MINUTES OF SPECIAL MEETING OF THE
STATE BOARD OF HIGHER EDUCATION HELD
ON NOVEMBER 19, 1982

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ADJOURNMENT 537
A special meeting of the State Board of Higher Education was held in Rooms 327-28, Michael J. Smith Memorial Center, Portland State University, Portland, Oregon.

The meeting was called to order at 8:30 A.M., November 19, 1982, by the President of the Board, Mr. Robert C. Ingalls, and on roll call the following answered present:

Mr. John W. Alltucker
Mr. Alvin R. Batiste
Mrs. Jane H. Carpenter
Mrs. Harriett J. Flanagan
Mr. Randal D. Gill
Mr. Edward C. Harms, Jr.

Mr. Louis B. Perry
Mr. James C. Petersen
Mr. Marion T. Weatherford
Mr. Loren L. Wyss
Mr. Robert C. Ingalls

OTHERS PRESENT

Centralized Activities—Chancellor William E. Davis; Secretary Wilma L. Foster; J. I. Hunderup, Vice Chancellor for Facilities Planning; Claretheory Kahananui, Acting Vice Chancellor for Academic Affairs; W. T. Lemman, Vice Chancellor for Administration; Wil Post, Acting Vice Chancellor for Public Affairs; Melinda Grier, Compliance Officer; Jerry Lidz, Assistant Attorney General; Larry Pierce, Assistant to the Chancellor; Richard S. Perry, Director, Division of Management and Planning Services; J. Richard Pizzo, Assistant Vice Chancellor, Student Services; James Lockwood, Assistant to the Chairman, Interinstitutional Library Council; Ross Hall, Controller; Virginia Avery, Acting Director, Public Services and Publications; Tim Marsh, Information Representative, Public Services and Publications; Francetta Carroll, Assistant Board Secretary.

Oregon State University—President Robert MacVicar; Phyllis Lee, Administrative Intern, Office of Undergraduate Studies.

University of Oregon—President Paul Olum.

Oregon Health Sciences University—President Leonard Laster; J. T. McGill, Vice President; Mary Ann Lockwood, Executive Assistant to the President.

Portland State University—President Joseph C. Blumel; James Todd, Vice President, Finance and Administration; William D. Williams, Assistant Vice President, Student Affairs; David Wrench, Department Head, Psychology; John Ellis, Assistant Professor, Music.

Eastern Oregon State College—Interim President David E. Gilbert; James C. Lundy, Dean of Business Affairs.

Oregon Institute of Technology—Interim President Jack Douglass; William W. Smith, Dean, Academic Affairs.

Southern Oregon State College—Donald Lewis, Dean of Administration; Ernest Ettlich, Dean of Academic Affairs.

Western Oregon State College—Interim President James H. Beaird; William Neifert, Acting Dean of Administration; Ross Cotranoe, Chairman, Department of Social Studies.
CHANCELLOR'S REPORT

The Chancellor reported that Tektronix had announced during the past week a contribution which represented an investment of $3.5 million in higher education programs over the next five years to develop high technology. There would be an emphasis on the engineering and computer sciences programs at Portland State University and Oregon State University and there would also be some specific research projects which would include the University of Oregon. Equipment is included in the contribution, which is very important. The gift represents a long-range commitment and is a very fine gesture and a very significant donation. It is anticipated the donor would determine the utilization of the funds.

The Board expressed appreciation for the contribution and directed that a letter of appreciation be sent to Mr. Wantland of the Tektronix Corporation.

Report on Budget Request

The Chancellor reported that Governor Atiyeh had started budget hearings immediately after the election and that there already had been meetings on the higher education budget. The budget is in the process of development, and the Governor's recommendation in response to the request will be announced sometime in early December.

Strategic Planning

The Chancellor said it was intended that the Board would be provided with drafts of various elements of the strategic plan as they were developed and that they would be discussed in a meeting of the Committee of the Whole, with action deferred until the total draft is completed. He asked that Dr. Larry Pierce report on the progress in the strategic planning and the proposed format and schedule.

Dr. Pierce said it was expected that a draft of a strategic plan would be provided to the Board before the next meeting. It will include a general discussion of the State System as it exists now, identifying its strengths, weaknesses, problems, and competitive position relative to other systems of higher education. There will be a discussion of the principles underlying the planning process which is being used. Another chapter will deal with the assumptions underlying the plan, particularly with respect to enrollments, finances, and the state of the economy for the period 1983-1987.

The plan itself will be organized around five major themes dealing with the issues of quality, access, finance, economic development as a major theme, and the implications for governance and institutional missions. The present schedule would call for a general discussion of the draft document by the academic vice presidents and the presidents on the day before the December Board meeting, and a discussion by the Board as a Committee of the Whole on December 17. A second draft will be ready by early January and will incorporate the Board's reactions to the first draft. The second draft will be distributed more broadly across the state with public hearings to be held on the campuses of the State System institutions during the first two weeks of January. Finally, a third draft will be prepared for submission to the Board at the January 28 meeting for adoption, modification, or suggestion.

Mr. Perry asked how this would relate to an eventual master plan approach which would go beyond the State System to address the question of better cooperation and less duplication among the community colleges, the private institutions, and the State System institutions.
The Chancellor said he had responded to a similar question in hearings with the Educational Coordinating Commission by stating that it was the responsibility of the State System to indicate where higher education in the State System should go and then to work with the Coordinating Commission to coordinate the State System plan and to articulate it into a total plan for all of the educational systems. Each segment should do initial planning for that segment and then coordinate with the other segments.

Dr. Terry Olson, Executive Director of the Educational Coordinating Commission, said the thirteen community colleges and the area education districts were presently engaged in a similar planning effort in terms of programs, enrollments, space, and any change in terms of general mission and structure. The plan is expected to be ready in early February. Dr. Olson said he had been meeting with the independent colleges in planning on similar matters. When all of the segments have completed their planning, the Commission will be able to review them more formally and advise whether, in the Commission's judgment, the pieces mesh very well. To the degree that they do not, it will be necessary to engage in discussion and negotiation.

Dr. Pierce said that the State System plan will include some description of the articulation problems that exist between the State System and the other segments. The recommendations will include consideration of ways of resolving some of these problems. Some alternatives may involve cooperation with other segments of education.

Dr. Olson cited two illustrations of issues that are intersegmental in nature. One is lower-division collegiate work and a determination of the responsibility for that among the various segments. Another is the question of who should supply vocational educational services in those areas of the state not covered by a community college.

Mr. Wyss asked what would be done with the strategic plan once it was completed. The Chancellor responded that the plan itself will include a process for systematic and timely review, updating, and revision so that there will be a working document and working plan with periodic review. Some type of evaluation will be specified to assess what objectives have been met, which ones are still pending, and which ones should be changed. There will be a priority schedule for meeting various objectives.

