td>3,490,213</td>
</tr>
<tr>
<td>13. Program reduction-Radio Station Support</td>
<td>200,000(4)</td>
<td>3,690,213</td>
</tr>
</tbody>
</table>
10% Reduction Package Items (cont.)

<table>
<thead>
<tr>
<th>Item</th>
<th>1981-82 Only</th>
<th>Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td>14. Workload increase-Revised Budget Added</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enrollment Financed at &quot;Tuition Only&quot;</td>
<td>$357,812(2)</td>
<td>$4,048,025</td>
</tr>
<tr>
<td>Instead of at Full Variable Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Program improvement deletion-HSC Program Improvement</td>
<td>292,500(5)</td>
<td>4,340,525</td>
</tr>
<tr>
<td>16. Program reduction-PE Service and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity Courses (General Fund Only)</td>
<td>2,000,000(6)</td>
<td>6,340,525</td>
</tr>
<tr>
<td>17. Centralized Activities, Program Reductions</td>
<td>210,423(7)</td>
<td>6,550,948</td>
</tr>
<tr>
<td>Reduction, 1,330 Students</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18. Program reduction-Staff and Enrollment</td>
<td>2,356,535</td>
<td>8,907,483</td>
</tr>
<tr>
<td>Reduction, .97 Staff Furlough or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equivalent Staff Reduction</td>
<td>5,000,000</td>
<td>13,907,483</td>
</tr>
<tr>
<td>20. Public Services, Additional Program</td>
<td>99,765</td>
<td>14,007,248</td>
</tr>
<tr>
<td>Reductions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21. HSC-Program Reductions, Approximately 2%</td>
<td>200,000(5)</td>
<td>14,207,248</td>
</tr>
</tbody>
</table>

Notes by Board's Office Staff:

1. This proposal is to assess an indirect cost charge of 10% to Continuing Education courses. Although the staff agrees that some charge for indirect costs is warranted under the circumstances, we believe the increase of $868,664 is more than can be reasonably assessed. We proposed $475,656 for the biennium, or approximately 6% of a reduced Continuing Education revenue budget.

2. The staff disagrees with the rationale set forth in support or explanation of these reductions. The amounts should be regarded and assessed as general program budget cuts.

3. The Board's suggestion was to eliminate general fund support of intercollegiate athletics at the three universities. This proposal by the subcommittee also eliminates general fund support for intercollegiate athletics at the state colleges and OIT, probably resulting in the complete elimination of athletics at those four institutions.

4. This proposal would eliminate state fund support (general fund and tuition) for campus radio stations at the University of Oregon (KWAX-$125,000 per year), Southern Oregon State College (KSOR-$72,000 per year), and Oregon Institute of Technology (KTEC-$3,000 per year). These facilities are integral parts of instructional programs and the Board's staff believes these reductions should be made only upon recommendation of the institutions after curricular consultation procedures have been followed.

5. The reductions proposed for the Health Sciences Center ($492,500 per year) are less than those suggested by the Board in its 10% reduction list ($1,135,000 per year).

6. During the consideration of this item (on several different occasions), the Board's staff has consistently advised the subcommittee that savings of this magnitude could not be made unless graduation requirements were reduced by the same number of hours currently designated as physical education course graduation requirements (usually five). Otherwise, students would merely shift to other courses in order to achieve the number of credit hours required for graduation. The subcommittee was also repeatedly advised that graduation requirements--both courses and the number of hours--are within the statutory authority of the Board, with policies established or modified after having received faculty and institutional advice. In spite of these comments, the subcommittee has consciously chosen to prepare the budget reductions and an accompanying "budget note" in the manner reported here.
Centralized Activities' budgets were reduced by the Special Session and these cuts were not restored in the Governor's budget. The reductions proposed here can be taken only by substantially reducing the Data Services Center services to institutions (relating to payroll, accounting, management reports, and the like) or making heavy reductions in the Board's Office staff.

The Chancellor commented on each of the items included in the list. He stated that the gym suit service fee would represent a second charge to students for that service because that cost had been incorporated into tuition in 1973. Prior to that time there had been a separate fee. He pointed out that Reduction in Intercollegiate Athletics--Universities and Colleges probably would cause some further reduction in intercollegiate athletics programs at the universities by virtue of removing the General Fund money allocated to women's intercollegiate athletics and it is expected to bring an end to intercollegiate athletics at the colleges.

The Chancellor said the radio station support, primarily at Southern Oregon State College and the University of Oregon, was related to the instructional programs of those stations and a reduction constitutes a curricular decision by the Ways and Means Subcommittee. This also would be true in the recommendation for deletion of General Fund support for physical education service courses with the elimination of the physical education courses from the graduation requirements. In order to achieve the savings, it also would be necessary to reduce the total graduation requirements from 186 to 180, or students would move from physical education courses into other courses which might prove to be even more expensive.

The 3% cut required by the reduction in revenue estimates would require implementing the cuts set forth in the first 15 items on the list.

The Chancellor then reviewed the preliminary language proposed for the Budget Notes to accompany the higher education budget, including the tuition policy statement drafted in cooperation with the Educational Coordinating Commission, and subsequently reviewed and supported by the Oregon Student Lobby. The tuition policy would specify that, with two exceptions, tuition be increased by a uniform percentage rate each year for all categories of students. One exception would be for medical, dental, and veterinarian students for whom the recommended increase would be 25% each year of the biennium. The other exception would be for nonresident undergraduate students for whom the recommended tuition would be limited to 105% of the cost of instruction. The Subcommittee of Ways and Means would also be urged to adopt a Tuition Budget note which would express its intent to return, as soon as revenues permitted, to tuition charges reflecting the application of current policy.

The uniform percentage increase for all categories except two would be 18% for each year of the biennium. The percentage for undergraduate nonresident students would be 17% the first year and 7% the second year, representing 105% of the cost of instruction. As indicated above, veterinary medicine, medical, and dental students would pay an additional 25% each year of the biennium.

Mr. Wyss referred to the proposed budget note which would direct the Educational Coordinating Commission to assume a leadership role in developing a new or revised budgetary system for Education and General and other postsecondary programs. He asked what role this left for the State Board of Higher Education.

The Chancellor responded that the Executive Department had expressed concern about this and the Board's staff had discussed the matter with the Ways and Means Committee. He said it was his assumption that the Budget Note placed the Educational Coordinating Commission in a convening and coordinating role for a number of groups--higher education, community colleges, possibly independent colleges, the Executive Department and the Legislative Fiscal Office--to prepare a report. One of the consequences of
this assignment might be a further reduced emphasis on the FTE-driven budget, and an increased emphasis on the program-driven budgets. It was made clear that the Board of Higher Education would be a full partner in the preparation of the report.

The Chancellor and the Board discussed the implications of specific cuts and the Budget Notes. Particular concern was expressed with respect to items which represented an intrusion into the curricular responsibilities assigned to the Board by statute.

In considering individual items on the budget reduction list, the Board voted to request the Ways and Means Committee to reconsider the proposed program reduction in intercollegiate athletics for the colleges, or, failing that, that the reduction be postponed to the second year of the biennium in order to provide an opportunity for the necessary staff reductions in an orderly manner. The following voted in favor: Directors Anderson, Batiste, Ingalls, Lomnicki, Petersen, Wyss, and Harms. Those voting no: None.

The Board voted to seek reconsideration of Item 13 (Program Reduction--Radio Station Support) and Item 16 (Program Reduction--PE Service and Activity Courses [General Fund Only]) on the list because these reductions would represent an invasion of the Board's statutory responsibility in determining curriculum. The following voted in favor: Directors Anderson, Batiste, Ingalls, Lomnicki, Petersen, Wyss, and Harms. Those voting no: None.

No objections were made to the tuition policy statement.

In the discussion, it was indicated that there was emphasis in the Budget Notes on admission and retention standards for 1982-83, both for the institutions as a whole and for programs within the institutions. It would not be inappropriate for the Board to direct the staff to develop admission standards for 1982-83. In considering program reductions, admissions and retention, and the fiscal situation, the institutional mission statements were mentioned. It was indicated that these have been provided to Board members. The staff was requested to review the mission statements for any implication in the program reduction considerations. The staff also was instructed to begin planning immediately for new enrollment objectives which would be consistent with reduced resources and reduced programs and to consider admission and retention standards for 1982-83.

The Board voted to authorize the Chancellor to point out to the Ways and Means Committee the Board's concern with the proposed Budget Note regarding remedial courses in English and mathematics because they represent curricular issues. The following voted in favor: Directors Anderson, Batiste, Ingalls, Lomnicki, Petersen, Wyss, and Harms. Those voting no: None.

Proposed System-Wide Policy for Intercollegiate Athletics

The Chancellor distributed the proposed system-wide policy for intercollegiate athletics which had been prepared in response to a Board request. The Board voted to defer any discussion or action until there had been an opportunity for Board members to study the statement. The following voted in favor: Directors Anderson, Batiste, Ingalls, Lomnicki, Petersen, Wyss, and Harms. Those voting no: None.

Statement on Institutional Closure

The Chancellor distributed a statement regarding institutional closure which was prepared in response to a Board request. The document contained a model of an institution, "Hypothetical University," and projected the tangible and intangible costs of closing the institution. It was stated that:

An examination of both the direct and indirect consequences of closing an institution (or institutions) rather than the more pervasive reduction of enrollments among the several institutions leads me to the conclusion that institutional closure is neither fiscally nor educationally desirable.

In addition, I doubt that institutional closure is politically feasible.
The Board raised questions about student and faculty transfer under the assumptions in the report.

It was indicated that the faculty FTE to serve students transferred from the closed institution would be transferred to remaining institutions, but the receiving institution would have the perogative of selecting the actual staff members and they might or might not be the faculty terminated by the closure.

The Board accepted the report and requested the staff to prepare a statement incorporating the material in the report for consideration at the next meeting. Postponement was not intended to reflect any change in the Board's previous position that closure of an institution was not a practical solution to the state's financial problems. The following voted in favor: Directors Anderson, Batiste, Ingalls, Lomnicki, Petersen, Wyss, and Harms. Those voting no: None.

The Chancellor indicated that he had been instructed to comment to the Board with respect to the statement on institutional governance which had been presented at the joint meeting of the Board of Education, the Educational Coordinating Commission, and the Board of Higher Education on April 23, 1981. Subsequently, it was anticipated the Ways and Means Subcommittee might draft a statement on governance, and a motion was made and defeated to direct the Educational Coordinating Commission to report on governance.

The Chancellor reported that as a result of these actions he had done very little concerning the statement presented to the joint meeting and there is no other pending action relating to governance.

The Board voted to accept the report, with the understanding that the Chancellor's Office would present a response at some future time should it be appropriate to do so. The following voted in favor: Directors Anderson, Batiste, Ingalls, Lomnicki, Petersen, Wyss, and Harms. Those voting no: None.

Staff Recommendation to the Committee

It was recommended that the Committee select one of the instruction fee rate options submitted by the staff and recommend to the Board the instruction fees, incidental and health fees, and summer room and board charges displayed in this agenda item.

Summer Session Fee Book

580-40-035  The published document entitled, "Department of Higher Education Summer Session Fee Book" dated (March 31, 1980,) May 29, 1981, is hereby adopted by reference as a permanent rule. All prior adoptions of summer session fee documents are hereby repealed, except as to rights and obligations previously acquired or incurred thereunder.

The proposed fees as approved are detailed in the Summer Session Fee Book, dated May 29, 1981. Copies are on file in the Board's Office and is considered an integral part of the minutes.

Discussion and Recommendation by the Committee

Mr. Lemman explained that to the extent the increase in fees for summer session was in excess of the Board's normal policy, the excess would be treated as a surcharge for the first year and would become a customary fee in the second year, because the surcharge would occur earlier than would otherwise be the case.
President Blumel cautioned that the probable consequence of assessing summer session students the additional 15% increase would be a loss of students and tuition. Other educational formats are developing which result in programs that are more attractive than the programs at Portland State University. Fewer hours or shorter periods of time may be required in some of these programs than is considered at Portland State University to be consistent with maintaining the quality that should be maintained in summer session programs.

It was indicated in response to a question that beginning with the current biennium there has been no state fund reimbursement to independent colleges during the summer. Therefore, the state would not be subsidizing programs at independent institutions at the same time tuition was being increased for students in the State System institutions.

In describing the profile of students in summer session classes in comparison to those in the regular academic year, President Blumel indicated that there were a great many more teachers and a substantially larger number of non-regular students.

The Committee recommended that the Board approve Option 2 in the staff report, which would establish the surcharge.

The Committee then discussed the proposed incidental and health fees. It was stated that the incidental and health fees are reduced during the summer from those charged during the regular academic year in recognition of the fact that services available to students are less in the summer.

Mr. Robert John Warsinski, a student at Western Oregon State College expressed concern about the application of the summer session incidental fee process in that institution. He charged that the law and the 1971 Board policy in regard to the incidental fees were being ignored in regard to the incidental fee collection during the summer session at Western Oregon State College. He said the regulations require that the collection of incidental fee money is subject to the same sort of guidelines and procedures, regardless of the term in which it is collected. At Western Oregon State College, the level of the fee and the amount spent is completely outside of student control and no student-faculty or student-administration committee has ever reviewed the budget of the summer incidental fee activities. It is supervised by two professors on the campus who, with the advice of the business manager of the College, determine the amount of the allocation and the entire budget of the incidental fee collected during the summer. Requests have been made that the incidental fee committee have an opportunity to consider the summer session incidental fee budgeting, but the requests have been ignored. Mr. Warsinski cited an example from the College Center Building.

Mr. Warsinski said three alternatives were available to the Committee: (1) the situation could be ignored; (2) the institutional recommendation could be accepted with instructions to the College to review its policy and make appropriate modifications; or (3) the setting of a summer incidental fee level could be postponed pending a review of the summer incidental fee budget which could be conducted by the incidental fee committee or some other committee on campus. He indicated he preferred the third alternative.

The Committee discussed the alternative recommendations for Board action.

The Committee recommended that the Board approve the incidental and health services fees for all of the institutions, with the exception of Western Oregon State College, at the recommended amount for 1981; at Western Oregon State College, the Committee recommended the continuation of the 1980 amount with the understanding that when the public hearing is held in May, the College could propose to increase that fee to some other amount.
It was indicated that the building fees go to a common pooled fund for the payment of Article XI-F(1) bonds. It will be necessary to seek an increase in the statutory limit of $12.50 per term for the building fee in order to finance existing obligations under Article XI-F(1) and those items in the approved list of auxiliary enterprises for 1981-1983. The specific dollar amount will be brought to the Committee and the Board once the operating budget is known and also any budget reductions that may be imposed to reduce the student level, because this would have an impact on the amount of the student building fee.

Mr. Lemman explained that once bonds are sold and the debt service amounts are established, building fees which will meet that debt service with a very small margin are recommended to the Committee and the Board. Large reserves are not maintained.

The Committee recommended that the Board approve the building fee as recommended.

There was a brief discussion of cost variations and the factors influencing the amount and distribution of charges for room and board rates.

The Committee recommended that the Board approve the summer board and room rates as recommended.

Board Discussion and Action

Mr. Harms said that the time set for the public hearing on the amendment of OAR 580-40-035, Summer Session Fee Book, had arrived and asked if anyone wished to be heard for or against the proposed amendment. The proposed amendment would incorporate the proposed 1981 summer session tuition and fees as approved by the Board in the Board's Administrative Rules. No one asked to testify concerning the proposed amendment. Mr. Harms declared the public hearing closed.

Mr. Lemman indicated that responses had been received from President Leinwand and the incidental fee committee at Western Oregon State College indicating approval of the recommended 1981 incidental fee rate of $28 for that institution.

The Board approved the recommendations of the Committee with respect to the tuition and fee charges and on roll call vote adopted the amendment to OAR 580-40-035, Summer Session Fee Book. The following voted in favor: Directors Anderson, Batiste, Ingalls, Lomnicki, Petersen, Wyss, and Harms. Those voting no: None.

Staff Report to the Committee

Each year the Board sets summer session tuition rates by adopting a Summer Session Fee Book as a permanent rule (see AR 580-40-035.) Summer session charges contain the same components (instruction, building, incidental, and health service fees) as do the charges for terms of the academic year. The amounts differ, however, in recognition of differing levels of service and differences in summer enrollment policy. Until 1980, summer session fees were set with the intent that the total summer charge to a full-time student would approximate that for spring term of the preceding academic year.

For the 1980 Summer Session, the Board adopted fees intended to move the summer budget support toward an 80% tuition-10% State General Fund objective. This policy, in response to a budget note by the Ways and Means Committee of the 1979 Legislature, has been continued in plans for the 1981 Summer Session. The Governor's Budget for 1981-1983 contains resources intended to support summer expenditures at the 80/20 fund split. The increases in academic year tuition are such that the Board can continue its policy of relating summer fees to the preceding term of the academic year and maintain the prescribed fund split. Two options, one on current policy and the second adding a surcharge, are submitted for review.
**Option One, Current Policy Continuation**

A summer instruction fee schedule that will provide the summer revenue required by the Governor's Budget, meet the guidelines for an 80/20 fund split, and apply the Board policy of relating summer fees to the prior term can be developed by using the current policy of assessing summer instruction fees for undergraduates at 115% and graduates at 110% of the prior spring term rate. They compare with academic year term and prior summer session rates as follows:

<table>
<thead>
<tr>
<th>Undergraduates</th>
<th>Graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Year</td>
<td>Summer Session</td>
</tr>
<tr>
<td>1980-81 Term of Academic Year</td>
<td>$231</td>
</tr>
<tr>
<td>1981 Summer Session</td>
<td>(115%)</td>
</tr>
<tr>
<td>Continuation of existing Board policy of percentage factor applied to term of preceding academic year</td>
<td>$266</td>
</tr>
<tr>
<td>1980 Summer Session</td>
<td>$250</td>
</tr>
<tr>
<td>Percentage increase over 1980 Summer Session</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

Tuition rates that result from continuation of current policy are:

<table>
<thead>
<tr>
<th>Full-Time Student Rates</th>
<th>OIT and Universities</th>
<th>WOSC</th>
<th>EOSC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate Students</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1980 Summer Session</td>
<td>$250</td>
<td>$237</td>
<td>$221</td>
</tr>
<tr>
<td>1981 Summer Session</td>
<td>266</td>
<td>255</td>
<td>240</td>
</tr>
<tr>
<td>Graduate Students</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1980 Summer Session</td>
<td>401</td>
<td>389</td>
<td>389</td>
</tr>
<tr>
<td>1981 Summer Session</td>
<td>427</td>
<td>416</td>
<td>416</td>
</tr>
</tbody>
</table>

**Option Two, Surcharge**

The Governor's Budget anticipates a 15% tuition increase beginning with Fall Term 1981. Although this increase date allows the Board to maintain the spring term/summer term relationship that currently exists, it may not address adequately the fiscal problem faced by the Board in the 1981-1983 Biennium. If the Board were to advance the date of implementation for 15% tuition increases to include the 1981 Summer Session, an additional resource estimated at $426,000 would be generated. The amount of the increase in excess of 6.5% would be regarded as a non-recurring surcharge related to the state's present fiscal crisis. Tuition rates that result from a 15% increase over the 1980 Summer Session rates are:

<table>
<thead>
<tr>
<th>Full-Time Student Rates</th>
<th>OIT and Universities</th>
<th>WOSC</th>
<th>EOSC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate Students</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1980 Summer Session</td>
<td>$250</td>
<td>$237</td>
<td>$221</td>
</tr>
<tr>
<td>1981 Summer Session</td>
<td>266</td>
<td>255</td>
<td>240</td>
</tr>
<tr>
<td>At 6.5% Increase, Current Policy</td>
<td>288</td>
<td>273</td>
<td>254</td>
</tr>
<tr>
<td>At 15.0% Increase Over 1980</td>
<td>22</td>
<td>18</td>
<td>14</td>
</tr>
</tbody>
</table>
Summer instruction at the Health Sciences Center has been treated as a fourth term alternative rather than a summer session. Spring term fee rates are used to administer summer assessments. If the summer surcharge is approved for summer sessions at the seven colleges and universities, surcharges would be assessed at the Health Sciences Center. Rates of 15% above current per term instruction fees are:

<table>
<thead>
<tr>
<th>Health Sciences Center</th>
<th>Current Fee</th>
<th>With Surcharge</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Resident</td>
<td>Nonres.</td>
</tr>
<tr>
<td>Medical Student</td>
<td>$828</td>
<td>$1860</td>
</tr>
<tr>
<td>Dental Student</td>
<td>601</td>
<td>1500</td>
</tr>
<tr>
<td>Nursing Student</td>
<td>231</td>
<td>1002</td>
</tr>
<tr>
<td>MedTech/Dental Hygiene</td>
<td>231</td>
<td>1002</td>
</tr>
<tr>
<td>Graduate Student</td>
<td>388</td>
<td>719</td>
</tr>
</tbody>
</table>

On March 21, 1981, the Finance Committee discussed the advantages and disadvantages of the two options. That discussion has been summarized by the Secretary of the Board as follows:

**Summer Session Discussion by Finance Committee**

The view was expressed that an increase in tuition for summer session students would have a greater potential for loss of enrollment than would a similar charge during the regular academic year. It was also suggested the nominal increase for summer session students might not be a deterrent because it represents a one-time charge in many instances. Further, a substantial number of teachers attend summer session and receive salary increases based on accumulated hours.

