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ADJOURNMENT AND RECONVENING DATE
Adjourned Session of Meeting of December 17, 1982
L. Blake, R. Meyers, Appointments as President, OIT & WOSC
ADJOURNMENT
Meeting #496

STATE BOARD OF HIGHER EDUCATION
MINUTES OF REGULAR MEETING HELD IN
ROOMS 327-28, MICHAEL J. SMITH MEMORIAL CENTER
PORTLAND STATE UNIVERSITY, PORTLAND, OREGON

December 17, 1982

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

ROLL CALL

The meeting was called to order at 8:30 A.M., December 17, 1982, by the President of the Board, Mr. Robert C. Ingalls, and on roll call the following answered present:

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. Loren L. Wyss
Mr. Robert C. Ingalls

Absent: Mr. Alltucker and Mr. Weatherford were absent for personal reasons.

OTHERS PRESENT

Centralized Activities--Chancellor William E. Davis; Secretary Wilma L. Foster; J. I. Hunderup, Vice Chancellor for Facilities Planning; Clarethel Kahananui, Acting Vice Chancellor for Academic Affairs; W. T. Lemman, Vice Chancellor for Administration; Wil Post, Acting Vice Chancellor for Public Affairs; Melinda W. Grier, Compliance Officer; Jerry Lidz, Assistant Attorney General; Larry Pierce, Special Assistant to the Chancellor; Beth S. Jarman, Assistant Vice Chancellor for Public Affairs; Richard S. Perry, Director, Division of Management and Planning Services; Susan Weeks, Coordinator of Planning Studies; A. M. Rempel, Assistant Vice Chancellor for Academic Affairs; J. Richard Pizzo, Assistant Vice Chancellor, Student Services; Davis Quenzer, Assistant Budget Director; James Lockwood, Assistant to the Chairman, Interinstitutional Library Council; Virginia Avery, Acting Director, Public Services and Publications; Tim Marsh, Information Representative, Public Services and Publications.

Oregon State University--President Robert MacVicar; T. D. Parsons, Vice President for Administration; Sandra Suttie, Acting Associate Dean, Graduate School; Charles Stamps, Associate Dean, Student Services and External Affairs.

University of Oregon--President Paul Olum; N. Ray Hawk, Vice President for Administration and Finance; Richard J. Hill, Provost; Robert Gilberts, Dean, College of Education; Fay Haisley, Associate Dean, Teacher Education.

Oregon Health Sciences University--President Leonard Laster; J. T. McGill, Vice President; Ralph Tuomi, Assistant Vice President for Facilities Management; Mary Ann Lockwood, Executive Assistant to the President.

Portland State University--President Joseph C. Blumel; James E. Todd, Vice President for Finance and Administration; Orcilia Forbes, Vice President for Student Affairs; J. K. Harris, Budget Director; John Ellis, Assistant Professor; Zola Dunbar, Director of Admissions, Field Services, and Certification; David Wrench, Professor.

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

Oregon Institute of Technology--Interim President Jack Douglass; Donald Theriault, Assistant to the President; William W. Smith, Dean of Academic Affairs; John H. Smith, Dean of Administration.

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Southern Oregon State College--President Natale A. Sicuro; Ernest E. Ehlich, Dean of Academic Affairs; Donald Lewis, Retiring Dean of Administration; Ronald Bolstad, Dean of Administration-Elect; Maryethea Grebner, Director of Public Affairs.

Western Oregon State College--Interim President James H. Beaird; Richard Walker, Dean of Education; William Neifert, Acting Dean of Administration.

Others--T. K. Olson, Executive Director, Oregon Educational Coordinating Commission; Barbara Mitchell, Assistant Director, Oregon Educational Coordinating Commission; Thomas D. Morris, State President, American Association of University Professors; Robert Watrus, Executive Director, Oregon Student Lobby; John Westine, Research Coordinator, Oregon Educational Coordinating Commission; Bill Fritz, Director of Field Services, Oregon Federation of Teachers; Steve Mayes, Editor, The Vanguard; Debbie Murdock, Staff Associate, Oregon Community College Association; Tom Benjamin, General Manager, Portland Student Services; Charles Schaumburg, International Business Consultant, Search Northwest, Inc.

The Board dispensed with the reading of the minutes of the last regular meeting held on October 22, 1982, and the special meeting held on November 19, 1982, and approved them as previously distributed. The following voted in favor: Directors Batiste, Carpenter, Flanagan, Gill, Harms, Petersen, Wyss, and Ingalls. Those voting no: None. Director Perry was absent from the meeting at this time.

The Chancellor announced the appointment of Dr. John Lallas as Acting Vice President for Administration and Finance, effective January 1, 1983, upon the retirement of Dr. N. Ray Hawk.

Reaccreditation, UO and SOSC

The Chancellor said that Dr. James E. Bemis, Executive Director of the Northwest Association of Schools and Colleges, had reported that the accreditations of the University of Oregon and Southern Oregon State College had been reaffirmed on the basis of the 1982 interim reports and visits. The next evaluations will be in ten years.

Designation Change in Agriculture, OSU

The Chancellor indicated that President MacVicar had requested approval from the Chancellor's Office to change the designation of the School of Agriculture at Oregon State University to the College of Agriculture. The change was requested to reflect the fact that the unit included the major research program under the Agricultural Experiment Station and the Extension Service. Almost all of the land-grant universities designate such operating units as colleges.

Position Description for VC for Academic Affairs

The Chancellor stated that the position description for the Vice Chancellor for Academic Affairs had been prepared and would be used in the announcement of the opening for the position. Copies were distributed to Board members.

Purchase of Webb Property, SOSC

On November 19, 1982, Ms. Fru D. Webb provided an option for the sale of her property at 648 Roca Street, Ashland, to the Board in the amount of $67,500. The option price is equal to the average of two independent appraisals obtained recently by officials of Southern Oregon State College, one made by Kent L. Puckett and the other by Curtis E. Riegel, both of the Medford-Ashland area.
The property contains approximately 38,775 square feet of land, or about 0.89 acres, on the east side of Roca Street near the south boundary of the College campus. It is adjacent to other property previously acquired by the Board for educational and general plant use.

The two-story frame residence is more than fifty years of age, but has had considerable remodeling over the years. On the main floor, there is a combination kitchen, dining and living area, a bathroom and one bedroom. Upstairs, there are four bedrooms. Within a partial basement, a utility area and garage are provided. The improvements are rated generally in "fair" condition.

Funds required for the purchase would be provided from 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 Fru D. Webb property at 648 Roca Street, Ashland, at the option price of $67,500. The property measures approximately 118 feet by 328.6 feet and is improved with a two-story residence containing about 1,866 square feet. It is located within the approved projected campus boundaries of Southern Oregon State College 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 Batiste, Carpenter, Flanagan, Gill, Harms, Perry, Petersen, Wyss, and Ingalls. Those voting no: None.

Staff Report to the Board

Although the construction of the proposed major addition to University Hospital South is being postponed until after July 1, 1983, it has become apparent that some upgrading of the emergency power system needs to be accomplished immediately in order to meet existing loads and those which are expected to be added in connection with the planned replacement of the CT Scanner and other alterations such as the Cardiac Catheterization Laboratory remodeling. A more complete improvement of the emergency power system had been included in the description of work to be accomplished for the University Hospital South Additions and Alterations project for which a total expenditure limitation of $21,840,000 was approved previously by the Board and the 1981 Legislature, but the increment to be undertaken now would be limited to the replacement of an existing 250 kw emergency generator with one having a capacity of about 500 kw and to such modifications throughout the switching system as may be needed to service the critical branches presently overloaded or expected to be affected by planned alterations. Whatever work is done in this initial phase would be capable of being reconfigured at some future time in a manner consistent with the hospital's long-range plan for upgrading the entire emergency power system.

The estimated expenditure requirements for the project are $115,000, including $90,000 for the purchase and installation of the larger generator and other related direct construction costs. It is expected that the equipment unit would be bid through the Department of General Services and that the installation and modifications to the emergency power system would be bid thereafter as soon as construction documents have been completed by the consulting electrical engineers, James D. Graham & Associates, Inc., Portland.

The funds required for the work would be provided from proceeds from self-liquidating bonds which were sold earlier in 1982 under the provisions of Article XI-F(1) of the Oregon Constitution. No state tax funds are involved.
Summary and Staff Recommendation to the Board

It was recommended that the appropriate Board officials be authorized to seek the concurrence of the State Emergency Board on January 6-7, 1983, to expend $115,000, or as much thereof as may be required, from the 1981-1983 capital construction authorization of $21,840,000 for University Hospital South Additions and Alterations in order to proceed with modifications to the emergency power system financed from Article XI-F(1) bond proceeds.

Board Discussion and Action

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

R. A. Briggs, Designation as President Emeritus, EOSC

Staff Report and Recommendation to the Board

Dr. Rodney A. Briggs, former president of Eastern Oregon State College, left that position recently to accept another position. In recognition of his outstanding service to the College, the region and the state, it was recommended that the title of President Emeritus be conferred upon Dr. Briggs, effective with the Board's action. The status of emeritus professor was conferred by the institution.

Board Discussion and Action

The Board tabled action on this recommendation pending development of a proposed policy on the conditions under which emeritus status would be granted. The following voted in favor: Directors Batiste, Carpenter, Flanagan, Gill, Harms, Perry, Petersen, Wyss, and Ingalls. Those voting no: None. During the discussion, it was stated that the usual practice is to confer emeritus status only on individuals who were retiring not on those who left to accept another position, regardless of the merit of their service within the System. The policy would be expected to address this issue.

R. W. Chick, Designation as Vice President Emeritus, OSU

Staff Report and Recommendation to the Board

Dr. Robert W. Chick, Vice President for Student Services, will retire on December 31, 1982, after providing 20 years of outstanding leadership and effective service to Oregon State University. It was recommended that emeritus status be conferred upon Dr. Chick with the title of Vice President Emeritus for Student Services, effective on the date of his retirement. As a tenured professor in the School of Education, Oregon State University intends to confer the honorary title of Professor Emeritus of Education.

Board Discussion and Action

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

Salary Adjustment for John Smith, Dean of Administration, OIT

Staff Report and Recommendation to the Board

At the time of his leaving, President Light recommended that Dean of Administration Jack Douglass be appointed Assistant to the President, effective July 1, 1982, and that Assistant to the President John H. Smith be appointed Dean of Administration, effective the same date, with no change in salary for either person. This action was taken in contemplation of Mr. Douglass' retirement on December 31, 1982, to provide a smooth transition without additional salary expense to the institution. President Light recommended at the same time, and President Douglass recommended, with the concurrence of the Chancellor, that Dean Smith's salary be increased from $31,936 to $40,000 per year effective January 1, 1983.
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Incidental Fee Guidelines and Procedures, WOSC

Board Discussion and Action

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

Staff Report and Recommendation to the Board

The staff concurs in the recommendation of President Beaird that the proposed revisions to the incidental fee guidelines and procedures at Western Oregon State College be approved as set forth below.

At its January 1971 meeting, the State Board of Higher Education reaffirmed that institutional executives were responsible for the institution's recommendations regarding incidental fees but also adopted the policy that the duly organized and recognized student government at each institution should have an active voice in the allocation and budgeting of incidental fees and in recommending the amount of such fees. The policy directs that the method of participation of student government shall be set forth in guidelines and procedures subject to the approval of the State Board of Higher Education.

The guidelines and procedures of Western Oregon State College (Oregon College of Education) were last approved, along with those of other institutions, at the July 1976 meeting of the Board. The College wishes to update its guidelines by making changes which can be summarized as follows:

1. Change of the name from "Oregon College of Education" to "Western Oregon State College."

2. The addition of summer session activities to the three previous categories (educational activities, athletics, and College Center) concerning which the Incidental Fee Committee will make evaluations and recommendations.

3. A provision that incidental fees for the summer term are to be calculated separately from those in the academic year.

4. An increase in the number of students appointed by the institution president from one to two, further providing that one shall be an undergraduate student and one shall be a graduate student.

5. A provision that administrators of the College Center, student activities, and athletics (whose programs are financed in part from incidental fees) shall not be eligible for appointment to the Committee.

