MINUTES OF REGULAR MEETING OF THE
STATE BOARD OF HIGHER EDUCATION HELD
ON SEPTEMBER 23, 1983

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ADJOURNMENT 319
A regular meeting of the State Board of Higher Education was held in Room 338, Michael J. Smith Memorial Center, Portland State University, Portland, Oregon.

The meeting was called to order at 8:30 a.m., September 23, 1983, by the President of the Board, Mr. Robert C. Ingalls, and on roll call the following answered present:

- Mr. John W. Alltucker
- Mr. Alvin R. Batiste
- Mrs. Harriet J. Flanagan
- Mr. Randal D. Gill
- Mr. Edward C. Harms, Jr.
- Mr. Richard F. Hensley
- Mr. Louis B. Perry
- Mr. James C. Petersen
- Miss Linda L. Walling
- Mr. Loren L. Wyss
- Mr. Robert C. Ingalls

Others present:

Centralized Activities—Chancellor William E. Davis; Secretary Wilma L. Foster; J. I. Hunderup, Vice Chancellor for Facilities Planning; Clarethel Kahananui, Acting Vice Chancellor for Academic Affairs; W. T. Lemman, Vice Chancellor for Administration; Wil Post, Vice Chancellor for Public Affairs; Clifford Smith, Director of CASEERI; Larry Pierce, Executive Assistant to the Chancellor; R. S. Perry, Associate Vice Chancellor for Administration and Planning Services; Jerry Casby, Assistant Attorney General; Tom Berkey, Associate Budget Director; Joe Sicotte, Associate Vice Chancellor for Personnel Services; Ross Hall, Controller; J. Richard Pizzo, Assistant Vice Chancellor for Student Services; Jim Lockwood, Assistant to Vice Chancellor for Academic Affairs; Diane Rose, Research Assistant, CASEERI; Dawn Saddler, Information Representative; Pat Wignes, Assistant Board Secretary.

Oregon State University—President Robert MacVicar; T. D. Parsons, Vice President for Administration; Judith Kuipers, Dean of Undergraduate Studies.

University of Oregon—President Paul Olum; Daniel Williams, Vice President for Administration; Richard J. Hill, Provost.

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

Portland State University—President J. C. Blumel; James E. Todd, Vice President for Administration; Margaret J. Dobson, Vice President for Academic Affairs; H. Erzurumlu, Dean, School of Engineering and Applied Science; Orcilia Forbes, Vice President for Student Affairs; J. K. Harris, Budget Director; Clarence Hein, Director of News and Information Services; Earl Molander, Representative, Interinstitutional Faculty Senate.

Eastern Oregon State College—President David Gilbert; James Lundy, Dean of Business Affairs; James Hottois, Dean of Academic Affairs.

Oregon Institute of Technology—President Larry Blake; John Smith, Dean of Administration.

Southern Oregon State College—President Natale A. Sicuro; Ronald Bolstad, Dean of Administration; Ernest E. Ettlich, Dean of Academic Affairs; Steve Flynn, Dean of Students.

Western Oregon State College—President Richard Meyers; William Neifert, Dean of Administration; James Beaird, Provost.
Others--John Frewing, Stephen Feinstein, Dick Smith, Representatives of the City Club, Portland; T. K. Olson, Executive Director, Oregon Educational Coordinating Commission; George Mitton, Assistant Director, Oregon Educational Coordinating Commission; Betty Hamlin, Commissioner, Oregon Educational Coordinating Commission; Sherry Oeser, Executive Director, Oregon Student Lobby; Debbie Murdock, Staff Associate, Oregon Community College Association; Bob Clausen, Director, Community College Instruction, Oregon Department of Education.

MINUTES APPROVED

The Board dispensed with the reading of the minutes of the special meeting held on July 12, 1983, and the regular meeting held on July 22, 1983, and approved them as previously distributed. The following voted in favor: Directors Alltucker, Batiste, Flanagan, Gill, Harms, Hensley, Perry, Petersen, Walling, Wyss, and Ingalls. Those voting no: None.

CHANCELLOR'S REPORT

Retirement of W. MacVicar, OSU

The Chancellor reported that President Robert MacVicar of Oregon State University had announced his intention to retire as of December 1984. He expressed appreciation to President MacVicar for his long and distinguished service to the State System and wished him well.

Later in the meeting, the appointment of Mr. Kurlinski to the position of Vice President for University Relations was approved, effective about October 24, 1983, at an annual salary of $60,000. The following voted in favor: Directors Alltucker, Batiste, Flanagan, Gill, Harms, Perry, Walling, Wyss, and Ingalls. Those voting no: None. Directors Hensley and Petersen were absent from the meeting at this time.

At the request of the Chancellor, President Laster announced Dr. John W. Kendall, Professor of Medicine at the School of Medicine and Director of Research at the Veterans Administration Medical Center, had accepted the position of Dean of the Medical School, effective November 14, 1983. He introduced Dr. Kendall.

Commitment from Fred Meyer Charitable Trust

The Chancellor indicated that the Fred Meyer Charitable Trust had been examining several areas for program emphasis on higher education and had just announced one of their trust initiatives in the funding area. A commitment has been made of an estimated $3.5 million over the next three years toward the development of a technologically-sophisticated, resource-sharing model among the academic libraries in the Pacific Northwest. It is expected that this will provide a great opportunity for the libraries and institutions to participate, and the commitment is a very generous and thoughtful contribution by the Fred Meyer Charitable Trust.

CASEERI Report

The Chancellor requested Dr. Clifford Smith, Director of CASEERI, to review the activities of the Council over the past few months.