The Chancellor pointed out that if the Governor's 15% tuition increase becomes effective, it would apply to two academic years in the biennium. If the increase is not imposed until the fall of 1981, there would be only one summer's application of the 15%. The 1981 summer session tuition is considered part of the income for the next biennium, and unless the 15% is applied to the 1981 summer session, there would be two academic years and one summer session in which the 15% would be allocated.

It was noted that applying the 15% surcharge now for the 1981 summer session would be anticipating the increase before it was certain that it would be necessary.

It was pointed out that the public hearing on summer session tuition would be held and action taken at the May Board meeting, which probably would be prior to the time when a final decision would be made on the biennial budget.

After further discussion of the implications of the tuition surcharge, the Committee recommended that the proposal be presented to the Finance Committee in April as an alternative.
If the Board were to adopt the summer surcharge, the additional revenue has the effect of temporarily increasing the proportion of summer expenditures supported by tuition, and releasing State General Funds to assist in ameliorating other tuition problems during the remainder of the biennium.

### Incidental and Health Service Fees

Institutions have provided incidental fee and health service fee recommendations applicable to the 1981 summer session. Fees for full-time students, compared with 1980 summer session rates are:

<table>
<thead>
<tr>
<th></th>
<th>Incidental Fee</th>
<th></th>
<th>Health Service Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>UO</td>
<td>$23.00</td>
<td>$24.50</td>
<td>$16.00</td>
</tr>
<tr>
<td>OSU</td>
<td>25.75</td>
<td>28.00</td>
<td>9.25</td>
</tr>
<tr>
<td>PSU</td>
<td>29.00</td>
<td>32.00</td>
<td>10.00</td>
</tr>
<tr>
<td>WOSC</td>
<td>24.00</td>
<td>28.00</td>
<td>12.00</td>
</tr>
<tr>
<td>SOSC</td>
<td>35.00</td>
<td>41.00</td>
<td>11.00</td>
</tr>
<tr>
<td>EOSC</td>
<td>28.00</td>
<td>30.00</td>
<td>8.00</td>
</tr>
<tr>
<td>OIT</td>
<td>20.00</td>
<td>23.00</td>
<td>---</td>
</tr>
</tbody>
</table>

### Building Fee

The building fee will be continued at the present level of $8 for full-time students at all institutions.

### Summer Room and Board Rates

Summer room and board rates recommended by the institutions appear on the following exhibits.
1981 SUMMER SESSION FEE BOOK

Room and Board Rates

Recommendations for 1981 Summer Session room and board rates are shown in the attached exhibits. If approved, these schedules will be incorporated in the 1981 Summer Session Fee Book.

Summer Session room and board accommodations are provided primarily for eight-week and eleven-week sessions; however, daily and weekly accommodations are also provided in order to serve individuals participating in workshops and shorter term courses. Most campuses also provide room only or board only accommodations in addition to the standard room and board plans. Rates of charge are generally comparable to those for individual terms of the academic year.
1981 Summer Session Room and Board Rates

University of Oregon

<table>
<thead>
<tr>
<th>Contract Period *</th>
<th>Room and Board</th>
<th>University Inn</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Multiple Meals</td>
<td>Single Meals</td>
</tr>
<tr>
<td></td>
<td>5-Days</td>
<td>7-Days</td>
</tr>
<tr>
<td>1</td>
<td>$77.00</td>
<td>$ -</td>
</tr>
<tr>
<td>2</td>
<td>149.00</td>
<td>156.00</td>
</tr>
<tr>
<td>3</td>
<td>221.00</td>
<td>234.00</td>
</tr>
<tr>
<td>4</td>
<td>293.00</td>
<td>312.00</td>
</tr>
<tr>
<td>5</td>
<td>341.00</td>
<td>364.00</td>
</tr>
<tr>
<td>6</td>
<td>389.00</td>
<td>416.00</td>
</tr>
<tr>
<td>7</td>
<td>437.00</td>
<td>468.00</td>
</tr>
<tr>
<td>8</td>
<td>479.00</td>
<td>513.00</td>
</tr>
<tr>
<td>9</td>
<td>521.00</td>
<td>558.00</td>
</tr>
<tr>
<td>10</td>
<td>563.00</td>
<td>603.00</td>
</tr>
<tr>
<td>11</td>
<td>600.00</td>
<td>649.00</td>
</tr>
<tr>
<td>12</td>
<td>637.00</td>
<td>695.00</td>
</tr>
<tr>
<td>13</td>
<td>674.00</td>
<td>741.00</td>
</tr>
</tbody>
</table>

Board Only

- Breakfast: $2.25
- Lunch: 3.40
- Dinner: 4.50

Daily Room Rates:

<table>
<thead>
<tr>
<th></th>
<th>On Campus</th>
<th>University Inn</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Multiple Meals</td>
<td>Single Meals</td>
</tr>
<tr>
<td>Regular Service</td>
<td>$8.80</td>
<td>$13.20</td>
</tr>
<tr>
<td>Conference Service</td>
<td>10.00</td>
<td>14.50</td>
</tr>
</tbody>
</table>

* The last meal of each contract period is Friday lunch for both 5-day and 7-day board.
### Oregon State University

<table>
<thead>
<tr>
<th>Contract Period</th>
<th>5-Days Meals</th>
<th>7-Days Meals</th>
<th>5-Days Meals</th>
<th>7-Days Meals</th>
<th>Room Only Multiple</th>
<th>Room Only Single</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week</td>
<td>15</td>
<td>19</td>
<td>15</td>
<td>19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>$67.00</td>
<td>$72.00</td>
<td>$78.00</td>
<td>$83.00</td>
<td>$39.00</td>
<td>$44.00</td>
</tr>
<tr>
<td>8</td>
<td>$420.00</td>
<td>$440.00</td>
<td>$475.00</td>
<td>$495.00</td>
<td>$240.00</td>
<td>$260.00</td>
</tr>
<tr>
<td>11</td>
<td>$485.00*</td>
<td>$505.00*</td>
<td>$565.00*</td>
<td>$585.00*</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Includes room for 11 weeks, and board only through the 8th week.

### Oregon College of Education

<table>
<thead>
<tr>
<th>Contract Period</th>
<th>5-Days Meals</th>
<th>7-Days Meals</th>
<th>5-Days Meals</th>
<th>7-Days Meals</th>
<th>Room Only Multiple</th>
<th>Room Only Single</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week</td>
<td>1</td>
<td></td>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>$65.00</td>
<td>-</td>
<td>$85.00</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>$120.00</td>
<td>$140.00</td>
<td>$160.00</td>
<td>$180.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>$180.00</td>
<td>$205.00</td>
<td>$240.00</td>
<td>$265.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>$240.00</td>
<td>$270.00</td>
<td>$320.00</td>
<td>$350.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>$295.00</td>
<td>$330.00</td>
<td>$390.00</td>
<td>$430.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>$350.00</td>
<td>$390.00</td>
<td>$460.00</td>
<td>$510.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>$405.00</td>
<td>$450.00</td>
<td>$530.00</td>
<td>$590.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>$460.00</td>
<td>$510.00</td>
<td>$600.00</td>
<td>$670.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Day**
- 17.25
- 20.75

**Room Only**
- 7.50
- 11.00

**Board Only**
- Breakfast: $2.50
- Lunch: $3.00
- Dinner: $4.25

*The last meal of each contract period is Friday lunch for both 5-day or 7-day period.
1981 Summer Session Room and Board Rates

(Continued)

**Southern Oregon State College**

<table>
<thead>
<tr>
<th>Contract Period</th>
<th>Multiple</th>
<th>Room and Board</th>
<th>Single</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11 Meals</td>
<td>14 Meals</td>
<td>20 Meals</td>
</tr>
<tr>
<td><strong>Week</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>$ 76.00</td>
<td>$ 84.00</td>
<td>$118.00</td>
</tr>
<tr>
<td>2</td>
<td>139.00</td>
<td>148.00</td>
<td>170.00</td>
</tr>
<tr>
<td>3</td>
<td>196.00</td>
<td>210.00</td>
<td>242.00</td>
</tr>
<tr>
<td>4</td>
<td>247.00</td>
<td>266.00</td>
<td>309.00</td>
</tr>
<tr>
<td>5</td>
<td>302.00</td>
<td>325.00</td>
<td>349.50</td>
</tr>
<tr>
<td>6</td>
<td>349.00</td>
<td>378.00</td>
<td>406.80</td>
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<td>7</td>
<td>398.00</td>
<td>431.00</td>
<td>465.00</td>
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<td>440.00</td>
<td>478.00</td>
<td>517.00</td>
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<tr>
<td>9</td>
<td>473.00</td>
<td>516.00</td>
<td>560.00</td>
</tr>
<tr>
<td>10</td>
<td>515.00</td>
<td>563.00</td>
<td>612.00</td>
</tr>
<tr>
<td>11</td>
<td>552.00</td>
<td>604.00</td>
<td>657.00</td>
</tr>
</tbody>
</table>

**Day**

| Room Only | Multiple | $10.00 |
| Board Only| Breakfast | $2.95 |
|           | Lunch    | 3.25  |
|           | Dinner   | 4.25  |

**Conference**

- American Plan--Room & Meals: $19.65
- Modified American Plan--Room, Breakfast and Dinner: 16.70
- Econo Plan--Room and Breakfast: 12.70

---

1. Includes breakfast Monday through dinner Sunday and room for 7 days.
2. Includes only five nights' lodging: Sunday-Thursday or Monday-Friday.
3. A credit of $.50 will be allowed for unmade beds.

**Oregon Institute of Technology**

Summer Session housing will not be available.
1981 Summer Session Room and Board Rates
(Continued)

University of Oregon Health Sciences Center

<table>
<thead>
<tr>
<th>Payments Per Term</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>Total</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Room Only*</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4-Term</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multiple</td>
<td>$1,164.00</td>
<td>$145.50</td>
<td>$72.75</td>
<td>$72.75</td>
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<tr>
<td>Single</td>
<td>1,524.00</td>
<td>190.50</td>
<td>95.25</td>
<td>95.25</td>
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<td>3-Term</td>
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<tr>
<td>Multiple</td>
<td>936.00</td>
<td>156.00</td>
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<td>1-Term</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multiple</td>
<td>360.00</td>
<td>180.00</td>
<td>90.00</td>
<td>90.00</td>
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<tr>
<td>Single</td>
<td>456.00</td>
<td>228.00</td>
<td>114.00</td>
<td>114.00</td>
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</table>

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly--For Students on Rotation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multiple</td>
<td>130.00</td>
<td></td>
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</tr>
<tr>
<td>Single</td>
<td>175.45</td>
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<p>| | | | | |</p>
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<tr>
<th></th>
<th></th>
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<th></th>
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<tbody>
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<td>Weekly</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multiple</td>
<td>35.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>45.00</td>
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<tr>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Nightly/Room</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per Person</td>
<td>8.50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per Person--3 Nights' Minimum</td>
<td>6.25</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Includes linens. Occupants must launder. In-room phone service is $27.50 per term.

Eastern Oregon State College

<table>
<thead>
<tr>
<th>Daily Room Only</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple</td>
<td>$4.50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>6.50</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Amendments to Administrative Rules, Residency Rules

(Considered by Committee on Instruction, Research and Public Service Programs, April 24, 1981; present--Carpenter, Anderson, Green, Petersen, Warner-Yasuda, and Harms.)

Amendments to residency rules in the Oregon Administrative Rules, Chapter 580, Division 10, Admissions and Residence Classifications, are necessary to simplify and clarify the regulations. The proposed amendments are primarily of an editorial nature.

It was recommended that the proposed amendments, as set forth on the following pages, be adopted by the Board after public hearing.

Discussion and Recommendation by the Committee

Mrs. Kahananui reviewed the proposed amendments and indicated that changes with respect to the definition of an emancipated student and the six-month residency provision would be presented at a later meeting. She then described the procedure by which the residency classification is determined within the State System and the appeal procedure if the student disagrees with the decision.

Mr. Harms questioned the equity in the residency rules as applied to emancipated and unemancipated students. He referred to OAR 580-10-025(4)(a) and (b), as contrasted with OAR 580-10-025(2). He noted that if a student has a legal custodian (and therefore is not emancipated) and the custodian establishes an Oregon residence that student is entitled to register as a resident student at the beginning of the next term. Students who are emancipated and have established Oregon residence have to wait six months and cannot attend an Oregon institution of higher learning during that period.

The Chancellor explained that the students who are not emancipated have no choice if their parents move to Oregon and emancipated students do have a choice. For that reason, it has seemed logical to permit the emancipated student to have an immediate opportunity for residency status, as presented in OAR 580-10-025(2).

Mrs. Green inquired as to whether there had been any current decisions in respect to distinction between residency requirements for unemancipated and emancipated students. Mr. Casby said the courts have not, to his knowledge, considered this particular issue. Generally, he said, the courts do not seem to frown on a one-year residency rule so long as it is equitably applied.

President MacVicar urged the Board to limit the amendments to the changes from domicile to residency. He said he would not like to see the Board change the six-month provision. He said he personally felt six months was a sufficient penalty for a person who had given up home and employment in another state and moved to Oregon. In the matter of the proposed change in OAR 580-10-035(1) pertaining to military personnel, President MacVicar urged that consideration be given to including commissioned officers in other federal service, such as the U. S. Public Health Service and the State Department.

The Committee recommended that the Board approve substitution of the word "residence" or "resident" for the word "domicile" as proposed in the staff recommendation in Items 1 and 2.

The Committee recommended that the Board approve the remaining changes in Item 1.

The Committee requested the staff to bring the Committee further information concerning the suggestion made by President MacVicar with respect to modified wording for OAR 580-10-035 to include certain federal service personnel in addition to the military.
The Committee recommended that the change proposed in Item 3 be struck.

The Committee recommended that the Board approve the proposed amendments included in Items 4 and 5.

The Committee considered briefly questions regarding the six-month and 12-month residency requirements in OAR 580-10-025(b). It was agreed that the staff would study the matter further and bring a report to the Committee on various alternative requirements at a later time.

Mrs. Carpenter said she would like to consider whether the issue of support by the parents should have anything to do with residency. She noted that many parents help their children whether or not they are married or resident elsewhere.

The Committee requested the staff to review the definition of emancipation in OAR 580-10-015(2) in light of Mrs. Carpenter's concerns and bring proposals for modified wording to the Committee.

Board Discussion and Action

Mr. Harms said the time set for the public hearing on the proposed amendments to OAR, Chapter 580, Division 10, Admissions and Residence Classifications had arrived. He asked if anyone wished to be heard for or against the proposed amendments. There being no response to his request, he declared the public hearing closed. The Board deferred action until the remainder of the proposed amendments would be available at an early meeting.

Staff Report to the Committee

AMENDMENTS TO RESIDENCY RULES AS PROPOSED
BY ADMISSIONS OFFICERS AND LEGAL COUNSEL

1. THE PURPOSE OF THE AMENDMENTS PROPOSED IN ITEM 1 IS TO DEFINE RESIDENCY.

OAR 580-10-030 is amended to read:

(1) [A student's parent or legal guardian, or an emancipated student, shall be deemed to have an Oregon domicile if] Residence means a bona fide fixed and permanent [residence is] physical presence established and maintained in Oregon, with no intention of changing residence to outside the state when the school period ends. Factors that will be considered [in determining if an Oregon domicile has been established are] include abandonment of any prior out-of-state residence, rental or purchase of a home, presence of family, presence of household goods, length of time in state, nature and permanence of employment, sources of financial support, ownership of property, place of voting, and payment of Oregon personal income taxes.

(2) The same criteria will be used to determine whether a resident who has moved has established a non-Oregon domicile.

(3) If institutional records show that the domicile residence of a student's legal custodian, or of an emancipated student, is outside of Oregon, the student shall continue to be classified as nonresident until entitlement to resident classification is shown. The burden of proof will be upon the student to show that the classification should be changed.

(4) In determining the residence classification of any person, recognition is to be given to the principle that domicile is not established by mere attendance at a college or university.
2. THE PURPOSE OF THE AMENDMENTS PROPOSED IN ITEM 218 TO ACHIEVE CONSISTENCY OF TERMINOLOGY BY ELIMINATING USE OF THE TERM "DOMICILE."

OAR 580-10-015 is amended to read:

Non resident Students

580-10-015 Except as modified by section 580-10-025(1) a nonresident student is defined as:

(1) An unemancipated student whose parent or legal guardian [is domiciled] resides outside of Oregon at the time of the student's registration; or

(2) An emancipated student who has not met the [domiciary] residency requirements of section 580-10-025(4) at the time of registration. An emancipated student is one whose [domicile] residence is independent of that of parents or legal guardian, and who receives no financial support from parents or legal guardian.

OAR 580-10-025 is amended to read:

Changes in [Domicile] Residence

580-10-025 (1) A student enrolling as an entering freshman after graduating from an Oregon high school with not less than one year of regular attendance shall be considered a resident student. If the student transfers to an institution outside of Oregon and later seeks to enroll again in an Oregon Department institution, the residence classification shall be reexamined and determined on the same basis as for any other transfer student.

(2) A student whose nonresident legal custodian establishes an Oregon [domicile] residence during a school term shall be entitled to register as a resident student at the beginning of the next term.

(3) If an emancipated student establishes [domicile] residence outside of Oregon during the school year, the resident fee shall continue to be assessed until the beginning of the fall term of the next school year. Thereafter, the student shall be assessed the nonresident fee.

(4) An emancipated student who establishes an Oregon [domicile] residence as determined by rule 580-10-030 shall pay a nonresident fee unless:

(a) The student establishes Oregon [domicile] residence at least six months prior to the time of initial registration;

(b) The student does not attend an Oregon institution of higher education, either public or independent, including a community college, during any part of such six-month period. However, an emancipated student who does not establish an Oregon [domicile] residence at least six months prior to initial registration at an Oregon institution, and who resides continuously in Oregon during twelve months, may be considered an Oregon resident for fee purposes if circumstances in the case meet the provisions of rule 580-10-030.

(5) Once established, residence is presumed until the student provides sufficient evidence to refute the presumption.

(6) An unemancipated resident student enrolled in a Department institution, who remains in this state after Oregon- [domiciled] resident parents or legal guardian move from the state, shall retain resident classification so long as attendance (except summer sessions) at an institution in Oregon is continuous.
3. The purpose of the amendment proposed in item 3 is to assist the admission officers in dealing with military personnel, or their parents, who claim that designation of Oregon as their home of record for the requisite time is sufficient to make them residents, even though they are not in Oregon.

OAR 580-10-035 is amended to read:

580-10-035 (1) A person in federal military service on a full-time basis is qualified for resident classification for fee purposes if that person is assigned to duty in this state, performs duties within the geographical limits of Oregon, and is residing within the state. Claiming Oregon as the person's residence of record for tax or other purposes is not the equivalent of residence in this state.

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

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

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

4. The purpose of the amendments proposed in item 4 is to achieve consistency of terminology and to force students to apply for residency status prior to the last date to register.

OAR 580-10-020 is amended to read:

580-10-020 (1) All students who are classified as nonresidents shall pay a nonresident fee.

(2) An Oregon resident student whose classification is changed to that of nonresident during the school year shall pay the nonresident fee beginning the fall term of the next school year. The student is obligated to notify the institution of any change of [domièile] residence.

(3) Refunds of the nonresident fee may be granted if the student shows that the classification previously assigned was in error, but not such refund shall be made unless the student applies for residency status prior to the last day to register for the term in which the student seeks change of status.

5. The purpose of amendment proposed in item 5 is to establish a cut-off date for WICHE applications.

OAR 580-10-050 is amended to read:

580-10-050 (1) Students attending Oregon graduate or professional schools under terms of the WICHE Compact shall be considered residents for fee purposes.

(2) Under the WICHE Student Exchange Program, certification of students as Oregon residents for purposes of attending institutions not under Board control or in other states shall be guided by rules set forth in Division 10. In order to be considered for WICHE certification, the student's completed application must be received by the certifying officer on or before October 15 of the year preceding admission. An application received after that date in an envelope postmarked not later than October 15 will be deemed to have been received on the 15th.
(3) (a) Department institutions may enter into agreements with individual institutions in other states or other countries whereby resident students specified by name in the Oregon institutions may transfer to the other institution, and an equal number of students specified by name from the other institution may transfer to the Oregon institution with a reciprocal waiving of additional fees ordinarily assessed to nonresident students in both institutions.