The revised guidelines are as follows:

Guidelines
Western Oregon State College Incidental Fee Committee

December 1982

A Western Oregon State College Incidental Fee Committee (IFC) has been established. The structure and function of the Committee will be re-evaluated periodically by the institution president, by student government through the ASWOSC Executive Board, and by the Committee itself. The institution president, after consultation with the Student Body President, will then decide whether to keep or alter the Committee's structure and functions.

The duties and responsibilities of this Committee shall be as follows:

1. To study and evaluate the funding needs of the incidental fee-supported programs carried on within the four categories of Educational Activities, Athletics, the College Center, and Summer Session Activities, and to review the budgets of each.
2. To evaluate the various programs in terms of their contribution to the WOSC student body and their conformity to State System intent for use of incidental fee moneys.

3. To report at least once a year to a joint session of ASWOSC and to the institution president (both orally and in writing) the problems it observes in the various activity programs and to give its assessment of program effectiveness.

4. To submit annually to the institution president recommendations for alteration of the incidental fee charges to students.

5. To submit at least once a year to a joint session of ASWOSC and to the institution president (both orally and in writing) its assessment of how well the percentage funding levels reflect the concerns and desires of the general student body.

6. To submit to the institution president recommendations each year on the percentage distribution of the income among the four categories: athletics, College Center, educational activities, and summer session activities.

7. Summer session fees are to be calculated and assessed separately, from the academic year, after giving consideration to the proposals of the Summer Session Director.

The Committee may recommend that certain activities within these four categories be excluded from further funding or that activities be included for funding not presently included. The Committee will not be required, however, to make recommendations regarding actual distribution of funds among the various varsity sports within athletics, among the activities within the College Center, among the separate activities funded under educational activities, or summer session activities. The Director of Athletics, the Director of Summer Session Activities, and the Director of the College Center will continue to make such allocations within the areas of their administrative responsibilities.

Recommendations to the institution president concerning subdivision of educational activity funds among ASWOSC, music activities, drama, forensics, and Campbell Hall gallery will be made by the prescribed ASWOSC budgeting procedures through the ASWOSC president. Student government may decide not to mediate among the competing requests from music activities, drama, forensics, and Campbell Hall gallery, but may decide to recommend to the institution president percentage allocations of educational activity funds to ASWOSC and to other activities under this category as a group. On any given year, however, student government may decide to study these allocations and prepare recommendations for alternatives.

8. To submit to the institution president recommendations for budget increases or decreases according to whether the initial incidental fee projections each year are overrealized or underrealized.

To carry on its work, this Committee will do the following:

1. Select its own chairman, vice chairman, and secretary annually.

2. Establish and publish its operating procedures and policies.

3. Meet regularly at least once a month and hold its meetings in conformity with the Oregon Open Meeting Law.

4. Establish subcommittees as the IFC deems necessary to do its work.

5. Conduct open hearings on the four categories: athletics, College Center, summer session activities, and educational activities which are funded through incidental fees.
6. Consult with the Director of Athletics, with the Director of the College Center, the Director of Summer Session, and with student government or any branch of student government as well as any students at large or part of the College administration according to what appears necessary to the Committee to accumulate necessary information and opinion to carry on its work.

7. Have access through the Director of Athletics, the Director of the College Center, the Director of Summer Session, and student government to any information, written or otherwise, required to fulfill its purpose.

8. Request the services of resource individuals as deemed necessary to serve with the Committee in temporary, non-voting, and advisory roles.

The Committee will be composed of eight voting members to be appointed and elected as described below. Appointed members will be selected each year with a system aimed at rotating periods of service. Each year at least one appointed member will be rotated off the Committee. No appointed member will serve a term of more than three years. Elected members will be selected through the regular student election process.

1. The ASWOSC president.

2. A representative of the institution president to be appointed by the president.

3. A college dean to be appointed by the institution president.

4. Two student representatives to be elected at the spring term senate elections of ASWOSC.

5. Two members of the WOSC student body to be appointed by the institution president in consultation with and the concurrence of the ASWOSC president, one of whom shall be an undergraduate and one a graduate student.

6. One at-large representative from the college community who might be a member of the student body, the faculty, or the classified staff appointed by the institution president in consultation with and concurrence of the ASWOSC president.

7. The WOSC Dean of Administration, who will serve in an advisory and non-voting role.

8. The administrators of the College Center, student activities, and athletics shall not serve as members of the IFC.

Board Discussion and Action

In response to a question during the discussion, President Beaird indicated that the proposed guidelines had been endorsed by the student government. Mr. Gill asked whether the present guidelines included a summer session incidental fee committee. Dr. Beaird said that in the past the summer incidental fee had been established essentially by the special projects director of the summer session and the summer session director in consultation with the president. It is recognized that students do have a role in determining what the summer fee should be. At the same time, the summer student body is not present at the time the fees must be set. For that reason, the graduate student requirement was added to the committee to get some continuity.

There was some discussion of the portion of tuition and fees which was frozen for the biennium. Mr. Lemman explained that the amount that supports the instruction program is termed the instruction fee. A building fee, an incidental fee, and a health service fee are also assessed. All of these
together are called tuition. The portion that is frozen is the instruction fee in the Governor's budget. The Board could take action to freeze the other fees, but Mr. Lemman said an increase in the building fee will be required to service the bonds. In addition, the rebates on insurance premiums permitted a $10 reduction in the incidental fee for this year only because of the alternative income from the rebates. Since this alternative income will not be available next year, it will be necessary to return the fee to the earlier level in order to stay even.

Mr. Petersen pointed out that even though the fee were to remain the same, it might be divided differently and the use of the money within the State System might be changed.

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

Staff Report to the Board

At its May 1972 meeting, the Board of Higher Education adopted institutional enrollment limitations, the purpose of which was "...to provide an appropriate framework and focus for budget planning in the 1973-1975 biennium." Because high school graduates were expected to decline in the ensuing decade and thus collegiate enrollments were expected to level off or decline thereafter, the Board in March 1974 established institutional enrollment ceilings as a continuing policy. Again, the purpose was to enable institutions and the System to plan staffing levels, tenure commitments, capital construction projects, and the like with the enrollment limitations in mind. At this time, however, the ceilings are presenting artificial and unnecessary barriers at Oregon State University and Oregon Institute of Technology. Both institutions have been operating with enrollments of several hundred in excess of ceilings (currently 500-600 each), without funding except for occasional addition of overrealized tuition revenues. It is extremely difficult mechanically--as well as educationally--to cut off enrollment precisely at the ceiling. Underrealization leads to budget reductions and thus institutions understandably err on the plus side. Continuing excess enrollments without adequate financing tends to dilute quality throughout the institution and cannot be tolerated over time. The experience at Oregon Institute of Technology, for example, clearly demonstrates that its programs are in high demand and that a ceiling on their enrollment does not result in shifting students elsewhere. An increase in the ceilings at these two institutions will permit additional access to engineering, computer science, and engineering technology programs for which many qualified students are now denied access.

The State System is now unnecessarily penalizing itself financially, restricting access to desired programs and diluting the quality of its programs by continuing the present ceilings at these two institutions. Conversations with Executive Department personnel and the Governor indicated a willingness on their part to attempt to fund the System at the level of enrollment which would be expected if the ceilings were increased. Indeed, the Governor's recommended budget allows approximately $4.7 million for enrollments expected if the ceilings are increased. The recommendation would thus reduce budget cuts related to enrollment decline from $12.6 million to $7.9 and would materially assist in arresting the undesirable trend in our enrollments.

Staff Recommendation to the Board

The Chancellor recommended that enrollment ceilings at Oregon State University and Oregon Institute of Technology be increased to 16,000 fall term FTE, and 2,500 fall term FTE, respectively, effective July 1, 1983.

Board Discussion and Action

Mr. Perry asked the Chancellor his opinion of enrollment ceilings as opposed to a free market approach in which the institutions would have a certain amount of flexibility around an enrollment ceiling without having to seek Board approval. The Chancellor said he would favor a free market approach.
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provided the additional enrollment did not entail additional facilities. At the
time construction of facilities to meet the enrollments was necessary to
house new programs and extra students, Board discussion and approval
should occur. The Chancellor said he believed such an approach would
give much greater flexibility, particularly as the System moves into the
types of strategic planning involving formula funding based on disciplines
and cost differentials. The ceilings were necessary in a time of rapid
expansion, but the Chancellor indicated he would welcome a change of
policy now to allow more flexibility.

Mr. Ingalls requested Mr. Lemman to prepare a staff report on whether the
State System should move toward a free market policy on enrollments in
today's circumstances.

Mr. Harms suggested that there were alternative ways of providing greater
flexibility, including the method presented by the Chancellor, and suggested
that the staff 'look at various possibilities which would include funding for
the students enrolled.

In response to a question, the Chancellor said the recommended enrollment
ceilings would not have a negative impact on the other institutions. It
would affect the allocations for those institutions with expanded enrollments.

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

Staff Report to the Board

Oregon State University requests authorization to offer an interdisciplinary
program leading to the MS and Ph.D. degrees in Toxicology.

The University currently offers a substantial program of research and
instruction in toxicology involving the NIEHS-supported Environmental
Health Science Center, the Marine Science Center, the schools of pharmacy
and veterinary medicine, and nine instructional departments in the college
of science and the schools of agriculture and engineering.

As the Board knows, instruction and research in toxicology, particularly
the effect of poisons on the human body, is also carried on at the Oregon
Health Sciences University.

The Environmental Health Science Center was established with federal grant
support in 1967. The Center coordinates interdisciplinary research in envi­
ronmental toxicology, and, for the past several years, has coordinated an
NIEHS-supported pre- and postdoctoral training program utilizing course
work and degrees drawn from the departments of biochemistry and biophysics,
food science and technology, and pharmacology. The Center is one of nine
NIEHS-funded centers in the United States. The only other center in the
west is located at the University of California-Berkeley.

In addition to the interdisciplinary research coordinated by the Center,
active research programs in toxicology are associated with the departments
of entomology, general science, fisheries and wildlife, civil engineering, and
the school of veterinary medicine. Altogether Oregon State University has
34 faculty qualified to participate in a graduate level instruction and research
in toxicology. All of the core courses required for the proposed program
except one are regularly taught as a part of departmental programs of
study. In addition, the University offers 112 credit hours in course work
appropriate to subspeciality fields of aquatic toxicology, biochemical toxicology,
comparative toxicology, environmental toxicology, food toxicology, and
general toxicology. Emphasis in the program will be upon biochemical,
pathological, and pharmacological approaches to these areas of toxicology.

Existing library holdings, equipment, and facilities are adequate to the
proposed program.

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The only course needed for the program not now being taught is a general
course in physiology at the research level. To start the program, toxicology
students will be enrolled in the lecture section of the professional veterinary
medicine course VM 617-618 Veterinary Physiology. As enrollment increases,
a new course in Systemic Physiology will be developed and requested through
an existing department.

Administration of the program at least during its initial five years will be
under the Dean of the Graduate School. This will require an internal
reallocating of approximately $4,000 state funds in the Graduate School
office (.10 FTE) and $7,000 grant funds from the Environmental Health
Science Center for coordination of the program. Oregon State expects that
eventually indirect cost recoveries from new grants resulting from the
specialized degree program will more than cover the cost of program
coordination.

Environmental health legislation, particularly the Toxic Substances Control
Act, has created demands for toxicological research and for a pool of
professionally trained toxicologists. The National Institute of Environmental
Health Sciences estimates that about 1,500 additional toxicologists will be
needed over the next 5-10 years in addition to the 200 new toxicologists
needed each year to replace those leaving the field. Oregon State is handi-
capped in qualifying for research and training grants because of its lack of
authorization to offer graduate degree programs in the field, and its con-
tinued participation in an area of study in which it has developed considerable
resources and expertise is threatened.

Staff Recommendation to the Board

It was the recommendation of the Board's Office that the Board authorize
Oregon State University to offer an interdisciplinary program in toxicology,
leading to the MS and Ph.D. degrees, as described in the Oregon State
University proposal.