Dr. Smith said his efforts since his arrival had been concentrated in the Portland area in line with the Strategic Plan. A number of personal visits have been made to executives of high technology firms, administrators of engineering and computer science departments, legislative leaders, and others to discuss their concerns about higher education and what higher education is doing in the area of assisting economic development through high technology. Dr. Smith indicated he was working actively now with the Oregon Economic Development Department, primarily through its Portland office, and also assisting the Portland Development Commission.

Dr. Smith stated that the goals of CASEERI were to advise the Chancellor and the Board on ways to:

1. Develop an effective and coordinated method to identify educational research and manpower needs of industry and to meet those needs by implementing effective and coordinated use of available talent from public and private colleges, universities and industry.
2. Strengthen significantly academic and research programs in areas essential to high technology industry. This includes employment of faculty who rank with the best in their fields nationally and/or internationally, and acquiring state-of-the-art facilities and equipment for instruction and research.

3. Provide leadership to attract new business and industry to Oregon and to help existing business and industry to develop and prosper.

A strategy for achieving these goals was developed together with an implementation plan and target dates. Dr. Smith reviewed the elements included in the strategy and commented briefly. The strategy includes:

1. An assessment of the needs of business and industry is one of the first tasks. Dr. Smith said these needs appear to fall into three general groups. One is continuing education, a second is the production of more engineers at all levels, and the third is strong, active research in electrical and computer science in the Portland area.

2. Preparation of an inventory of what is already available in the Portland metropolitan area. Dr. Smith emphasized that although the initial focus was the Portland metropolitan area, it was not intended that other parts of the state would be neglected. He said high technology in its broadest sense means using advanced technology in any particular area of business where it is appropriate and where it is cost effective.

3. Development of specific college and university programs responsive to industry's needs as determined by the survey and contingent upon availability of resources.

4. Development of a coordinated approach to master's and doctoral level programs in the Portland metropolitan area in electrical and computer engineering and computer science as soon as feasible.

5. Determination of the present and future needs of the state-supported schools of engineering, engineering technology, and computer science in order to establish priorities for meeting those needs.

6. Development of ways to assist public and private colleges and universities to recruit and retain outstanding faculty.

7. Development of a mechanism or mechanisms whereby the equipment needs of the Schools of Engineering, Departments of Engineering Technology, and Departments of Computer Science can be met adequately.

8. Preparation of a compilation of current research which is in progress at the various institutions for use of the economic development of Portland, of the state, and of other regional economic departments. Areas of excellence in research should be described in an easily-read publication which could be presented to firms presently in Oregon or those considering locating in the state.

9. Taking the necessary steps to insure that industry leaders, legislative leaders, government officials and educational leaders discuss CASEERI.

10. Taking appropriate steps to insure that the general business community and public are aware of CASEERI's efforts.

11. Determination of the current state, college, and university administrative regulations which researchers feel inhibit them in performing at their best.

12. Encouragement of the development and operation of delivery systems that extend educational services and opportunities from wherever the specific talent exists to the locations where identified public, private, or industrial needs are and can be economically justified.
Dr. Smith then discussed the recommendation that the State System of Higher Education should have as its goal the establishment of a Ph.D. program in electrical and computer engineering at Portland State University as soon as feasible. The program should not be duplicative of current programs and should be developed with the full cooperation of Oregon State University and the University of Oregon. Further information and details were presented in the full CASEERI report, which is on file in the Board's Office. Dr. Smith cited other information from the report which indicated areas of concern in the competition for faculty and students.

Mr. Wyss said it would appear that in order to bring facilities and personnel to the national average would require approximately $8 million or $9 million. He asked what a realistic objective for the CASEERI program would be during the next two years and whether it was probable funds could be attracted from private foundations and corporations when the need is made apparent. Mr. Wyss also asked whether Dr. Smith believed the information would have an impact on the public, and therefore, on the legislative determination of resources, or whether it would merely outline and publicize the difficulties with a possible negative effect.

Dr. Smith said it would be his philosophy to make all of the information available as if everything depended on someone else but at the same time to work as if everything depended on the CASEERI office. Interest has been expressed as a result of the contacts which have already been made, but there is a definite need to define the problem and establish priorities. Dr. Smith pointed out that if the governmental structure and the people of the state, the Legislature, and the Board of Higher Education are expecting these programs to attract and retain industry, then there should be some appreciation of what it would take and the competition which would be faced. There are 49 other states that also regard high technology as their economic salvation.

Mr. Wyss asked whether there were any areas which could be identified where a limited amount of money would have a substantial effect. Dr. Smith mentioned the need for start-up money for equipment in attracting outstanding individuals to a campus, with the expectation that the individual subsequently would generate grants and be self-supporting. Equipment is a factor of major importance in engineering and other professions.

Dr. Smith said consideration would be given to the acquisition of equipment through bonding. He noted that there already is cooperation in electrical engineering in the area of solid state. The physics department at the University of Oregon, the electrical engineering department at Oregon State University, and the Oregon Graduate Center are involved.

Dr. H. Erzurumlu, Dean of the School of Engineering at Portland State University, said there are two equipment categories. One is equipment replacement, which should be an ongoing budget. The other is a one-time addition of equipment to bring certain areas to an appropriate level. The latter category probably could be obtained through gifts from industry or through solicitation of grants.

Dr. Smith also mentioned that equipment often requires substantial funds for maintenance. Mr. Batiste asked about the possibility of leasing equipment to avoid this problem. Dr. Smith said one of the problems is the diversity of equipment and the other is the specialized nature of some of the equipment.