Dr. Pierce commented that the plan probably will be used first to provide the Legislature with a rationale for the direction that the Board wants to take in higher education.

In response to a question from Mrs. Carpenter concerning the level of services for a certain amount of money, Dr. Pierce said the question of the budgeting format will not be addressed specifically at this stage of the planning. There will be a proposal that an alternative funding formula be developed for the State System. The 1983-1985 budget is already in place and has been formulated on the APLS system. However, if an alternative format could be developed and accepted by everyone concerned, it could be used for the allocation of resources made available by the Legislature for 1983-1985 and used for planning subsequent budgets in future biennia.

Mrs. Carpenter said presenting the budget to the Legislature in terms of the amount of funds required to protect a given level of services would be a very sound approach. Dr. Pierce indicated that in the section on quality, the question of levels of funding required to provide specific levels of educational quality would be addressed.

The Chancellor then reviewed briefly several items and reports related to strategic planning. Preliminary drafts of the mission statements have been distributed for comment. He indicated the new entrance requirements would be discussed later in the meeting as a Committee of the Whole agenda item. The deans' report on teacher education has been distributed and points out some very significant developments in that area. These include a more rigorous screening process, changes in curriculum, and several innovative approaches which are being tested. The Chancellor said he was very
pleased with the progress in the combined teacher education program recently approved by the Board. He stated that professional areas of specialization which are offered on more than one campus are being studied for any necessary modifications. There have been meetings with community colleges for discussion of the interactions or relationships and the respective responsibilities of the community colleges and the State System institutions and possible cooperative arrangements in certain special fields or programs.

The Chancellor reported that the searches and interviews for the presidencies at Western Oregon State College and Oregon Institute of Technology were progressing well. It was proposed that the final interviews for the candidates for these two positions would be held in conjunction with the December Board meeting.

The search for the permanent position of Vice Chancellor for Public Affairs has been started, and the position description has been distributed. The position description for the search for a permanent Vice Chancellor for Academic Affairs will be ready soon.

On October 16, 1982, Mr. Gerard F. Cracas of San Francisco provided an option for the sale of his property at 349 South Mountain Avenue, Ashland, to the Board in the amount of $44,400. The option price is in line with the average of three independent appraisals obtained recently by officials of Southern Oregon State College. The appraisals were made by Kent L. Puckett, Rickey R. Richey, and Curtis E. Riegel, all from the Medford-Ashland area.

The property contains approximately 8,661 square feet of land, or about 0.199 acres, on the west side of South Mountain Avenue in an area designated for future automotive parking. It is adjacent to other property previously acquired by the Board.

The 77-year-old frame residence has a living room, dining room, kitchen, utility room, two bathrooms, two bedrooms, and a den. It is rated generally in fair to poor condition. The detached garage was damaged by fire and is of no value.

The funds required for the purchase would be provided from Article XI-F(1) bond proceeds and/or balances available to the institution from its parking operations. No state tax funds would be involved.

It was recommended that the Vice Chancellor for Facilities Planning be authorized to purchase the Gerard F. Cracas property at 349 South Mountain Avenue, Ashland, at the option price of $44,400. The property measures approximately 56 feet on the east and west sides, 150 feet on the north and 158 feet on the south. It is improved with a one-story residence containing about 1,176 square feet. The lot is within the approved projected campus boundaries of Southern Oregon State College and is expected to be utilized for parking. The purchase would be financed from self-liquidating bond borrowings and/or auxiliary enterprise balances and would be charged against the expenditure limitation approved for land acquisition under the provisions of Chapter 539, Oregon Laws 1981, as amended by the State Emergency Board on September 2, 1982.

The Board approved the staff recommendation as presented, with the following voting in favor: Directors Alltucker, Carpenter, Flanagan, Gill, Harms, Perry, Weatherford, Wyss, and Ingalls. Those voting no: None. Directors Batiste and Petersen were absent from the meeting at this time.
Naming of O. H. Hinsdale Wave Research Laboratory, OSU

Staff Report to the Board

When the first phase of the Environmental Fluid Dynamics Laboratory, frequently identified as the Wave Tank, was constructed on the west portion of the campus of Oregon State University in 1972, it was acknowledged that the total project costs of $197,000 had been financed from gifts and grants through the Oregon State University Foundation, Inc. A major portion thereof was contributed by Mr. O. H. Hinsdale. In making this generous personal gift, Mr. Hinsdale commented to Dean Burgess of the School of Engineering that, "Model Studies have always intrigued me. Quite often we know where we want to go, but how is the best way of getting there has to be proven by model testing. In the past 45 years I have participated in model studies on splash dams, bridges, log unloaders, tugs & barges, and watched tests at the U.S. Army Waterways Experiment Station modeling estuary entrances. In all cases this model testing developed significant improvements in design and substantial dollar savings." Mr. Hinsdale was very enthusiastic over the prospect of developing a wave tank on the campus of Oregon State University to test on a model on a scale of 1:10. He commented further, "We all recognize the need for such a facility in the Northwest, and this fact has generated my desire to provide starting funds which I feel will have lasting benefits to the students, the State of Oregon, and the nation."

Although Mr. Hinsdale did not choose to have his name identified with the dedication of the facility at that time, he has modified his position subsequently and recently agreed to have the facility renamed as the "O. H. Hinsdale Wave Research Laboratory." President MacVicar has requested that formal approval of this designation be granted by the Board.

Such action would be consistent with the exceptions noted within the provisions of OAR 580-50-025 which states that, "The Board shall not name any building or structure of the Department after a living person. Exceptions may be considered and made if a donor contributes a substantial share of the cost of construction or for unusually meritorious cause."

Mr. Hinsdale was born in Gardiner, Oregon, in 1901. He graduated from the University of California in 1923, and began his professional career as an assistant cashier and cashier with the First National Bank of Gardiner until 1937 when he became president of the Gardiner Lumber Co. and Camp Creek Timber Company. In 1948, he was named president of the Umpqua National Bank and president also of the Umpqua River Navigation Co., both of Reedsport. In 1969, upon the merger of Umpqua River Navigation Co. into Bohemia, Inc., he became vice president of the Umpqua Division of Bohemia, Inc., and a director of that company. Among other civic activities, he served for forty years as a member of the Port of Umpqua Commission, including 20 years as chairman. Currently, he resides in Portland.