Board Discussion and Action

In commenting on the request, President MacVicar stated that in the absence
of the formal degree in toxicology, the renewal of the training grant might
not occur. He indicated that the faculty and other supportive resources
were available at Oregon State University to offer the degree in a creditable
manner. Placement is excellent for individuals with the degree, but persons
without the degree may be handicapped in seeking positions even though
they may have excellent training in the field of toxicology.

Mr. Batiste asked how much cooperation and communication was expected to
occur between the Oregon Health Sciences University and Oregon State
University with respect to the programs in this field.

President MacVicar responded that the focus in the proposed program at
Oregon State University was primarily on the environment and not on the
human being. The Oregon State University program is concerned with the
food chain and with inadvertent or deliberate contamination and its control
in the environment. The focus in each of the programs is substantially
different. However, President MacVicar said he was confident that if there
were reasons for cooperative research that could be funded appropriately
both he and President Laster would be in favor of encouraging it.

Mr. Batiste then asked about the expected enrollment. President MacVicar
said it would not be a big program. There have been a number of students
who have majored in various departments but have directed their attention
primarily to the whole issue of hazardous materials in the environment. It
is unlikely that there would be any significant expansion because it is
unlikely that any expanded resources in terms of fellowships will be received
under the renewed grant.
Mr. Petersen asked what other schools were offering this program. Dr. Sandra Suttie, Curriculum Coordinator and Acting Dean of the Graduate School at Oregon State University, replied that it was her understanding the University of Washington had a program and there was an interdisciplinary cooperative program between Washington State University and the University of Idaho.

President Laster addressed the issue of cooperation, noting that science does not fit neatly into administrative boundaries. He described the activities in the field of toxicology at the Oregon Health Sciences University. He said that collaboration would occur if a group of people finds a common concern and such cooperation would be encouraged. At the same time, there would be replications and overlaps in the research at the two institutions.

Mr. Wyss moved that the proposed degree program be placed on the agenda of the Committee on Instruction for review prior to Board action. There was some discussion of the time element, and President MacVicar commented that the request had been pending for almost a year.

Since this program had been delayed and was an important matter involving very few people, Mr. Ingalls said that he would favor taking action.

The motion by Mr. Wyss was defeated. The following voted in favor: Directors Batiste, Harms, and Wyss. Those voting no: Directors Carpenter, Flanagan, Gill, Perry, Petersen, and Ingalls. Mr. Ingalls then directed that action be postponed until later in the meeting at which time other staff members would be present from Oregon State University to provide further information.

Later in the meeting, Dr. I. J. Tinsley, Professor of Chemistry and Director of the training program in environmental toxicology, and Dr. Donald J. Reed, Professor of Biochemistry and Director of the Environmental Health Sciences Center, were introduced to provide further data and to respond to technical questions raised earlier in the meeting.

Dr. Reed described the grant support received from outside agencies in the amount of approximately $3.4 million annually to support programs and research dealing with environmental toxicology. He indicated that the program had been reviewed four years ago and given marginal approval on the basis that it was not a focus program in toxicology but instead the students received doctoral degrees in the areas of the faculty members participating in the training program.

Dr. Tinsley indicated that the program received a large number of applications so that there was a good pool of students from which to fill the limited number of positions in the training program. The graduates have been fortunate in the job opportunities received. It would be a real advantage to have a degree program in toxicology to emphasize the focus of the program and in submitting the application for grant funds. The degree program would provide visibility to the resources which are already available.

In discussing the manpower needs, Dr. Reed said about 1,500 new positions would be created across the country and at least 200 replacements with doctorates would be required. He said he would expect that people at the predoctoral and postdoctoral levels would have multiple opportunities at the present time for employment. It is expected also that the demand will increase.

Mr. Wyss asked whether anyone within the disciplines which have included toxicology within their program would have a substantial number of people unemployed. Further, would adding this program mean those people who would otherwise be unemployed might now be able to be employed, or was the proposal simply a rearrangement for competitive reasons?

Dr. Reed said he would expect toxicology to be a discipline with strong training to provide the higher level of expertise needed to answer the complex questions that cut across various disciplines. He did not view the program as a rearrangement.
Dr. Reed indicated that cooperation with other institutions having programs in this field would be possible for some type of regional program to provide liaison on regional problems. In the area of training, he said he would see no advantage in cooperative programs because the faculty and focus of the existing programs were quite different. Dr. Suttie said Oregon State University's toxicology program was not accepted as a regional graduate program by WICHE because of the Washington and Idaho programs. However, the need still exists for further training of toxicologists to meet the demand. She said she would not foresee an opportunity to have toxicology accepted on the five-state regional basis.

The Board approved the staff recommendation as presented, with the following voting in favor: Directors Batiste, Carpenter, Flanagan, Gill, Petersen, and Ingalls. Those voting no: Directors Harms and Wyss. Director Perry was absent from the meeting at this time.

At the request of Mr. Ingalls, Acting Vice Chancellor Post introduced Dr. Beth Jarman, who had recently joined the staff as Assistant Vice Chancellor for Public Affairs. He indicated that she had had experience with the Utah Legislature and had been appointed to a cabinet position in that state.

Mr. Alex Petersen was recognized for the purpose of presenting a statement on how higher education can be improved.

Mr. Petersen cited a hierarchy of human needs as set forth by Abraham Maslow and additional comments by Douglas McGregor and Robert Townsend. He said if the Board really wanted to improve higher education in Oregon and achieve some of the 80% of missing productivity suggested by Mr. Townsend, the Board should develop policies that would require participative management in the Chancellor's Office and at the institutions. Further, the Board must develop policies that would require that faculty and staff be treated fairly and equally throughout the System. To build a cooperative relationship with faculty, instead of the adversary relationship nurtured at least over the past 20 years, Mr. Petersen said the Board must have policies that get to the root of any perception of injustice.

Mr. Petersen thanked the Board for the opportunity of making the presentation and Mr. Ingalls expressed the Board's appreciation to Mr. Petersen for coming.

At the June 25, 1982, meeting of the State Board of Higher Education, the staff presented a proposed change in the Administrative Rule governing compensation for sabbatical leaves. The proposed amendment resulted from negotiations with the collective bargaining representative of the faculty of Portland State University and was fulfillment of a memorandum of understanding signed by the parties. The Staff Report made to the Board at the June 25 meeting follows for the convenience of the Board.

Although the Board's representative did not agree in the body of the collective bargaining agreement executed with AAUP-PSU to change the Administrative Rule covering sabbatical leave compensation, it was agreed by memorandum of understanding to present such a proposal to the Board for its consideration. The rationale for the proposed changes developed during discussions on the issue is presented below.

The objective of the proposed changes in sabbatical leave policy is to increase the benefits from sabbatical leaves. The benefit that is most relevant to public policy is the increase in scholarly and teaching performance that accrues from such leaves.

Our present policy, which makes the least institutionally beneficial term of leave the most attractive to faculty members financially, is not in the best interests of faculty members, who aim to participate more fully in the national
and international intellectual communities, nor in the best interests of the public, which desires university faculties to be at the forefront of academic discovery and scholarship. Especially when the real income of professors is falling rapidly, the person who plans a sabbatical leave has a very strong motive to elect a one-term leave at full salary, rather than a two-term or three-term leave at five-eighths or one-half salary. Low salaries and scarce travel funds make transitional interaction with academic colleagues difficult. Thus the opportunity to spend the greater part of a year in a center of advanced study in one's area of special interest is crucially important in the development of an academic career. One-term leaves are seldom useful in bringing one into close contact with colleagues at other universities, and the present compensation for longer leaves is inadequate to the needs of most faculty members.

The cost that an institution would have to bear in order to provide for itself the greater benefits accruing from encouraging longer average terms of leave is best measured in terms of lost instructional service, rather than in terms of dollars paid to professors on leave. Replacement instructors for those on leave are often hired at salary rates lower than that of the person being replaced so that there may be no additional cost to the university in supporting a faculty member on fractional salary. Of course, one-term leaves do cause the institution some loss, since there is no fraction of a salary remaining to hire a replacement. This has the unwanted consequence that the university pays the greatest cost (in terms of lost instructional capacity) for the leave that provides the least benefit. The proposed change in policy would thus have two desirable effects. It would bring the costs to the institution of the one-, two- and three-term leaves more nearly into proportion with the institutional benefits, i.e., one-term leaves would cost less, and longer ones would cost more than under present policy. It would also encourage faculty members to elect longer leaves in preference to shorter ones.

From the point of view of faculty members, a dilemma may be made less painful. Most are genuinely eager to accomplish the intellectual rejuvenation that periodic prolonged leaves make possible. Yet many faculty members recognize that the best use of these leaves is incompatible with maintaining an acceptable standard of living. The dilemma of deciding between adequate or acceptable income and a leave of sufficient duration to accomplish study or research objectives would be diminished under the rules as proposed to be amended.

The Board set the matter for public hearing at its July 23 meeting; but in view of the absence of faculty from the campuses at that time and at the request of several presidents, an additional hearing was scheduled for the December meeting of the Board. The proposed amendments to the Administrative Rule were as follows:

**Length of Leave for Academic Year Staff**

580-21-225 Staff members employed on an academic year basis are eligible for one of the following types of leave:

1. One academic year (three terms) on \([\text{one-half}]\) 60% salary during the period of sabbatical leave;
2. Two-thirds of an academic year (two terms) on \([\text{five-eighths}]\) 75% salary during the period of sabbatical leave;
3. One-third of an academic year (one term) on \([\text{full}]\) 85% salary during the period of sabbatical leave.

**Length of Leave for Fiscal Year Staff**

580-21-230 Staff members employed on a fiscal-year basis are eligible for one of the following types of leave:

1. One year (twelve months) on \([\text{one-half}]\) 60% salary during the period of sabbatical leave;
2. Two-thirds of a year (eight months) on \([\text{five-eighths}]\) 75% salary during the period of sabbatical leave;
3. One-third of a year (four months) on \([\text{full}]\) 85% salary during the period of sabbatical leave.
Supplemental Staff Report to the Board

Institution presidents were advised of the scheduling of an additional hearing and were asked to use appropriate mechanisms to consult with their faculties regarding the proposed changes to the Administrative Rule. President Gilbert of Eastern Oregon State College reports that the Assembly Personnel Committee unanimously approved the proposed change. Vice President McGill of the Oregon Health Sciences University reports that the Health Sciences faculty is supportive of the proposed change. President MacVicar of Oregon State University reports that three deans strongly oppose the proposal and others were neutral or mildly favored the proposal. The Faculty Senate voted by a narrow margin not to support the proposal although in a subsequent motion, voted to attempt to find incentives to encourage the selection of longer-term leaves. Vice President Hill of the University of Oregon reported that both the Council of Deans and the Advisory Council favored the proposed amendments. It goes without saying the Portland State University faculty favors the proposal inasmuch as it was originated by them. Other institution presidents will report their positions at the meeting of the Board.

Board Discussion and Action

Mr. Ingalls reopened the public hearing previously recessed from the July 1982 Board meeting and asked whether anyone wished to be heard for or against the proposed amendments to OAR 580-21-225, Length of Leave for Academic Year Staff, and OAR 580-21-230, Length of Leave for Fiscal Year Staff.

Mr. Bill Fritz, Director of Field Services for the Oregon Federation of Teachers, said he was representing the Oregon Federation of Teachers and the wishes of both the Western Oregon State College Federation of Teachers, AFT Local 2278, and the Association of Professors at Southern Oregon State College. The concern was that compensation and paid leaves of absence are conditions of employment for bargaining unit faculty and, therefore, mandatory subjects of bargaining. He said it was distressing that the amendments were on the agenda without first being negotiated or discussed with the legal representatives of the faculty at those two institutions. At Southern Oregon State College, the issue was before the Faculty Senate but not brought before the Association of Professors; at Western Oregon State College, the issue was presented neither to the Senate nor to the union.

Mr. Fritz recommended that the Board consider amendments proposed by the union which were designed to allow the proposed changes and still protect the integrity of the bargaining process. He indicated that union representatives were prepared to bargain in mid-January if the Board so desired.