(b) The recommendation for a student exchange program, together with a copy of the proposed agreement between the institutions, shall be approved by the Chancellor before the exchange program is undertaken. Further, the program recommendation and the proposed agreement between the institutions shall set forth the reasons why the exchange would be of particular benefit to the students in their chosen study programs.

(c) If an approved agreement provides for exchange of equal numbers of students, then unforeseen circumstances which later might cause a student to withdraw from the program shall not void the arrangements agreed upon by the two institutions.

Mr. Wyss presented the following statement with reference to an editorial which appeared in the May 24, 1981, issue of the Oregonian:

Mr. President, this has been a year full of strain and upset for everyone connected with education in Oregon and in the whole budgeting process. It's an atmosphere which nurtures misunderstanding and suspicion and feeds any tendency we might have toward paranoia, but I was not prepared for an editorial in the Oregonian last Sunday, which seemed to step from annoyance into false accusation. It began by citing, 'One reason the Legislature should not trust the Board of Higher Education to cut its own budget,' and continues from there. The argument rested on our recommendation to reduce services at the Health Sciences Center rather than eliminate gym suit laundering for undergraduates in physical education classes. As a one time journalist I'm ashamed of the flimsy knowledge of facts, which lay behind the statement. Even the tiniest effort would have put an entirely different light on the matter. For this gym suit service was pledged to students as an offset to previous tuition increases. Our sense of honor required that we try to fulfill that pledge even though it gave us an uncomfortable choice. But whatever the arguments in the case I personally object to the words and tone in the comment. It baldly stated that we are people not to be trusted to fulfill our sworn responsibility to the people of the State of Oregon. It is a slander and an insult. This Board is engaged in perhaps the most unpleasant duties of any Board of Higher Education since it all began. Often we disagree in our judgments of what is best for the long-term best interests of the State and its citizens. But anyone who claims that we are lazy, misinformed, or dishonest strikes at the credibility of the whole System and invites its destruction. Mr. President, I know that it is unusual and perhaps unseemly to take notice of opinions expressed in the public press, but in this case I believe the editors of the Oregonian have gone beyond the bounds of propriety. I move we send a letter of objection to the tone and language of the recent editorial and ask for a civil response.

After a brief discussion of terminology and procedure, it was moved to amend the motion to delete the final words "and ask for a civil response" from the statement and that the Board president address a letter to the editor of the Oregonian explaining the situation and incorporating the sentiments of the Wyss statement. The Board approved the amendment to
the statement and the proposed action, with the following voting in favor:
Directors Anderson, Batiste, Ingalls, Lomnicki, Petersen, Wyss, and Harms.
Those voting no: None. The Board then approved the amended statement,
with the following voting in favor: Directors Anderson, Batiste, Ingalls,
Lomnicki, Petersen, Wyss, and Harms. Those voting no: None.

Problems of Higher Education in Oregon--A Response

The President of the Board prepared and presented to the Board for review
and discussion a statement, entitled Problems of Higher Education in Oregon--
A Response. It set forth assumptions which have been expressed concerning
higher education and commented on those assumptions, citing data pertaining
to them. The issue of quality and the effects of the financial crisis on quality
were reviewed. The questions of institutional closure and student access
were addressed. The statement concluded with a series of recommendations
for dealing with what is believed to be a temporary financial crisis so that
programs essential to the missions of the institutions or the State System
will be maintained and outstanding programs will be protected. A copy of
the complete statement was distributed and appears as Supplement A to
these minutes.

All of the Board members present indicated support for the statement and
Mr. Petersen moved that the Board endorse it as a substantial representa-
tion of the opinion of the Board, with the addition of a reference that "The
large measure of public services now provided to Oregon's citizens and
industries should be maintained." The reference has been inserted in these
minutes. The Board also voted to give the statement wide distribution.
The following voted in favor of the motion: Directors Anderson, Batiste,
Ingalls, Lomnicki, Petersen, Wyss, and Harms. Those voting no: None.

Summary and Staff Recommendation

It was recommended that the Administration Building at Eastern Oregon State
College be named Harvey Inlow Hall in honor of the first president of the
College.

Board Discussion and Action

The Board approved the recommendation as presented, with the following
voting in favor: Directors Anderson, Batiste, Ingalls, Lomnicki, Petersen,
Wyss, and Harms. Those voting no: None.

Staff Report to the Board

In recognition of his vital role during the establishment and formative years
of what is now Eastern Oregon State College, the students, faculty, adminis-
tration and alumni have recommended that the Administration Building,
which was the first campus structure, be named the Harvey Inlow Hall as a
tribute to the man who served as president of the College from its founding
in 1929 until 1937.

Mr. Inlow was a man of great personal integrity and dedication. He gave
unstintingly of himself in his assignment as president of the new school and
laid solid and enduring foundations for its orderly development. He fostered
the attitude of service through education that has since been a principal
strength of the institution.

Mr. Inlow was born at Eagle Point, Oregon, on December 17, 1886. After
obtaining teacher training at Southern Oregon Normal School in Ashland
from 1903 to 1906, he served as a teacher and principal in rural elementary
schools. From 1912 to 1914, he attended the University of Oregon Law
School and was admitted to the Oregon Bar following his graduation and the
conferral of his L1. B. degree. The following year, he received a Bachelor
of Arts degree from Pacific University, and in 1933 he completed the require-
ments for his Master of Arts degree from Stanford University.
His professional career during the period 1909-1929 included service as superintendent of schools in Cottage Grove, Forest Grove and Pendleton. While located in Pendleton, he developed summer training programs in that city from 1920 to 1926 as part of the Summer Session of Oregon Normal School.

The Board of Regents selected Mr. Inlow as the first president of Eastern Oregon Normal School when it was established in 1929. As noted, he met the challenges of a new college with distinction, assembling an outstanding and dedicated faculty, developing sound programs and creating a solid base for the future growth of the institution. Because of failing health, he resigned from the presidency in 1937 and accepted a position as Director of the Department of Inservice Extension Education for Oregon, residing in Monmouth. At the time of his death, on January 1, 1948, he was a professor of history at Oregon College of Education.

Summary and Staff Recommendation

It was recommended that the Classroom Building at Eastern Oregon State College, completed in 1973-74, be named Amanda Zabel Hall in honor of the first faculty appointee of the College. Dr. Zabel served as chairman of the Department of English from the founding of the institution in 1929 until her retirement in 1955.

Board Discussion and Action

The Board approved the recommendation as presented, with the following voting in favor: Directors Anderson, Batiste, Ingalls, Lomnicki, Petersen, Wyss, and Harms. Those voting no: None.

Staff Report to the Board

President Briggs has advised that the students, faculty, administrators and alumni of Eastern Oregon State College wish to recognize the twenty-six years of service which Dr. Amanda Zabel rendered to the institution as an outstanding teacher by having the Classroom Building named in her honor.

Dr. Zabel established and maintained standards of excellence for the students and faculty in her department. She possessed that rare gift which enables a teacher to bring literature to life for the student and to inspire the best work of which that student is capable. Her philosophy and integrity have served as models for the many persons to whom they were exposed during her tenure at the institution.

Amanda Zabel was born September 4, 1889, at Paynesville, Minnesota, and received her public school education there. She completed a two-year teacher training course at Valley City (North Dakota) State Teachers College in 1911 and received her Bachelor of Arts and Master of Arts degrees from the University of North Dakota in 1916. A Doctor of Education degree was conferred by Stanford University in 1947. She also engaged in graduate study at the University of Chicago; at Kings College, University of London; and at the Sorbonne, Paris.

Her professional experience included positions as teacher and elementary school principal in Oriska and Valley City, North Dakota (1907-10 and 1913-14); teacher and head of the English Department in high schools at Valley City (1916-20), Pendleton, Oregon (1921-24), and Huntington Beach, California (1924-29); and as Assistant Professor in the Teaching of English in the School of Education at the University of Wyoming (1920-21).

At Eastern Oregon Normal School's first convocation in 1929, President Inlow stated that his first official act, upon being notified by the Board of Regents that he had been chosen as president of the new school, was to contact Miss Zabel to ask her to head the English Department. She accepted the position and served with great distinction as chairman of the department from June 1929 until her retirement as Professor Emeritus in June 1955.

Following her retirement, Dr. Zabel resided in California until her death on July 23, 1979.
Meeting #477
Architectural Services for Autzen Stadium Improvements, UO

Summary and Staff Recommendation

Inasmuch as the University of Oregon Foundation arranged for the professional services of Mention Hanns Associates, Architects and Planners, Eugene, applicable to the proposed improvements to Autzen Stadium, which were reviewed with the Board on March 27, 1981, it was recommended that the provisions of AR 580-50-020 relating to the appointment of professional consultants be waived and that the Vice Chancellor for Facilities Planning be authorized to contract with this firm for assistance in the bidding and contract administration phases of the work.

Board Discussion and Action

The Board approved the recommendation as presented, with the following voting in favor: Directors Anderson, Batiste, Ingalls, Lomnicki, Petersen, Wyss, and Harms. Those voting no: None.

Staff Report to the Board

At the Board meeting in Newport on March 27, 1981, when the Board approved the staff recommendation to amend the 1981-1983 capital construction requests to include a proposed multi-purpose meeting facility at the east end of Autzen Stadium at the University of Oregon as Priority No. 23 in the listing of auxiliary enterprise projects with the understanding that it would be financed exclusively from gift funds of approximately $660,000, plus donations of certain materials and services, it was indicated that the preliminary planning was being accomplished as a gift to the University through the University of Oregon Foundation. The professional services were being rendered by Mention Hanns Associates, Architects and Planners, Eugene, with assistance from their engineering consultants under the provisions of an agreement executed by them and by officials of the Foundation.

Following the completion of the working drawings and specifications, it is expected that the bidding documents will be given to the Board and will be utilized by the Board's office and the University of Oregon in the bidding and construction phases of the work. It appears appropriate, therefore, to negotiate and contract with the same architectural firm for assistance in accomplishing the completion of the project. It would not be practical under these circumstances to follow the normal procedures outlined within AR 580-50-020 for the selection and appointment of professional consultants, requiring that the qualifications and interest of at least seven firms be considered, interviews conducted, etc.

Summary

To cover one-half of the estimated cost of $400,000 for altering spaces within the 10th floor connector between University Hospital South and the Outpatient Clinic Building and within The John E. Weeks Memorial Laboratory on the 3rd floor of the Medical Research Building for the Ophthalmology Department at the University of Oregon Health Sciences Center, an application has been filed with the National Eye Institute. This federal agency is part of the National Institutes of Health within the Public Health Service of the Department of Health and Human Services. The remainder of the project costs would be financed from gift and grant funds available to the institution.

Staff Recommendation to the Board

It was recommended that the Board ratify the action of President Laster in submitting a grant proposal on April 29, 1981, to the National Eye Institute for federal grant assistance of $200,000 for one-half of the estimated cost of altering net assignable areas of approximately 2,663 square feet within the 10th floor connector between University Hospital South and the Outpatient Clinic Building and approximately 1,000 square feet within The John E. Weeks Memorial Laboratory on the third floor of the Medical Research Building on the campus of the University of Oregon Health Sciences Center to
improve facilities used by the Ophthalmology Department. The local matching fund requirements are to be provided from resources available to the institution from gifts and grants.

Board Discussion and Action

The Board approved the recommendation as presented, with the following voting in favor: Directors Anderson, Batiste, Ingalls, Lomnicki, Petersen, Wyss, and Harms. Those voting no: None.

Staff Report to the Board

Immediately following the April 24, 1981, meeting of the Board, officials of the University of Oregon Health Sciences Center presented to the Board's Office of Facilities Planning the draft of an application being prepared for submittal to the National Eye Institute requesting funds to renovate and enlarge clinical research facilities of the Department of Ophthalmology to meet both an institutional need and a national need. It was explained that the primary institutional need is for a technologically advanced clinical research facility to enhance the quality, expand the scope, and coordinate the clinical research of the wide spectrum of ongoing, grant-supported projects conducted by the faculty in present departmental facilities and its affiliated institutions: the Oregon Regional Primate Center, Child Development and Rehabilitation Center, Good Samaritan Hospital and Medical Center, Neurological Sciences Institute, and the United States Veterans Hospital in Portland. Although these projects are funded independently, the investigators share a common purpose of improved management of visual disorders, as evidenced by the department's long history of contributions in ocular pharmacology, pathophysiology, and therapeutics under the former chairman, Dr. Kenneth C. Swan. The current department head, Dr. Frederick T. Fraunfelder, is uniquely qualified to coordinate and broaden the scope of these investigations in a team effort to meet the national need for a clinical research center for ocular pharmacology and toxicology of beneficial and possible adverse effects of drugs, chemicals, and environmental agents on the visual system. It is expected that the research also would include epidemiology and statistical methodology, and the data would be computerized.

These investigations would require extensive renovations of present departmental facilities in two areas: The John E. Weeks Memorial Laboratory, located in the Medical Research Building, and the overpass connecting University Hospital South and the Outpatient Clinic Building. Inasmuch as this latter section now houses departmental offices, examination rooms, and service laboratories, the proposed renovations would, in effect, be adding space dedicated to clinical research, rather than replacing existing research facilities. But there would be no increase in the total gross area. Featured in this remodeling would be a series of clinical laboratories designed to utilize advanced technology in the detection and evaluation of all parameters of visual function.

The remodeled space within The John E. Weeks Memorial Laboratory would accommodate the concentration of now divided eye pathology facilities into a central unit where transmission and scanning microscopy as well as conventional light microscopy would be available. The space would be fully equipped and keyed for studies of toxicology. Pathology specimens would be sought throughout the United States.

The schematic design phase of planning for the proposed alterations is now in progress with the assistance of Architects Boutwell, Gordon, Beard and Grimes, Portland, under the provisions of a supplement to their agreement for professional services relating to the proposed addition and alterations to University Hospital South.

Institutional officials have indicated that final action on the grant application likely will be made by the Advisory Council of the National Eye Institute in January 1982. If approved, the award would be made shortly thereafter,
Meeting #477

Financing of Architectural Planning for Student Housing Rehabilitation, PSU

Pending legislative authorization for the proposed Student Housing Rehabilitation project at Portland State University, for which an expenditure limitation of $2,245,000 is being requested as part of the Board's 1981-1983 capital construction program, it was recommended that funds required for the initial architectural planning be advanced from excess sinking fund reserves from commingled student building fees.

Board Discussion and Action

The Board approved the recommendation as presented, with the following voting in favor: Directors Anderson, Batiste, Ingalls, Lomnicki, Petersen, Wyss, and Harms. Those voting no: None.

Staff Report to the Board

Within the listing of auxiliary enterprise projects proposed to be undertaken in 1981-1983, Priority No. 12 has been assigned to Student Housing Rehabilitation at Portland State University. The estimated total cost of $2,245,000 includes direct construction costs of approximately $1,503,200 and furnishings and equipment items of about $329,000.

Following the preparation of a complete program statement for the project, institutional officials interviewed representatives of eight architectural firms and submitted a recommendation to the Vice Chancellor for Facilities Planning for the selection and appointment of consultants in accordance with the provisions of AR 580-50-020.

Normally, at those institutions where student housing is provided, it would be expected that architectural planning of capital construction projects relating to housing would be financed from resources available from excess reserves applicable to residence halls or apartments. At Portland State University, however, because institutionally-owned housing is operated under lease arrangements with Portland Student Services, Inc., it is necessary to identify an alternate source for the financing of the planning for the proposed major rehabilitation work.

In the opinion of the Board's staff, the most appropriate resource would be an advance from excess sinking fund reserves from commingled student building fees which would be repaid from Article XI-F(1) bond borrowings allocated to the project following legislative authorization. This same source may need to provide the initial debt service reserve also, but a recommendation concerning that matter will be deferred until a later time when the financing plan for the project is presented for Board review and approval.
Oregon State University requests authorization to discontinue the upper-division program leading to the bachelor of science degree in general engineering effective fall term 1981-82. Arrangements have been made for students currently enrolled in the program to complete degree requirements.

Staff Recommendation to the Committee

The Board's Office recommended that Oregon State University be authorized to discontinue the BS degree program in general engineering, effective fall term 1981-82. The lower-division program in general engineering will be continued to serve students who are undecided as to the specialized field of engineering they wish to pursue.

Discussion and Recommendation by the Committee

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

Board Discussion and Action

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

Staff Report to the Committee

The Oregon State University proposal is presented below. It will be noted that only 10 to 15 students per year have completed degree programs in general engineering during the past several years. The traditional use of the program has been as a holding area for students who have not yet decided on a major. All students enrolled in the program who intend to graduate in general engineering are completing the only required senior level sequence during the current year (1980-81). Seventeen of these students will graduate spring 1981. As many as 10 more may receive degrees in this field after this time. The remaining students presently in the program have or are expected to transfer to other engineering programs.

Elimination of the program will enable Oregon State University to discontinue teaching the specialized senior level general engineering sequence, GE 411, 412, 413 Analysis and Design.

Oregon State University Presentation

Proposal To Discontinue
Granting the Bachelor of Science Degree
In General Engineering

1. Definition of Academic Area

The Department of Industrial and General Engineering, in concert with the School of Engineering, recommends that the Bachelor of Science degree in General Engineering be discontinued after the students currently enrolled have completed their program. Service courses taught under the General Engineering (GE) designation would continue to be taught as a service to other departments in the School of Engineering.

The reason for this proposal is that the General Engineering program has not attracted enough students to support the allocation of resources required for its operation and this shortage of students has precluded the development of a curriculum adequate for accreditation.
2. **History of the General Engineering Program**

The first Bachelor of Science degree in General Engineering was granted to one student who graduated in 1964. For the next four years, four or fewer students received General Engineering degrees each year. For the next twelve years, the average number of degrees granted per year was approximately fourteen, with the largest number, twenty-five, granted in 1974. From 1977 through 1980, the number of degrees granted each year was ten, twelve, fifteen, and fourteen, respectively. There are presently 59 students enrolled as juniors or seniors in General Engineering. Of these, six have completed all of the specified General Engineering courses. It is expected that over half of the 59 students will transfer to other programs, as is traditional with students who utilize the General Engineering Department as a holding area for selection of a major of their choice. A reasonable estimate is that 17 students should receive their degree in the Spring of 1981 and, perhaps, 10 more will receive their degrees later. No new students will be admitted into the program and all of the current students have been informed about the possibility of the program being terminated. Since there are only three required General Engineering courses during the senior year, all of the students who expect to receive a Bachelor of Science degree in General Engineering will be enrolled in GE 411, 412, and 413 during the 1980-81 school year. Consequently, it should not be necessary to teach the senior sequence again, but advising services will be provided to all the currently enrolled students who desire to complete a degree in General Engineering.

3. **Elimination of Specified General Engineering Courses**

If this proposal is accepted, it will no longer be necessary to teach the following courses:

GE 411, 412, 413. Analysis and Design. 3 credits each

All other courses with the GE designator are to be continued because they serve all of the rest of the departments in the School of Engineering. It should also be noted that there will continue to be a two-year program offered in General Engineering for students who have not made up their minds about which major to pursue. They will continue to be advised and served by a GE program for two years that is designed to be as compatible as possible to all of the other majors in engineering.

4. **Effect of Dropping the General Engineering Degree**

The degree-granting General Engineering program was originally intended to provide an option for students to design a course of study that would meet their special interests, if those interests were not served by a conventional major. The low enrollment experienced by the program indicates that not many students wished to exercise this option. The flexibility of the option that made it attractive to the few who utilized it almost precludes the possibility that the program could ever meet accreditation standards. Since it is the policy of the School of Engineering that all degrees be accredited, and because resources are already stretched to extreme limits by high enrollments in other departments, the most feasible solution appears to be to eliminate the degree-granting status of General Engineering and to transfer the resources now allotted to senior GE courses to the service sector of General Engineering and to the recently approved major in Manufacturing Engineering offered by the department.
Meeting #477

Requirements for BS Degree, UOHSC (Considered by Committee on Instruction, Research and Public Service Programs, April 24, 1981; present--Carpenter, Anderson, Green, and Warner-Yasuda.)

The University of Oregon Health Sciences Center requested approval of institutional requirements for the bachelor of science degree, as presented in the statement which follows. The requirements are similar to requirements for the baccalaureate degree at other State System institutions. The Health Sciences Center awards baccalaureate degrees in nursing, dental hygiene, and medical technology.

Staff Recommendation to the Committee

The Board's staff recommended that the Board approve requirements for the bachelor of science degree at the University of Oregon Health Sciences Center as requested.