There was some discussion of the interface between the high technology consortium and the Oregon Educational Coordinating Commission in terms of the strategy set forth in the CASEERI report. Dr. Smith said he had attended the advisory committee meetings to the consortium and had presumed that he would be invited to the consortium meetings since 95% of the students involved in these programs are in the State System of Higher Education. However, he had not been invited to a recent meeting and upon inquiry had been informed that his appearance at the meetings would be discussed and he would be invited to the next meeting.
Mr. Perry asked whether it might be better to target efforts in a few areas. Dr. Smith said efforts should be directed primarily to the areas of electrical and computer engineering and computer science, and within that domain to do everything possible to enhance the excellence of the types of research programs underway. Other disciplines also contribute to economic development. However, in view of the limited resources and the fact that the bulk of the high technology firms already in Oregon have a major focus in the area of electronics, the initial emphasis should be toward that field.

In response to a question concerning possible economies through combining departments and schools in certain technical areas, Dr. Smith said the matter was being studied. One difficulty is that many of the students in the Portland area do not have mobility and, in many instances, are part-time students who are holding full-time jobs.

Mr. Hensley inquired whether there had been any survey of those industries which had decided not to locate in Oregon and the reasons for those decisions. Dr. Smith responded that he had not made such a survey. It would be difficult to discover which industries were in that category because that information usually is not publicized. He indicated that in Tennessee other factors, such as the cost of labor, the union status, cost of living, and housing were important. Assuming these factors proved satisfactory, then educational opportunities became important in the decision to locate in the state.

Mr. Petersen said that if the tax climate were not to the liking of new or present businesses and industries, the effort would appear to be doomed to failure. Dr. Smith agreed. He said he was hopeful that the tax situation would be resolved. All of the firms visited said that the tax problem is the first concern and presumably the decision of these industries to stay will depend on whether it is profitable to do so. He said he will concentrate on the educational climate and the Board's commitment to the importance of research and higher education.

Mr. Ingalls inquired how many Oregon graduates in these fields will leave the state after they have completed their education. It was indicated the specific information could be assembled, but the demand is greater than the supply.

Mr. John Frewing from the Portland City Club was introduced to present the City Club report. Mr. Frewing said the report described many of the same problems noted by Dr. Smith, but there were some differences of opinion. Mr. Frewing introduced Mr. Richard P. Smith and Mr. Stephen H. Feinstein, members of the City Club committee.

Mr. Frewing explained that the City Club study looked at the structure required to improve cooperation between industry and higher education in order to help the economic health of Oregon. The study showed that Oregon depends especially on higher education in order to stimulate technology-based economic development. During the study, it was learned that California's approach to the problem is to make its state education system, tax system, and regulatory system favorable to rapid change. In Oregon, there is no reasonable mechanism for ideas to be turned into commercial products or processes. Patent and licensing arrangements should be reviewed for possible improvements.

The study also addressed the structure of the State System of Higher Education, and it was concluded that there should be serious effort to look at how the State System is administered in terms of tenure, two different careers by the same person, joint appointments of professors between schools and industry, and other possible beneficial arrangements. It is believed the essential element in attracting outstanding people is some association with industry and an available research budget.
He stated that there had been two proposals for the way in which funding from industry should be channeled to higher education in Oregon, both public and private. The Oregon Economic Action Council concluded that SEBER was the proper structure and the City Club endorsed that in opposition to CASEERI because it was believed SEBER would have a better chance of actually replacing the consortium. It also had closer ties to industry.

Mr. Richard Smith described the collaboration existing between industry and education in the State of Minnesota and suggested State System representatives might wish to investigate the plan there.

Mr. Petersen reiterated his statement with respect to the importance of the tax structure and said perhaps the City Club should do a report on that subject.

Mr. Frewing said the City Club did have an ongoing effort on the tax structure. The important element of tax structure is to be easy on the developing companies and somewhat harder on the manufacturing or established companies. Education has a role in effecting change.

The Chancellor said he appreciated the suggestions and criticisms from the City Club and indicated that the development of the activities of CASEERI represented a significant investment of time and priorities in addressing this problem. He said the State System was very interested in working cooperatively with programs such as the Minnesota plan which represented one of several models of cooperation between business and industry.

Regardless of the number of statewide groups concerned with higher education endeavors in engineering and high technology, it is essential for the Board to have some mechanism for overseeing the State System's activities in these fields. Almost all of the students in these disciplines are enrolled in State System institutions, and an inventory of what is being done and what is needed by business and industry is important so the State System can be more responsive to those needs. A major commitment and high priority has been assigned to the task.

The Chancellor addressed the criticism about proposing additional programs in engineering when the existing program in engineering does not have adequate support. He cited statistics from several states, with approximately the same population and per capita income which supported more than one program in engineering. He indicated the CASEERI report proposed continuing support and enhancement of the program at Oregon State University, but it also showed the cost of developing suitable programs at Portland State University without diluting current efforts in these disciplines. The understanding, help, and support of the City Club would be appreciated.

Mr. Ingalls expressed the Board's appreciation for the time spent by the City Club on this report. He said anything the members could do to help higher education or to change the tax structure would be helpful.

Mr. Alltucker said the discussion during the meeting had been centered on the investment of Oregon's limited resources in the best possible way to help diversify and increase the economic base in Oregon. Every one of the successful ventures have started and maintained momentum from a relationship between private industry and the educational institutions. This was the purpose in establishing the pattern for CASEERI. Mr. Alltucker said he was troubled by the idea of creating a situation in which the state government would be expected to provide the motivation. He said he knew of no successful venture in this particular activity in which the momentum and motivation did not come from private people in business in cooperation with the education institutions.

Mr. Frewing said the City Club had recommended the SEBER approach because it had more private sector dominance than did CASEERI. Even though several more members are to be appointed to CASEERI from industry, CASEERI was not created by industry.
Mr. Alltucker said it was clear there were not enough financial resources in Oregon at the present time to move ahead rapidly in doing the things that should be done at Portland State University without seriously affecting other programs. There are only two ways to get the required funds. One is to reallocate existing resources, and the other is to get more money in the total package to allocate. To get more money in the total package would require the help of the people in Portland. Until there is consensus between the Portland business community and the Portland legislative group so that funding is available, it will be impossible to accomplish major efforts at Portland State University.