There was discussion of the legal obligations for bargaining these issues and the general procedures to be followed. Mr. Lemman indicated that if the Board wished to approve the policy change that it do so with an effective date of July 1, 1983, with respect to those institutions that were not represented, and upon concurrence of the unions involved at those institutions where there was representation. There would be a possibility of having more than one policy under such a procedure. Mr. Lemman recommended that the Board approve the changes as presented.

President MacVicar commented that if the purpose were to discourage the one-term sabbatical leave, the amendments probably would achieve that objective, but he was not sure it would necessarily encourage people to take the longer term leaves.

Dr. Robert Becker, President of the Faculty Senate, said the Faculty Senate at Oregon State University opposed the changes on a split vote that was very close. The Faculty Senate then immediately passed a motion stating that the Faculty Senate at Oregon State University favored encouragement of the longer term sabbaticals. He said many faculty members were satisfied just to have a sabbatical leave program and he would hope that the State System would not reach the point of eliminating sabbaticals.
Mr. Wyss asked President MacVicar or Dr. Becker to elaborate on the statement that a full paid short-term sabbatical leave might be positive for the System. He questioned how the payment of an additional 15% could be beneficial to the System.

President MacVicar said it is probable that if salaries are cut and there is no external support, there will be fewer people taking sabbaticals. The assumption is that sabbaticals are desirable. The degree to which a significant fraction of the faculty is discouraged from taking any sabbaticals at all, because they are penalized financially by losing 15% of their income at a time when their expenses are increasing because of added costs for travel and other expenses in connection with the sabbatical, will affect quality. He said the encouragement of longer leaves, but without discouraging the short-term sabbaticals, would probably be the position of the faculty at Oregon State University.

It was stated in response to a question that sabbaticals were not granted automatically and there were controls to assure that the leaves were used in ways which would be beneficial to the institution as well as to the faculty members.

There being no further testimony, Mr. Ingalls declared the public hearing closed.

There was some discussion of the possibility of deferring action pending collective bargaining negotiations at the institutions where this would be required. It was pointed out that several sabbatical leaves were awaiting action on the amendments before being approved.

There was a motion to defer action to the next regular Board meeting so that the bargaining issues might be completed. Mr. Perry said he was not sure that he would be in a better position to vote on this matter at a later time. He said he had seen no relative cost figures of one procedure compared to the other or information that one procedure or the other would result in any more scholarly achievements or attainments. Since a majority of the faculty appears to favor this recommendation, and on the assumption the cost to the System would be roughly the same, Mr. Perry said it was his inclination to approve the recommendation with the proviso that it was subject to negotiation at the two institutions where bargaining is required.

The Board defeated the motion to defer action to the next regular meeting, pending bargaining negotiations. Directors Batiste, Gill, and Petersen voted in favor. Directors Carpenter, Flanagan, Harms, Perry, Wyss, and Ingalls were opposed.

The Board then approved the staff recommendation as presented, with the proviso that at Southern Oregon State College and Western Oregon State College the matter would be held in abeyance pending appropriate collective bargaining procedures. The following voted in favor: Directors Batiste, Carpenter, Flanagan, Gill, Harms, Perry, Petersen, Wyss, and Ingalls. Those voting no: None.

During the discussion, Mr. Wyss expressed concern about integrating the forum discussions on the Joint Committee Report with the hearings on the Strategic Plan because some of the suggestions differ in the two documents. It was indicated that both discussions could occur simultaneously because approval would be given for specific elements as agreement was reached.

As indicated on page 574 of these minutes, a report of the Joint Committee on High School/College Connection was heard during a session of the Committee of the Whole. The Board subsequently approved a motion that the report be accepted and the forum process implemented. The following voted in favor: Directors Batiste, Carpenter, Flanagan, Gill, Harms, Petersen, Wyss, and Ingalls. Those voting no: None. Director Perry was absent from the meeting at this time.
At the request of Mr. Ingalls, Mrs. Carpenter read the following Certificate of Recognition honoring Mr. Donald E. Lewis:

CERTIFICATE OF RECOGNITION
HONORING DONALD E. LEWIS

The members of the Oregon State Board of Higher Education extend their heartiest congratulations to Donald E. Lewis for a job well done. At the close of 1982, he will retire as Dean of Administration at Southern Oregon State College.

Mr. Lewis began his association with the Oregon State System of Higher Education nearly 45 years ago as he entered the then Oregon State College as a student. After serving in the armed services, he graduated with the baccalaureate degree in 1946 and the master's in 1947.

That fall he returned to his boyhood town of Ashland as an instructor of secretarial science at Southern Oregon College. A year later, he was appointed business manager, beginning an uninterrupted term of service to the college as its chief administrative officer which extends over 34 years. He saw the campus grow from two permanent buildings to a campus of 175 acres with more than 25 buildings, the faculty grow from 30 to 200, the student body grow from a few hundred to more than 4,000, and the degree programs grow from one to 40.

As the advisor to three presidents, Mr. Lewis has gained a reputation for patience, perceptiveness, and--rarest of all--good sense. The complex and seemingly impersonal problems of budget and finance have been analyzed with careful concern for students, faculty, staff, and programs; solutions were sought which would leave the college stronger.

His devotion to the college, combined with a compelling integrity, has drawn the admiration of all who worked with him.

Mr. Lewis will not only be missed for his wise counsel, good humor, and skilled administration, but also for the arias which waft frequently from his doorway. We can but wish that the coming decades will be filled with many more of those operas missed over the years in order to attend board meetings, personnel hearings, budget sessions, and committee discussions.

We extend to Mr. Lewis our heartiest thanks for a career so unselfishly invested in the State System and our warmest wishes for a future still bright with the promise he brought with him three decades ago.

Upon motion by Mrs. Carpenter and second by Mr. Harms, the Board adopted the resolution as presented. On roll call vote the following voted in favor: Directors Batiste, Carpenter, Flanagan, Gill, Harms, Perry, Petersen, Wyss, and Ingalls. Those voting no: None.

Shortly after the conclusion of the Board meeting at which the motion was adopted to change investment managers, Mr. Wyss advised the staff that he had forgotten to state a conflict of interest in that he has a business relationship with one of the Oregon Investment Council's investment managers. In light of this, Mr. Wyss asked that the Board reconsider its motion after he has had an opportunity to describe his conflict of interest. Subsequently, there were other contacts with the Oregon Investment Council, and it was recommended that the Board hear all of these matters and take appropriate action.

Board Discussion and Action

Mr. Wyss explained that he was still a major owner of one of the investment counseling firms that managed $160 million for the State of Oregon. He said it was necessary for him to declare a conflict of interest because of his
ownership in the Columbia Management Company, even though he was no longer professionally employed there. He indicated that the declaration of the conflict of interest had not occurred to him at the time of the original investment management discussion because it arose in the discussion of a part of the program which he did not really support. He had been convinced by Mr. Hall that this was the most expeditious decision. Mr. Wyss said it now appeared that the Board might not be entering the pool but at some stage he would like the Board to reconsider its previous motion now that he had stated the conflict of interest. He also said that if a similar motion were made, he would vote against the motion at least because of the conflict of interest.

Mr. Ross Hall, Controller, reported that there had been some apprehension expressed by the Oregon Investment Council concerning the possibility of accepting Department of Higher Education funds in the Oregon Equity Fund. Mr. Hall said he had prepared another proposal to use the Common Fund rather than the Oregon Equity Fund for the Board's $10.8 million that is now invested in equity. It would be intended that the State Treasurer's Office still would be used to manage the fixed income securities as proposed in the original motion approved by the Board in November. The Oregon Investment Council voted unanimously to support that recommendation and to allow the Board of Higher Education to decide whether it wished to place its funds with the Common Fund. A document containing information about the Common Fund was distributed to the Board and a copy is on file in the Board's Office. Mr. Hall said it was his understanding from the State Treasurer's Office and the Oregon Investment Council that the investment managers of the Common Fund were rather aggressive investment managers who have performed well over the last five years. He cited performance comparisons of the Common Fund with the Department of Higher Education's investment performance. The annualized average rate for the five-year period for the Common Fund, was 12.8 percent compared to 5.6 percent for the Department of Higher Education. Comparisons of the performances of the Department of Higher Education with those of other endowment funds reported in the National Association of College and University Business Officers were presented. These statistics were one of the reasons that a change in investment management was recommended.

Mr. Wyss said the State Treasurer had called Mr. Perry and offered, as a member of the Oregon Investment Council, to do a further study of the investments and performances of investment management. This would necessitate a delay of another month before reaching a decision and presumably would show similar results to those presented by Mr. Hall.

Mr. Hall indicated additional performance information which was available, and in response to a question, stated that he did not think the recommendation after further study would be different from the recommendation which would be made without the study.

The Board approved a motion by Mr. Harms to reconsider the decision made previously with respect to investment management. The following voted in favor: Directors Batiste, Carpenter, Flanagan, Gill, Harms, Petersen, Wyss, and Ingalls. Those voting no. None. Director Perry was absent from the meeting at this time.

Mr. Wyss moved that the Board rescind the motion made at the previous meeting to disemploy the current investment managers and to employ 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, and that the Board postpone until its next meeting further decisions on investment management, pending completion of the review offered by the Oregon Investment Council on comparable funds.

The motion was approved with the following voting in favor: Directors Batiste, Carpenter, Flanagan, Gill, Harms, Petersen, Wyss, and Ingalls. Those voting no: None. Director Perry was absent from the meeting at this time.
Meeting #496

December 17, 1982

Report of Acceptance of Housing Improvements (Amazon Housing Roof and Foundation Drains), UO

Staff Report to the Board

Upon the recommendation of institutional officials and Architect Albert Pastine, Eugene, the work of the prime contractor for the Amazon Housing Roof and Foundation Drains project within the Amazon Student Housing Complex at the University of Oregon was accepted on behalf of the Board as of November 23, 1982, subject to the completion of minor punchlist items.

A revised semifinal project budget is shown below in comparison with the budget reported to the Board on September 10, 1982:

<table>
<thead>
<tr>
<th>Revised Budget 11/23/82</th>
<th>Original Budget 9/10/82</th>
<th>Increase or Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>$53,513</td>
<td>$49,750</td>
<td>$ 3,763 (1)</td>
</tr>
<tr>
<td>5,750</td>
<td>5,750</td>
<td>-</td>
</tr>
<tr>
<td>6,437</td>
<td>5,225</td>
<td>1,212</td>
</tr>
<tr>
<td>4,975</td>
<td>(4,975)</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$65,700</strong></td>
<td><strong>$-</strong></td>
</tr>
</tbody>
</table>

(1) Includes repairing and replacing porches, additional drain lines, and other minor modifications all within two approved change orders.

The work of the contract included adding gutters, downspouts and foundation drain connections for 15 buildings within the Amazon Student Housing Complex.

The work was part of a larger project, Housing Improvements, for which an expenditure limitation of $1,415,000 was authorized by the 1981 Legislature. All of the expenditures applicable to the roof and foundation drains were financed from resources available to the institution in its sinking fund reserve from student family housing operations. No state tax funds or bond borrowings were involved in this work.

RECAPITULATION UPON ACCEPTANCE

Project - UO Housing Improvements (Amazon Housing Roof and Foundation Drains)

Architect - Albert Pastine, Eugene

Board's priority - Portion of No. 14 in 1981-1983 (Auxiliary Enterprises)

Estimated total project costs (this portion only) $65,700

Estimated direct construction costs (this portion only) $53,513

Financing plan:

Balances available for auxiliary enterprises (Student family housing reserves) $65,700

Board Discussion and Action

The Board accepted the report as presented.
Meeting #496

Staff Report to the Board

Utilizing drawings and specifications prepared by Zaik/Miller, Architects, Portland, the University of Oregon Foundation contracted with the Vik Construction Company of Eugene to provide and install an elevator and undertake other minor remodeling within the Museum of Art on the campus in Eugene in order to improve access for the handicapped and to permit more efficient operation of the facilities.

Exclusive of professional service fees and expenses waived by the architects, the total cost of the project was approximately $135,000.

The improvements were completed ahead of schedule and were accepted as of October 27, 1982, subject to the completion of minor items on the architects' punchlist. This remodeling was made possible by the generous contribution of funds obtained through the efforts of the Museum of Art Council and the University of Oregon Foundation.