Summary and Staff Recommendation

In acknowledgement of the exceptional interest and encouragement which Mr. O. H. Hinsdale has evidenced in the research program of Oregon State University, and in acknowledgement also of his generous contributions which made possible the construction of the initial unit of the Environmental Fluid Dynamics Laboratory on the campus in 1972, it was recommended that this facility be named the "O. H. Hinsdale Wave Research Laboratory."

Board Discussion and Action

The Board approved the staff recommendation as presented, with the following voting in favor: Directors Alltucker, Carpenter, Flanagan, Gill, Harms, Perry, Weatherford, Wyss, and Ingalls. Those voting no: None. Directors Batiste and Petersen were absent from the meeting at this time.
Meeting #495  

Staff Report to the Board  

On October 12, 1982, Mr. Kurt Motamedi provided an option for the sale of his property at 705 Southwest 17th Street, Corvallis, to the Board in the amount of $35,000. The option price corresponds with the amounts reflected in each of two separate independent appraisals obtained recently by officials of Oregon State University, one from Robert N. Rondeau and the other from Steven S. Swedberg, both of Corvallis.

The property contains approximately 4,650 square feet of land, or about 0.107 acres, on the southeast corner of 17th Street and "A" Avenue, adjacent to other properties which the Board has acquired for student housing and related recreational purposes.

The 34-year-old frame residence has a living room, dining room, kitchen, bath and two bedrooms within a gross area of about 640 square feet. It also has a single car garage. Both appraisers indicated that the house would be rated in fair to average condition.

The funds required for the purchase would be provided from Article XI-F(1) bond proceeds and/or balances available to the institution from its residence hall operations. No state tax funds would be involved.

Summary and Staff Recommendation

It was recommended that the Vice Chancellor for Facilities Planning be authorized to purchase the Kurt Motamedi property at 705 Southwest 17th Street, Corvallis, at the option price of $35,000. The property measures approximately 93 feet by 50 feet and is improved with a small one-story residence and garage. It is located within the approved projected campus boundaries of Oregon State University and is expected to be utilized for student housing and related recreational purposes. The purchase would be financed from self-liquidating bond borrowings and/or auxiliary enterprise balances and would be charged against the expenditure limitation approved for land acquisition under the provisions of Chapter 539, Oregon Laws 1981, as amended by the State Emergency Board on September 2, 1982.

Board Discussion and Action

The Board approved the staff recommendation as presented, with the following voting in favor: Directors Alltucker, Carpenter, Flanagan, Gill, Harms, Perry, Weatherford, Wyss, and Ingalls. Those voting no: None. Directors Batiste and Petersen were absent from the meeting at this time.

Staff Report to the Board

On November 4, 1982, Mr. Walter F. Griffiths signed an option for the sale of his property at 625 Southwest 16th Street, Corvallis, to the Board in the amount of $40,325. The option price reflects the average of the amounts reflected in two separate independent appraisals obtained recently by officials of Oregon State University—one from Robert N. Rondeau, Corvallis, and the other from Mary E. Ness, Lebanon.

The property contains approximately 5,000 square feet of land, or about 0.115 acres, on the east side of 16th Street, midway between Washington Way and "A" Avenue. It is adjacent to other properties which the Board has acquired previously in the area close to the Physical Plant offices and the Industrial Building which houses the institution's printing plant. The land would be used for educational and general plant purposes.

The 62-year-old frame residence has a living room, kitchen, bath and two bedrooms on the main floor and an apartment upstairs containing a living room, kitchen, bath and one bedroom, all within a total gross area of about 1,256 square feet. Both appraisers rated the improvements as being in "fair" condition.
Meeting #495

November 19, 1982

The funds required for the purchase would be provided from the state funds authorized within Chapter 511, Oregon Laws 1979, for land acquisition for the educational and general plant.

Summary and Staff Recommendation

It was recommended that the Vice Chancellor for Facilities Planning be authorized to purchase the Walter F. Griffiths property at 625 Southwest 16th Street, Corvallis, at the option price of $40,325. The property measures approximately 50 feet by 100 feet and is improved with a two-story residence. It is located within the approved projected campus boundaries of Oregon State University and is expected to be utilized for educational and general plant purposes. The purchase would be financed from state funds authorized within Chapter 511, Oregon Laws 1979.

Board Discussion and Action

The Board approved the staff recommendation as presented, with the following voting in favor: Directors Alltucker, Carpenter, Flanagan, Gill, Harms, Perry, Weatherford, Wyss, and Ingalls. Those voting no: None. Directors Batiste and Petersen were absent from the meeting at this time.

Summary and Staff Recommendation

In accordance with Board regulations, the following Board members represented the Board in approving candidates for degrees and diplomas for the graduating classes at the various institutions during the 1981-82 academic year and summer sessions:

Oregon State University - Marion Weatherford
University of Oregon (including Summer, Fall, Winter, and Spring of 1981-82) - Alvin R. Batiste
University of Oregon Law School - Edward C. Harms, Jr.
Portland State University (including Summer, Fall, Winter, and Spring of 1981-82) - Loren L. Wyss
Western Oregon State College - James C. Petersen
Southern Oregon State College - Jane H. Carpenter
Eastern Oregon State College (Academic Year) (Summer 1982) - Harriett J. Flanagan - James C. Petersen
Oregon Institute of Technology - David M. Lomnicki
Oregon Health Sciences University - David M. Lomnicki

Signed copies of the degree lists are on file in the Board's Office.

Board Discussion and Action

The Board confirmed the actions of these Board members in approving candidates for degrees and diplomas, with the following voting in favor: Directors Alltucker, Carpenter, Flanagan, Gill, Harms, Perry, Weatherford, Wyss, and Ingalls. Those voting no: None. Directors Batiste and Petersen were absent from the meeting at this time.
Summary and Staff Recommendation

IMD 1.020(1) provides that the Chancellor shall make recommendations to the Board concerning the conditions of employment of vice presidents of institutions.

In order to give effect to organizational changes proposed by President Laster and described in general terms at the October Board meeting, it was the recommendation of President Laster, concurred in by the Chancellor, that the title of Dr. James T. McGill be changed from Vice President, Finance and Administration, to Vice President at a salary of $65,500 effective November 22, 1982. It was further recommended that the title of Dr. Donald Kassebaum be changed from Vice President, Hospital Affairs, and Director, University Hospital, to Director, University Hospital.

This change would result in Dr. McGill's being the only Vice President at the University. Other major administrative officers will have the title of Dean, Director, or Coordinator, as appropriate.

Board Discussion and Action

President Laster said that the spirit behind the reorganization was based on the fact that the coming months will be challenging in the extreme. The fate of the institutions and the State System must be far more than mere survival as a System and as individual institutions if justice is to be done to the needs of society. At the same time there are exciting opportunities, and a different set of management organizational patterns may be more beneficial at one time than another.