Staff Report to the Board

OAR 580-21-100 describes the kinds of appointments which are authorized by the Board for the employment of academic staff. In October 1981, following public hearing, the Board authorized a new kind of appointment—an extendable contract—to be used at Southern Oregon State College for the period July 1, 1981, through June 30, 1983. This authorization was described in OAR 580-21-100(1)(c). The concept of an extendable contract resulted from negotiations between the Association of Professors—Southern Oregon State College (APSOSC) and representatives of the College and the Board.

Representatives of the Oregon Conference, American Association of University Professors and the Interinstitutional Faculty Senate opposed the new extendable contract on the grounds that it would tend to undermine the principles of academic tenure, which in turn would tend to weaken the Board's historic protection of academic freedom. After hearing the testimony of those opposing the concept, the Board amended the proposed rule to limit the authorization for the period July 1, 1981, through June 30, 1983.

Both Southern Oregon State College and the exclusive bargaining representative of the faculty—APSOSC—have found the concept not only to be workable, but to enhance the opportunities for the award of indefinite tenure to faculty members. Both the institution and the union remain committed to the concept of academic tenure, an expression of which is contained in the third paragraph of the amendment. After considering the results of using this type of contract during the two-year period, both President Sicuro and the Association of Professors have recommended that the authorization for this type of appointment be continued indefinitely. No recommendation has been received to extend the authorization to other than Southern Oregon State College. In light of the continuing concerns of the AAUP, the staff is recommending that the continuance of the recommendation be limited by rule to Southern Oregon State College.

Staff Recommendation to the Board

Upon the recommendation of President Sicuro and the President of the Association of Professors at Southern Oregon State College, the staff recommended adoption of the amendments to OAR 580-21-100(1)(c) as indicated below.

Tenure and Promotion

Kinds of Appointments

580-21-100 (1) Appointments authorized in Department institutions are: Fixed-term appointments, tenure-related appointments (annual tenure and indefinite tenure), and extendable contract appointments as permitted by subsection (1)(c) of this rule:
Extendable appointments:

(A) Southern Oregon State College may [initiate the] use of an extendable contract which is defined as a contract having a term of not more than three years and which permits, following the first year of the contract term, the term of the contract to be extended an additional year if required conditions have been met, leaving the faculty member at the beginning of each year with a contract having the same term as the original contract.

(B) Such appointments at Southern Oregon State College may be made only after an institutional policy has been adopted following faculty consideration through established governance mechanisms, or negotiated with the exclusive bargaining representative of the faculty. The policy or negotiated agreement must establish the probationary period to be served prior to an extendable contract appointment, describe the procedures and criteria for attaining such an appointment, and describe the conditions under which contracts may or may not be extendable.

(C) The institution utilizing extendable contract appointments will be expected to reaffirm its commitment to tenure. The use of such extendable contracts is not to result in the abolishment of tenure at Southern Oregon State College.

Board Discussion and Action

Mr. Ingalls said the time set for the public hearing had arrived and asked if anyone wished to be heard for or against the proposed amendments to OAR 580-21-100, Kinds of Appointments.

President Sicuro said the rule that has been in effect for two years has afforded an opportunity to test the concept extensively. The three-year extendable contract has worked on the campus of Southern Oregon State College. It strengthens rather than diminishes tenure. He said there has been no abdication of the commitment to tenure, nor is that expected to occur in the future. He said it is very rare to have such unanimity of thought and feeling on a campus as that which has occurred at Southern Oregon State College on this particular issue.

Dr. Ernest Ettlich, Dean of Academic Affairs at Southern Oregon State College, said he did not think the primary attraction had to do with the economic conditions. He said it was related more perhaps to the contrast between a teaching and a research institution. He said the faculty at Southern Oregon State College does research, but at a lower level of activity and without the same rigorous requirements in the research area as would be found for tenure at institutions dealing with doctoral level instruction and research. As a result, in schools such as Southern Oregon State College, there is the constant concern about the tenure percentage exceeding the normal ranges. The proposed type of arrangement is a means of maintaining tenure at a reasonable level while at the same time affording faculty the kind of security that is necessary for the risk that is taken in creative research activities and continuing academic freedom in the classroom. The plan is not viewed as a response to the budget problem, and presence or absence of the extendable contract would not have helped in meeting the immediate problems of the last two years.

In response to questions concerning tenure procedures, Dr. Ettlich said if a tenure slot is not available and tenure cannot be granted at the appropriate time, the individual would normally be placed on a one-year terminal
appointment. In most instances, the availability of a tenure slot is determined at the point of initial appointment. However, individuals are frequently hired for non-tenure track positions because there are no tenure slots available in that college or department.

Dr. Ettlich said the initial appointments at Southern Oregon State College are almost all one-year, fixed-term, renewable appointments. They are reviewed yearly in a timely manner and a recommendation made on the extension of that one-year, fixed-term appointment. During the first or second year, a colleague evaluation is completed for a continuing appointment, either on a three-year extendable contract, if no tenure slot is available, or to a tenure slot. If, at a later time, a tenure slot is available in that department, the individual has the right to apply for the tenure slot, so the three-year extendable contract is not intended to be in perpetuity.

He indicated that in the last two years, 14 persons were placed on the three-year extendable contract, and 4 were placed in tenure slots from both types of appointments.

Dr. Frank Lang, Professor of Biology at Southern Oregon State College and President of the Association of Professors, and Dr. Edward Versluis, Vice President of the Association, spoke in favor of the amendments.