Board Discussion and Action

The Board accepted the report as presented.

Staff Report to the Board

As reported to the Board on September 10, 1982, the final drawings and specifications which had been prepared with the assistance of Breedlove-McConnell Engineers, Inc., Portland, for the Parking Structure #2 Addition on the campus of the Oregon Health Sciences University, were accepted on behalf of the Board. Nine bids were received for the work on October 26, 1982, ranging from a low of $2,270,500 to a high of $3,011,200. These amounts include four additive alternates which were exercised. Inasmuch as the low bid was considerably lower than the direct construction cost allowance and the estimated cost, 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 - Contractors, Inc., Tualatin</td>
<td>$2,270,500</td>
</tr>
<tr>
<td>Professional services fees</td>
<td>140,851</td>
</tr>
<tr>
<td>Construction supervision</td>
<td>50,000</td>
</tr>
<tr>
<td>Works of art</td>
<td>22,705</td>
</tr>
<tr>
<td>Miscellaneous legal and administrative costs</td>
<td>70,944</td>
</tr>
<tr>
<td>Contingencies (approximately 3% of direct construction costs)</td>
<td>70,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,625,000</strong></td>
</tr>
</tbody>
</table>

The estimated total expenditure requirements of $2,625,000 are $490,000 less than the expenditure limitation of $3,115,000 approved previously by the Board, the 1981 Legislature and the State Emergency Board.

Before a contract award was made, it was necessary to acknowledge the acceptance of the report of the City of Portland's Hearings Officer decision on the application for a Conditional Use Permit subject to the following conditions:

A. The applicant shall resume negotiations with the City to complete the transportation element of the Framework Master Plan. That element must recognize as goals the decrease of vehicular traffic generated by OHSU facilities and activities, and the elimination of off-campus parking by campus bound motorists. It can be made clear that these goals are not intended, per se, to prohibit specific project proposals. Guidelines must include increasing the ridesharing rate of OHSU staff, faculty employees and students to the 35% level established as a regional goal by the Regional Transportation Plan; and maintaining or increasing the transit percentage of OHSU related trips.
B. Specific actions to achieve those goals and guidelines shall be included in the transportation management plan. Measures proposed by the Bureau of Planning follow:

1. A parking permit system acceptable to the neighborhood and the City to be implemented in the impacted neighborhoods surrounding OHSU.

2. Free carpool and vanpool parking provided at the most convenient locations for 100 percent of demand.

3. Affirmative OHSU action toward implementing vanpool and transit subsidy programs, including action to assure the legality of such programs.


5. Continuance of elements of the transit incentive program currently provided.

6. Updating the basic ride-sharing, transit usage and parking supply, demand and utilization data included in the Buttke Report on an annual basis in order to evaluate the effectiveness of the transportation programs.

In deference to the University's request, these measures are not identified in advance as comprising the plan. Alternatives, modifications, and new proposals are possible. But these measures have, for the most part, a track record and unless they are shown to be unhelpful or counterproductive here, they must be included in the plan.

C. The intersection of Campus Drive and Terwilliger Boulevard shall be improved as specified in the Terwilliger Parkway Corridor Plan if and as adopted by the Portland City Council.

D. Applicant shall comply with Chapter 70 of the Uniform Building Code, and the structural code as well as all Bureau of Building requirements.

E. Completion of the technical appendix of inventory items related to programs and utility systems in the Master Plan within 60 days.

F. Inclusion of a Process Element in the Master Plan as follows:

1. The Framework Master Plan shall be reviewed periodically by the University and the City. It shall be amended as necessary to reflect the current objectives of both as they would apply to the Plan.

2. The Framework Master Plan may be amended at the initiative of the University or of the City, as a consequence of either periodic review, new information provided by the development of future University capital improvements, or expansion of campus beyond existing boundaries. Amendments will be approved by the Conditional Use process.

3. For major projects and Plan Amendments, the University will solicit the counsel and review of affected community interests as represented by residents, businesses and neighborhood associations. This assistance will be obtained and considered prior to the submission of those projects for formal City review.

This is suggested language intended to allow amendments. It is not definitive and changes to it may be submitted at the same time the revised transportation element is submitted.
G. The inclusion of a flex time "program" shall be required in the appropriate element of the Framework Master Plan.

H. Applicant shall participate in the Transportation Study recommended by the proposed Terwilliger Parkway Corridor Plan should that Transportation Study recommendation be adopted by the City Council.

I. Conditions A, B, F, and G shall be completed and submitted to the Hearings Officer for review and approval prior to the issuance of an Occupancy Permit for the parking structure addition. The Hearings Officer retains jurisdiction for further action including hearings should irresolvable difficulties arise in the implementation of those conditions.

In recommending the acceptance of the decision of the Hearings Officer, institutional officials advised the Board's staff that they will continue to work with the various agencies of the City of Portland to fulfill the conditions imposed by the Conditional Use Permit to the best of their ability.

It was also necessary to obtain appropriate clearance of the project by the Department of Environmental Quality.

In accordance with the schematic design phase of planning which the Board reviewed and approved on January 22, 1982, the work of the construction contract includes a three-level addition consistent with the original cast-in-place and precast concrete construction of Parking Structure #2. It will contain about 136,536 gross square feet. Floor members will be precast double T's, individually lifted into place. Depending upon final distribution of spaces for regular-size and compact cars, the capacity of the addition would range between 430 and 450 spaces. The alternates which were exercised added provisions for replacing existing building lighting systems, applying a light bush-hammered finish to all exterior surfaces designed to be sandblasted, adding an emergency telephone system and installing a closed circuit TV surveillance system.

All of the expenditures are to be financed from proceeds from the sale of self-liquidating bonds issued earlier in 1982 under the provisions of Article XI-F(1) of the Oregon Constitution. Debt service requirements are to be provided from parking revenues. No state tax funds are involved.

RECAPITULATION UPON RECEIPT OF BIDS AND CONTRACT AWARD

Project - OHSU Parking Structure #2 Addition

Engineers - Breedlove-McConnell Engineers, Inc., Portland

Board's priority - No. 6 in 1981-1983 (Auxiliary Enterprises)

Legislative authorization - Chapter 539, Oregon Laws 1981

Estimated total gross area - 136,536 square feet

Estimated total project costs $2,625,000

Estimated direct construction costs:

- Total $2,270,500
- Average per square foot - $16.63

Scheduled completion - September 1983

Tentative financing plan:
- Article XI-F(1) bond borrowings $2,625,000

Board Discussion and Action

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

KEI/Kruchek Engineers, Inc., Portland, assisted the Facilities Planning staff of the Oregon Health Sciences University in preparing construction drawings and specifications for the removal of existing galvanized hot water piping and the reinstallation of new insulated copper hot water supply and return lines within Floors B through 4 of the Basic Sciences Building on the campus in Portland. Seven bids were received on October 28, 1982, ranging from a low of $88,061 to a high of $148,328. These amounts include two additive alternates which were exercised. Inasmuch as sufficient funds were available, a contract award was made and the following tentative budget was approved for the project:

<table>
<thead>
<tr>
<th>Direct construction costs</th>
<th>$88,061</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fullman Company</td>
<td></td>
</tr>
<tr>
<td>Professional services fees</td>
<td>8,000</td>
</tr>
<tr>
<td>Construction supervision and miscellaneous</td>
<td>7,939</td>
</tr>
<tr>
<td>Contingencies</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$109,000</strong></td>
</tr>
</tbody>
</table>

The alternates which were exercised added provisions for installing domestic hot water supply and return risers and for providing improved hot water service in toilet rooms.

Funds for this project are being provided from resources available to the institution from savings of $55,328 from earlier phases of the hot water pipe replacement project, involving the 5th, 6th and 7th floors, and from building use credits of $53,672.

RECAPITULATION UPON RECEIPT OF BIDS AND CONTRACT AWARD

Project - OHSU Basic Science Building Hot Water Pipe Replacement

Engineers - KEI/Kruchek Engineers, Inc., Portland

Board's priority - Not applicable

Legislative authorization - Not required

Estimated total project costs $109,000

Estimated total direct construction costs $88,061

Scheduled completion - January 1983

Tentative financing plan:

- Reallocation of state funds made available for prior phases of the work $55,328
- Building use credits 53,672
- **Total** $109,000

Board Discussion and Action

The Board accepted the report as presented.

Staff Report to the Board

The Board will recall that in order to accomplish general fund savings made necessary by action of the January 1982 Special Session of the Legislature, all 1982 Summer Session programs were required to generate fee income to cover direct instructional costs.
To assist the summer session directors in meeting this requirement, the Board approved a fee schedule which removed the "fee plateau" for full-time students, and instead assessed students according to the number of credit hours and course level of the courses in which they were enrolled.

Because of the changes in the fee structure, and because much of the planning for the 1982 Summer Session had been done before it was known that the program would have to support itself entirely from fee income, concern was felt by the Board and by the institutions as to the effect these changes would have on summer enrollment, and on the quality and breadth of instructional offerings this enrollment would sustain.

We present on the following page a table showing headcount and full-time-equivalent enrollment for the 1982 Summer Session, compared with previous year's figures. As was expected in view of increased tuition costs and high unemployment in the state, all of the institutions experienced declines in headcount enrollment. Four institutions--Oregon State University, University of Oregon, Western Oregon State College, and Eastern Oregon State College--experienced a greater decline in full-time equivalent enrollment than in headcount enrollment, reflecting decreases in the average number of credit hours (carrying load) for which students enrolled.

Three institutions--Portland State University, Southern Oregon State College, and Oregon Institute of Technology--had a lesser decline in FTE than headcount enrollment.

The institutions do not believe the quality of instruction offered in the summer session was lessened by reason of the changes made to assure fiscal solvency, but the number and variety of courses offered was reduced. Several institutions found it necessary to negotiate contracts which enabled them to cancel courses not meeting minimum enrollment requirements, thus forcing students enrolled in those classes to change or reduce their schedules. At some institutions, pay schedules for summer faculty employment were negotiated downward.

A brief report of the experience of each of the institutions follows:

Eastern Oregon State College. EOSC, traditionally the smallest of the summer sessions, experienced a modest decline in headcount enrollment, for 560 to 524 students (-6.4%). In terms of FTE enrollment, however, the percentage decrease was 22.7%, greater than any other institution and on EOSC's small base, nearly disastrous. Because of its small enrollment, EOSC is always limited in the number and variety of summer term courses it can offer. Developing a schedule that will enable the college to meet all direct instructional costs from student fee income is even more difficult. Through the cooperation of its faculty, and by cancelling all courses falling below a minimum enrollment, EOSC was able to conduct the 1982 session with a manageable deficit.

Oregon Institute of Technology. OIT offers a limited summer term program consisting for the most part of courses meeting general education requirements. OIT's technical programs are highly structured in sequence and students do not expect to meet technical course requirements in the summer. OIT was one of the institutions experiencing a greater loss of headcount than FTE enrollment in the 1982 Summer Session. By careful management of the program and renegotiating pay schedules, the institution was able to meet self-support requirements.
Oregon State University. OSU enrolled 771 (14.4%) fewer headcount students in 1982 than in 1981, 579 (18.3%) fewer FTE students. The program is large enough so that by balancing large enrollment classes with small enrollment classes, some breadth of programming can be maintained. However, reductions in the numbers of courses scheduled, necessary to concentrate enrollments and increase average class size to a self-support level, resulted in unexpectedly heavy enrollment losses in some fields. This was particularly true in business administration, where students expect to find a fairly broad range of courses meeting program needs.