The organizational model being proposed is one which President Laster said he had utilized in the National Institutes of Health which had a director and a deputy director. President Laster said the success of this model is a function of the people involved and the ability of the two people to work together in harmony. He indicated that he and Dr. McGill had been trying this model in essence for over a year and it had worked extremely well from their point of view and that of those people who would be most immediately affected. He distributed a graph showing the channels of communication which would exist under the proposed organization. The president would devote efforts largely to policy, and the vice president would deal with the day-to-day operations. He stated that issues may change back and forth from policy to operations matters, so flexibility and good working relationships are imperative.

He explained that the three deans and the directors of the University Hospital, the Crippled Children's Division, and the Research Institute, would constitute the fundamental intellectual administrative leadership and would represent the heart of the University. Support divisions would be divided into two offices--one for academic administration, and one for financial and general administration. Each of these offices would have a leader who would perhaps be designated as a director. This represents the first change by replacing the office of the vice president for academic affairs, which deals largely with academic administration, with an office headed by a director of academic administration. The deans of the schools would be responsible for policy and leadership.

The second change proposed by President Laster was to eliminate the duties of the vice president for finance and administration now held by Dr. McGill and assign that set of responsibilities to a director. Dr. McGill would then have the title of vice president and be the only vice president within the institution.

The third change would be to eliminate the title of vice president for hospital affairs and designate that position as director of University Hospital. In addition, President Laster said there would be presidential advisers. These would include the faculty senate. There would be additional use of faculty ad hoc appointments and volunteers in an advisory capacity.
The president's staff would include the executive assistant and the director of university relations. Sufficient funds have been obtained from the private sector to operate the office for three years. A director of development will be recruited and ultimately a coordinator of development may be added.

President Laster emphasized that the deans and directors would still report to the president but would work with the vice president in operational matters and with the president on policy matters. He indicated that the executive staff meets weekly and would be chaired on alternate weeks by the president and vice president. The meetings chaired by the president would be devoted to policy matters, and the meetings chaired by the vice president would deal with operational issues.

Mr. Perry commented that this was an excellent step forward. He noted that the determination of what is policy and what is operational is difficult but there appears to have been a trial period that has worked successfully.

He said he was pleased that President Laster and Dr. McGill have a relationship that would enable them to work through the problems inherent in the proposed structure and he hoped a similar relationship would prevail with the deans.

President Laster said the proposal had been discussed at length. It had been recommended in a study about three years ago but awaited the appropriate staff relationships for implementation.

Mr. Perry said President Laster had done a superb job with the community. He said he hoped the organizational structure would permit the president to utilize those talents more in working with the community in helping to develop the Institute of Biomedical Research and continuing along these lines where the response has been superb.

President Laster said he agreed with the importance of looking outward but also hoped that the organizational structure would allow him to visit individual laboratories within the university and to get to know individuals and what they were doing rather than having the knowledge of the institution filtered through administrative layers.

President Laster said a research convocation had been held the previous week in which some fifty faculty described what they were doing. It was very informative. The purpose had been to bring greater awareness to the public of the value to society of biomedical research. The convocation was intended also to express appreciation to Senator Mark Hatfield for having provided the institution with this extraordinary opportunity. As a result of efforts from members of the community, the establishment of the Mark Hatfield Biomedical Research Lectureship was announced.

Mr. Ingalls and Mr. Wyss congratulated President Laster on the excellence of the research convocation. Mr. Wyss said that the portion of the reorganization plan that would make time available for the president to become more visible for his faculty and students was important. Students and faculty at a number of institutions have expressed their interest in having more direct access to the president.

Mr. Alltucker said he was in agreement with the communications channel presented in the diagram but there must be a clear understanding in writing of who reports to whom and, more specifically, who can hire and who can fire whom. He said he would like to see the administrative control of the organization accompany the diagram whenever it is published.

It was pointed out that the Board's Internal Management Directives require that the president be the person responsible for hiring, firing, salaries, and related matters for all unclassified personnel unless the responsibility is specifically delegated elsewhere by the president.
The Board approved the recommendation as presented, with the following voting in favor: Directors Alltucker, Batiste, Carpenter, Flanagan, Gill, Harms, Perry, Weatherford, Wyss, and Ingalls. Those voting no: None. Director Petersen was absent from the meeting at this time.

R.S. Bolstad, Appointment as Dean of Administration, SOSC

Summary and Staff Recommendation to the Board

IMD 1.020(1) provides that the Chancellor shall recommend to the Board the appointment of executive deans of institutions.

Southern Oregon State College has engaged in a search for the replacement for Mr. Donald Lewis, who is retiring as Dean of Administration of the College. Upon the recommendation of President Sicuro and with the concurrence of the Chancellor, it was recommended that Mr. Ronald S. Bolstad be appointed by the Board as Dean of Administration at Southern Oregon State College. The appointment is requested to be effective December 1, 1982, on a three-year fixed-term basis with the rank of professor and at an annual salary of $45,000.

Most recently, Mr. Bolstad has been Assistant Dean for Administration of the School of Veterinary Medicine at the University of California, Davis. He has prior experience in the University of California System Office in budgeting and analytical studies and also served as an Assistant to the Vice Chancellor for Academic Affairs at the University of California, Davis. Mr. Bolstad has a bachelor's degree from Stanford University in economics and an MBA from the University of California, Berkeley.

Board Discussion and Action

The Board approved the staff recommendation as presented, with the following voting in favor: Directors Alltucker, Batiste, Carpenter, Flanagan, Gill, Harms, Perry, Weatherford, Wyss, and Ingalls. Those voting no: None. Director Petersen was absent from the meeting at this time.

Presentation by Ashland Businessmen

Mr. Ingalls indicated that the time set for a presentation by a group of Ashland businessmen had arrived. Mr. Leonardus Jansen, a representative of the group, said Ashland enjoyed the privilege of having two large and fine institutions within the city limits, the Oregon Shakespearean Festival Association and Southern Oregon State College. Both contribute greatly to the economic stability of Ashland and attract many people from within and outside of Oregon. In the past, the Shakespearean Festival Association has concerned itself mainly with staging plays and selling tickets to the performances. The basic goal of Southern Oregon State College has been to provide instruction in higher education to registered students. Mr. Jansen said the group supported the college in its academic programs but did not agree with the trend of bringing more and more groups of visitors who are housed and fed at the College. Mr. Jansen contended that most of these groups come to see the plays and are regular tourists. On the other hand, the College maintains that these visitors are educationally related groups.