Mr. Wyss inquired about the advantages to a faculty member in the proposed amendments. Dr. Lang indicated that the three-year extendable contract allowed a certain amount of job security for three years and consequently probably improved classroom performance.

Mr. Wyss then asked whether tenure-track people were usually kept for the full five or six years before being terminated, or whether they were more often terminated on an annual basis. He suggested that the three-year extendable contract might offer more security than the normal tenure system, at least until tenure was actually awarded.

Dr. Versluis said he has been judged tenurable but does not have tenure this year because of the limited tenure slots available. Under the normal system, he said he would either be tenured or would leave the institution. The three-year extendable contract gives job security while waiting for the tenure position to be available.

Mr. Wyss commented that at the same time there would be an opportunity to seek another position and it would not be possible to terminate the individual on the three-year appointment.

Dr. Versluis said terminations under the three-year extendable contract could be made to the same extent that they could be under tenure.

Mr. Lemman explained that a tenure-track appointment is made on a one-year basis. In the first year of that appointment, the person may be given three-months’ notice of non-renewal, six-months’ notice in the second year, and thereafter one-year’s notice of non-renewal. A person on the tenure track can be terminated with appropriate notice for any reason, or no reason, as long as the termination is not for a prohibited reason, such as for race, sex, or other protected class kinds of circumstances. For that period of time, the person is on a probationary appointment. The Board’s rules then provide that a person’s performance will be assessed on not less than five consecutive years of service, some of which may be credited for previous experience. If the review does not take place in the fifth year, it must take place in the sixth year. The person is either given indefinite tenure at the beginning of the seventh year or is given a year's notice of termination at the beginning of the seventh year.

Mr. John Bonine, Professor of Law at the University of Oregon and secretary-treasurer of the Oregon Conference of the American Association of University Professors, commented on statements made during the discussion. He said setting the performance standards and measuring the professor against them
would occur in both the three-year extendable contract and the tenure appointments. He said he did not understand the point of the reference to a difference between a teaching institution and a research institution. The fact the institutions are different does not indicate why academic freedom is any less important in the teaching and innovation of the state colleges of the state or why production should be less. He said it was significant that after hearing the proposal and the testimony in 1981, the Board decided to put the three-year extendable contract into effect on a permanent basis, but for a shorter period. Mr. Bonine said it was now proposed that the policy be made permanent, even though no study has been made. He stated that the persons who get these contracts are not being treated the same as the other professors, nor are they being given the same protection that people have had in the past. The gradual erosion of tenure is the concern.

He stated that the Southern Oregon State College contract negotiated last year contained explicit tenure quotas, which means that people who want to get tenure will not be able to do so. This creates a second-class portion of the faculty.

Mr. Bonine then reviewed the dismissal procedures and causes for dismissal which applied to tenure and to the three-year extendable contract. He said the danger is that the creative, innovative, publicly-active, unusual professor, who perhaps challenges some of the past discriminations in society, is the prime dismissal target. The Board has traditionally held that tenure is the best guarantee for academic freedom.

Mr. Bonine then charged that the text of the proposed recommendation had not been made available as required by the Board's rules which he contended state that at the time the notice is published in the Administrative Rule Bulletin, notification should be sent to the individuals and media representatives on the Board's mailing list. The mailing of the text should not be deferred until the Board meeting agenda is mailed shortly before the meeting. He stated that the notice in the Administrative Rule Bulletin did not specify where a copy of the proposed rule could be obtained, nor was the notice adequate in terms of the statement of need. It indicated that the proposed revisions would extend the date and the amendment is eliminating the time reference.

Mr. Bonine also questioned the timing of the change in that faculty members had not returned to campus and the campus newspapers were not yet being published. Consequently, there was no awareness such a significant departure in policy was being contemplated. The change represents a proposal to erode tenure on a permanent basis. He suggested that if the policy is to be changed, it would be best to do so following a thorough study rather than in a single hearing.

Mr. Perry asked whether the American Association of University Professors had competed for collective bargaining rights at Southern Oregon State College, and Mr. Bonine said he did not believe so. He said the American Association of University Professors believes it has a duty to alert people to these problems, even if at a given campus people do not seem to be alerted to them.

Mr. Perry said he was very concerned that academic freedom be maintained. However, he said the faculty members at Southern Oregon State College have a right to determine the way they would like to go and to make that presentation to the administration. He said he did not think that an aberration was necessarily an aberration. It might be an innovation rather than an aberration.

Mr. Bonine said the Board has stated that academic freedom is not something to protect the faculty. It is something Oregon needs, even if the faculty members at an individual institution do not understand that or see the need for those protections. Even if the Southern Oregon State College faculty should have freedom of choice in this matter, the change does not need to be permanent. He asked that a study be done before adopting a permanent extension of this rule.
Mr. Ingalls then asked Mr. Casby if there were any procedural problems in the adoption of the proposed amendments. Mr. Casby commented on the criticisms presented by Mr. Bonine. The first was that the notice in the Administrative Rule Bulletin indicated only that the proposed rule or amendment would extend the expiration date. The history of the rule is pertinent. It was originally adopted approximately two years ago and the terms of the present rule expire at a certain time. The objective obviously of the Board's considering the rule was to determine whether to continue it. The criticism was that it was not made clear that the extension would be considered in terms of being made permanent. Mr. Casby said that is a criticism that the general description failed to include the specific. He advised the Board that the use of the word "extend" in the context used in the Administrative Rule Bulletin was entirely appropriate.