Discussion and Recommendation by the Committee

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

Board Discussion and Action

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

The proposed institutional requirements for the bachelor of science degree presented by the University of Oregon Health Sciences Center were drafted by a committee of representatives of the three programs offering the degree and the respective program registrars, using University of Oregon requirements as a model. The statement has been considered and unanimously accepted by the faculty senate, and has been reviewed and approved by the deans of dentistry, medicine, and nursing, and by President Laster.
Requirements for the Bachelor of Science degree are as follows:

1. **WRITTEN ENGLISH/ENGLISH COMPOSITION:** WR 121, 323, or equivalent, 6 credit hours. (If all or part of the requirement has been waived at a prior institution, evidence of waiver must be noted either on the official transcript or verified by the Registrar of the institution concerned.)

2. **PHYSICAL EDUCATION:** 3 terms in activity courses unless excused. (Students who have completed six months of active military service in the Armed Forces of the United States are exempt from 3 terms of the physical education requirement; to qualify for exemption, such students must file official documentary evidence of their service with the Admissions Office.) Waiver of the requirement on the basis of health or age will be considered upon request by the University of Oregon Health Sciences Center Student Health Services. (Waiver forms are available in the Registrar's Office.) Exemptions and waivers should be directed to the Registrar after a student matriculates.

3. **CREDIT IN UPPER-DIVISION COURSES:** Minimum, 62 credit hours.

4. **CREDIT IN THE MAJOR:** a) Minimum 36 credit hours, including at least 24 hours in upper-division courses. b) Any additional requirements of the major school or department (satisfaction must be certified by the dean or department head).

5. **CREDIT IN RESIDENCE:** Minimum 45 graded credit hours of the last 60 presented for the degree. Course work completed at any institution of the State System of Higher Education is considered work in residence only if the student is officially enrolled at the University of Oregon Health Sciences Center for the term in which the work is completed.

6. **RESTRICTIONS:** A maximum of 108 credit hours may be transferred from any accredited community college or junior college toward the baccalaureate degree. See the appropriate program catalog for restrictions on transferrable correspondence and work experience credits.

7. **TOTAL CREDIT FOR THE BACHELOR OF SCIENCE DEGREE:** Minimum 186 credit hours.

8. **ACADEMIC PERFORMANCE:** Graduation requires a minimum accumulated grade point average of 2.0 for all courses applicable for credit toward the baccalaureate degree. (For satisfactory academic progress while in program, see appropriate program catalogs.)

9. **GROUP REQUIREMENTS:** To promote breadth of liberal education, all candidates for a bachelor degree are required to take work in lower and upper division courses in each of three groups—humanities, social science, and natural science—as listed below. A minimum of 36 credit hours is required with at least 9 credit hours in each group: Humanities, Social Science and Natural Science.

**HUMANITIES**
- History of Art
- or Art Appreciation
- History of Music
- or Music Appreciation
- English (other than English Comp such as WR 121, 323)
- Linguistics
- Philosophy
- Speech and Theatre Arts
- Foreign Languages (excluding first year college level courses)

**SOCIAL SCIENCE**
- General Social Science
- Anthropology
- Economics
- History
- Political Science
- Psychology
- Religion
- Sociology

**NATURAL SCIENCE**
- Biology
- Chemistry
- Computer Science
- Geography
- Geology
- Mathematics
- Physics
- Zoology

When requirements for degrees are changed, special arrangements may be made for students who have taken work under former requirements. In general, however, a student will be expected to meet existing requirements at the time the degree is granted.

Students who want to earn a second bachelor degree must satisfy the admission requirements and the requirements of the major field of study plus a minimum of 45 credit hours in residence at the UOHS in addition to those applied to the first degree.

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Meeting #477

Summary

When bids for the remodeling of the Erb Memorial Union Building to remove access barriers for the handicapped were received at the University of Oregon on April 9, it became apparent that the cost estimate provided by Architects Briscoe & Berry, Eugene, was inadequate and that in order to proceed with the work, it would be necessary to increase the budget by $30,000.

Staff Recommendation to the Board

It was recommended that the expenditure limitation of $110,000 approved by the Board on February 27, 1981, for various alterations for improved access for the handicapped within auxiliary enterprise buildings at the University of Oregon be increased by $30,000 and that the additional resources required be provided from proceeds from self-liquidating bonds previously issued under the provisions of Article XI-F(1) of the Oregon Constitution and/or from other balances, such as excess sinking fund reserves from commingled student building fees, so that a contract award can be made for this work in the Erb Memorial Union.

Board Discussion and Action

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

Staff Report to the Board

Based upon drawings and specifications prepared with the assistance of Architects Briscoe & Berry, Eugene, bids were solicited for the modifications needed at the Erb Memorial Union Building on the campus of the University of Oregon to remove access barriers for the handicapped. At the direction of the Eugene fire marshal, the bid documents included provision for a second stairway exit from the International Lounge area on the second floor at the north end of the building. The work also contemplates revisions to an existing elevator, the installation of a chair lift and restroom modifications.

The quotations received on April 9 from six contractors ranged from a low of $90,989 to a high of $97,958—a spread of less than eight percent. However, the lowest bid (from H. J. Burrows Construction Company, Eugene) was substantially above the pre-bid estimate. As noted in the following schedule comparing the preliminary budget requirements with the post-bid figures, the additional sum of $30,000 would be needed in order to proceed with a contract award:

<table>
<thead>
<tr>
<th>Description</th>
<th>Pre-Bid</th>
<th>Post-Bid</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct construction costs</td>
<td>$63,000</td>
<td>$90,989</td>
<td>$27,989</td>
</tr>
<tr>
<td>Professional services fees</td>
<td>9,024</td>
<td>11,823</td>
<td>2,799</td>
</tr>
<tr>
<td>Construction supervision, physical plant costs and miscellaneous expenses, including permits</td>
<td>10,736</td>
<td>10,439</td>
<td>(297)</td>
</tr>
<tr>
<td>Contingencies</td>
<td>5,040</td>
<td>4,549</td>
<td>(491)</td>
</tr>
<tr>
<td><strong>Subtotal - Erb Memorial Union</strong></td>
<td>$87,800</td>
<td>$117,800</td>
<td>$30,000</td>
</tr>
<tr>
<td>Expenditure commitment for alterations previously made in Esslinger Hall (Leighton Pool)</td>
<td>22,200</td>
<td>22,200</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$110,000</td>
<td>$140,000</td>
<td>$30,000</td>
</tr>
</tbody>
</table>
Sufficient auxiliary enterprise resources are available to permit the allocation of the additional $30,000 for this work. The contractor who submitted the lowest bid has granted a 30-day extension for the acceptance of the bid so it is valid until June 8, 1981.

Summary

Officials of the University of Oregon Health Sciences Center have proposed that the Board's capital construction program for auxiliary enterprises be modified as follows:

(a) Identify an expenditure limitation of $870,000 as an alternate for the request of $3,440,000 for Priority No. 2 - Utility Improvements (Steam Phase II) to be financed from self-liquidating bond borrowings and/or other restricted funds; and

(b) Increase the expenditure limitation for Priority No. 4 - University Hospital South Addition and Alterations from $18,115,000 to $21,840,000 to reflect the most current estimate of cost based upon advice of the project architects; and

(c) Increase the expenditure limitation for Priority No. 5 - Hospital and Clinic Rehabilitation and Alterations Projects from $4,235,000 to $5,480,000 so that authorization may be obtained for certain additional remodeling work for the Department of Ophthalmology which is expected to be financed from gifts and grants totaling $1,245,000.

Staff Recommendation to the Board

It was recommended that the Board's requests for capital construction for auxiliary enterprises in 1981-1983 be revised in accordance with the proposal of officials of the University of Oregon Health Sciences Center as outlined in the Summary above.

Board Discussion and Action

In presenting the report, Mr. Batiste indicated that the proposed solutions were very sound solutions, in his opinion, and he recommended that the Board approve all three items. While he indicated some reluctance about retrofitting boilers which had exceeded their normal life expectancy, he was of the opinion it would give a stable supply of steam for the coming year and would meet the short-range need of providing steam for the hospital.

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

Staff Report to the Board

In explanation of each of the three items listed in the Summary, the following information is provided:

Utility Improvements (Interim Steam Phase II)

Inasmuch as the Governor's budget recommendations for 1981-1983 do not include any portion of the Board's request for expenditure authorization of $7,170,000 for Utility Improvements (Steam Phase II) at the University of Oregon Health Sciences Center, of which $3,440,000 was expected to be financed from resources applicable to the hospitals, clinics and other auxiliary enterprises, various alternatives have been explored with the project engineers, CH2M Hill Northwest, Inc., to determine what interim improvements should be undertaken to assure adequate firm heating capacity for the proposed University Hospital South Addition and Alterations. (This latter project was endorsed by the Executive Department, along with other projects to be
financed exclusively from gifts and grants or from self-liquidating bond borrowings, etc. Without provision for additional steam capacity, however, the new enlarged hospital facilities could not be completed and utilized effectively.)

Under the provisions of a supplement dated April 27, 1981, to the professional services agreement, the Engineers were authorized to study the feasibility of possible interim steam system improvements, with cost estimates for each, which might be undertaken to provide the capacity necessary to serve the campus and meet other requirements of jurisdictional agencies until the major utility project originally proposed (and reviewed with the Board on September 12, 1980) can be accomplished.

The preliminary findings of the Engineers suggest that in order to improve the air quality by bringing the emissions from the boiler room stack within approved limitations, and to prevent discharges from entering the building fan systems, it will be necessary to provide an air ejector system along with an extension to the existing stack. This would be much less costly than to provide and install either a wet or dry scrubber, and admittedly would be only an interim solution.

To provide the necessary additional capacity to meet the firm steam demand requirements which will be imposed through the construction of the major addition to University Hospital South, the three smaller boilers in the basement of the hospital would be re-built with new fan assemblies, wind box assemblies and control modifications permitting an increase in their production capability. Simultaneously, auxiliary systems associated with the boilers would be revised, such as by the installation of a new oil pump set, changes in the feedwater control system, and additional-piping modifications to provide ancillary support for the modified boilers.

The interim solution would also require the addition of a condensate pumping return system between the existing utility plant in University Hospital South and the recently completed starter plant on the south campus, and an increase in the line size/capacity of the present north campus-south campus steam line. This increase would allow for the maximum use of the new plant in the event of excessive demand requirements or a boiler failure on the north campus. (The current line size limits the ability to transfer steam between the two plants.)

It is estimated that the cost of these Utility Improvements (Interim Steam Phase II) would be $870,000. The proposal is to identify this amount as an alternate expenditure limitation (as Priority No. 2a) for the original request of $3,440,000 for Priority No. 2 in the 1981-1983 listing of auxiliary enterprise projects with the financing to be provided exclusively from self-liquidating bond borrowings and/or other restricted funds.

University Hospital South Addition and Alterations

As Architects Boutwell Gordon Beard & Grimes have become involved with their consultants and with institutional staff members in the program review and schematic design phase of planning for the proposed major addition and alterations to University Hospital South, they have identified the need for additional elevator service, additional emergency power, further remodeling on the 13th floor of "B" Wing, and other items not covered adequately in the initial cost estimate prepared prior to their appointment. Further, it has become apparent that the bidding of the project will be more than a year later than had been anticipated when the capital construction request was formulated. The combination of these factors imposes the need for an increase in the project budget from the earlier total of $18,115,000 to a revised amount of $21,840,000. Accordingly, it is proposed that the 1981-1983 capital construction requests be modified to reflect the most current estimate as the requested expenditure limitation for Priority No. 4 in the listing of auxiliary enterprise projects. All of the planning, construction and equipment costs would be financed from self-liquidating bond borrowings under the provisions of Article XI-F(1) of the Oregon Constitution, with debt service to be provided from patient fees and other revenues available to the hospitals and clinics.
Hospital and Clinic Rehabilitation and Alterations Projects

Subsequent to the preparation of the capital construction requests for 1981-1983, officials of the University of Oregon Health Sciences Center identified two additional remodeling projects benefitting the Department of Ophthalmology. As noted in a separate agenda item, a grant application has been filed with the National Eye Institute to cover one-half of the estimated cost of $400,000 for alterations to the space within the 10th floor overpass connecting University Hospital South with the Outpatient Clinic and to a small area of The John E. Weeks Memorial Laboratory on the 3rd floor of the Medical Research Building. The other major project involves the remodeling of the Ophthalmology Adult Eye Clinic on the 10th floor of University Hospital South at an estimated cost of $845,000. The need therefor is brought about from changing equipment and methods of delivery of ophthalmologic care, the current lack of effective patient and staff circulation patterns, and the proposed completion of the hospital addition.

All of the estimated costs of both of these remodeling projects for the Department of Ophthalmology would be financed from gifts and grants. No state tax funds would be involved, nor would there be the application of any bond proceeds for this work. It is proposed, therefore, that the original request for an expenditure limitation of $4,235,000 be amended to include the additional items totaling $1,245,000, making a revised request of $5,480,000 for Priority No. 5 in the listing of auxiliary enterprise projects during 1981-1983.

As revised to give effect to these proposed modifications, the priority listings for the Board's 1981-1983 capital construction program in comparison with Governor Atiyeh's original budget recommendations would be as follows:
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>OIT</td>
<td>Modifications to Remove Access Barriers for Handicapped</td>
<td>$525</td>
<td>$4,830</td>
</tr>
<tr>
<td>2</td>
<td>PSU</td>
<td>Safety Deficiency Correction Program Phase III-B</td>
<td>$40</td>
<td>$4,830</td>
</tr>
<tr>
<td>3</td>
<td>PSU</td>
<td>School of Architecture and Allied Arts Additions and Alterations</td>
<td>$5,985</td>
<td>$5,985</td>
</tr>
<tr>
<td>4</td>
<td>OSU</td>
<td>Professional Schools Building Phase II</td>
<td>$5,075</td>
<td>$5,075</td>
</tr>
<tr>
<td>5</td>
<td>OIT</td>
<td>Campus Master Planning</td>
<td>$95</td>
<td>$95</td>
</tr>
<tr>
<td>6</td>
<td>OSU</td>
<td>Basic Science Building Addition (Planning only)</td>
<td>$460</td>
<td>$460</td>
</tr>
<tr>
<td>7</td>
<td>OSU</td>
<td>Utility Improvements (Steam Phase II)</td>
<td>$3,730</td>
<td>$3,730</td>
</tr>
<tr>
<td>8</td>
<td>OSU</td>
<td>Safety Deficiency Correction Program Phase III-B</td>
<td>$345</td>
<td>$345</td>
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<tr>
<td>9</td>
<td>OSU</td>
<td>Maaske Hall Rededication and Remodel</td>
<td>$385</td>
<td>$385</td>
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<tr>
<td>10</td>
<td>OSU</td>
<td>Lincoln Hall Rehabilitation</td>
<td>$2,715</td>
<td>$2,715</td>
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<tr>
<td>11</td>
<td>OIT</td>
<td>Physical Education and Recreation Facilities (Tennis Courts Phase I)</td>
<td>$35</td>
<td>$35</td>
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<tr>
<td>12</td>
<td>OSU</td>
<td>Millar Library Addition</td>
<td>$7,265</td>
<td>$7,265</td>
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<tr>
<td>13</td>
<td>OSU</td>
<td>Library Addition and Alterations</td>
<td>$5,110</td>
<td>$5,110</td>
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<tr>
<td>14</td>
<td>OSU</td>
<td>Crop Science Building Addition</td>
<td>$2,245</td>
<td>$2,245</td>
</tr>
<tr>
<td>15</td>
<td>OSU</td>
<td>Various Land Acquisition</td>
<td>$300</td>
<td>$300</td>
</tr>
<tr>
<td>16</td>
<td>OIT</td>
<td>Utility Improvements (Tunnel Extension Phase III)</td>
<td>$365</td>
<td>$365</td>
</tr>
<tr>
<td>17</td>
<td>OSU</td>
<td>Churchill Hall Remodel</td>
<td>$2,960</td>
<td>$2,960</td>
</tr>
<tr>
<td>18</td>
<td>OSU</td>
<td>Humanities Building/Arts Center Phase I</td>
<td>$3,075</td>
<td>$3,075</td>
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<tr>
<td>19</td>
<td>OIT</td>
<td>Library Mezzanine Addition</td>
<td>$375</td>
<td>$375</td>
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<tr>
<td>20</td>
<td>OSU</td>
<td>Rehabilitation of Various Campus Facilities</td>
<td>$2,915</td>
<td>$2,915</td>
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<tr>
<td>21</td>
<td>OSU</td>
<td>Siskiyou Commons Rededication, Addition and Remodel (Art Department); Related Relocations</td>
<td>$2,145</td>
<td>$2,145</td>
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<tr>
<td>22</td>
<td>OSU</td>
<td>Administration Building Remodel</td>
<td>$770</td>
<td>$770</td>
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<tr>
<td>23</td>
<td>OSU</td>
<td>Liberal Arts Instruction Building</td>
<td>$4,895</td>
<td>$4,895</td>
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<tr>
<td>24</td>
<td>OSU</td>
<td>Science Greenhouse</td>
<td>$245</td>
<td>$245</td>
</tr>
<tr>
<td>25</td>
<td>OSU</td>
<td>Farm Crops Building Remodel</td>
<td>$695</td>
<td>$695</td>
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<tr>
<td>26</td>
<td>OSU</td>
<td>Milne Computer Center Addition</td>
<td>$1,390</td>
<td>$1,390</td>
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<tr>
<td>27</td>
<td>OIT</td>
<td>Dental School First Floor Roof Enclosure</td>
<td>$675</td>
<td>$675</td>
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<tr>
<td>28</td>
<td>OIT</td>
<td>Library Expansion/Remodeling (Planning only)</td>
<td>$360</td>
<td>$360</td>
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<tr>
<td>29</td>
<td>OIT</td>
<td>Central Hall Remodel</td>
<td>$185</td>
<td>$185</td>
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<tr>
<td></td>
<td>Subtotals</td>
<td></td>
<td>$61,960</td>
<td>$61,960</td>
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II. Educational and General Plant - Gifts and Grants

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<tbody>
<tr>
<td>19</td>
<td>OSU</td>
<td>Rehabilitation of Various Campus Facilities</td>
<td>$100</td>
<td>$100</td>
</tr>
<tr>
<td>20</td>
<td>OSU</td>
<td>Research Facility Improvements</td>
<td>$1,055</td>
<td>$1,055</td>
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<tr>
<td>30</td>
<td>OSU</td>
<td>Gill Coliseum Addition (Wrestling)</td>
<td>$350</td>
<td>$350</td>
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</table>

Subtotals $1,485 $3,135 $100

Totals - Educational and General Plant $63,445 $1,385 $62,060

III. Auxiliary Enterprises

<table>
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<tr>
<th></th>
<th></th>
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<th></th>
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<tbody>
<tr>
<td>1</td>
<td>OIT</td>
<td>Campus Master Planning</td>
<td>$45</td>
<td>$45</td>
</tr>
<tr>
<td>2</td>
<td>OSU</td>
<td>Utility Improvements (Steam Phase II)</td>
<td>$3,440</td>
<td>$3,440</td>
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<tr>
<td>3</td>
<td>OIT</td>
<td>Utility Improvements (Interim Steam Phase II) - Alternate</td>
<td>$145</td>
<td>$145</td>
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<tr>
<td>4</td>
<td>OIT</td>
<td>University Hospital South Addition and Alterations</td>
<td>$21,840</td>
<td>$18,115</td>
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## Meeting #477

Oregon State Board of Higher Education  
Capital Construction and Land Acquisition Program for 1981-1983  
Comparison of Board's Revised Requests and Governor Atiyeh's Budget Recommendations  
(Cost Estimates in Thousand of Dollars), Page 2

<table>
<thead>
<tr>
<th>Priority</th>
<th>Institution</th>
<th>Project Description</th>
<th>Board's Revised Requests</th>
<th>Governor's Revised Budget Recommendations</th>
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</thead>
<tbody>
<tr>
<td>5</td>
<td>UO/OSU</td>
<td>Hospital and Clinic Rehabilitation and Alterations Projects</td>
<td>$1,245,000**</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ophthalmology Department</td>
<td></td>
<td></td>
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<tr>
<td>6</td>
<td>UO/OSU</td>
<td>Parking Structure #2 Addition</td>
<td></td>
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<td>7</td>
<td>OIT</td>
<td>Physical Education and Recreation Facilities (Tennis Courts Phase I)</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Various</td>
<td>Land Acquisition</td>
<td></td>
<td></td>
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<tr>
<td>8</td>
<td>OIT</td>
<td>Utility Improvements (Tunnel Extension Phase III)</td>
<td>245*</td>
<td>245*</td>
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<tr>
<td>9</td>
<td>OIT</td>
<td>Physical Education Building Remodel (Swimming Pool)</td>
<td>1,025</td>
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<td>10</td>
<td>OIT</td>
<td>Rehabilitation of Various Campus Facilities</td>
<td>335*</td>
<td>335*</td>
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<td>11</td>
<td>UO</td>
<td>Auxiliary Enterprise Improvements</td>
<td>285*</td>
<td>285*</td>
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<tr>
<td>12</td>
<td>PSU</td>
<td>Student Housing Rehabilitation</td>
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<td>PSU</td>
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<td>PSU</td>
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<td>PSU</td>
<td>OSU Washington Way Tennis Courts Renovation</td>
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<td>550</td>
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<td>PSU</td>
<td>Gill Coliseum Addition (Wrestling)</td>
<td>165*</td>
<td>165*</td>
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<td>PSU</td>
<td>Parking Improvements Phase I</td>
<td>150</td>
<td>150</td>
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<td>PSU</td>
<td>Stadium</td>
<td>1,550</td>
<td>1,550</td>
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<tr>
<td>21</td>
<td>PSU</td>
<td>All-purpose Arena</td>
<td>19,000*</td>
<td>19,000*</td>
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<tr>
<td>22</td>
<td>OIT</td>
<td>Moehl Stadium Roof</td>
<td>205</td>
<td>205</td>
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<tr>
<td>23</td>
<td>UO</td>
<td>Autzen Stadium Improvements</td>
<td>660**</td>
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</table>

** Totals - Auxiliary Enterprises  
$67,165  
$57,220  
$4,315#

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* Partial cost; portions financed within the Educational and General Plant and from Auxiliary Enterprises

# Additional Auxiliary Enterprise projects in the total amount of $25,925,000 recommended in 1983-1985 are shown in a separate schedule comparing the Board's requests and Governor's budget recommendations for 1983-1985 and 1985-1987

** Project added to Board's Revised Requests after publication of Governor's Budget Recommendations

### Increased expenditure limitation proposed after publication of Governor's Budget Recommendations

Office of Facilities Planning  
December 8, 1980  
Revised March 27, 1981, and May 29, 1981
Many of the federal government's national goals, especially in areas of agriculture and science, are heavily dependent upon research. The federal government supports research in higher education not only as a means of achieving these goals, but also as a means of achieving and maintaining a high quality academic environment.