Mr. Jansen said the business group has been told that the College is acting within the guidelines approved by the Board but said he did not believe it was the intent of the Board to promote programs that have a great negative impact on the City of Ashland and the immediate area. He said the businessmen believe that money paid to the College should be spent instead with local commercial establishments. This would contribute to the stability of Ashland by creating jobs and a much-needed expanded tax base.

Mr. Jansen then cited the elder hostel program which limits the tickets available for regular theatre patrons because tickets are reserved for the program. After several months of discussion with the College and the Festival Association, it appears that nothing is going to be stopped or reversed by either organization. The intent seems to be an expansion of the programs which have caused concern to the businessmen.
Mr. Jansen concluded by asking the Board to review the policies and procedures now in effect and make a complete study of the impact they have on the community. The group recommended that existing laws and statutes be compared with the practices that have been implemented because there are several instances in which it is believed that the College has overstepped its legal authority.

Mr. Don Rist, another member of the business group from Ashland, read a letter from Mike and Carolyn Branham, owners of the Seasons at Oak Knoll Restaurant in Ashland, expressing concern about the catering done by the College in competition with their business. The tax and other benefits available to the College provide a competitive advantage not available to private business. They asked the Board to review the problem and take the necessary steps to help solve it.

Mr. Wyss said Board members who have been small businessmen certainly were sympathetic to the problem, but he pointed out that there are substantial benefits to the city and business community in Ashland because of the presence of the College. He said the institution and the Board face the problem of running the institution as a business also. It is necessary to find sources of revenue that will cover some of the fixed costs, and sometimes administrators must make choices that might very well be different than the Board members themselves would have made. Like most business people, the institutions and the Board are attempting to find a balance between those services which are acceptable and those which are unacceptable. He said the testimony was helpful but it might not be possible to satisfy everyone. The Board is charged with the responsibility of representing all of the citizens of the state, including the businessmen present as well as a lot of other people who pay taxes. Mr. Wyss said he hoped the business representatives would see Southern Oregon State College as a great asset to the city that would bring some advantages as well as disadvantages by its presence.

Mr. Jansen said it was recognized that there were offsets, but the development of this program of housing, food service, and related activities was implemented without communication with the local establishment.

Mr. Perry pointed out that there are certain auxiliary services that any college or university must have for the students. He asked if the business representatives had a list of members or a list of people who were represented by them. Mr. Perry said the Board was aware that there was a conflict in Ashland with respect to the role of the group making the presentation and the Chamber of Commerce.

Mr. Jansen said his group did not claim to represent the entire business community. The first official membership meeting had just been held and twelve people had signed as members. He indicated that the Chamber of Commerce survey contacted over 100 people to ascertain their feelings. He said his group had a list of over 100 names that were sympathetic in one way or another to the goals of the organization.

Mr. Perry then asked whether it had been possible to separate the impact of the College from the adverse impact due to the decline in the economy, and also the impact of the rapid motel expansion in the area.

Mr. Jansen responded that the number of rooms had increased in the past six years. However, during the last year, the increase in the number of rooms was only 14 or 15 and yet there was a decrease in occupancy. At the same time, the number of tickets sold by the Festival Association and the number of rooms rented at the College increased.

There was some discussion of the elder hostel program, which is a national program. The business representatives said the program removes tickets which might otherwise be used by other tourists who would stay in the motels and eat at the restaurants.
Mr. Petersen indicated that he had been a residence hall director for seven years at Eastern Oregon State College and was familiar with these issues. He said he was also a member of the Chamber of Commerce Board of Directors in La Grande and served on its tours and recreation committee. He said he saw a lack of communication and the business representatives should get together with the Chamber of Commerce. He said they needed to study the very excellent report of the Chamber and to work with the people that represent the community and those that worked on the Task Force. The group needs to start working together and talking with their colleagues, other businessmen, and people at the College. He noted that the College also was working on a report. Mr. Petersen said this confrontation level has not developed in La Grande because people learned to work together and to share the opportunities for dealing with the tourists. He pointed out that the College exists for the student and there are enterprises that must exist for the students. In order for students to have a successful opportunity to live in the dormitories during nine months of the school year, the residence halls must have something going on in the summer. The cheerleaders, for example, are not going to stay in motels. They only go where there are colleges. This is true of a number of programs. Those dollars will be lost because the groups will just go to another school where they can be accommodated. At the same time, the College needs that business in order to provide service in the summer so that the rates can be reasonable for students during the regular school year.

Mrs. Carpenter commented that as a resident of the area she was understanding and sympathetic. She said it was extremely difficult to face up to the complexities of the number of motel rooms that have increased, approximately 226 additional motel rooms in Ashland during the last three years and many more also built in Medford.

Mrs. Carpenter said that one of the greatest expansions in the sale of Shakespeare tickets had been for bringing high school students to Ashland to work with the actors and the theatre.

Mr. Rist said the vacancy factor was high during this past summer even with an increase in ticket sales. Occupancy went from 80% to 65% in some instances.

Mr. Harms said he was not persuaded on the evidence that there was any unfair or excessive competition in the Ashland community. He moved that the Board note the very real concerns expressed by the group from Ashland and instruct the president of Southern Oregon State College to continue to review the policies of the College through the existing committee structure and with the institution's various constituencies, including the Chamber of Commerce and the business community. He also moved that the president be requested to furnish the Board with a report that is to be rendered to him by about December 15. Mr. Perry seconded the motion.

Mr. Batiste said he would like to have Mr. Lemman review the overall policy of the Board for the use of auxiliary enterprises in order to be sure that the activities do not digress too far from that policy.

Mr. Harms agreed to amend his motion so that it would come back to the Chancellor's Office for the appropriate relationship to the policy. Mr. Perry concurred.

Mr. Alltucker said he would be more comfortable with a statement that the institutions of higher education would not engage in any commercial activities unless they were important to the mission of the institutions and unless that particular service was not available in the local area at a satisfactory level.

The Board approved the motion by Mr. Harms as amended, with the following voting in favor: Directors Alltucker, Batiste, Carpenter, Flanagan, Gill, Harms, Perry, Petersen, Weatherford, Wyss, and Ingalls. Those voting no: None.
Mr. Ingalls then asked the staff to review the policy in light of the comments and perhaps to rewrite the policy. He assured the witnesses that the Board did not intend to let the institutions compete with private industry in any way.

Mr. Moran said the concerns need to be addressed soon because the ticket sales for the 1983 season to the groups that are booked into the College are taking place now.

Materials distributed by the business representatives, by the College, and letters provided at the meeting or sent to the Board's Office are on file in the Board's Office.

The report of the Task Force on Vocational Education was distributed and representatives from the Task Force and the Department of Education were present to discuss the report and respond to questions.