Another criticism was that OAR 580-01-005 was violated in that the time, place, and manner in which the rule or amendments might be inspected or copies made was not clear. He said the significant thing is to advise the public that the Board is going to consider the rule in question, and the notice did that. Even if the specific amendments in question were available substantially in advance of the meeting, the wording could be amended. The Board itself is not prohibited from considering further changes. The affected language to be proposed was ultimately made available to the public prior to the meeting. People who would have interest in obtaining the exact language could go to the Board's Office, and certainly the location of the Board's Office is public knowledge. The failure to give a street address of that office would hardly seem to be a procedural error. Having gone to the Board's Office and having been advised that the exact wording to be submitted to the Board was not immediately available would be notice of the general subject to be considered, and the opportunity would be available later to obtain the specific language. If there was a procedural error in this regard, it would not be one of such magnitude that it would prevent the Board from considering the subject matter today.

He commented on the deficiency which stated that the Statement of Need did not speak to need. The history of the rule is again pertinent in that the Board is considering whether the existing rule should be continued, either for a specific duration or indefinitely. That is exactly responsive to the need for the rule. While it is possible to interpret the word "need" more broadly, the Board is not obligated to interpret that word exactly the same as everyone else.

With respect to the objection that this was a summer time amendment, Mr. Casby said he did not perceive that to be a procedural objection.

Mr. Bonine responded that the rule specifically states the notice shall include the manner in which to obtain a copy. Further, the Statement of Need is a requirement to show need and there is no need to extend the rule.

Mr. Petersen said it was his recollection the present rule was to be a temporary procedure based upon financial circumstances at the time it was adopted two years ago. Secondly, the witnesses representing both sides had raised sufficient questions that it would be inappropriate for the Board to take action at this time. He suggested extending the present rule for 60 days to permit appropriate research and the gathering of information.

President Sicuro said that even though there was not a written study, the plan had been followed for two years and that represented the best possible study. He said the idea that tenure was in jeopardy clearly has been avoided in writing with the contract. The quota is to address the financial concerns of the Board and of the College. He said the morale of faculty transcends all of this and urged the Board not to defer action. The past three years have been very difficult and tenured faculty members have been terminated. Others are on limited contracts with the constant threat that they may not have a job another year. President Sicuro said he was absolutely astounded that an AAUP leader, in effect, was accusing Southern
Oregon State College of abdicating job security and academic freedom. The latter is not at issue. It is a matter of trying to have a flexible arrangement to manage the institution better and to have the highest quality of teaching and learning environment by having a faculty with high morale in very difficult times.

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

Mr. Petersen moved that the Board postpone a decision on this matter until sufficient evidence has been presented and procedural rules defined.

Mr. Harms said he opposed the motion. Ample information was before the Board and deferring action would be an unsatisfactory disposition of the matter. The amendment applies only to Southern Oregon State College and the wishes of the faculty and administration have been indicated. The proposal is involved directly in their collective bargaining agreement and had its roots in collective bargaining. He said he believed a decision should be made one way or the other.

Mr. Lemman made two minor modifications, one to clarify further that all three paragraphs applied to Southern Oregon State College, and the other to correct a word. These changes have been incorporated in the proposed amendment as presented in the minutes.

Mr. Petersen said the reason for his motion was that he had thought the rule was temporary to meet the particular situation at Southern Oregon State College dealing with the economic condition. He objected to making it permanent without further study.

Mr. Lemman said the professors at Southern Oregon State College and the administration would somewhat reluctantly accept a two-year extension of the rule rather than making it indefinite, if that were the wish of the Board. One of the reasons is that the institution is currently engaged in collective bargaining, and if this issue is not resolved, agreement cannot be reached. He noted that the part of the contract circulated by Mr. Bonine was the expired contract and was no longer in effect. The provisions in the contract should not be confused with the rule because they are not part of the rule.

Mr. Petersen's motion to postpone the decision was defeated. Director Petersen voted in favor of the motion, and Directors Alltucker, Batiste, Flanagan, Gill, Harms, Hensley, Perry, Walling, Wyss, and Ingalls were opposed.

The Board approved the staff recommendation, including the minor modifications described by Mr. Lemman. The following voted in favor: Directors Alltucker, Batiste, Flanagan, Gill, Harms, Hensley, Perry, Walling, Wyss, and Ingalls. Those voting no: Director Petersen.

The Marine Science Commission was established by the Board in 1972 to visit, at least once annually, the coastal marine facilities of the State System and to develop, in cooperation with institutional representatives charged with administering these facilities, long-range plans for coordination of teaching and research efforts of the facilities and integrated plans for their physical development.

In 1981, upon recommendation of the Commission, the charge was modified to indicate that the coastal laboratories should be visited at least once every two years, instead of annually, with a meeting with directors and staff of the laboratories at some central location to replace the coastal visit on alternate years.

The Commission is to report annually to the Board on its findings and recommendations.
The 1983 visit of the Commission was carried out Monday and Tuesday, June 27-28. Members of the Commission conducting the visit were Mr. Forrester, Mr. Hult, Mr. Webber, Dr. Calvin, and Dr. Shirley Menaker, associate dean, University of Oregon Graduate School, representing Dr. Hersh. The Commission began its visit at the Oregon State University Seafoods Laboratory, in Astoria, and then drove down the coast to the Marine Science Center, Newport, and the Oregon Institute of Marine Biology, at Charleston.

Mr. Forrester will be present at the Board's September meeting to present the Commission report.

REPORT OF THE MARINE SCIENCE COMMISSION

Members of the Marine Science Commission were generally pleased with what they saw and heard during their visitation (June 27-28) to the Oregon State University Seafoods Laboratory at Astoria, the Marine Science Center at Newport, and the Oregon Institute of Marine Biology at Charleston. A few observations may be helpful to the Chancellor and the Board of Higher Education.