Federally Funded Research in Oregon

Within the Oregon State System of Higher Education research and instruction programs funded from primarily federal sources are estimated to amount to $203.4 million in 1981-1982. These programs represent 17.0 percent of the total $1.2 billion operating budget. The contribution made by these activities to the instruction programs, and the Oregon economy, should not be underestimated. The instruction program is benefited because the existence of a major research program attracts talented and productive faculty, strengthens graduate research programs, generates discipline-related employment for undergraduate and graduate students, and provides equipment which is shared frequently with the instructional programs. The economy is benefited in two ways. First, federal payments ripple through the Oregon economy generating additional income. Second, the existence of a significant and stable research effort attracts and supports research dependent industries.

Sustaining the existing level of federal research activities and attracting new programs depends upon each institution's ability to (1) successfully complete each research project, (2) provide adequate research support in the form of adequate facilities and equipment, and (3) demonstrate efficient grant administration management. The federal government recognizes costs associated with (2) and (3) and therefore provides funds which are known as "Indirect Cost Recoveries" or more properly "Indirect Cost Reimbursements." Without adequate indirect cost support, the institutions simply could not afford to participate in federally sponsored research activities. Without this support the institution could not provide the building space, and its operation and maintenance, or the necessary administrative and library services upon which the actual research activity depends.

Direct and Indirect Research Related Costs

All research costs which can be identified with a particular project without an inordinate accounting effort are charged directly to the project account. These "Direct Costs" include items such as the grant recipients' and other technical staffs' time on the project, the purchase of project related materials and equipment, computer time, and reimbursement for travel related directly to project work. Ideally, all costs should be charged directly to each project. However, research projects usually share space and time with other projects, administrative activities, and instruction. To directly associate these costs with each use would require a substantial and expensive accounting effort. The federal government has therefore established uniform rules (known as OMB Circular A-21) which require many costs to be included in an "Indirect Cost Rate." It should be noted that many otherwise direct costs (e.g., operation of building space used exclusively for research) are required by federal regulation to be included as indirect costs. The inclusion of such costs is required in order to maintain uniform, nationwide compliance with the A-21 guidelines and to simplify federal reports.

Examples of project related indirect costs are items such as heating, lighting, air conditioning, and custodial services of buildings; administrative services such as departmental administrative costs, accounting, purchasing, personnel administration; and library materials and services. In the absence of the grant, these costs would not exist. The existence of the grant activity generates these costs and their magnitude is verified by periodic federal audit.
Indirect Cost Accounting

Indirect costs consist not only of current costs, but also of deferred costs resulting from the wear and tear on buildings, equipment, and library resources. The following categories of expense are required by A-21 guidelines to be calculated as indirect costs.

1. Depreciation or use allowance for non-federal funded building space. The building use allowance is computed at two percent of each building’s original cost (less amounts provided by federal funds) prorated according to space and time used in research.

2. Use allowance for non-federal funded equipment. Again, the use allowance recognizes the depreciation of equipment, but allows a reimbursement rate of 6-2/3 (a fifteen-year replacement schedule) percent of only the original acquisition cost prorated according to its use in research.

3. Operation and maintenance costs. Allocation of these costs is made on the basis of square footage and its proportional time devoted to qualifying research. Examples of these costs are custodial services, heating, air conditioning, power, and minor repairs.

4. Departmental administration. Departmental administration costs are usually the largest component of indirect costs. They consist of administrative services and expenses at the school and department level which support both research and instruction activities. Proratable expenses are the salaries of deans, department chairmen, secretaries, and other staff engaged in administrative duties, office expenses, applicable personnel benefits, operation and maintenance of departmental space, etc.

5. Library costs. These costs are allocated by formula based upon patronage, or time and materials devoted to research activities.

6. Grant and contract administration. These charges reflect direct grant and contract administration costs, such as review of proposals, contract review, project budgeting and accounting, etc.

7. General administration. General administration expenses, such as those of the presidents' offices and institutional budget and accounting offices, serve all programs and therefore a proportionate share of these costs are allocated to research.

The above list of includable categories suggests the complexity of measuring indirect costs and the documentation required by federal auditors. The following schedule excerpted from Oregon State University's annual Indirect Cost Study summarizes the results of the indirect cost reimbursement rate calculation for a single institution. This actual 1978-79 rate is projected forward and used as the basis for determining indirect cost reimbursements in 1980-81. Subsequent year reimbursements will then be adjusted to reconcile 1980-81 reimbursements with actual costs as determined by 1980-81 cost studies and by federal audit.
Oregon State University
Computation of Indirect Cost Rates
Year Ended June 30, 1979

<table>
<thead>
<tr>
<th>Organized Research</th>
<th>Indirect Costs</th>
<th>Percent of Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use Allowance--Building</td>
<td>$126,767</td>
<td>.71%</td>
</tr>
<tr>
<td>Use Allowance--Equipment</td>
<td>$418,158</td>
<td>2.35</td>
</tr>
<tr>
<td>Operation and Maintenance</td>
<td>$884,401</td>
<td>4.96</td>
</tr>
<tr>
<td>General and Administrative</td>
<td>$945,622</td>
<td>5.31</td>
</tr>
<tr>
<td>Departmental Administration</td>
<td>$2,377,632</td>
<td>13.35</td>
</tr>
<tr>
<td>Research Administration</td>
<td>$557,119</td>
<td>3.12</td>
</tr>
<tr>
<td>Library</td>
<td>$204,563</td>
<td>1.15</td>
</tr>
<tr>
<td><strong>Total Allocable Indirect Costs</strong></td>
<td><strong>$5,514,262</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total Direct Costs</strong></td>
<td><strong>$17,813,775</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Indirect Cost Rate: Organized Research</strong></td>
<td><strong>30.95%</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** The above schedule and rate applies only to organized research. A different indirect cost rate is computed for Educational Service Agreements (ESA) but an existing federal rate ceiling of eight percent renders impossible recovery of actual ESA costs which in fact range from 30 to 40 percent of direct grant expenditures.

**Budgeting Indirect Costs**

Prior to 1977, State System of Higher Education accounting practices entered indirect cost reimbursements as "reductions of expense." Thus the Education and General Services Budget reflected the anticipated gross cost of doing business minus the cost of administering gifts, grants, and contracts. These charges were included in the Gift, Grant, and Contract Budgets.

This practice had the effect of placing indirect cost reimbursements and their expenditure outside the legislatively imposed expenditure limitation. Institutions were held responsible for the recovery of their own budgeted level of indirect cost reimbursements. If actual receipts fell short of the estimate, the expenditure budget was reduced, reflecting the lower workload. Conversely, if receipts exceeded the estimate (i.e., direct grant and contract activity exceeded budget estimates), institutions were permitted to increase their expenditure budgets by the amount of the additional indirect cost reimbursements.

One major complication developed. Audits by the granting agencies occasionally resulted in retroactive changes in the indirect cost reimbursement rate. Such a retroactive change, if an increase, produced unexpected and unbudgeted revenues. If, however, the retroactive change was a decrease, an obligation was generated to repay what sometimes proved to be large amounts of indirect cost reimbursements which the audits failed to support. These fluctuations based upon rate changes, plus the fluctuations caused by changes in the volume of the gifts, grants, and contracts, led to the authorization by the Board to establish at each institution and agency a reserve to stabilize indirect cost reimbursements. These reserves approximated $250,000 at each of the large institutions. The reserves would be called upon when receipts fell short of the estimates, whether because of volume or rate changes, and would be replenished when future receipts exceeded estimates.
In 1977, the Executive Department, in part because it disapproved of the accounting practice labeled "reduction of expenses," and in part because it wanted indirect cost reimbursements to be within the expenditure limitation, recommended to the Legislative Assembly that these funds be treated as income and that they be placed under expenditure limitation. The Legislative Assembly adopted the recommendation and, at the same time, eliminated the specific reserves, replacing them with a more general reserve against the possibility of the underrealization of all kinds of Board income, including tuition.

In addition, the Legislative Assembly directed that the estimated level of indirect cost reimbursements contained in the 1977-1979 budget be increased by $964,181 without an equivalent increase in the expenditure limitation. The fiscal effect of this action and the imposition of an expenditure limitation was threefold:

1. It reduced the required state General Fund appropriation by an amount equal to the directed increase in estimated reimbursements.

2. Because an increase in contract and grant activity increases related administrative costs (attested to by A-21 guidelines and federal audit), this action resulted in taking money from Education and General programs to pay for the cost of administering grants and contracts.

3. When actual indirect cost reimbursements exceed the budgeted amount without a corresponding increase in expenditure limitation, then a further transfer of money occurs from the Education and General programs to pay for increased workload associated with grants and contracts.

The principal argument advanced for denying the expenditures of these funds for their intended purposes is that no direct relationship exists between the volume of grant activity and associated administrative costs. Validation of such reasoning would require challenging the credibility of the already restrictive Circular A-21 guidelines and the adequacy of the federal audit.

The current method of budgeting indirect cost reimbursements provides a negative stimulus for expanding grant and contract activity. Because it shifts resources away from Education and General programs, administrators and faculty are not going to be inclined, over the long-run, to encourage that kind of erosion of services to students.

**Alternative Budgeting Procedures**

There are alternative budgeting procedures which should be considered. One modification would be to return to the accounting practice of treating indirect cost reimbursements as a "reduction of expense," thus removing them from the expenditure limitation. This alternative is preferred because it more clearly separates the Gifts, Grant, and Contract support from the Education and General Services program costs.

A second alternative would be to establish a separate line in the State System's budget for indirect cost reimbursements and expenditures and not place them under expenditure limitation.

A third alternative would be to retain the current accounting practices, but to (1) make explicit that the direct relationship does, in fact, exist between the volume of grants and contracts and the cost of administering them; (2) authorize the re-establishment of reserves against rate and volume reductions; (3) require that institutions reduce their expenditure budgets in accordance with volume reductions; and (4) provide assurance that the additional indirect cost reimbursements associated with volume increases would be routinely approved for expenditure.
Discussion and Recommendation by the Committee

The Chancellor said he wanted to emphasize the impact of having the Legislature increase the estimated income for gifts, grants, and contracts without a comparable increase on the expenditure side. The practice has occurred on several occasions of increasing the estimated income by a certain amount but not increasing the expenditures by the same amount. This money is all in the Education and General Services budget. The costs of administering gifts, grants, and contracts are in fact equivalent to the reimbursement received from the federal government and the costs that must be met if the volume of gifts, grants, and contracts is equivalent to the estimated amount. If the volume is achieved and the indirect cost reimbursements are received, but not the expenditure limitation, it is still necessary to pay the expenses. The money comes from funds that would otherwise be available for instructional purposes.

Mr. Wyss said it would appear that the Ways and Means Committee and its analyst have taken the position that there is no direct relationship between the volume of grant activity and cost. The Board has continuously said unsuccessfully that this position is incorrect. He said it would appear that the State System loses more and more educational money whenever it receives a federal grant and it seems the only choice is to stop accepting federal grants. He asked what options were available.

The Chancellor responded that one of the options was to be persistent in presenting the logical circumstances. Another option was simply to inform the subcommittee of Ways and Means that in the event the expenditure limit accompanying the estimated indirect cost reimbursements is not approved, the institutions will be instructed to control the volume of gifts, grants, and contracts to be equivalent to that which they estimate to be the top amount related to what they are allowed to spend. The morale of faculty members involved extensively in these activities would certainly suffer as a consequence. The report under discussion does offer a clearly articulated rationale. The conflict is over the issue of whether the one-to-one relationship does in fact exist or whether there are increments of these reimbursements which are in excess of what is needed to administer the contracts or represent costs that are already being funded by the state.

The Chancellor said the situation probably would be clarified further at the time of the budget review.

The Committee recommended that the Board approve the position stated in the third alternative of the staff report.

Board Discussion and Action

The Chancellor said that it appeared that for the first year of the biennium, the expenditure of the full amounts of the indirect cost reimbursement would be permitted, with one minor exception. There has been some success in persuading members of the Subcommittee that the Board's posture on indirect cost recoveries is a sound one.

Mr. Wyss referred to the objections which have been made that the funds generated under a contract are not applied directly back to the originating department.

President MacVicar said one of the confusing things about indirect cost recoveries is that they cannot be collected for something that has not been expended. They represent a retrospective analysis of expenditures by a federal auditor, whose sole motivation is to get as much as possible for the government. On the other hand, representatives of the institutions are anxious to assure a full and complete recovery of all valid expenditures.

Indirect cost recoveries are not exactly in line with present expenditures because the audit is for the expenditures in a previous year. Once the indirect costs are received, most of the money will, of necessity, pay that
fair and appropriate percentage of the total cost that is attributable to the research. To the extent that is not done, the rate will be lower in the next grant cycle.

President MacVicar said it also was desirable to allocate a small portion of the funds to support research that has not yet matured to the point that it can qualify for external grants and to serve as a bridge to retain staff for brief periods between contracts. This too could result in a lower rate for subsequent indirect cost recoveries.

Researchers may want the services for which the indirect costs are received, but they want the indirect cost funds to go for something that is directly related to their research. Therefore, they sometimes make unwise public statements about the allocation process.

President MacVicar urged the Board to support the Chancellor's position on indirect cost recoveries in order to avoid the gradual erosion of the total support base for the program to continue.

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

(Considered by Committee on Instruction, Research and Public Service Programs, April 24, 1981; present--Carpenter, Anderson, Green, Petersen, Warner-Yasuda.)

Staff Recommendation to the Committee

The Board's staff recommended that the Board authorize the three State System teacher education institutions not presently approved to offer basic preparation in teaching the handicapped to develop programs of instruction (1) which will enable their elementary and secondary graduates to perform effectively in mainstreamed classrooms, and (2) which will provide their students with the option of fulfilling requirements for the basic handicapped learner endorsement.

This action is permissive. It is intended to authorize the institutions to strengthen their resources and plan basic programs of instruction, with the expectation that programs developed under this authorization will be brought to the Board for its review before being forwarded to Teacher Standards and Practices Commission for its approval.

The action does not authorize the institutions to develop resources and programs to prepare educational specialists past the basic entry level endorsement, nor is such authorization contemplated.

Discussion and Recommendation by the Committee

During the presentation of the report, Dr. A. M. Rempel, Assistant to the Vice Chancellor for Academic Affairs, read a statement from Dr. Shelby Price, Superintendent of the Jackson County Educational Services District. The statement endorsed the proposal for development of a program for the preparation of classroom teachers meeting quality requirements for the basic handicapped learner endorsement in order to meet needs in southern Oregon for pre-service and in-service instruction in this important area. In referring specifically to the Southern Oregon State College portion of the request, Dr. Price said it was difficult to hire teachers with appropriate training from schools in the Willamette Valley because they are already employed or tend to seek positions in that area of the state. He noted that expertise in education of the handicapped learner was available in the Education Service District staff and that a good working relationship existed between the college and the education district.
Mrs. Green inquired whether, if the federal mandate continues as it now is, there would be adequate supply of faculty to provide instruction for teachers of the handicapped. Dr. Rempel said the institutions in the State System can produce the numbers of specialists needed, if they are willing to accept employment in the more remote districts. Nationally, there continues to be a shortage. The problem is in preparation of the classroom teacher.

Mrs. Kahananui pointed out that approval of this proposal was urgent in order to prepare teachers adequately for obtaining employment. Basic courses in education of the handicapped provide a strong advantage for teachers seeking employment.

With respect to similar programs for the gifted, Mrs. Kahananui said it is anticipated there will be specific proposals brought to the Committee and the Board within the next few months. Presently, the Teacher Standards and Practices Commission has not established standards for endorsement on education for the gifted as it has for the handicapped.

It was indicated during the discussion that the staff recommendation was to provide a policy framework for institutions not now authorized to offer instruction in teaching the handicapped. Specific program requests would have to be brought to the Committee and the Board for consideration at some future time.

Ms. Warner-Yasuda stated she supported the proposal but questioned whether the additional faculty which would be required was a realistic possibility in the present financial situation. Mrs. Kahananui responded that it might be necessary to acquire the expertise at the time of staff replacements or retirements. The recommendation would permit institutions to do that.

Dr. Richard Walker, Dean of the Division of Special Education and Service at Western Oregon State College, pointed out that the law requires appropriate placement of the child in the least restrictive environment but does not specify that the child must be mainstreamed.

In presenting a prepared statement, Dr. Walker indicated that he concurred with the recommendation that there is a need for pre-service teachers to receive the necessary skills, courses, and attitudes which will enable them to function in either an elementary, middle, or secondary school satisfactorily and that they should receive that preparation at the pre-service level. He raised a number of questions related to the proposal for developing programs leading to the basic endorsement in teaching the handicapped learner. He said he was concerned with finding ways to modify curricula to meet the needs rather than to continue adding hours to existing academic programs.

Mr. Petersen pointed out that answers to particular questions would be more appropriate at the time the institutions brought their proposals because the present recommendation dealt with whether the goals would be met. It did not deal with specific programs.

In response to a question about the number of hours required in the education programs, Dr. Fay Haisley, Associate Dean for Teacher Education at the University of Oregon, said students in elementary education probably take about 110 hours if all of the art, music and other similar subjects are included as work within the program. There are 15-18 hours of electives that may be used to add additional expertise and some students might choose the handicapped learner endorsement. Secondary education requires 42 hours with substantial preparation in the professional schools to which the students are attached. She commented that there is agreement that the teacher education programs must strengthen the special education component so that general student development of all graduates in this area is improved. This is not training persons to be fully prepared as handicapped learner specialists, which goes a step beyond the strengthening of general student development in the handicapped learner endorsement to serve the mildly handicapped child.
Dr. Bonnie Young, Professor of Education at Western Washington State College, said the American Association of Colleges of Teacher Education had identified three ways of upgrading faculty skills in a regular education program: (1) To add special education courses; (2) to revise teacher education programs by going through the entire philosophy, psychology, and professional and specialty areas; and (3) to add modules and packets. The association advises the second alternative to achieve lasting results.

A related issue is the question of the need for specialists to teach the mildly handicapped and the availability of resources in the state to develop and offer those programs.

Dr. Sylvia Tucker, Dean of the School of Education at Oregon State University, said the program at that institution is geared toward training teachers with the ability truly to individualize instruction. The program emphasizes what children can do and considers learning abilities rather than disabilities. She said it is the intent at that institution in seeking a handicapped student endorsement to give students in both elementary and secondary teacher training the added learning theories and human development understanding that would decrease the need for special educators. Appropriate faculty is available at Oregon State University to offer this instruction.

Mrs. Green asked whether this program would be recommended if there were changes in the federal law. It was stated that it would be difficult to respond to the question without knowing what the changes might be, but the proposal deals with the mildly handicapped child. Teachers would be better prepared to deal with the range of problems in the classroom if some of this training were made available to them. It is likely that many of these mildly handicapped children would remain in the classroom if there were changes in the federal regulations.