Mr. Darrell Ward, a staff member from the Vocational Division of the Department of Education, described the organization of the Task Force and indicated that it had been charged with looking at existing State Board of Education policy on vocational education and providing recommendations which would serve to facilitate the efforts of the schools and colleges in providing the kind of training needed for expanding business and industry in Oregon.

Ms. Mary Crucchiola, the chairperson from the Task Force, said there had been substantial representation from business and industry on the Task Force. Mr. James Sayer, who is employed by Tektronix and has been active for many years with Associated Oregon Industries, also emphasized the broad membership from business, industry, local secondary schools, community college boards, teachers, administrators, and higher education. He noted that Mr. Philip Bladine, publisher of the McMinnville News-Register and a representative of the Economic Development Commission, had been very concerned about the economic impact of whatever developed from the Task Force Study.

Mr. Bladine said there is a heavy emphasis in the report on cooperation among the segments of government, education, and business. He said there is not just one crisis in the economy but there are two—one crisis in the economy and one in education. High technology has been regarded as one of the solutions, but it is not the entire answer. Diversification is critical. A number of things will need to be done in education to provide the necessary new job base.

Mr. Sayer indicated that about 80% of the jobs do not require a baccalaureate degree but they do require at least a high school or community college education. Four to six support positions are needed for every professional level position requiring baccalaureate or higher degrees. These are the jobs addressed by vocational education in the secondary schools and community colleges. In that context, he reviewed the recommendations included in the report, a copy of which is on file in the Board's Office.

Mr. Sayer mentioned the need for alternative approaches to deliver the education to the people who need it. In that regard, Dr. Robert Barr, Dean of the OSU-WOSC School of Education, noted that there had been increased cooperation among various groups to assist one another in this economic crisis. In response to a statement concerning the need for teachers in mathematics, science, and vocational/technical education, Dr. Barr stated that there was a critical shortage of teachers in these areas and extensive efforts were being made to recruit high school and community college students into training programs that would lead to teacher certification. Traditional methods of recruitment of teachers for these fields are inadequate and there has been discussion of creative ideas in terms of borrowing teachers from the expertise of business and industry. Teacher certification standards and requirements are an obstacle that must
be resolved. In high technology areas, it is necessary for teachers to keep abreast of very rapid developments in the field. Diversification of delivery systems for educational programs is imperative. Cooperation to permit rapid reaction from the educational community is important so that business and industry will be aware of the educational resources of the state.

Ms. Crucchiola summarized by emphasizing the need to insure a smooth flow among the secondary institutions, community colleges, and higher education. The policy study revealed that education is changing in that people no longer attend school at one point in their lives. Education is ongoing.

There will be 16 hearings to discuss these policies and recommendations. The hearings will have three goals: (1) To gather and analyze what a selected group of Oregon citizens feel is needed for academic development; (2) to determine the training needs of business and industry; and (3) to gather and analyze the reactions to these policy statements and any revisions that should be considered.

Board members expressed appreciation to the Task Force for its efforts and the report. They also stated their interest in cooperating with other agencies in the improvement of vocational education.

Mr. Alltucker asked that the Task Force consider adding "enlightened citizenship" to section 1.0 of the report. There was general agreement with the inclusion of this concept.

Mr. Gill mentioned the importance of vocational education in high school to help students determine career choices. It can also provide some very basic technical and vocational skills that can help students find some part-time jobs and be skillful in these jobs while going to college and subsidizing their college educations.

Mrs. Carpenter proposed that there be a much more extensive discussion of the admissions requirements. Mr. Ingalls indicated that the admissions requirements would be a primary topic for consideration at the December Board meeting.

Mrs. Carpenter reported that the Teacher Standards and Practices Commission had held hearings on their standards for program approval. The third draft assigned a heavy role to the function of the consortia, which would be very difficult for them to carry out.

Mr. Wyss said there had been Board discussion of the future management of the Board's endowment and quasi-endowment funds, currently managed by Dodge & Cox in San Francisco. At the Board meeting in Corvallis, it was reported that three alternatives had been suggested by the Investment Council: (1) Retain the present investment management program; (2) place the bond portion of the Board's accounts under the management of the State Treasurer's Office and put the equity, or stock, side with the pool run by the Investment Council, which is now comprised of about eleven independent managers; or (3) put the bonds with the State Treasurer's Office and select less than the full pool of investment managers, trying to decide if there were some managers within that pool who would be able to take some advantage of the smaller size of the Board's account.

In the course of the discussions with the State Treasurer's Office and the Oregon Investment Council, Mr. Perry had asked whether over the years the investment objectives for the money currently in the endowment fund have changed. If the income is required from these funds on a regular basis every year because of some pre-existing obligations, it may be necessary to forego other qualities, such as growth, in order to get that regular income. If, on the other hand, because of the huge growth of the Board's budget and the relatively constant dollars in the endowment, the fund has become such a small portion of the budget that the institutions do not
depend upon its dollars, it might suggest a different objective. The orientation might be more toward growth in hopes of making those funds grow and become more important to all of the institutions. He said it would be helpful to have some reactions to the use of these funds and how dependent the institutions were on the income.

Mr. Ross Hall, Controller, distributed charts analyzing the funds. The charts indicated the endowment funds based upon the units schools owned in the various categories and described where the money is dedicated and the percentage of the endowment owned by each institution. He stated that the purposes for which funds are used are varied and depend a great deal upon the individual institution. The charts are on file in the Board's Office.

The second part of the schedule showed the interest income distributed to the various accounts on the basis of the percentages shown at the top of the chart. The bottom section of the chart listed the market values for the last five years and the five-year moving average based upon recent amendments to the Internal Management Directives. The distribution to the individual accounts is expected to be about $500,000 less than last year. The earnings are expected to be about $500,000 more than will be distributed.

Mr. Lemman commented that the amount of the distribution had been diminished purposely in order to increase the amount going into the capital fund to make sure the principal grows more in line with inflation, rather than utilizing all of the income each year. The difference between the $963,000 to be distributed and the $1.4 million in income will be transferred to the principal part of the fund.

Mr. Hall said the second chart for the Oregon Equity Fund listed the present managers that the Oregon Equity Fund employs and their performance figures for the last three years, plus the current year through October.

In response to a request from Board members for a recommendation, Mr. Hall said he would buy into the total equity fund in total. He said he based this on the belief that the endowment fund exists as a long-term, long-range program. Buying into the pool in total may have the result of missing some of the peaks that some of the managers may hit, but it will also miss some of the bad performances that are bound to occur. He suggested that since the Oregon Health Sciences University had such a large portion of the fund, it might be desirable to receive any comments from Dr. James McGill.