It seems necessary to point out that a high percentage of the funding of operation of the Seafoods Laboratory comes from contracts. We neither condone nor deplore this but think that long range consequences of the arrangement need to be examined. The work of the laboratory has not been adversely affected by the arrangement. Its mission, which is to deal with research which has practical application within the seafoods industry, is being admirably fulfilled. Would the laboratory make a greater contribution if it had more state funding? We do not know.

At the Marine Science Center, a persistent need has not been resolved. The institution urgently needs, as it has for some time, more dormitory spaces. This is a situation where lack of housing affects the institution's program.

Some significant faculty changes could have an impact on the Center's role in research. The Commission must emphasize the implications of the retirement of Professor William Breese. His work with shellfish has done great credit to himself and to the Marine Science Center. It must be continued at the Center for if it is not, no other institution is likely to fill the void.

The Commission was favorably impressed with the addition of physical facilities for research since its last visit to the Center.
Members of the Commission were more than ordinarily impressed with the strength of the undergraduate teaching program at the Oregon Institute of Marine Biology. The Institute this summer has the largest enrollment of any marine biology field station on the Pacific Coast. While enrollment is down at several stations, it is up at Charleston. We were given some insight into this through interviews with five students and two Ph.D.-candidate teaching assistants. Many who come to the Institute do so after hearing of it from others. Many come because of the incomparable location of the institution near the extensive estuarine, sand beach, rocky intertidal and rich offshore environments. Many come because of the Institute's reputation for providing a unique learning experience.

Members of the Commission spoke with members of the staff and were impressed with their regard and affection for the institution. They concede some of its physical plant shortcomings but insist the professional and personal rewards to be gained from working there far outweigh any negatives.

Communication between administrators and staff of the Marine Science Center and the Marine Biology Institute must be commended. A jointly operated program which would allow students who wish to spend several terms on the coast to do so by taking a term of IMB and then at MSC or vice versa is not developing as rapidly as persons at the two institutions would like but they are determined to go forward with it because they see benefits for educational programs at both institutions.

Members of the Marine Science Commission were again made aware of the contribution the three facilities make to the economy of the state of Oregon. The research they do will become increasingly valuable as the task of managing the many resources in and under the sea 200 miles off the Oregon coast goes forward.

Members of the commission express the hope that funding by the state of the program at the South Slough Estuary be adequate and be continued. The objective is limited but significant not only to preserve the environment but to use the resource for teaching and research for students at the Institute of Marine Biology.

Board Discussion and Action

Mr. J. W. Forrester, Jr., a former member and president of the Board of Higher Education and chairman of the Marine Science Commission, presented the report of the Commission.

In connection with the report, Mr. Forrester commented on what he termed one of the most exciting things he had seen in the area of fisheries. He indicated that there has been experimentation for a long time in trying to develop an inexpensive protein concentrate that would be readily available. Successful completion of this research will be of significance in improving nutrition for the under-fed people of the world, most of whom have diets deficient in protein. The development of a satisfactory protein concentrate is nearing completion.

Mr. Forrester stated that the Charleston and Newport facilities are well known and highly regarded nationally and internationally. There is close cooperation between the administration and faculty of the two facilities.

Mr. Forrester said there is a tremendous amount to learn about fish and it must be learned through research by professionals. The Board must be aware of this and take a role in furthering the research. There is the same responsibility for marine research as for agricultural research.

He closed by saying the Board should be proud of what is being accomplished at Newport, Astoria, and Charleston.

Mr. Ingalls thanked Mr. Forrester and the Commission for the time and service devoted to this review. He asked Mr. Forrester to elaborate on what the Board could do relative to promoting the fishing industry.
Mr. Forrester responded that research to learn more about fishery resources, their management, and the processing and marketing of types of fish that are not common in the American diet would be helpful. He indicated that a very high percentage of the fish consumed in the United States is imported. This does not benefit the American fishing industry.

Mr. Harms commented that one of the things the Board had in mind when it created the Marine Science Commission was to assure that the Marine Science Center at Newport and the Marine Biology Institute at Charleston, which had assigned to them different purposes and goals, would continue to perform in a manner which was complementary. The programs should not be needlessly duplicative and should be competitive only in the best sense that it improves both programs. Mr. Harms referred to the City Club Report which cited the programs as a terrible example of expensive and needless duplication. Mr. Harms asked whether Mr. Forrester agreed or disagreed with that conclusion.

Mr. Forrester said he disagreed emphatically with that conclusion. He said when he read the report, he had decided that the person or persons who came to that conclusion really could not have studied what was actually occurring in those two programs—the history, the purpose, the totally different roles that they fill. Mr. Forrester said he was a member of the Board at the time the existence of the Marine Biology Institute was seriously threatened. He said there was no longer a competitive situation between the two, which at one time did exist. The Marine Biology Institute resisted being combined with Newport at that time. Had that occurred, the Institute probably would have disappeared before long. The staff's judgment in resisting has been sustained and the Charleston facility does have a different role to play which is not in conflict with the Newport facility.

Special Report
on State System Planning

Mr. Alltucker opened the report by indicating that the Board's responsibility is similar to that of other boards. It has a prime responsibility for setting policy and for making sure there is an organizational structure in place to implement that policy. The Board also must see that there is a control system in place which will provide an adequate way to measure progress. In order to do these things, it is necessary to go through the same process that one does in a strategic plan. It involves a reexamination of the purposes of the organization, a reexamination of the present needs of the organization and an attempt to find a way to meet those needs, and there must also be a forecast of the changes in those needs in the foreseeable future. An inventory is then taken of the resources that will be required and of the current resources available. This is followed by finding the means to acquire those resources which are required. The planning process and the establishment of policy are parallel activities.