OREGON STATE SYSTEM OF HIGHER EDUCATION
HEADCOUNT AND FTE ENROLLMENT
SUMMER SESSION 1982

<table>
<thead>
<tr>
<th></th>
<th>1982</th>
<th>1981</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headcount Enrollment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OSU</td>
<td>4,597</td>
<td>5,368</td>
<td>-14.4%</td>
</tr>
<tr>
<td>UO</td>
<td>6,459</td>
<td>6,700</td>
<td>- 3.6</td>
</tr>
<tr>
<td>PSU</td>
<td>8,167</td>
<td>8,908</td>
<td>- 8.3</td>
</tr>
<tr>
<td>SOSC</td>
<td>1,603</td>
<td>1,823</td>
<td>-12.1</td>
</tr>
<tr>
<td>WOSC</td>
<td>1,337</td>
<td>1,614</td>
<td>-17.2</td>
</tr>
<tr>
<td>EOSC</td>
<td>524</td>
<td>560</td>
<td>- 6.4</td>
</tr>
<tr>
<td>OIT</td>
<td>582</td>
<td>643</td>
<td>- 9.5</td>
</tr>
<tr>
<td>All</td>
<td>23,269</td>
<td>25,616</td>
<td>- 9.2%</td>
</tr>
</tbody>
</table>

| Student FTE            |      |      |                |
| OSU                    | 2,591| 3,170| -18.3%         |
| UO                     | 3,274| 3,988| -17.9          |
| PSU                    | 3,787| 4,050|  - 6.5         |
| SOSC                   | 814  | 906  |  -10.2         |
| WOSC                   | 705  | 890  | -20.8          |
| EOSC                   | 242  | 313  | -22.7          |
| OIT                    | 287  | 301  |   - 4.7        |
| All                    | 11,700| 13,618|   -14.1%       |
Portland State University. Like SOSC, PSU experienced a greater drop in headcount enrollment (8.3%) from 1981 than in FTE enrollment (6.5%). PSU traditionally conducts the state's largest summer session, enrolling more than 8,000 students in a wide range of classes. With its large enrollment, the program was able to meet self-support requirements without modifying its policies in respect to summer pay schedules and non-cancellation of classes. The PSU summer schedule is carefully planned on the basis of past enrollment experience. The program consists of courses which meet the basic educational needs of PSU's summer clientele, with only a minimal offering of innovative and experimental courses for which the clientele is uncertain.

Southern Oregon State College. Like Eastern and Western Oregon state colleges, Southern Oregon State College, by rigorous control of its schedule, managed to offer a 1982 summer session generating fee income only a little short of meeting direct instructional costs. Unlike the other state colleges, SOSC experienced less reduction in FTE enrollment (10.2%) compared with 1981 than in headcount enrollment (12.1%). This appears to be the result of a decrease in casual, part-time students. An examination of the headcount enrollment reveals that SOSC had 130 fewer nonmatriculated graduate students than in 1981, and of these, 85 were students taking three or fewer credit hours.

Dr. Ernest Ettlich, dean of academic affairs at SOSC, points out that significant changes must occur in the summer curriculum when it moves to self-support status, e.g., no laboratory courses can be offered, no instruction in high cost areas such as music or SOSC's nursing transitional program. The program must be carefully planned to serve only the most basic needs of the summer clientele. Academic-year students who wish to use the summer term to meet degree requirements are not well served under the self-support format.

University of Oregon. University of Oregon headcount student enrollment was down only 241 students (3.6%) from 1981, but reduction of average carrying load, from 8.92 credit hours in 1981 to 7.60 credit hours in 1982, resulted in a loss of 714 FTE students, a 17.9% loss. The University of Oregon has been accustomed to operating a summer schedule which is nearly self-supporting, so change to a completely self-supporting mode was accomplished with only minor adjustments. Generally, the change means the University will schedule no specialized or esoteric courses likely to attract a low enrollment during the summer term.

Western Oregon State College. WOSC experienced the largest percentage loss of headcount enrollment (17.2%) from 1981 of the seven State System summer sessions. However, despite some student complaint concerning the lack of a fee plateau, WOSC's loss in FTE enrollment (20.8%) was only little greater than its headcount loss. Like Eastern Oregon State College, WOSC took a hard line on small classes, although in some priority areas classes enrolling below the minimum were permitted to continue. Proposed summer session courses were carefully screened to develop a schedule which would be attractive to students and encourage registration for full carrying loads. Salary schedules were changed to pay summer faculty a flat rate for the courses taught rather than a percent of salary. As a result, WOSC was able to conduct a 1982 summer session that was very nearly self-supporting.

Board Discussion and Action

The Board accepted the report as presented.
Report on Program Eliminations

Staff Report to the Board

On several occasions members of the Board have requested a summary of programs which have been closed or eliminated by budget reductions beginning with the summer of 1980. This report, and a report of programs with planned enrollment reductions and limitations is presented below.

Program Closures, Suspensions, and Eliminations
Effective 1980-81 - 1982-83

University of Oregon

Option in Business Environment in BA/BS in Business Administration
BA/BS in Business and Construction
School of Community Service and Public Affairs
BA/BS in Community Service
Teacher Education Basic and Standard Endorsements in Educational Media
Museum of Natural History
Institute for Social Science Research

Oregon State University

BS in General Engineering
Department of Architecture and Landscape Architecture
Specialization in History of Science in MA/MS/PhD in General Science
BS in Administrative Management
Teacher Education Basic Endorsements
- Foreign Language
- Journalism
- Art
- Speech Communications
- Drama
- Language Arts-Social Studies
Option in Community Health in BA/BS in Health
Specialization in Poultry Genetics in MS/PhD in Poultry Science

Portland State University

MAT/MST in 13 fields
Instruction in and Center for the Moving Image
Teacher Education Basic Endorsement in Journalism
Instruction in Persian
Instruction in Turkish
Instruction in Journalism
Middle East Studies Center
Women's Studies Center
Futures Research Institute

Western Oregon State University

Teacher Education Basic Endorsement in Journalism
Teacher Education Basic and Standard Endorsements
- Language Arts-Social Studies
- Physical Science

Southern Oregon State College

BA/BS in Fire Services Administration
BA/BS Option in Administrative Office Management
AS in Medical/Dental Assistantship
Option in Social Work in BA/BS in Sociology
Option in Anthropology in BA/BS in Sociology

Eastern Oregon State College

BA/BS in Art
Meeting #496

December 17, 1982

Oregon Institute of Technology

AAS in Environmental Health Technology
BS in Environmental Technology
AAS in Dental Assisting
AAS and BS in Automotive Technology
AAS in Welding Technology
AAS in Gunsmithing Technology
AAS in Radiologic Electronics Technology

Planned Enrollment Reductions
Effective 1982-83

Oregon Health Sciences University

DMD in Dentistry
BS in Dental Hygiene
MD in Medicine
BS in Nursing
Certificate/BS in Medical Technology
Entering class from 80 to 65
Entering class from 30 to 24
Entering class from 115 to 90
Total enrollment from 440 to 330
over three-year period
Entering class from 30 to 20

Oregon State University

BS in Pharmacy
Teacher Education Endorsement Programs
Physical Education
Health Education
Social Studies
Entering class from 110 to 80
40% reduction over three-year period
50% reduction over three-year period
30% reduction over three-year period

University of Oregon

BArch in Architecture
School of Music
Total enrollment from 615 to 570
Total enrollment from 520 to 470

Southern Oregon State College

AS in Nursing
Entering class from 48 to 36

Undergraduate Programs with Restricted Enrollment
(in Addition to those Listed Above)

Business Administration
Elementary Education
Engineering
Nursing
Physical Education
Teacher Education in Language Arts
UO, OSU, PSU
UO, OSU, WOSC
OSU, PSU
SOSC, OIT, OHSU-EOSC
UO, OSU, PSU, WOSC
OSU

Board Discussion and Action

The Board accepted the report as presented.
The Governor's recommended budget for the Department of Higher Education will achieve many of the funding goals the Board established for 1983-1985. Some goals were not met; however, the Governor and his staff expressed support for the total budget request but were forced to make their decisions on the availability of state General Fund resources rather than on merits of the request. See the attached summary of the Governor's Recommended 1983-1985 Budget.

Education and General Services

The Base Budget

The Base Budget recommended by the Governor will finance in 1983-1985 the 1982-83 budget level extant after the January 1982 Special Session. This means that an inflation adjustment for equipment and services and supplies has been provided at a rate of 4% in 1983-84 and 5% in 1984-85. The energy-related services and supplies have been funded at approximately a 15% and 12% inflation rate in 1983-84 and 1984-85. Library books have an inflation rate of 10.6% in both years of the biennium. Increased Social Security, retirement, and other fringe benefit costs have been fully funded. The academic salary increase approved by the 1981 Legislature providing for a 9.5% increase in the base in 1982-83 has been funded. All classified positions have been fully funded at the salary rates approved for June 30, 1983. The funding of the salary increases approved for 1982-83 has the effect of restoring the temporary budget savings made by the Department in 1982-83 when salary increases were postponed until late in the fiscal year. The January 1982 Special Session reduced the 1982-83 budget by approximately $13 million. The base budget recommendations of the Governor have restored approximately $3 million of that $13 million.

In addition, the base budget includes $156,702 which represents the management costs of the South Slough Estuarine Sanctuary which is being transferred at the Governor's request from the Division of State Lands to the Department of Higher Education.

The Decision Packages

Priority 1. Freeze Instruction Fees at 1982-83 Rates.

The Governor is recommending $20,592,685 of General Fund moneys to finance the freezing of instruction fees at present (1982-83) rates, including the surcharge. A point of clarification--the Board's request for this decision package was $32,962,426. This does not mean that the Governor's recommendation will fall short of achieving the desired goal. The amounts differ because of the manner by which the Enrollment Adjustment Package (8) and Freeze Instruction Fee Package (1) were technically structured in the budget document.


The Governor is supporting the Board in its decision to authorize institutions to increase academic salary rates by 11.5% in 1982-83 by recommending $5,277,117 to fund that decision in 1983-1985. As pointed out in the base budget discussion above, 9.5% of this 11.5% rate increase is financed within the base budget.


The $4,022,998 which the Governor is recommending for Economic Development is identical to the Board request for improving Engineering and Computer Science at OSU and PSU and Computer Science and Cell Biology at the UO. However, the Governor is recommending that $1,350,000 come from Other Funds under the control of the Educational Coordinating Commission.
Board's request was for all General Funds. The ramification of this change is not yet fully understood. Our present understanding is that these "Other Funds" would be available to finance the programs identified in engineering, computer science, and cell biology at the three universities. However, the financing package to ECC includes $1 million of General Funds to be matched by $1 million from industry and the assumption that the Department's programs will be allocated $1,350,000 of the $2 million thus available.


The Board requested ($17,402,125) an academic salary increase of 4% in 1983-84 and an additional 4% in 1984-85 to begin to restore the competitive position of faculty salaries. The 4% plus 4% adjustment was to be in addition to the normal pay adjustment recommended by the Governor for all state employees. The Governor did not recommend the 4% plus 4% adjustment. This decision package of $14,355,004 represents the funds set aside by the Governor to finance the academic salary and fringe benefit portion of the normal pay adjustment recommended for all state employees.

According to the Governor's budget document, "The recommended expenditure level will finance approximately a four percent salary and fringe benefit increase for the biennium, including salaries, wages, and medical/dental insurances."

By placing the academic salary portion of the recommended pay adjustment into the Department of Higher Education budget as a decision package, the Governor has provided the mechanism by which specific legislative attention can be focused on the issue of academic salaries. In past biennia, academic salaries were influenced by the decisions made for classified employees, and special legislative attention was not focused on the issue of academic salaries.

Priority 5. New Building Operation and Maintenance.

The Governor recommended $264,371 for new building operation and maintenance. The request was for $378,551. The difference is that the Governor deleted funds for two projects in the capital construction budget which the Governor did not recommend in 1983-1985.

Priority 6. OIT Library Staffing.

The Governor recommended the requested amount of $103,200.

Priority 7. Improvement in Management (OHSU).

The Governor recommended that the OHSU be allowed to upgrade the services now being provided to the Hospitals and Crippled Children's Division and assess them for the increased cost of $450,000. This recommendation coincides with our request.

Priority 8. Enrollment Adjustment (Includes Lifting Ceilings at OSU and OIT).