Dr. McGill said the income is significant but he believed that the Board policy of returning some of the income to the principal is sound, even though there is less money to distribute. Some of the accounts depend on a steady flow of income. He emphasized the importance of giving consideration to the proportion of funds in the endowment accounts and the quasi-endowment accounts, because the principal cannot be used in endowment funds, but it can be used in the quasi-endowment accounts if it appears appropriate to do so for a particular program purpose. This is a particularly important concept for acquisition of expensive medical equipment or in a capital construction project. The maximum amount that might be needed for these purposes would be $1-1.5 million.

Mr. Wyss said the most important question for consideration was whether the Board should stay with the current investment managers or make a switch to be included more completely in the existing program of the Oregon Investment Council's total package. He said there is no disagreement that this would be desirable because it would reduce the cost, since the cost of managing the bond account would be just a fraction of the present charge. The results of the bond managers of the State of Oregon are every bit as good as any of the managers purchased from the outside. He then analyzed the question of buying into the entire set of managers or utilizing one or more from the pool.
Mr. Wyss moved that the Board disemploy the current investment managers, Dodge & Cox, and employ instead the Oregon Equity Fund for the management of the equity dollars and the Oregon State Treasurer's Office for the management of the fixed income dollars. Mr. Perry concurred and seconded the motion.

The Board approved the motion as presented, with the following voting in favor: Directors Alltucker, Batiste, Carpenter, Flanagan, Gill, Harms, Perry, Petersen, Wyss, and Ingalls. Those voting no: None. Director Weatherford was absent from the meeting at this time.

Staff Report to the Board

In the docket of the March 28, 1980, meeting of the Board, it was noted that efforts to obtain a bid of $30,000 or more for the sale of 40.25 acres of land obtained in 1960 from the Carrie C. Beekman Estate had not been successful. The property is located within Jackson County approximately eight miles east of Eagle Point, Oregon.

Following the publication of another series of advertisements in the Medford Mail Tribune for a bid opening on June 9, 1982, when no quotations were received, institutional officials requested the Cascade Real Estate office in Eagle Point to continue to show the property and to forward any offers that might be received within a six-month period. These efforts have resulted in the receipt of two separate offers for the property. Although both of these offers are in amounts considerably below the minimum price previously advertised, officials of the University of Oregon have recommended that the most favorable one be accepted. It stipulates a closing deadline of January 1, 1983.

Under the provisions of Oregon law, it is not possible to sell state-owned property at a price less than the advertised minimum. Furthermore, the statutes require that other state agencies and political subdivisions be given an opportunity to indicate whether they would be interested in purchasing the property before a sale can be made to a private person. The Department of General Services surveyed other state agencies concerning their potential interest in acquiring this parcel back in 1979 and advised that there was no positive response. Institutional officials are now contacting local governmental agencies to determine whether they would be interested in this parcel. Meanwhile, it is proposed that a new advertisement for bids be published for four successive weeks, pursuant to ORS 273.205, with a revised minimum price of $22,560 with a minimum of $2,000 payable on or before the execution of a purchase contract. The remainder would be payable in installments of at least $200 per month, including interest at the annual rate of ten percent. The most favorable offer received through the Cascade Real Estate office dated November 1, 1982, would meet these conditions.

Summary and Staff Recommendation

It was recommended that the appropriate Board officials be authorized to advertise the 40.25 acre parcel of land which the University of Oregon acquired through the Carrie C. Beekman Estate for sale at a minimum price of $22,560 on terms mentioned within the Staff Report above, and then arrange for the sale of the property on the most favorable basis, either to the highest bidder or to the persons whose offer dated November 1, 1982, was transmitted through the Cascade Real Estate office in Eagle Point.

Board Discussion and Action

The Board approved the staff recommendation as presented, with the following voting in favor: Directors Alltucker, Batiste, Carpenter, Flanagan, Gill, Harms, Perry, Petersen, Wyss, and Ingalls. Those voting no: None. Director Weatherford was absent from the meeting at this time.
Mr. Lemman distributed a preliminary fall term enrollment report. It showed that there were 515 fewer students on a headcount basis than had been forecast, but it is expected that there will be 47 more than the forecast on an FTE basis. This means that students are taking heavier carrying loads or the enrollment drop is more in part-time than full-time students. In some instances, the declines reflect program restrictions and limitations on enrollment rather than lack of interest on the part of the students. More complete data and enrollment projections for subsequent years will be provided when the information is available. Three factors may have an impact on the projections: (1) The revised admission requirements, (2) whether the Governor is able to support any or all of the tuition freeze, and (3) possible changes in the enrollment ceilings at Oregon Institute of Technology and Oregon State University where students are being denied admission to needed programs.

Mr. Ingalls inquired whether the enrollment ceilings for these two institutions would be considered with appropriate testimony and evidence. Mr. Lemman said revisions to those limits will be proposed with appropriate testimony. This will not involve raising the limits for purposes of capital construction, but to meet the present circumstances.

The Chancellor said it had appeared from the discussion at the last meeting that it would be logical and desirable, if funds were available to finance the proposal, to recommend the enrollment expansion. This possibility was projected in requesting funds and involves permission to adjust enrollments by anticipating 500 more students at each of the institutions. It represents a correction of enrollment projections. There are potential students for programs at both institutions that have satisfactory grade point averages and all of the criteria for admission, either to the institution or to particular programs. Because of the ceilings they cannot be admitted.

There was a general discussion of the validity of enrollment projections. The Chancellor pointed out that ten-year enrollment projections do not reflect a number of factors that have an impact on enrollment. Ten-year projections are based largely on demographic information. After further discussion, Mr. Ingalls directed that action be postponed until the next meeting so that additional information concerning the effects of the proposed change, the job market for students in the high-demand programs, and the ability to provide a quality education in view of equipment and other shortages.

Mr. Wyss said it has been generally thought that the demand for higher education began to decline years ago. The statistics reveal that through 1980 both headcount and FTE had reached a new peak, which was far after what would have been expected by the demographics. In 1980, tuition began to increase sharply and the budget cuts occurred, so it could be argued that the long recession and a much sharper increase in the rate of tuition expenses during the last two years have caused the headcount to decline.

On May 28, 1982, the Board approved the schematic design phase of planning for the proposed remodeling within the 11th floor of University Hospital South to replace a computerized tomographic scanner with a new model scanner. The plans had been prepared with the assistance of Architects Petersen Kolberg & Associates, P.C., Wilsonville. The work is expected to be undertaken as part of the 1981-1983 capital construction program for Hospital and Clinics Rehabilitation and Alterations Projects and received expenditure approval by the State Emergency Board on July 16, 1982, within an estimated total budget of $270,000.