Dr. Richard Sonnen, Head of the Department of Special Education at Portland State University, said the federal mandate was a very idealistic piece of legislation with admirable goals and values, but personnel and other support have not been available for full compliance. He cited some of the problems facing teachers in dealing with handicapped children and certain socio-economic factors which compound the difficulties in some areas.

Dr. Haisley said the institutions should have the opportunity to develop programs, regardless of the federal mandate because there should be some provision for both gifted and handicapped students. She pointed out that the issue before the Committee was a request for permission to develop programs for submission to the Committee and the Board. When those programs are submitted, additional consulting services could be made available so that the Board might have an opportunity to understand what is developing in the institutions.

Representatives from all of the institutions indicated their willingness to cooperate to the extent possible in providing training or consulting services.

Dr. Tucker indicated that she would seek the same program even though the federal mandate were removed or modified.

Mrs. Carpenter said that insuring that the principles be reviewed throughout the curriculum was absolutely essential. She said rethinking of the curriculum might be even more important than the endorsement except for the employment capability of the teachers, which is critical.

Ms. Warner-Yasuda asked that the three institutions, in preparing their proposals, give consideration to the discussion with respect to interinstitutional cooperation, the possible change in federal laws, and the education of the gifted.

Mrs. Green also re-emphasized her desire to have as much consideration given to the gifted children as to the handicapped.
Mr. Anderson requested information with respect to the shortage or availability of special education personnel.

The Committee recommends that the Board approve the staff recommendation as presented. Director Green abstained from voting but reserved the option to oppose or support the proposal later after further study.

Board Discussion and Action

Mr. Wyss questioned the need for additional specialists in view of the fact that there appears to be adequate capacity to supply the demand and the current shortage of special education personnel seems to be abating. Mr. Petersen said that precise information on the shortage or availability of special education personnel is difficult to obtain. However, he said the purpose of the proposed request was to allow students attending the three institutions to seek employment without being handicapped in terms of the marketing of their degree by the lack of the required expertise for teaching the mildly handicapped child.

Mr. Wyss said that by the time the actual programs are presented to the Board, there no longer may be the same need for the students trained in these programs. Mr. Petersen responded that although the federal mandate might not be in existence by the time the programs were producing the teachers with special education expertise, the Committee members were of the opinion that it would be necessary to continue to address the needs of the handicapped, and even gifted children as well, regardless of whether it was mandated.

Mrs. Kahananui explained that regular classroom teachers are prepared to deal with a range of abilities but that range is not so wide that the classroom teacher is prepared to deal with the mildly handicapped. However, with the requirement that the handicapped child be placed in the least restrictive environment, the classroom teacher is faced with a broader range of student abilities and disabilities than before and needs the special training for these students. When sufficient course work for the classroom teacher to take care of the mildly handicapped child is infused into the teacher preparation curriculum, the number of hours approaches the requirement for basic certification as a specialist. The proposed action would authorize the institutions which do not have this training available at present, to develop the resources that will enable them to infuse the necessary work into their elementary and secondary curricula. Once the institutions have sufficient strength in the programs they can request authorization from the Board for formal approval of the program. This will assure that appropriate standards are met in providing the training and will offer hiring agencies accurate information concerning the expertise and competencies that are included in the elementary and secondary programs.

Mrs. Kahananui indicated also that the proposed authorization would not involve a staffing increase and, in fact, the actual programs might be delayed until the institutions were able to replace staff with individuals who had the expertise to infuse the training into the educational programs.

The Chancellor asked whether any Board action would be required to accomplish the first of the two recommendations. Mrs. Kahananui said it would be necessary because the Board's Office is authorized only to approve courses that are in support of Board-approved programs. Since there is no Board approval for these three institutions to change their elementary and secondary programs in this way, course changes could not be approved. However, it would be possible to approve them, if the Board indicated it would be appropriate to do so, without also having the option of fulfilling the basic handicapped learner endorsement. Mrs. Kahananui said the first recommendation was desirable and the second was logical.

The Chancellor said if there were significant Board hesitation to approve both recommendations, he would suggest that serious consideration be given to at least the understanding that the introduction of the courses necessary to provide these skills would be authorized so that the courses could be approved.
Mr. Petersen said that this would not solve the problem of marketing the certificate because many districts required the endorsement to be employed in order to fulfill their requirements for mainstreaming. In addition, teachers trained in this way do much better, not only with the handicapped and gifted, but with all children in the classroom.

The Board approved the Committee recommendation as presented, with the following voting in favor: Directors Anderson, Batiste, Lomnicki, Petersen, and Harms. Those voting no: Directors Ingalls and Wyss.

Staff Report to the Committee

Impact of Recent Legislation on the Education of the Handicapped Learner

The 1975 Education of All Handicapped Children Act, Public Law 94-142, has dramatically altered the role of the classroom teacher, and is changing the complexion of public school special education. This law mandates the integration or "mainstreaming" of mildly handicapped children into the regular classroom. The mildly handicapped student is being returned to, or not referred out of, the regular class. Special classes for mildly handicapped are giving way to classes for moderately and severely handicapped.

Guidelines for Mainstreaming, published by the Oregon Department of Education (1977), lists the following student goals as critical to mainstreaming programs in Oregon:

The major goal of mainstreaming in Oregon is either to restore the handicapped student to full participation in the regular school program without further special assistance where possible, or to minimize the handicap so that the student can function with as little special assistance as possible.

It is essential that persons preparing to teach in Oregon be able to provide for the learning of the mildly handicapped child in the regular classroom. This calls for new teacher skills and the development of teacher competencies in new areas.

Teacher preparation programs traditionally have emphasized the importance of responding to differences among learners in the classroom. However, mainstreaming is greatly increasing the range of student variability and creating new and special problems in the classroom. As a result, new approaches and new models of teacher education are needed that effectively consolidate the skills of special and regular educators to train teachers who are capable of offering effective instruction to students differing widely in abilities and behavior. Special education faculty need to collaborate closely with elementary and secondary education faculty in planning and teaching strategy courses.

In addition, the high standards set by Public Law 94-142 have brought about the need for more educational specialists adequately prepared with specialized skills essential to providing sound educational services and programs for handicapped learners.

Response of State System Colleges and Divisions of Education to Mainstreaming Legislation

State System colleges and divisions have taken strong steps to make their elementary and secondary education programs responsive to the changes produced by Public Law 94-142.

All of the institutions are committed to the philosophy of infusing the professional and, particularly, the core courses for elementary and secondary education students with the concepts and methodologies appropriate to dealing with the handicapped learner, rather than merely adding special
courses to the required curriculum. Concepts of teaching the handicapped are being integrated throughout the curriculum. This is because it has been found that teachers who are trained this way do much better not only with the handicapped but with all children. Generally, such integration has been achieved to a greater degree in the elementary program than in the secondary.

For those institutions authorized to offer basic and standard norm programs in the education of the handicapped, the personnel and support resources in these special areas are being used to strengthen the handicapped learner component in the basic programs for the preparation of elementary and secondary teachers.

The University of Oregon has gained national recognition for its new program in elementary education which effectively integrates the resources of special education and regular education to train elementary teachers. The program, called TEEM, "Training Elementary Educators for Mainstreaming," is designed in accordance with mainstreaming principles and effectively integrates the strategies required by regular classroom teachers in handling the wide variability in students placed in classrooms under the mandate of mainstreaming.

Preparation of Specialists

Present Program Allocations. At the present time, the University of Oregon, Oregon College of Education, and Portland State University are authorized to offer programs preparing specialists to work with handicapped learners, at the basic and standard norm levels. Holding an endorsement for the handicapped learner qualifies the individual to work with students who are mentally retarded, physically handicapped, emotionally disturbed, or who have extreme learning problems.

Special education endorsements set up by TSPC, and the institutions approved to offer these endorsements, in addition to the handicapped learner endorsement, are listed below:

<table>
<thead>
<tr>
<th>Category</th>
<th>Institutions With Approval</th>
<th>Basic</th>
<th>Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>Severely Handicapped</td>
<td>OCE</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>UO</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Hearing Impaired</td>
<td>OCE</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Speech Impaired</td>
<td>OCE</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>UO</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>PSU</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>OSU</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Visually Handicapped</td>
<td>PSU</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

Personnel Needs. In a survey of local school districts and Educational Service Districts conducted by the Oregon Association of School Executives in May, 1980, to determine the impact of state and federal legislation on providing services to handicapped children, it was found that the average school district serves 275 identified handicapped children. Next to lack of adequate funding, a shortage of trained specialists was indicated to be the most significant problem in complying with statutes for the handicapped.

The number of special classroom and resource room teachers employed by the school districts has been increasing steadily since the enactment of Public Law 94-142, from 1,401 in 1977-78 to 1,598 in 1979-80, an increase of 14%.
Along with the increase in special education personnel employed in the schools, there has been a significant increase in the number of individuals completing requirements for the handicapped learner credential. From the data presented below, it can be seen that the number of individuals completing requirements has increased from 127 in 1977-78 to 234 in 1979-80, an increase of 84%.

<table>
<thead>
<tr>
<th>Institution</th>
<th>1977-78</th>
<th>1978-79</th>
<th>1979-80</th>
</tr>
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<tbody>
<tr>
<td>University of Oregon</td>
<td>16</td>
<td>41</td>
<td>46</td>
</tr>
<tr>
<td>Oregon College of Education</td>
<td>55</td>
<td>73</td>
<td>50</td>
</tr>
<tr>
<td>Portland State University</td>
<td>56</td>
<td>51</td>
<td>138</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>127</strong></td>
<td><strong>165</strong></td>
<td><strong>234</strong></td>
</tr>
</tbody>
</table>

No reliable data are currently available concerning the number of additional personnel needed for the next three or four years to provide full educational opportunities in the various handicapped learner areas. The Oregon Cooperative Personnel Planning Council is designing procedures and instruments to collect such information and hopes to have good data on hand in late spring or early summer.

There are some indicators that the need for additional special class and resource room teachers has peaked and will begin to decrease. There has been some decrease in the number of vacancy notices, e.g., the OCE placement office reports that vacancy postings decreased from 255 in 1978-79 to 222 in 1979-80.

It is expected that the widespread financial distress among the school districts will make it increasingly difficult for the districts to add personnel in special education, as well as other fields, even if needed. However, it is expected that the current shortage of special education personnel in the schools will continue for another two or three years.

**Need at SOSC, EOSC, and OSU for Basic Handicapped Learner Endorsement**

Although Southern Oregon State College is the only State System institution that has submitted a request for authorization to offer a program leading to the basic handicapped learner endorsement, Eastern Oregon State College and Oregon State University are planning to make similar requests. Consequently, the Board's Office feels it is essential for the Board to establish general policy with respect to the advisability of granting approval for the endorsement to State System institutions not presently having such approval, before considering the SOSC proposal.

The following is the basic rationale supporting the institutional requests:

1. The State System institutions not presently approved for the basic handicapped learner endorsement need a program to give sufficient strength and reinforcement to their regular elementary and secondary education programs so that graduates can perform effectively in mainstreamed classrooms.

As indicated previously, the Oregon colleges and divisions of education are committed to a philosophy of infusing professional courses with special education content. In addition, one or two courses in the education of the handicapped are required of all elementary and secondary students. The institutions consider it highly desirable to be able to offer a sufficient number of courses in the education of the handicapped to give the students preparing to teach the option of taking some additional courses to deepen their understandings and improve their skills in dealing with handicapped children.
To assist the education faculty in achieving infusion and to teach the basic special education courses deemed essential, faculty qualified in the appropriate specialties are needed. SOSC and EOSC have been using specialists available in their region, particularly staff persons employed in the local Education Service Districts. OSU has qualified personnel on its present staff.

It is important also to have the support of allied faculty in areas such as psychology, counseling, and physical education. All three institutions have good support in these allied areas for the handicapped learner component in their elementary and secondary education programs. In addition, OSU has strength in vocational education, a field which can contribute substantially to the skills of the classroom teacher in working with the handicapped.

2. Holding the handicapped learner endorsement in addition to the basic elementary or secondary certificate enhances the graduates’ opportunities for employment in the schools.

Many districts are requiring or giving preference to prospective teachers who have preparation in special education. Just as many students preparing to teach have acquired the reading specialty in conjunction with their teaching endorsements, so it has become highly desirable to have the handicapped learner endorsement as a part of one’s preparation.

3. There is a serious shortage of special education personnel in the schools.

The shortage is showing signs of abating. However, school districts are still experiencing difficulty in meeting their special education personnel needs, particularly in non-urban areas.

The high demand for special education personnel has made it possible for candidates to find positions in geographical areas of their choosing. The availability of basic programs at SOSC and EOSC would help to recruit local individuals who wish to remain in the area.

It should be noted that individuals completing the basic handicapped learner endorsement are prepared as special education teachers at a beginning level. TSPC standards require 27 quarter hours in the education of the handicapped and related area, of which 6 quarter hours must be student teaching in classes for the handicapped. To become fully qualified as a specialist, the standard endorsement is required, consisting of an additional 21 quarter hours designed to develop further competencies in special education beyond those required for the basic endorsement.

Individuals completing the basic handicapped learner endorsement at SOSC, EOSC, and OSU would be prepared at the entry level only. To qualify for the permanent credential, the graduates from these programs would have to transfer to the standard endorsement programs at UO, OCE, or PSU.

Some Basic Issues. There are some basic issues that need to be raised.

1. If the primary objective of the State System institutions in gaining approval to offer the basic handicapped learner endorsement is to strengthen their regular programs for the preparation of classroom teachers, is the full endorsement (21 quarter hours) necessary to provide such reinforcement? Or would addition of a few courses in special education suffice?
One or two courses, even if required, do not add much strength to the program. A sufficient number of courses need to be available so that students preparing to teach have a real option to build their understandings and skills in dealing with handicapped children.

Completion of additional course work in the education of the handicapped learner, culminating in the basic endorsement, is highly advantageous to the graduate in getting a teaching position. It also provides the candidate the possibility, if he/she so chooses, to take a position as a special classroom or resource room teacher.

The courses would also provide opportunity for classroom teachers employed in school districts in the southern and eastern Oregon regions who have not had formal instruction in teaching the handicapped to strengthen their preparation in this area.

2. What additional resources at each of the three institutions would be needed to launch the programs for the basic handicapped learner endorsement and meet quality standards.

The programs will require faculty trained in special education to teach the special methods classes and supervise the practicum. SOSC and EOSC are presently using and planning to use qualified individuals from the field, e.g., specialists employed by the Educational Service Districts. In the long run, it will be desirable, if not essential, to employ one or more faculty members well-qualified in special education on a full-time basis. Such appointments could be made when replacing staff who retire, or when vacancies occur.

Library holdings in special education at the institutions are not extensive at the present time and will need to be strengthened.

The Board's Office will present a further analysis of the institutional program proposals, including an assessment of the adequacy of the faculty and the support for each program, as the programs are brought to the Board for its review.

3. Will students be able to complete the requirements for both the elementary or secondary certificate and the basic handicapped learner endorsement in a four-year program?

It is conceivable that with very careful planning and choice of electives, students could complete both programs in four years. But this will not be the normal pattern and will not be encouraged. To give adequate coverage to both programs, students who elected to complete the entire basic endorsement program, including practicum, would finish with more than the required hours for graduation in a four-year program. The additional work could be completed by increased carrying loads during the academic year or by attendance at summer session in evening classes after graduation.

At the Board retreat in March, the president of the Board requested Board members to consider present Board procedures and make suggestions for any modifications which they deemed desirable. One proposed statement was distributed. The Board deferred discussion until June to allow time for Board members to review the proposal.

The president of the Board announced that he had appointed Mr. Anderson, Mr. Petersen, and Mr. Lomnicki, with Mr. Anderson as chairman, to serve as a nominating committee to recommend 1981-82 Board officers. A report will be made at the June adjourned Board meeting, at which time it is expected the election of officers will take place.
COMMUNICATIONS, PETITIONS, AND MEMORIALS

The Secretary presented the following correspondence which had been received in the Board's Office or by the president of the Board:

A resolution, adopted unanimously on April 7, 1981, by the members of the North West Timber Association, opposing the Pacific Northwest Resources Clinic, co-sponsored by the National Wildlife Federation and the University of Oregon Law School. It concluded with the following paragraph: "BE IT RESOLVED, that North West Timber Association requests that the State Board of Higher Education and the University of Oregon discontinue the Pacific Northwest Resources Clinic unless it is free from any control or influence by the National Wildlife Federation or other special interest groups."

A statement from Sherry L. Smith, Bend, urging the Board to vote for proposed cuts in the University of Oregon athletic budget.

A petition containing approximately 325 signatures presented by individuals at Eastern Oregon State College opposing cuts in athletics and physical education.

A letter and statement from Mr. Frank A. Bauman, President of the Oregon United Nations Association, urging the Board to give full support to the fee remission program for foreign students and expressing concern that the Governor's Office has recommended elimination of funds for the partial tuition program now available.

A letter from Dr. Eugene Evonuk, Professor and director of the Center of Research and Human Performance, Applied Physiology Lab, at the University of Oregon, objecting to the proposed change from a quarter to semester system. He stated that the semester system would limit the summer earning opportunities for students and would deny Oregon's major industries the labor market which has traditionally been available during their peak season.

A letter from Mr. and Mrs. Nathan Woodard, La Grande, protesting 10% cuts for Eastern Oregon State College.

A letter dated May 29, 1981, from Mr. Wilson H. Hulley, Foundation for Oregon Research and Education, Portland, transmitting materials pertaining to the Pacific Northwest Resources Clinic at the University of Oregon. Copies were distributed to Board members. Mr. Harms referred to additional material from the Seneca Sawmill Corporation and Aaron Jones, relating to the same subject. It also was distributed.

Mr. Harms indicated that time would be provided at the June meeting for interested people to appear and for President Olum to comment on the material related to the Pacific Northwest Resources Clinic.

Appreciation to EOSC

President Harms expressed appreciation to staff and students at Eastern Oregon State College for the courtesies extended to the Board. He also asked that President Briggs advise the students who had signed the petition that the Board had noted their concern and had taken some small step to alleviate the situation or at least to show the Board's support of their position.
Meeting #477

Report of Appointment of Architects for Physical Education Building Remodel (Swimming Pool), OIT

Staff Report to the Board

Based upon the recommendations of institutional officials, arrangements were made with Architects Skidmore, Owings & Merrill, Portland, who had designed and provided contract administration several years ago for the Physical Education Building on the campus of Oregon Institute of Technology, to provide professional services relating to the design and contract administration of the proposed remodeling of the building to include a swimming pool and adjacent service areas. This work is part of the Board's capital construction program requests for 1981-1983, and the estimated total cost of $1,025,000 is expected to be financed from self-liquidating bond borrowings.

The Architects shall be assisted in this assignment by Shannon & Wilson, Inc., Soil Mechanics and Foundation Engineers, and by Moffatt, Nichol & Bonney, Inc., structural engineering consultants.

Compensation for the professional services of the Architects and for reimbursement of expenses shall be on a time and materials basis not to exceed a maximum of 10% of the direct construction costs of the work, tentatively estimated to be approximately $863,280. In addition, the Architects shall be reimbursed for travel expenses not exceeding $2,400 and for the invoiced charges of certain consultants, such as the soil mechanics and foundation engineers.

Funds for the planning are being provided from balances available for auxiliary enterprises.

Board Discussion and Action

The Board received the report as presented.

Report of Bids and Contract Award for Accessibility for the Handicapped, OSU

Staff Report to the Board

Upon the recommendation of institutional officials, the final drawings and specifications which had been prepared with the assistance of Stastny/Graham Architects, P.C., project architects, Portland, for the removal of architectural barriers for the improved accessibility for the handicapped within Apperson, Bexell, Moreland and Weniger Halls, Pharmacy Building, Women's Building and the Plageman Infirmary on the campus at Oregon State University, were accepted on behalf of the Board. Four bids were received for the work on April 29, 1981, ranging from a low of $147,937 to a high of $183,914 after giving effect to three deductive alternates which were exercised. Inasmuch as the resources were available for the reduced scope of work, a contract award was made and the following tentative budget was approved for the project:

<table>
<thead>
<tr>
<th></th>
<th>Auxiliary Enterprises</th>
<th>Educational &amp; General Plant</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct construction costs:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dale Ramsay Construction Co., Corvallis</td>
<td>$61,748</td>
<td>$ 86,189</td>
<td>$147,937</td>
</tr>
<tr>
<td>Professional services fees</td>
<td>7,385</td>
<td>8,931</td>
<td>16,316</td>
</tr>
<tr>
<td>Construction supervision and miscellaneous costs</td>
<td>4,150</td>
<td>2,950</td>
<td>7,100</td>
</tr>
<tr>
<td>Contingencies</td>
<td>2,717</td>
<td>1,930</td>
<td>4,647</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$76,000</strong></td>
<td><strong>$100,000</strong></td>
<td><strong>$176,000</strong></td>
</tr>
</tbody>
</table>

The work of the contract includes modification of building entrances (doorways and ramps), alterations in toilet rooms and shower rooms, improvements to interior circulation, and modifications of an existing elevator and hoistway. The deductive alternates that were exercised to stay within available resources deleted entry alterations at Weniger Hall, omitted all of the work proposed in Kidder Hall and deleted toilet room modifications in Bexell Hall.