A part of the Department of Higher Education's 1983-1985 Biennial Budget Request to the Governor contained a plan by which institution budgets would be reduced $5,451,151 in the 1983-1985 biennium. This reduction proposal was related to projected enrollment declines below the 1982-83 budgeted level. The magnitude of the proposed budget reductions was softened by applying the historical 1% or 1/3 policy, which stated that no institution budget would be reduced or increased by more than 1% of its total expenditure level in any one year for changes in enrollment. The Governor's recommendation has modified the requested enrollment adjustment as follows:

1. The Governor's recommendation moves away from the 1% or 1/3 policy and makes the variable cost formula adjustment for enrollment on the total loss or gain as projected.
2. The second significant change in the Governor's recommendation is that it provides funding for enrollment in excess of the ceilings at OSU and OIT.

Oregon State University enrolled approximately 577 three-term FTE above its ceiling enrollment in 1982-83. The Governor's recommendation permits the funding of an additional 577 three-term FTE at OSU's lower division variable cost of instruction ($2,151) or $2,482,254 for the 1983-1985 biennium.

Oregon Institute of Technology enrolled approximately 555 three-term FTE above its funded enrollment in 1982-83. In 1983-84, the Governor's recommendation funds 152 lower division students at the lower division variable cost of instruction of the six-institution average (UO, OSU, PSU, WOSC, SOSC, EOSC), or $2,232 per student for $339,264. The 1983-84 recommendation also funds 403 technical students at 50% of the technical variable cost of instruction ($3,640 \div 2$ or $1,820 per student for $733,460 for a total 1983-84 adjustment of $1,072,724. In 1984-85, an additional 36 technical FTE students are funded at $1,820 per student for a total adjustment in 1984-85 of $1,138,244. The 1983-1985 biennial adjustment is $2,210,968. The decision to fund the additional technical FTE at 50% of the average cost of technical instruction was based upon the assumption that OIT would need at least two years to incorporate this enhanced funding into its budget; and after two years, a special analysis should be made to evaluate whether the new funding level is adequate for 2,500 fall term FTE or whether the remaining 50% of the entitlement funding should be provided.

If allocations were made to the institutions solely on the changes in funding for enrollments as provided in the Governor's recommended budget, the adjustments would be as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>UO</td>
<td>($1,301,975)</td>
<td>($3,107,967)</td>
<td>($4,409,942)</td>
</tr>
<tr>
<td>OSU</td>
<td>737,309</td>
<td>(890,729)</td>
<td>(153,420)</td>
</tr>
<tr>
<td>PSU</td>
<td>(1,057,518)</td>
<td>(2,209,881)</td>
<td>(3,267,399)</td>
</tr>
<tr>
<td>WOSC</td>
<td>(287,640)</td>
<td>(578,148)</td>
<td>(865,788)</td>
</tr>
<tr>
<td>SOSC</td>
<td>(335,823)</td>
<td>(804,717)</td>
<td>(1,140,540)</td>
</tr>
<tr>
<td>EOSC</td>
<td>(55,849)</td>
<td>(234,187)</td>
<td>(290,036)</td>
</tr>
<tr>
<td>OIT</td>
<td>1,072,724</td>
<td>1,138,244</td>
<td>2,210,968</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>($1,228,772)</td>
<td>($6,687,385)</td>
<td>($7,916,157)</td>
</tr>
</tbody>
</table>

It is expected, however, that a number of additional factors will influence the Board's allocation decisions when they are made later in 1983.


The Governor's recommendation is for $3,000,000 for facilities maintenance. The Department of Higher Education request was for $6,247,000 to fund the most critical needs on a project list totaling $16,488,150.


The Governor's recommendation is for $1,000,000 for libraries. The Department of Higher Education request was for $3,826,000. The Department request was divided into $2,009,000 for partial restoration of acquisitions budgets for books and journals and $1,817,000 for conversion of manual library processes to computer processes. The most effective way to use the recommended $1,000,000 will need to be studied by the system librarians and the Chancellor's Office before institution allocations can be made.
Priorities 11, Computing, $4,800,000; 12. Instructional Equipment, $3,427,000; 13. Research, $1,500,000; and 14. Institution Specific Program Enhancement, $2,392,164, were not recommended by the Governor due mainly to the lack of state General Funds rather than insufficient justification.

Summary

To compare the Governor's Recommended Budget properly to the budget the Department of Higher Education requested for Education and General, we must remove from the Governor's recommendation the dollars associated with the academic salaries and fringe benefits (Priority 4). The reason this decision package must be removed for a proper comparison is that the request was for an academic salary enhancement above the normal pay adjustment recommended for all state employees. The Governor's recommendation is the normal adjustment provided for all state employees and by APLS budget definition was not a part of the Department's request.

<table>
<thead>
<tr>
<th>Department of Higher Education Request</th>
<th>Governor's Recommendation</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and General</td>
<td>$606,376,074</td>
<td>$568,680,205*</td>
</tr>
<tr>
<td>General Fund</td>
<td>$399,162,723</td>
<td>$359,533,614</td>
</tr>
<tr>
<td>Other Funds</td>
<td>$207,213,351</td>
<td>$209,146,591</td>
</tr>
</tbody>
</table>

* $583,035,209 total budget (Governor's recommendation) less $14,355,004 (Priority 4. Academic Salary and Fringe Benefits).

Statewide Public Service Divisions

The Base Budget

The base budget recommended by the Governor will fund the 1982-83 operating level extant after the January 1982 Special Session. The inflation adjustments for services and supplies and equipment are 4% in 1983-84 and 5% in 1984-85. Social Security, retirement, and other fringe benefit costs have been fully funded based on existing laws, and the salary rate increases approved for 1982-83 by the 1981 Legislature have been fully funded in 1983-1985.

The Decision Packages

For all six statewide public service divisions and the continuing education activity on the various campuses, the Governor has recommended as Priority 1 the Funding of the Board Approved Salaries for 1981-1983. This decision package provides the funding to increase academic salary rates above the 9.5% approved in the base budget for 1982-83 to the 11.5% authorized by the Board of Higher Education. In addition, the Governor has recommended as Priority 2 the Academic Salary and Fringe Benefit package which represents the academic salary cost of the Governor's 4% salary adjustment recommended for all state employees.

For the Crippled Children's Division, the Governor is also recommending the decision package which allows the CCD to pay its share of the cost associated with the Improving of the Management Capability of the Oregon Health Sciences University.

The Governor is recommending that the University Hospital become a non-limited budget. This means that the Hospital will not operate within an expenditure or appropriations limitation, but will operate within its revenue capabilities much like an auxiliary enterprise.
The Governor is recommending $31,680,557 as a General Fund subsidy to the Hospital to cover the costs of indigent care and excess costs due to its teaching hospital function. Within this recommended General Fund allocation, the Governor has recognized inflation and full funding of salary and fringe benefit costs. In addition, the recommendation includes $82,846 for improvements in the Poison Control Center administered by the Hospital.

The following are the requested decision packages not being recommended by the Governor:

Agricultural Experiment Station
- Crop Production and Pest Management $ 939,955
- Agricultural Trade and Economic Development 230,568

Cooperative Extension
- Reinstall Extension Agents 230,716
- Computers 1,116,264

Forest Research Laboratory
- Harvesting and Marketing Coastal Forests 177,185
- Tree Improvement Research Cooperative 103,710

Crippled Children's Division
- Service Improvement in Southern Region 133,882
- Bolstering the Statewide Genetics Program 120,000
- Addition to Purchased Care 88,255

Dental Clinics
- Patient Service Equipment Replacement and Repair 7,575

University Hospital
- Nursing Student Clinical Experience 1,000,000
- Patient Service Enhancement (General Fund) 117,644

Student Loans

The Governor's General Fund recommendation for Student Loans of $378,072 is the same as our request.

Debt Service

The Governor's General Fund recommendation for debt service of $10,689,890 is the same as our request to cover debt service on existing bond obligations.

Capital Construction

The Governor did not recommend any General Fund dollars for capital construction in 1983-1985. However, he did recommend $46,250,000 from Other Funds which was the Board's request.

Board Discussion and Action

The Board accepted the report as presented.
**DEPARTMENT OF HIGHER EDUCATION**

**SUMMARY OF GOVERNOR'S RECOMMENDED 1983-1985 BUDGET**

### Education and General Services

<table>
<thead>
<tr>
<th>Description</th>
<th>General Fund</th>
<th>Other Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Budget</td>
<td>$325,954,235</td>
<td>$236,974,441</td>
<td>$562,928,676</td>
</tr>
<tr>
<td><strong>Decision Packages:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Freeze Tuition Fee @ 1982-83 Rate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Fund Board Approved Salaries for 1981-1983</td>
<td>20,592,685</td>
<td>(20,592,685)</td>
<td></td>
</tr>
<tr>
<td>3. Economic Development</td>
<td>4,690,227</td>
<td>586,890</td>
<td>5,277,117</td>
</tr>
<tr>
<td>4. Academic Salaries and Fringe Benefits (Gov. Recom. 4% Adj. for All State Employes)</td>
<td>2,672,998</td>
<td>1,350,000</td>
<td>4,022,998</td>
</tr>
<tr>
<td>5. New Building Oper. &amp; Maint.</td>
<td>264,371</td>
<td></td>
<td>264,371</td>
</tr>
<tr>
<td>6. OIT Library Staffing</td>
<td>103,200</td>
<td></td>
<td>103,200</td>
</tr>
<tr>
<td>7. Improvement in Management (OHSU) No General Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Enrollment Adjustment (Includes Lifting Ceilings at OSU &amp; OIT)</td>
<td>1,255,898</td>
<td>(9,172,055)</td>
<td>(7,916,157)</td>
</tr>
<tr>
<td>9. Facilities Maintenance</td>
<td>3,000,000</td>
<td></td>
<td>3,000,000</td>
</tr>
<tr>
<td>10. Libraries</td>
<td>1,000,000</td>
<td></td>
<td>1,000,000</td>
</tr>
<tr>
<td><strong>Total Education and General</strong></td>
<td>$372,280,857</td>
<td>$210,754,352</td>
<td>$583,035,209</td>
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</tbody>
</table>

### Agricultural Experiment Station

<table>
<thead>
<tr>
<th>Description</th>
<th>General Fund</th>
<th>Other Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Budget</td>
<td>$23,106,839</td>
<td>$12,021,867</td>
<td>$35,128,706</td>
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<tr>
<td><strong>Decision Packages:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Fund Board Approved Salaries for 1981-1983</td>
<td>214,467</td>
<td>151,519</td>
<td>365,986</td>
</tr>
<tr>
<td>2. Academic Salaries and Fringe Benefits (Gov. Recom. 4% Adj. for All State Employes)</td>
<td>445,610</td>
<td>309,661</td>
<td>755,271</td>
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<tr>
<td><strong>Total AES</strong></td>
<td>$23,766,916</td>
<td>$12,483,047</td>
<td>$36,249,963</td>
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### Cooperative Extension Service

<table>
<thead>
<tr>
<th>Description</th>
<th>General Fund</th>
<th>Other Funds</th>
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</thead>
<tbody>
<tr>
<td>Base Budget</td>
<td>$14,073,662</td>
<td>$14,921,599</td>
<td>$28,995,261</td>
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<tr>
<td><strong>Decision Packages:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Fund Board Approved Salaries for 1981-1983</td>
<td>210,267</td>
<td>112,585</td>
<td>322,852</td>
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<tr>
<td>2. Academic Salaries and Fringe Benefits (Gov. Recom. 4% Adj. for All State Employes)</td>
<td>468,560</td>
<td>264,022</td>
<td>732,582</td>
</tr>
<tr>
<td><strong>Total CES</strong></td>
<td>$14,752,489</td>
<td>$15,298,206</td>
<td>$30,050,695</td>
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### Meeting #496