Based upon the recommendation of officials of the Oregon Health Sciences University, the Board's staff has acknowledged the acceptance of the completed design development phase of planning for a major portion of the work and has authorized the architects to complete the construction documents.
phase so that bids may be solicited and a contract award made for it. The description of the total proposed project remains essentially the same as that outlined in the May 28, 1982, Board minutes. The alterations are expected to be undertaken in three separate steps. The first phase, now under a contract of $11,005 issued by the Department of General Services, Salem, includes the relocation of a film processor. The second phase, which constitutes the major portion of the work, would modify the space for the new computerized tomographic scanner, the control room, the computer room and a toiletroom/dressing room. The direct construction cost allowance for this second phase is $160,495. The final phase, to be undertaken after the new scanner has been installed and has been operational for a period of up to six months, would modify the present scanner spaces into offices, a CT viewing room and a patient holding area. It is estimated to involve direct construction costs of approximately $39,000.

All of the estimated expenditure requirements are expected to be financed from proceeds from the self-liquidating bonds which were sold on April 6, 1982, under the provisions of Article XI-F(1) of the Oregon Constitution. No state tax funds are involved. The debt service requirements for the bonds are to be met from patient fee revenues.

RECAPITULATION UPON ACCEPTANCE OF DESIGN DEVELOPMENT PHASE OF PLANNING

Project - OHSU Hospital and Clinic Rehabilitation and Alterations Projects (Computerized Tomographic Scanner Replacement)

Architects - Petersen Kolberg & Associates, P.C., Wilsonville

Board's priority - Part of No. 5 in 1981-1983 (Auxiliary Enterprises)

Legislative authorization - Chapter 539, Oregon Laws 1981

Estimated total project costs (this portion only) $270,000

Phase I - $14,300
Phase II - 204,700
Phase III - 51,000

Estimated direct construction costs (this portion only) $210,500

Phase I - $11,005
Phase II - 160,495
Phase III - 39,000

Tentative schedule for Phase II:
Bidding - December 1982
Completion - April 1983

Tentative financing plan:
Article XI-F(1) bond borrowings $270,000

Board Discussion and Action

The Board received the report as presented.

Staff Report to the Board

As reported to the Board on October 22, 1982, the final drawings and specifications which had been prepared with the assistance of Architects Petersen Kolberg & Associates, P.C., Wilsonville, for the remodeling of space on the eighth floor of University Hospital South to develop a cardiac catheterization laboratory for the Oregon Health Sciences University, were accepted on behalf of the Board. Twelve bids were received for the work on October 21, 1982, ranging from a low of $160,550 to a high of $210,984. These amounts include three additive alternates which were exercised. Inasmuch as the low bid was considerably less than the direct construction cost allowance of $237,000, a contract award was made and the following tentative budget was approved for the project:
Direct construction costs:
Bishop Contractors, Inc., Portland  $160,550
Trademark Commercial, Stayton  $24,882*
Physical Plant Department (force account work)  14,500
Total direct construction costs  $199,932

Professional services fees  16,055
Construction supervision and miscellaneous costs  41,407
Works of art  1,606
Contingencies  16,000

Total  $275,000

* For work bid and contracted previously through the Department of General Services, Salem

The estimated total expenditure requirements of $275,000 are $35,000 less than the pre-bid budget estimate of $310,000 reported previously.

In accordance with the schematic design phase of planning which the Board reviewed and approved on May 28, 1982, the work of the contract includes altering space on the eighth floor of University Hospital South to accommodate the installation of a cardiac catheterization laboratory on the same floor as the coronary care unit and the majority of cardiology inpatients. The components of bi-plane angio-graphics equipment expected to be acquired would be located within the remodeled area along with sufficient work space and appropriate control room, scrub room, portable equipment storage, cine processor and room for patient holding/receiving.

All of the expenditure requirements are to be charged against proceeds from the sale of self-liquidating bond borrowings obtained under the provisions of Article XI-F(1) of the Oregon Constitution. The debt service requirements for the bonds will be met from patient fee revenues. No state tax funds are involved.

RECAPITULATION UPON RECEIPT OF BIDS AND CONTRACT AWARD

Project - OHSU Hospital and Clinic Rehabilitation and Alterations Projects (Cardiac Catheterization Laboratory Installation)

Architects - Petersen Kolberg & Associates, P.C., Wilsonville

Board's priority - Part of No. 5 in 1981-1983 (Auxiliary Enterprises)

Legislative authorization - Chapter 539, Oregon Laws 1981

Estimated total project costs (this portion only)  $275,000
Estimated direct construction costs (this portion only)  $199,932
Estimated area to be remodeled - 1,995 square feet

Tentative completion - March 1983

Financing plan:
Article XI-F(1) bond borrowings  $275,000

Board Discussion and Action

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

Upon the recommendation of institutional officials and Marquess & Associates, Inc., project engineers, the work of the prime contractor for the improvement of the parking lot at Wightman and Webster Streets adjacent to McNeal Hall and the site of the new Stadium at Southern Oregon State College, Ashland, was inspected and accepted on behalf of the Board as of October 15, 1982, subject to the completion of unfinished punchlist items.

A revised semifinal project budget is shown below in comparison with the budget reported to the Board on July 23, 1982:

<table>
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<th>Revised Budget 9/30/82</th>
<th>Original Budget 7/23/82</th>
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<td>Construction supervision and miscellaneous costs</td>
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<tr>
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<td><strong>$90,000</strong></td>
<td><strong>$90,000</strong></td>
<td>-</td>
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</tbody>
</table>

(1) Reflects net adjustment for deleting parking bumpers, providing an irrigation system to the parking lot interior luminaire planters, and other minor modifications within two approved change orders.

Upon the completion of the improvements, which included landscaping and lighting, the paved parking lot has a capacity of approximately 160 cars.

The indicated total cost of $90,000 was provided from proceeds from the sale of self-liquidating bonds issued under the provisions of Article XI-F(1) of the Oregon Constitution and/or other balances available for auxiliary enterprises, such as from parking operations. No state tax funds were involved.

RECAPITULATION UPON INSPECTION AND ACCEPTANCE

Project - SOSC Parking Improvements

Engineers - Marquess & Associates, Inc., Medford

Board's priority - Part of No. 19 in 1979-1981 (Auxiliary Enterprises)

Legislative authorization - Chapter 511, Oregon Laws 1979

Estimated total project costs (this portion only) | $90,000

Estimated total direct construction costs (this portion only) | $68,726

Financing:

Article XI-F(1) bond borrowings and/or balances available for auxiliary enterprises | $90,000

Board Discussion and Action

The Board received the report as presented.

ADJOURNMENT

The Board meeting was adjourned at 2:30 P.M.

Robert C. Ingalls, President

Wilma L. Foster, Secretary