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Meeting #477

May 29, 1981

The work is part of the Board's priority No. 2 (Auxiliary Enterprises) and (Educational and General Plant) for which authorization was given by Chapter 511, Oregon Laws 1979. Pending the availability of additional state funds, however, to replace those which were cancelled during the special legislative session in 1980, the remaining items of work to remove access barriers for the handicapped at Oregon State University in educational and general plant facilities are being deferred.

The expenditures for the work within the Plageman Infirmary are being charged against self-liquidating bond borrowings obtained under provisions of Article XI-F(1) of the Oregon Constitution and the expenditures for the work within the other six buildings are being charged against Article XI-G bond borrowings.

RECAPITULATION UPON RECEIPT OF BIDS AND CONTRACT AWARD

Project - OSU Accessibility for the Handicapped

Architect - Stastny/Graham Architects, P.C., Portland

Board's priority - Part of No. 2 in 1979-1981 (Auxiliary Enterprises) and (Educational and General Plant)

Legislative authorization - Chapter 511, Oregon Laws 1979

Estimated total project costs (this portion only)
- Auxiliary Enterprises - $76,000
- Educational and General Plant - $100,000

Estimated total direct construction costs (this portion only)
- Auxiliary Enterprises - $61,748
- Educational and General Plant - $86,189

Scheduled completion - February 1982

Tentative financing plan:
- Article XI-F(1) bond borrowings - $76,000
- Article XI-G bond borrowings - $100,000

Total - $176,000

Board Discussion and Action

The Board received the report as presented.

Staff Report to the Board

As reported to the Board on March 27, 1981, arrangements were made with Architects Jeppsen, Miller & Tobias, Corvallis, to complete the schematic design phase of planning for the proposed Memorial Union Remodel Phase IV project at Oregon State University in accordance with the program requirements previously approved by the Board when the auxiliary enterprise capital construction program requests for 1981-1983 were authorized. It was noted that the estimated total project costs of $1,410,000 included a direct construction cost allowance of $1,144,137.

Inasmuch as the schematic design for this work corresponded with the program requirements and with the conceptual studies for the long-range improvement of student union facilities on the campus in Corvallis which had been approved by the Board on September 24, 1974, the Vice Chancellor for Facilities Planning acknowledged concurrence in the recommendation from institutional officials to accept this phase of planning and to authorize the project architects to proceed with the design development phase of planning.

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The scope of work is expected to include the following major components:

(a) Installation of fire sprinkler system within those portions of the building which were not included in the Phase III remodeling project during 1979-1981; concealment of sprinkler piping with new suspended ceilings, installation of lighting fixtures and architectural furring in all finished areas where existing construction does not lend itself to piping concealment; and new exit stair from banquet rooms at west end of first floor—all items relating to fire and life safety.

(b) Revision of kitchen, serving (scramble) and seating areas in the Commons; remodel of Corn Exchange dining room and Country Store; provision of new corridors along north wall of mezzanine level for east-west circulation (replacing the present narrow corridor just south of the rotunda); modifying the landing area on each side of the main rotunda entry to connect with the new corridor, including ramps for wheelchair traffic; remodel of men's toilet room adjacent to east ballroom on ground floor to provide separate restrooms for men and women. (The existing women's toilet for the ballroom is being deleted because of the proposed remodeling of the kitchen area.) Some additional remodeling would be accomplished near the east ballroom to increase the storage area.

(c) Construction of porches at the east and south entries to the bookstore and at the south entrance to the Commons. This work had been bid as an alternate during an earlier phase, but had to be deferred.

The architects have identified several additional items which may be undertaken simultaneously through separate funding of approximately $156,000 from amounts available from the building repair reserve of the Union: renovating the exterior of the building, such as to tuckpoint all loose and deficient stone joints, cleaning and sealing stone and brick surfaces, repairing broken and sunken walks in the promenade on the north side of the building, replacing old handrails with new ones to match those installed with the new handicapped access ramps during Phase III, and insulating the attic space above all second floor ceilings of the original building for energy conservation. The estimated direct construction costs of these particular items total $135,435.

The major capital construction project costs of $1,410,000, including the revised direct construction estimate of $1,140,297, would be financed from self-liquidating bond borrowings issued under the provisions of Article XI-F(1) of the Oregon Constitution or from other resources, such as excess sinking fund reserves from commingled student building fees, available for auxiliary enterprises.

RECAPITULATION UPON COMPLETION OF SCHEMATIC DESIGN PHASE OF PLANNING

Project - OSU Memorial Union Remodel Phase IV
Architects - Jeppsen, Miller & Tobias, Corvallis
Board's priority - Proposed as No. 16 in 1981-1983 (Auxiliary Enterprises)
Legislative authorization - Being requested in 1981

Estimated total project costs $1,410,000
Estimated total direct construction costs $1,140,297

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Tentative schedule:
Bidding - January 1982
Completion - Fall 1982

Tentative financing plan:
Article XI-F(1) bond borrowings and/or balances available for auxiliary enterprises $1,410,000

Board Discussion and Action
The Board received the report as presented.

Staff Report to the Board
Based upon the recommendations of officials of Oregon State University, arrangements were made with Architects Jeppsen, Miller & Tobias, Corvallis, through a supplement to the agreement of September 25, 1974, to provide for the additional professional services required for the remaining design, bidding and contract administration of the proposed fourth phase of the Memorial Union Remodel work on the campus in Corvallis. As noted in a report to the Board on March 27, 1981, the schematic design phase of planning was authorized under a separate supplement.

Expenditure authorization for this project is now being requested from the Legislature in the total amount of $1,410,000 as part of the Board's capital construction program for auxiliary enterprises during 1981-1983. This amount includes a tentative direct construction cost estimate of approximately $1,140,000.

Compensation for the professional services of the Architects and for reimbursement of expenses, including the charges of consultants, for this additional work will be based upon time and materials not to exceed a maximum fee of 8.25% of the direct construction costs.

Funds for the planning are being provided from balances available for auxiliary enterprises.

Board Discussion and Action
The Board received the report as presented.

(Considered by Committee on Finance, Administration and Physical Plant, April 24, 1981; present--Ingalls, Batiste, Lomnicki, Wyss, and Harms.)

Dr. Richard Perry, Director of the Management and Planning Services Division of the Office of Administration, presented the report on the Management and Operations Review of the Department of Intercollegiate Athletics at the University of Oregon. A condensed version of the report was distributed prior to the Committee discussion and will be included as Supplement A to the minutes of the May Board meeting.

In response to a question, Dr. Perry indicated that the committee studying the Department of Intercollegiate Athletics had made no recommendation on the number of sports to be retained because that was an internal matter for decision by the institution. However, the recommendations which are included in the report are being given serious consideration and a number of changes already have been implemented.

There was general discussion of the deficit, the income estimates, and the factors affecting the financial situation in athletics. The impact of various alternatives on financing and the athletic programs was discussed. These factors are being reviewed and in some instances further information may be available at a later time and will be considered in reaching decisions. In
discussing the repayment period on the athletic department debt, it was indicated that the loss of any state support would require further reductions in the budget or extend the payback period to the full five years allowed.

The Committee recommended that the Board receive the report as presented.

**Board Discussion and Action**

The Board received the report as presented.

**Staff Report to the Board**

Based upon the recommendations of officials of the University of Oregon, arrangements were made with Thomas R. Miles, Consulting Engineer, Beaver-ton, through a supplement to the agreement of May 1, 1980, to provide for additional consulting services relating to the potential use of refuse-derived fuel as an alternate source of fuel for firing boilers at the central utility plant on the campus in Eugene.

For these additional services of the Engineer, which shall include a summary of the experiences of others in using such fuel, a plan for establishing a fuel conversion operation at the University, an up-date of the engineering analysis prepared last year, and the development of a more specific test program, the Engineer shall be compensated an amount not to exceed $4,900, financed from the institution's operating budget.

**Board Discussion and Action**

The Board received the report as presented.

**Staff Report to the Board**

Upon the recommendation of institutional officials, the final drawings and specifications which had been prepared with the assistance of Marquess Engineerig Co., consulting engineers, Springfield, for the mechanical work to convert a space within the East Wing of the Science Building at the University of Oregon into a toxic waste storage and handling room, were approved by the Board's staff. Four bids were received for the work on May 5, 1981, ranging from a low of $17,451 to a high of $22,342. Inasmuch as resources were available, a contract award was made and the following tentative budget was approved for the project:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct construction costs:</td>
<td>$34,400</td>
</tr>
<tr>
<td>Mechanical work - Chase Company, Eugene</td>
<td>$17,451</td>
</tr>
<tr>
<td>Electrical work - Physical Plant Department</td>
<td>5,200</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$22,651</td>
</tr>
<tr>
<td>Professional services fees</td>
<td>3,300</td>
</tr>
<tr>
<td>Construction supervision and miscellaneous costs</td>
<td>2,643</td>
</tr>
<tr>
<td>Furnishings and equipment</td>
<td>4,447(1)</td>
</tr>
<tr>
<td>Contingencies</td>
<td>1,359</td>
</tr>
<tr>
<td>Total</td>
<td>$34,400</td>
</tr>
</tbody>
</table>

(1) Includes purchase of a fume hood and a lift and trolley system.

The work of the contract includes the installation of a specialized fume exhaust air system including a heating and ventilating make-up air system, automatic fire sprinkling and an emergency shower and eye wash unit in an existing ground floor space to be used as a temporary handling and storage area for toxic wastes.
EXQUERENCES FOR THE WORK ARE BEING CHARGED AGAINST THE EXPENDITURE LIMITATION FOR THE SAFETY DEFICIENCY CORRECTION PROGRAM, PHASE II, AUTHORIZED BY CHAPTER 560, OREGON LAWS 1977, AND ARE BEING FINANCED IN EQUAL SHAR ES FROM THE GENERAL FUND APPROPRIATION IN THE ACT AND FROM ARTICLE XI-G BOND PROCEEDS.

RECAPITULATION UPON RECEIPT OF BIDS AND CONTRACT AWARD

Project - UO Safety Deficiency Corrections, Phase II (Science East Wing Toxic Waste Room)

Engineers - Marquess Engineering Co., Springfield

Board's priority - Part of No. 1 in 1977-1979 (Educational and General Plant)

Legislative authorization - Chapter 560, Oregon Laws 1977

Estimated total project costs (this portion only) $34,400
Estimated total direct construction costs (this portion only) $22,651

Scheduled completion - September 1981

Tentative financing plan:
- General Fund appropriation $17,200
- Article XI-G bond proceeds 17,200
- Total $34,400

Board Discussion and Action

The Board received the report as presented.

STAFF REPORT TO THE BOARD

Based upon the recommendations of officials of the University of Oregon Health Sciences Center, and in accordance with the provisions of AR 580-50-020, arrangements were made with W. Alan Gold, Oregon City, for professional services relating to feasibility studies, preparation of drawings, specifications, cost estimates, and other related mechanical engineering services at the institution.

Compensation for the professional services of the Engineer and for reimbursement of expenses is based upon time and materials not to exceed $24,000 during the calendar year ending December 31, 1981.

Board Discussion and Action

The Board received the report as presented.

STAFF REPORT TO THE BOARD

On July 25, 1980, the Board approved the sale of a duplex located at 2556 and 2556-1/2 Friendly Street, Eugene. The minimum bid price acceptable to the Board was $43,000. If sold on contract, the minimum acceptable terms were 20% down with the balance payable in equal 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. No bids were received on July 29, 1980, following four newspaper publications of a formal invitation to submit bids.

On December 21, 1980, the Board approved a recommendation to readvertise for bids using (1) a minimum acceptable bid price related to a new appraisal ($37,000), 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.
In response to newspaper invitations, one bid was received and opened on March 25, 1981. A land sale contract for $37,151 was entered into with Loren L. Slager Post and Rose Marie Slager Post of Eugene on May 1, 1981. The terms were monthly payments, including principal and 12% interest, for fifteen years.

The contract was approved by the Board's legal counsel and executed by the purchasers, the Board President, and the Board Secretary.

Proceeds of the sale will be used for the "benefit of the Doernbecher Memorial Hospital for Children," as stated in the will of Floy N. Liles.

Board Discussion and Action

The Board received the report as presented.

Staff Report to the Board

On May 25, 1979 the Board approved the allocation of approximately $55,000 from the Board's reserve for physical plant rehabilitation and minor capital outlay to cover the estimated expenditure requirements for the replacement of hot water pipe on the sixth floor of the Basic Science Classroom and Laboratory Building on the campus at the University of Oregon Health Sciences Center.

Subsequently, on June 4, 1979, after satisfactory bids were received for this work, a contract award was made to Sunset Fuel Co. of Portland in the amount of $31,977. The favorable low bid made it possible to reduce the total project budget from $55,000 to $40,000, and this adjustment was reported in the docket of the July 27, 1979, Board meeting as part of the summary applicable to the Board's plant rehabilitation reserve.

Upon the recommendation of institutional officials, the work of the prime contractor for the hot water piping work on the sixth floor of the Basic Science Building was accepted as completed as of September 14, 1979, but a report of such acceptance apparently was not made previously to the Board.

A revised semifinal project budget is shown below in comparison with the budget established at the time of the contract award:

<table>
<thead>
<tr>
<th>Revised Budget</th>
<th>Original Budget</th>
<th>Increase or Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/14/79</td>
<td>6/4/79</td>
<td></td>
</tr>
<tr>
<td>Direct construction costs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sunset Fuel Co., Portland</td>
<td>$32,464</td>
<td>$31,977</td>
</tr>
<tr>
<td>Professional services fees</td>
<td>200*</td>
<td>200*</td>
</tr>
<tr>
<td>Construction supervision and miscellaneous costs</td>
<td>3,479</td>
<td>2,123</td>
</tr>
<tr>
<td>Contingencies</td>
<td>-</td>
<td>5,700</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$36,143</strong></td>
<td><strong>$40,000</strong></td>
</tr>
</tbody>
</table>

*Initial design through contract documents was financed from resources within the institutional maintenance account. The $200 identified is for the balance of engineering costs associated with this project.

(1) One approved change order included the work to extend a copper piping riser to the seventh floor.

(2) Balance expected to be applied to hot water pipe replacement on the fifth and seventh floors (soon to be advertised for bids).
The expenditures were charged against the resources allocated from the Board's reserve for physical plant rehabilitation and minor capital outlay.

RECAPITULATION UPON INSPECTION AND ACCEPTANCE

Project - UOHSC Basic Science Building Sixth Floor Hot Water Lines Replacement

Engineering - UOHSC Facilities Planning and Management Department

Board's priority - Not applicable

Legislative authorization - Not required

<table>
<thead>
<tr>
<th>Description</th>
<th>Revised Budget 3/27/81</th>
<th>Original Budget 10/24/80</th>
<th>Increase or Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total project costs</td>
<td>$36,143</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total direct construction costs</td>
<td>$32,464</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Financing plan:
- Board's reserve for physical plant rehabilitation and minor capital outlay $36,143

Board Discussion and Action

The Board received the report as presented.

Staff Report to the Board

Upon the recommendation of institutional officials and Carson, Bekooy, Gulick & Associates, Inc., project engineers, Portland, the work of the prime contractor for safety deficiency corrections within three buildings on the campus at the University of Oregon Health Sciences Center was accepted on behalf of the Board as of March 27, 1981.

A revised semifinal project budget is shown below in comparison with the budget reported to the Board on October 24, 1980:

<table>
<thead>
<tr>
<th>Description</th>
<th>Revised Budget 3/27/81</th>
<th>Original Budget 10/24/80</th>
<th>Increase or Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct construction costs:</td>
<td>$36,000</td>
<td>$35,000</td>
<td>$1,117</td>
</tr>
<tr>
<td>Western Engineers, Inc., Portland</td>
<td>$26,758</td>
<td>$25,341</td>
<td>$1,417 (1)</td>
</tr>
<tr>
<td>Professional services fees</td>
<td>3,500</td>
<td>3,500</td>
<td></td>
</tr>
<tr>
<td>Construction supervision and miscellaneous costs</td>
<td>5,742</td>
<td>4,625</td>
<td>1,117</td>
</tr>
<tr>
<td>Contingencies</td>
<td>-</td>
<td>2,534</td>
<td>(2,534)</td>
</tr>
<tr>
<td>Total</td>
<td>$36,000</td>
<td>$35,000</td>
<td>$1,117</td>
</tr>
</tbody>
</table>

(1) Includes adjustment for lost time due to unscheduled work interruptions; adding eyewash fountains in the Medical Research Building and deleting all painting from the contract, all included within two approved change orders.

The work of the contract included the installation of fixtures, piping, and connections necessary to provide an emergency system of deluge showers and eyewash fountains in various corridors and laboratories within the Medical Research Building, the Dental School Building, and University Hospital South. These installations were made to meet emergencies which might arise in the event of chemical accidents to personnel.

-339-
The total expenditure requirements were charged against the expenditure limitations for Safety Deficiency Corrections, Phase II, at the University of Oregon Health Sciences Center authorized by Chapter 560, Oregon Laws 1977, and were financed in equal shares from the General Fund appropriation in the Act and from Article XI-G bond proceeds.

RECAPITULATION UPON INSPECTION AND ACCEPTANCE

Project - UOHSC Safety Deficiency Corrections, Phase II (Medical Research Building, Dental School Building and University Hospital South, Installation of Deluge Showers and Eyewash Fountains)

Engineers - Carson, Bekooy, Gulick & Associates, Portland

Board's priority - Part of No. 1 in 1977-1979 (Educational and General Plant)

Legislative authorization - Chapter 560, Oregon Laws 1977

Estimated total project costs (this portion only) $36,000

Estimated total direct construction costs (this portion only) $26,758

Financing plan:
- General Fund appropriation $18,000
- Article XI-G bond proceeds $18,000

Total $36,000

Board Discussion and Action

The Board received the report as presented.

Staff Report to the Board

Upon the recommendation of institutional officials and Hanson Dunahugh Vaivoda, AIA, project architects, Portland, the work of the prime contractor for the alterations for in-patient and outpatient pharmacy facilities and for related relocations within the Outpatient Clinic Building on the campus at the University of Oregon Health Sciences Center, was accepted on behalf of the Board as of March 24, 1981, subject to the completion of punch list items.

A revised semifinal project budget is shown below in comparison with the budget reported to the Board on March 28, 1980:

<table>
<thead>
<tr>
<th>Description</th>
<th>Revised Budget 3/24/81</th>
<th>Original Budget 3/28/80</th>
<th>Increase or (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct construction costs:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bart Hess Building Contractor, Inc., Portland</td>
<td>$224,879</td>
<td>$219,809</td>
<td>$5,070 (1)</td>
</tr>
<tr>
<td>Professional services fees</td>
<td>35,865</td>
<td>35,257</td>
<td>608</td>
</tr>
<tr>
<td>Purchasing and equipment (including pharmacy casework)</td>
<td>74,000</td>
<td>74,000</td>
<td>-</td>
</tr>
<tr>
<td>Construction supervision and miscellaneous costs</td>
<td>25,058</td>
<td>13,151</td>
<td>11,907</td>
</tr>
<tr>
<td>Works of art</td>
<td>2,198</td>
<td>2,198</td>
<td>-</td>
</tr>
<tr>
<td>Contingencies</td>
<td>-</td>
<td>17,585</td>
<td>(17,585)</td>
</tr>
<tr>
<td>Total</td>
<td>$362,000</td>
<td>$362,000</td>
<td>$-</td>
</tr>
</tbody>
</table>

(1) Includes adding switch to light receptacle; rerouting existing waste line in locker room; adding a stainless steel door over a pass window; lowering ceiling heights in room nos. 207 and 208;
changing ceramic tile size in toilet rooms; changing size of access door in locker room and with keyed lock; relocating condensing unit from roof to ground near loading dock; making modifications to the outpatient pharmacy room layout; removing portion of dispatch tube line on old pharmacy space; adding new window in pharmacy; and other minor modifications all included within six approved change orders.

The work of the contract included modernization and enlargement of the existing pharmacy facilities on the first floor of the Outpatient Clinic Building. On the same floor and nearby, a new in-patient pharmacy was provided in the remodeled space previously used for medical student lockers and lounge. A new laminar air-flow hood for sterile mixing and compounding was installed. A new student locker-lounge area was provided on the first floor of University Hospital North in space which had been used previously as a kitchen. Associated mechanical and electrical work, including the addition of a fan coil unit and an air-cooled condenser unit, was part of the work of the contract.