#### December 17, 1982

<table>
<thead>
<tr>
<th>Department</th>
<th>General Fund</th>
<th>Other Funds</th>
<th>Total</th>
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<tbody>
<tr>
<td><strong>Forest Research Laboratory</strong></td>
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<td></td>
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<tr>
<td>Base Budget</td>
<td>$2,449,577</td>
<td>$4,489,723</td>
<td>$6,939</td>
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<td><strong>Decision Packages:</strong></td>
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<tr>
<td>1. Fund Board Approved Salaries</td>
<td>$25,484</td>
<td>$46,708</td>
<td>72,192</td>
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<tr>
<td>for 1981-1983</td>
<td></td>
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<tr>
<td>2. Academic Salaries and Fringe</td>
<td>$63,869</td>
<td>$117,063</td>
<td>180,932</td>
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<tr>
<td>Benefits (Gov. Recom. 4%)</td>
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<tr>
<td>Adj. for All State Employes</td>
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<td></td>
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<tr>
<td><strong>Total FRL</strong></td>
<td>$2,538,930</td>
<td>$4,653,494</td>
<td>$7,192,424</td>
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<td><strong>Crippled Children's Division</strong></td>
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<tr>
<td>Base Budget</td>
<td>$7,407,307</td>
<td>$8,087,574</td>
<td>$15,494,881</td>
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<td><strong>Decision Packages:</strong></td>
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<td></td>
</tr>
<tr>
<td>1. Fund Board Approved Salaries</td>
<td>$28,083</td>
<td>$23,606</td>
<td>51,689</td>
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<tr>
<td>for 1981-1983</td>
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<td></td>
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<tr>
<td>2. Administrative Improvement (OHSU)</td>
<td>--</td>
<td>$45,000</td>
<td>45,000</td>
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<tr>
<td>3. Academic Salaries and Fringe</td>
<td>$71,311</td>
<td>$60,747</td>
<td>132,058</td>
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<tr>
<td>Benefits (Gov. Recom. 4%)</td>
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<td></td>
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<tr>
<td>Adj. for All State Employes</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Total CCD</strong></td>
<td>$7,506,701</td>
<td>$8,216,927</td>
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<td><strong>Dental Clinics</strong></td>
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<td>Base Budget</td>
<td>$186,582</td>
<td>$2,557,542</td>
<td>$2,744,124</td>
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<td><strong>Decision Packages:</strong></td>
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<tr>
<td>1. Fund Board Approved Salaries</td>
<td>$488</td>
<td>$6,700</td>
<td>7,188</td>
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<td>for 1981-1983</td>
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<tr>
<td>2. Academic Salaries and Fringe</td>
<td>$1,240</td>
<td>$17,002</td>
<td>18,242</td>
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<tr>
<td>Benefits (Gov. Recom. 4%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adj. for All State Employes</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Total DC</strong></td>
<td>$188,810</td>
<td>$2,561,244</td>
<td>$2,769,554</td>
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<tr>
<td><strong>Continuing Education</strong></td>
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</tr>
<tr>
<td>Base Budget</td>
<td>$</td>
<td>$6,739,530</td>
<td>$6,739,530</td>
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<tr>
<td><strong>Decision Packages:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Fund Board Approved Salaries</td>
<td>--</td>
<td>$55,129</td>
<td>55,129</td>
</tr>
<tr>
<td>for 1981-1983</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Academic Salaries and Fringe</td>
<td>--</td>
<td>$141,768</td>
<td>141,768</td>
</tr>
<tr>
<td>Benefits (Gov. Recom. 4%)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Adj. for All State Employes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total CE</strong></td>
<td>$</td>
<td>$6,936,427</td>
<td>$6,936,427</td>
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<tr>
<td><strong>University Hospital</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indigent Care and Excess Costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to Teaching Function</td>
<td>$31,680,557</td>
<td>--</td>
<td>$31,680,557</td>
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<tr>
<td>Non-Limited Expenditures</td>
<td>--</td>
<td>$214,110,243</td>
<td>214,110,243</td>
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<tr>
<td><strong>Total Hospital</strong></td>
<td>$31,680,557</td>
<td>$214,110,243</td>
<td>$245,790,243</td>
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<table>
<thead>
<tr>
<th>Category</th>
<th>General Fund</th>
<th>Other Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Loans</td>
<td>$ 378,072</td>
<td>$ 18,176,550</td>
<td>$ 18,554,622</td>
</tr>
<tr>
<td>NDSL, Health Professions and Nurses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auxiliary Enterprises (Non-Limited)</td>
<td>$ --</td>
<td>$132,642,831</td>
<td>$132,642,831</td>
</tr>
<tr>
<td>Gifts, Grants, and Contracts (Non-Limited)</td>
<td>$ --</td>
<td>$230,323,040</td>
<td>$230,323,040</td>
</tr>
<tr>
<td>Operating Accounts (Non-Limited)</td>
<td>$ --</td>
<td>$ 12,765,907</td>
<td>$ 12,765,907</td>
</tr>
<tr>
<td>Total Operating Budget</td>
<td>$453,092,832</td>
<td>$868,942,268</td>
<td>$1,322,035,100</td>
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<tr>
<td>Debt Service</td>
<td>$ 10,689,890</td>
<td>$ 26,070,319</td>
<td>$ 36,760,209</td>
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<tr>
<td>Capital Construction</td>
<td>--</td>
<td>$ 46,250,000</td>
<td>$ 46,250,000</td>
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<tr>
<td>Total Department of Higher Education</td>
<td><strong>$463,782,722</strong></td>
<td><strong>$941,262,587</strong></td>
<td><strong>$1,405,045,309</strong></td>
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DQ:j1
12/2/82
### Department of Higher Education

#### 1981-1983 Budget*

<table>
<thead>
<tr>
<th>category</th>
<th>General Fund</th>
<th>Other Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and General</td>
<td>$301,932,931</td>
<td>$201,952,176</td>
<td>$503,885,107</td>
</tr>
<tr>
<td>Hospitals</td>
<td>29,240,512</td>
<td>154,877,738</td>
<td>184,118,250</td>
</tr>
<tr>
<td>Agricultural Experiment Station</td>
<td>19,993,636</td>
<td>14,176,993</td>
<td>34,170,629</td>
</tr>
<tr>
<td>Cooperative Extension Service</td>
<td>12,705,219</td>
<td>14,216,935</td>
<td>26,922,154</td>
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<tr>
<td>Forest Research Laboratory</td>
<td>2,178,740</td>
<td>3,993,200</td>
<td>6,171,940</td>
</tr>
<tr>
<td>Crippled Children's Division</td>
<td>7,472,971</td>
<td>7,037,454</td>
<td>14,510,425</td>
</tr>
<tr>
<td>Dental Clinics</td>
<td>164,564</td>
<td>2,265,944</td>
<td>2,430,508</td>
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<tr>
<td>Student Loans</td>
<td>448,210</td>
<td>16,596,484</td>
<td>17,044,694</td>
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<tr>
<td>Continuing Education</td>
<td>--</td>
<td>6,356,674</td>
<td>6,356,674</td>
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<tr>
<td>Auxiliary</td>
<td>--</td>
<td>116,912,850</td>
<td>116,912,850</td>
</tr>
<tr>
<td>Gifts and Grants</td>
<td>--</td>
<td>217,040,673</td>
<td>217,040,673</td>
</tr>
<tr>
<td>Operating Accounts</td>
<td>--</td>
<td>11,123,683</td>
<td>11,123,683</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$374,136,783</strong></td>
<td><strong>$766,550,804</strong></td>
<td><strong>$1,140,687,577</strong></td>
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</table>

<table>
<thead>
<tr>
<th>category</th>
<th>General Fund</th>
<th>Other Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service</td>
<td>5,904,512</td>
<td>21,268,817</td>
<td>27,173,329</td>
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<tr>
<td>Capital Construction</td>
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<td>65,714,950</td>
</tr>
<tr>
<td><strong>Total Department</strong></td>
<td><strong>$380,041,295</strong></td>
<td><strong>$853,534,571</strong></td>
<td><strong>$1,233,575,866</strong></td>
</tr>
</tbody>
</table>

* Includes January 1982 Special Session. Does not include June 1982 Special Session.

DQ:jl
12/1/82
Expansion of Tax-Deferred Annuity Program

Staff Report to the Board

Since 1966, under the provison of ORS 243.810 to 243.830, employees of the Department have been able to take advantage of Section 403(b) of the Internal Revenue Code by reducing their salaries an agreed upon amount and having the Department transmit that amount to an annuity company. The Legislative Assembly, in 1981, modified the statute to add the option of regulated investment companies (mutual funds) to the annuity option. Approximately 2,800 employees are participating by directing amounts to Teachers' Insurance and Annuity Association/College Retirement Equities Fund (TIAA-CREF), Standard Insurance Company, and Variable Annuity Life Insurance Company (VALIC). CREF and VALIC offer variable annuities with underlying investments in common stock.

With the assistance and guidance of an interinstitutional committee, Milliman & Robertson, Inc., Consulting Actuaries, conducted an extensive analysis of the existing programs and other leading carriers, including mutual funds, actively engaged in this business. The recommendation was that the Department authorize expansion of the current program to include four new companies and three new products. The new products include a Unit Investment Trust annuity with underlying investment in a family of non-public mutual funds, an annuity with underlying investments in money market instruments, and a family of seven no-load public mutual funds.

The Vice Chancellor for Administration intends to accept the recommendation of the consultants and contract with Prudential Insurance Company, the Travelers Group, and Great-West Life and to amend the contract with VALIC to add a new product. Because of limitations of a different subsection of the Federal law and the conditions proposed by the custodian of the public mutual funds, no contract for that product will be entered into at this time.

Board Discussion and Action

The Board accepted the report as presented.

Placement Report for Teacher Education Graduates

The Board was provided with a report of the "Placement of 1980-81 Elementary and Secondary Teaching Graduates from Oregon Teacher Education Institutions."

A copy is on file in the Board's Office.

Board Discussion and Action

The Board accepted the report as presented.

Report of Committee of the Whole Discussions

The Board held work sessions of the Committee of the Whole during both the November 19 and December 17 Board meetings. At those sessions, the following topics were discussed:

1. Report of the Joint Committee on High School/College Connection and the Chancellor's recommendations on admission requirements--Representatives of the Joint Committee and the Chancellor's staff were present. It was indicated there would be an opportunity for wider public discussion at public forums. The Committee of the Whole indicated acceptance of the report, including implementation of the town hall discussions on the report and recommendations.

2. A Report of the Deans of Education--Recent activities in the improvement of teacher education were discussed. Representatives from several of the teacher education programs were present to describe the programs in greater depth and to respond to questions from the Board. The Committee indicated its acceptance of the report.

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3. A Strategic Plan for Higher Education--Dr. Pierce presented the tentative draft of the plan for the information of the Board and responded to questions from the Board on the various segments of the plan. Dr. Pierce also described the tentative plans for the next draft of the strategic plan and for obtaining reactions from the public at a series of meetings throughout the state.

Copies of the reports are on file in the Board's Office.

The Board meeting was adjourned at 2:25 P.M. on December 17, 1982, to be reconvened at 9:00 A.M., December 20, 1982, by conference telephone connection.

President Ingalls called the adjourned session of the regular State Board of Higher Education meeting held on December 17, 1982, to order at 9:00 A.M. on December 20, 1982. The following answered roll call:

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

Absent: Mr. John W. Alltucker was absent for personal reasons.

Centralized Activities--Chancellor William E. Davis; Secretary Wilma L. Foster; Wil Post, Acting Vice Chancellor for Public Affairs; Tim Marsh, Information Representative.

Others--Facilities were provided at Oregon Institute of Technology and Western Oregon State College for the convenience of media representatives and interested staff to have telephone access to the meeting.

Chancellor Davis reported that Dr. Larry J. Blake and Dr. Richard S. Meyers had been offered the positions of president at Oregon Institute of Technology and Western Oregon State College respectively. Both individuals had indicated their willingness to accept the positions.

The Chancellor recommended that Dr. Larry J. Blake be appointed president of Oregon Institute of Technology and that Dr. Richard S. Meyers be appointed president of Western Oregon State College. The effective dates of the appointments would be announced later. The salary rate would be $51,264.

The Board approved the Chancellor's recommendation, with the following voting in favor: Directors Batiste, Carpenter, Flanagan, Gill, Harms, Perry, Petersen, Weatherford, Wyss, and Ingalls. Those voting no: None. (Mrs. Carpenter was on the conference call and was disconnected in Bend. Immediately after the completion of the call, she was contacted, advised of the recommendation and motion and indicated that she voted in favor of the motion.)

The Board meeting was adjourned at 9:20 A.M., December 20, 1982.

Robert C. Ingalls, President
Wilma L. Foster, Secretary