The expenditures for this work were charged against the limitation of $1,795,000 for Clinical Lab/Outpatient Clinic Remodel and Related Relocations authorized by Chapter 511, Oregon Laws 1979. The project financing was from self-liquidating bonds with debt service to be provided from patient fee income.

RECAPITULATION UPON INSPECTION AND ACCEPTANCE

Project - UOHSC Outpatient Clinic Building Pharmacy Alterations and Related Relocations

Architects - Hanson Dunahugh Vaivoda, AIA, Portland

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

Legislative authorization - Chapter 511, Oregon Laws 1979

Estimated total project costs (this portion only) $362,000

Estimated direct construction costs (this portion only) $224,879

Financing plan:
Proceeds from the sale of bonds under Article XI-F(1) of the Oregon Constitution $362,000

Board Discussion and Action

The Board received the report as presented.

Staff Report to the Board

Upon the recommendation of institutional officials, the final drawings and specifications which had been prepared with the assistance of Keith Kruchek Consulting Engineers, Inc., Portland, for an energy conservation project within University Hospital South on the campus at the University of Oregon Health Sciences Center were accepted by the Board's staff. Six bids were received for the work on May 7, 1981, ranging from a low of $114,494 to a high of $140,250. These amounts include the quotations for an additive alternate which was exercised. Inasmuch as the bids were well within the pre-bid estimate and sufficient resources were available, a contract award was made and the following tentative budget was approved for the project:

Direct construction costs:
Western Engineers, Inc., Portland $114,494
Professional services fees 15,600
Construction supervision and miscellaneous costs 18,457
Contingencies 11,449

Total $160,000
The work of the contract includes the installation of a waste water heat reclaimer, piping, and storage tanks to form a system of recovery of the heat from the waste water from the laundry and kitchen dishwasher equipment in University Hospital South to be reused in heating water for these purposes. The alternate which was exercised adds the equipment needed to provide the capability of using a portion of this waste water heat in preheating domestic hot water also.

All of the expenditures for this project are to be financed, in equal amounts, from a grant from the U. S. Department of Energy under Title III of the National Energy Conservation and Policy Act of 1978, Institutional Buildings Grants Program, and the General Fund appropriation which was made to the State Emergency Board by Chapter 290, Oregon Laws 1979.

**RECAPITULATION UPON RECEIPT OF BIDS AND CONTRACT AWARD**

Project - UOHSC University Hospital South Laundry and Dishwasher Waste Heat Recovery

Engineers - Keith Kruchek Consulting Engineers, Inc., Portland

Board's priority - Not applicable

Legislative authorization - Emergency Board approval on April 25, 1980 pursuant to Chapter 290, Oregon Laws 1979

| Estimated total project costs | $160,000 |
| Estimated total direct construction costs | $114,494 |
| Scheduled completion - September 1981 |
| Tentative financing plan: | |
| Federal grant funds | $80,000 |
| General Fund appropriation | $80,000 |
| Total | $160,000 |

**Board Discussion and Action**

The Board received the report as presented.

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Report of Appointment of Engineers for Utility Study of Acid Waste Neutralization and Sewer Separations, PSU

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**Staff Report to the Board**

Based upon the recommendations of officials of Portland State University, and in accordance with the provisions of AR 580-50-020, arrangements were made with Seton, Johnson & Odell, Inc., Portland, for professional services relating to problem analysis, schematic design recommendations and cost estimates for the neutralization and disposal of acid wastes and the separation of various non-conforming sewers on the campus at Portland State University.

Compensation for the professional services of the Engineers and for reimbursement of expenses is based upon time and materials not to exceed a maximum of $12,000.

Of the estimated expenditure requirements for the utility study, $6,000 is being provided from the Board's reserve for physical plant rehabilitation and minor capital outlay, and the remainder is being financed from auxiliary enterprise resources and the institutional operating budget.

**Board Discussion and Action**

The Board received the report as presented.
Staff Report to the Board

On October 26, 1979, the Board approved the schematic design phase of planning for the proposed Recreation and Sports Facilities on the campus at Portland State University, which had been prepared with the assistance of Martin/Soderstrom/Matteson, P.C., project architects, Portland, following legislative authorization in 1979. The architects were instructed to proceed with the design development phase of planning based upon a direct construction cost allowance of $3,259,688 upon the assumption that an increase of $1,300,000 in the expenditure limitation of $3,200,000 would be requested from the State Emergency Board in 1980. It was noted that at least $500,000 thereof would be provided from gifts and that the remainder would be financed from self-liquidating bond borrowings and/or from balances available for auxiliary enterprises.

During the progress of the design development phase of planning, it became apparent that substantial further increases in cost would be required to accommodate the program requirements of the institution, including an adjustment of the gross area from the earlier estimate of 48,900 square feet to a revised figure of 61,000 square feet and an increase in the spectator seating capacity from 3,872 to at least 4,022. Provisions would be made for a possible future Phase II addition of about 10,000 square feet with 1,719 seats, making a total of 5,741 seats. A larger number might be accommodated for certain events and activities when seating could be placed on the main playing floor. Except for the larger gross area and the larger seating capacity, the description of the project remained essentially the same as that described to the Board on October 26, 1979.

Assuming a bid opening date in September 1980, the current estimate of the initial project cost was reported to be $5,975,000. Of this amount, the direct construction costs would be approximately $4,554,293, and the furnishings and equipment line item would be $710,000, including the cost of the spectator seating. Similarly, the estimated total cost projected for Phase II was $1,325,000, of which $1,025,707 would be required for direct construction.

Based upon the recommendation of institutional officials, a letter was sent to the project architects from the Board's Office of Facilities Planning on April 27, 1981, to acknowledge the acceptance of the design development phase of planning, but advising them that further planning of the project is being deferred pending an evaluation of the financing program and a determination of the impact of the higher cost estimate upon the institution's capacity to make the project wholly self-supporting and self-liquidating.

RECAPITULATION UPON ACCEPTANCE OF DESIGN DEVELOPMENT PHASE OF PLANNING

Project - PSU Recreation and Sports Facilities

Architects - Martin/Soderstrom/Matteson, P.C., Portland

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

Legislative authorization - Chapter 511, Oregon Laws 1979 (with an expenditure limitation of $3,200,000 only)

Estimated total project cost, excluding land (Phase I) $5,975,000

Estimated gross area (Phase I) - 61,000 square feet

Estimated seating capacity (Phase I) - 4,022

Estimated total direct construction costs (Phase I) $4,554,293

Average cost per seat - $1,132.35
Estimated direct construction costs (excluding site work and utilities) $4,079,887
Average cost per square foot - $66.88

Tentative schedule: (Pending)

Tentative financing plan (Phase I): (yet to be determined) $5,975,000

Board Discussion and Action

The Board received the report as presented.

Staff Report to the Board

Each of the State System institutions has organized an effective energy conservation program. Most of the operational and maintenance procedures identified as involving little or no cost have been implemented and have contributed significantly to these conservation efforts and the results have been impressive. Using base data for 1973 (the last pre-energy-shortage year) in comparison with 1980 data, the energy consumption rate for each square foot of space in the State System has been reduced an average of about 38%. It must be noted, however, that 1980 weather was very mild and during that year the University of Oregon had to take extensive measures to conserve an extremely short supply of haggled wood-wastes. Additional energy conservation efforts are now mostly dependent upon substantial capital investments, prompting each State System institution to propose at least one application for a facility grant in the three cycles of the federal Institutional Buildings Grants Program which provides a 100% match to state funds.

On October 26, 1979, the Board approved a resolution authorizing the staff to file applications with the federal government under the terms of Public Law 94-163 for grant funds for the planning and constructing or effecting of energy conservation measures at institutions governed by the Board. Inasmuch as this program provides significant funding for energy conservation projects, it is an important part of the institutions' continued conservation efforts. Eleven applications for funds for Energy Conservation Measures were proposed in January 1980 during Cycle I. Five of these applications were approved and state matching funds were authorized so the projects are currently underway. They include an exhaust heat recovery/duct extension/weatherstripping project at Eastern Oregon State College, an incinerator with heat recovery at the University of Oregon Health Sciences Center, kitchen and laundry waste heat recovery at the University of Oregon Health Sciences Center, a variable volume fan system conversion at Portland State University and an air-moving equipment control system at Oregon Institute of Technology.

Twelve applications for Energy Conservation Measures were proposed in June 1980 during Cycle II, but state funding was withdrawn in August. A Technical Assistance Study for the Forest Research Laboratory was funded and has been completed. Grant applications for fifteen Energy Conservation Measures and one Technical Assistance Study during Cycle III were submitted to the Oregon Department of Energy early in May 1981 for federal assistance to Eastern Oregon State College, Western Oregon State College, Oregon State University, University of Oregon and the University of Oregon Health Sciences Center. These proposals were submitted subject to the availability of state funds to match the federal funds available. The projects' relative priority rankings will be determined by considering the simple payback and the type of fuel saved.

Board Discussion and Action

The Board received the report as presented.
Energy Report

Staff Report to the Board

Perspective

Institutional officials and the Board's staff have assumed a major responsibility in energy conservation efforts. State System facilities make up about 57% of the 30 million square feet of space occupied by all state agencies and use approximately 62% of the energy. The State System facilities serve a wide variety of functions, including many that require high energy-use levels, such as science laboratories and residence hall kitchens, as well as extended hour uses for libraries, laboratories and evening classes.

A review of energy programs indicates that State System institutions are deeply involved in conservation efforts. All of the institutions are practicing efficient energy management, and two -- Western Oregon State College and Oregon State University -- have developed formal policies. Differences in physical plant characteristics, operational personnel, and the type of energy used (oil, natural gas, electricity, wood wastes and geothermal hot water) have led to a variety of energy-saving techniques at the institutions.

Energy Consumption

Energy consumption data are commonly used to compare operational efficiency; however, several other factors need to be taken into account to evaluate figures accurately. These factors include: the different levels of utility systems metering capacity in various facilities; the sophistication of personnel in reacting to energy management data; climate differences from one year to the next (heat-energy demands can vary 20% in La Grande, for example); use of a single year as a base rather than an average of three years; the impact of mandatory regulations; the time of fuel delivery related to the time of reporting; changes in building use; increases in the number of electrical instruments used for instruction, research and treatment, such as at the University of Oregon Health Sciences Center; and the great variation in the amount of useful work that can be extracted from a given quality of energy with sources as diverse as natural gas and wood wastes.

Following the energy shortage in 1974, a base consumption level for a non-shortage period of one year was selected as the average between 1970-73 for each of six institutions, and the 1972-73 period was selected for Oregon State University and the University of Oregon. The following table compares energy consumption data for the base year with the energy consumption level at each institution for 1980 and indicates an energy consumption goal for 1981 identified in response to a recent energy management memorandum issued by Governor Atiyeh:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Total Energy Consumption (Btu's/square foot/year)</th>
<th>Percent Change from Base Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Oregon State College</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Base year 1970-73</td>
<td>219,976</td>
<td></td>
</tr>
<tr>
<td>1980</td>
<td>222,550</td>
<td>+ 1.17%</td>
</tr>
<tr>
<td>Goal for 1981</td>
<td>211,176</td>
<td>- 4.00%</td>
</tr>
<tr>
<td>Western Oregon State College</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Base year 1970-73</td>
<td>162,101</td>
<td></td>
</tr>
<tr>
<td>1980</td>
<td>128,972</td>
<td>- 20.44%</td>
</tr>
<tr>
<td>Goal for 1981</td>
<td>129,680</td>
<td>- 20.00%</td>
</tr>
<tr>
<td>Oregon State University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Base year 1972-73</td>
<td>211,032</td>
<td></td>
</tr>
<tr>
<td>1980</td>
<td>126,164</td>
<td>- 40.22%</td>
</tr>
<tr>
<td>Goal for 1981</td>
<td>154,053</td>
<td>- 27.00%</td>
</tr>
</tbody>
</table>
A casual reading of these figures might suggest that reductions in energy consumption have produced dollar savings. Unfortunately, this is not the case. Like all sectors of the economy, State System institutions have experienced a drastic increase in fuel costs despite their conservation efforts. Portland State University illustrates the problem. It used 41% less energy per square foot in 1979 than it did during the base year, but during this same period the University's fuel costs have increased from $265,000 a year to a projected $1,400,000 during 1980-81. If Portland State had not initiated a conservation program, the figure would have skyrocketed to $2,258,000!

**Energy Management Improvements**

Energy management and planning has received considerable attention throughout the State System and most of the improvements which can be characterized as "quick fix" items and operational changes have been completed. These include such projects as reducing lighting; shutting down building heating, ventilating and air conditioning systems when buildings are unoccupied; improving central plant operations; and other low-cost modifications. In addition, some projected efficiencies have been completed as resources have become available. Some notable changes and improvements cited by the institutions are as follows:

**Eastern Oregon State College:** More efficient lighting was installed in Quinn Coliseum and the Library, as well as exterior lighting for the campus. In the absence of centralized controls, buildings are visited daily to monitor the mechanical systems.

**Western Oregon State College:** Selective lighting reductions were made in many facilities and campus mechanical services are carefully scheduled according to building occupancy. In some cases, classes have been rescheduled to reduce energy needs. Building insulation is being added as resources become available.
Oregon State University: In many older buildings, thermostats were installed on each steam radiator where heating was inefficient and difficult to control. Excessively high lighting levels were reduced, chiller units were interconnected for operational efficiencies and some double glazing of windows has been completed. As resources become available, centralized electronic controls are being installed for mechanical systems that anticipate heating requirements. These systems use an award-winning "projected effective temperature" concept. In addition to supporting various experiments in biomass, the physical plant is currently testing new energy efficient solid-state ballasts for fluorescent lamps.

Southern Oregon State College: Mechanical equipment is being operated by an electronic console to match the building occupancy schedule. A cooling tower was added to replace flow-through cooling for a chiller unit; two different size chillers were interconnected for efficient load balancing; gymnasium light fixtures were replaced by more energy efficient units; and campus lighting levels which had been lowered to recommended levels are being monitored regularly.

University of Oregon: Wasted heat from stack gases is being captured by a heat recovery unit that heats boiler feed water. Rather than using chiller units driven by steam, during periods of low chilled-water demand, millrace water is piped through new sand filters and used directly for cooling. Gasohol is used regularly in University vehicles and it is hoped that there will be support for making refuse-derived fuel available to burn with wood wastes.

University of Oregon Health Sciences Center: Energy-efficient light fixtures were installed with better switching capabilities in Baird and Emma Jones Halls; radiators in Gaines Hall were equipped with individual thermostats; new gas burners were installed in an incinerator located in MacKenzie Hall to increase efficiency 10%; and water flow control devices were installed in the Dental School Building.

Portland State University: New centralized electronic controls were installed to facilitate the goal of operating each piece of equipment as efficiently as possible. Selective modifications to recommended light levels are being completed.

Oregon Institute of Technology: Lighting levels are being reduced and energy efficient light fixtures are being installed.

Energy Budgets

The idea of establishing energy budgets for various types of buildings was begun by the State System following the fuel shortages of late 1974 and was formalized as target energy budgets in 1978. These budgets express the use of all types of energy in a single term of Btu's (British thermal units) per square foot per year. These measurements are similar to those in the federal Building Energy Performance Standards, which are only now being considered for use nationally. The budgets indicate the level of energy consumption at which it is expected that the building will be operated. They are provided to professional consultants as a design requirement for all new construction and for major remodeling projects.

Capital Construction Projects

Of the five proposed energy conservation capital construction projects supported by the Board in the last two biennia, three have been funded: the interconnection of two heating plants at Southern Oregon State College; the installation of an absorption chiller at Oregon Institute of Technology (which uses mainly geothermal hot water rather than electricity); and an Energy Conservation Instrumentation and Monitoring project at Oregon State University.
Staff Member Involvement

Staff members from the institutions and Centralized Activities have played a leading role in the energy management activities of state agencies since the 1974 fuel shortages. For example, William Neland, Director of the Physical Plant at Portland State University, is chairman of the State Energy Management Committee, which grew out of a series of workshops, an energy task force, and an energy management committee in which a number of State System of Higher Education personnel participated. Art Manci, Director of Campus and Building Planning for the Board, has served as the Higher Education representative on the management committee as well as being on the advisory committee to the Oregon Department of Energy for implementation of the federal Institutional Buildings Grants Program. This program provides 50% matching monies for energy conservation project planning and for the construction of the projects.

Eastern Oregon State College, Portland State University, Southern Oregon State College and the University of Oregon all have held Energy Auditor training sessions, an integral part of the Institutional Buildings Grants Program. About 700 professionals and operators have attended these meetings, including over 30 from the State System. Boiler Efficiency Seminars under the direction of the Oregon Department of Energy have been held at Eastern Oregon State College, Portland State University and Southern Oregon State College.

Sharing of Knowledge

Energy management knowledge is shared among institutions both informally (among physical plant personnel) and formally (at quarterly physical plant directors' meetings). The training programs and seminars noted above also benefit other state agencies, local governments, schools and hospitals as well as the private sector. In addition, State System personnel, on their own initiative, have aided less well-staffed state agencies, school districts and local governments in formulating energy management policies.

Federal Grants

Energy management and conservation on State System campuses will increasingly consist of upgrading and converting systems. Both of these types of projects will require expenditures significantly beyond the modest expenditures noted above under "Energy Management Improvements". State System participation in a federal grant program that has enabled some of the modifications is being reported in a separate docket item.

Future

It is expected that energy management will continue to be refined and conservation projects will make State System facilities even more energy efficient. With the expectation that the federal Institutional Buildings Grants Program will continue, and with the hope that state matching funds will be made available, thirty-four energy projects totaling more than $7.5 million have been identified. These projects include building insulation, double glazing of windows, controls for mechanical systems, central heating plant improvements, possible fuel conversions and exhaust air modifications, as well as some ingenious changes such as purifying water by reverse osmosis and deionization rather than by using electric-fired stills at Portland State University.

The potential use of solar energy is taken into consideration in each new State System building project. While solar energy costs are not yet attractive, some accommodations are being made in building design to take advantage of possible improvements in the future. For example, the heating units in the new Music Building addition at the University of Oregon were designed to operate at a somewhat lower temperature than usual, making it possible to convert to solar heating.
Energy management is a long-term commitment -- and investment. It is hoped that resources will become available for some projects, including more complete utilities metering, that not only are geared to a short-term payoff, such as the grant program noted above, but will provide base data for more effective energy-upgrading of facilities.

Supporting these efforts is a wide variety of energy-related activities located on State System campuses. These activities are pursued within the three primary areas of the institutions -- teaching, research and public service. The following is a list of some of the resources:

**Oregon State University**

--The Energy Research and Development Institute, which promotes energy-related research and development within the university and in collaboration and coordination with other colleges and universities, industries, and federal, state and local governmental agencies.

--The Oregon Energy Extension Service, funded by a grant through the Oregon Department of Energy. The EES provides four state programs: the Builder/Contractor Program, the Consumer Response Program, the Master Conserver Program, and the Small Business Program.

**University of Oregon**

--The Solar Energy Center, which involves research personnel in the areas of Architecture, Business Administration, Law, and Physics. Other departments having an interest in and potential for engaging in a variety of energy-related activities are the Institute of Social Science Research, Geology, Urban and Regional Planning, Biology, and Chemistry.

**Portland State University**

--Grants and contracts are supporting energy-related research and educational activities in the following departments: Earth Sciences, Engineering and Applied Science, Physics, Systems Science, Chemistry, Geography, and Education.

**Eastern Oregon State College**

--An alcohol fuels program.

--A gasohol clearinghouse.

--A research program in biomass screening and utilization.

**Oregon Institute of Technology**

--The OIT Geo-Heat Utilization Center, established 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.

**Board Discussion and Action**

The Board received the report as presented.
Condition of Board's Special & Plant Rehabilitation Reserves
As of May 29, 1981, for Fiscal Year Ending June 30, 1981

Staff Report to the Board

I. Board's Reserve for Plant Rehabilitation

Balance as of March 27, 1981

$38,107

Less:  
Allocation to Western Oregon State College to cover a portion of the estimated cost of $14,000 to reroof the Science Building
$10,058

Allocation to cover a portion of the estimated cost of $12,000 for an engineering study of acid waste neutralization and sewer separation at Portland State University
$ 6,000

Allocation to the University of Oregon to cover a portion of the estimated cost of $24,000 to reroof units of the Science Complex
$ 6,000

Allocation to Oregon Institute of Technology for repair of water damage from a broken water main
$16,049

Balance as of May 29, 1981

$   0

No other Board's Balances remain for year 1980-81. All resources are allocated.

Board Discussion and Action

The Board received the report as presented.

The meeting was adjourned at 3:00 P.M. until June 26, 1981, when the Board will reconvene.