Mr. Alltucker said a sub-committee of the Board in charge of strategic planning has been established and has been talking to groups who are interested and involved. He said plans which have failed have often neglected to ask the fundamental question of why a given activity was being done. Many start with the assumption that an activity is good and proceed from there without really understanding the goals.

Mr. Alltucker asked Board members to resolve in their own minds and to be prepared at the Board's retreat to give him some clear direction on why there should be publicly-supported higher education in Oregon at all. If the Board can understand clearly the direction higher education should go, then it will be possible to determine a way to get there. Built into the planning process will be an effort to forecast the consequences of the planning activities. After the plan is tentatively completed, the probable support and opposition will be analyzed and an appropriate strategy developed.
Dr. Larry Pierce then distributed a summary of the planning process which described the various conceptual steps necessary to prepare a plan, a tentative organization for completing the plan, and a tentative schedule for activities during the next 12 months. He said the planning activity during the past year represented a first approximation of a plan for higher education and dealt with some relatively modest objectives to improve access, increase the quality of programs, and to address the question of economic development in Oregon. A second phase of the planning activity will continue through successive approximations of how the State System sees its future and the contributions it can make to the state. He emphasized that planning is an on-going activity, making the plan better and solving problems as they present themselves, at the same time looking to the future as it changes.

He said there are some differences in the objectives of the planning process this year. The planning environment is expected to be extended from a four-year period to a six-year period. A more detailed examination of academic programs at the institutional level will be undertaken with the intention that academic planning activities and budgetary planning activities will be tied more closely together. The schedule will be such that the development and presentation of the 1985-1987 budget will be related to the decisions made by the Board with regard to those academic planning activities.

Dr. Pierce said it will be necessary to coordinate the planning activities of the Board with those at the institutions. He emphasized that the planning perspective is one that attempts to promote flexibility at the institutional level and to provide incentives for excellence, creativity, and innovation at the institutional level. Finally, more attention should be paid to implementation of the proposals developed. The schedules, resources, and political strategy to implement the proposals will be more complex than in the previous plan because more people are involved in planning. All of these groups, ideas, and processes must be brought together in the preparation of a plan for 1985-1991.

Mr. Perry inquired whether there had been any discussion of ways in which to build commitment at the institutional level where changes ultimately take place.

Mr. Alltucker said that in the volatility of the future environment in which higher education will be operating, it is believed that planning that starts at the top has little chance of success. The people in the departments will be the first to know that conditions are changing. An open communication system will be essential. The plan is a guideline, but it will be refined daily, weekly, monthly, and annually to meet changing conditions.

Mr. Wyss said he would not want the public to believe that everybody on the Board had strong questions in their minds about the reasons for having a public education system in Oregon. He said he, for one, did not, because he thought there was a substantial amount of prima facie evidence that a public education system was needed for economic, social, and cultural reasons. He suggested it might be more destructive than worthwhile to pose that question.

Mr. Alltucker said that in asking that fundamental question around the state he was getting a number of different emphases on different things. In order to construct a plan that meets all those various agendas, Mr. Alltucker said he wanted to know what the reasons were.

Mr. Wyss said the question is perfectly understandable if it is an effort to get a variety of reasons and not a matter of should there or should there not be a public education system. That question was answered over a hundred years ago in Oregon.
Dr. T. K. Olson, Executive Director of the Oregon Educational Coordinating Commission, said the Commission had completed a series of workshops trying to understand the planning activities, hopes, expectations, and procedures of each of the boards and educational segments. The Commission, in completing its specific planning assignment, will start with three task forces. One will be on resources and financing, one on the basic question of need, and the third on the delivery of educational services. He then described the timetable for preparing the reports and presenting them to the Legislature.

Mrs. Beth Bussard, a graduate of the cooperative program between Oregon State University and Central Oregon Community College, indicated she was representative of the students in the Central Oregon area. She described the cooperative program and expressed her pleasure in being a part of the program. She said the students were place-bound but were also an extremely motivated and eager group of people. This educational opportunity results in their changing professions, broadening ideas, and enhancing their life, and it increases their desires for future education.

Mrs. Bussard said this gift of personal growth and the enrichment of life that has been made available to the students is absolutely invaluable. The students are grateful for this marvelous academic world opened to them by the Board's decision to approve the program.

Mr. Ingalls and Mr. Harms thanked Mrs. Bussard for coming.

Charles Coate, Professor of History at Eastern Oregon State College, has requested a Board review of his failure to receive a merit increase during the 1981-82 academic year. Dr. Coate alleges that Eastern Oregon State College disregarded its published criteria and procedures for faculty merit evaluation and evaluated him according to new criteria and procedures which had not yet been adopted. He also alleges that because the policies had not been adopted at the time of their use, they were not adhered to in several ways. Professor Coate filed a grievance under the prescribed school procedure and it was heard on May 13, 1982, by the Faculty Subcommittee of the Assembly Grievance Committee. That Subcommittee concluded that there was no violation of rule, law or policy by the President, the School Dean nor the School Personnel Committee and that the internal appeal procedure which Professor Coate had already used was adequate.

Professor Coate appealed that decision. Because then President Briggs was named as a respondent in the grievance, the Chancellor, acting on advice of counsel, heard the appeal. He upheld the Subcommittee's findings. Professor Coate now appeals to the Board under the provisions of OAR 580-21-390 (Discretionary Review of Academic Nondisciplinary Decisions). Professor Coate has exhausted all other available internal remedies as required by the rule.

This petition was withdrawn from the docket of the July Board meeting at Professor Coate's request. He has asked it now be brought before the Board.

The staff recommended that a review be provided. Although this appeal deals with issues which are very similar to those raised by Professor Ray Stinnett in his May 1982 request for review, Professor Coate has suggested differences which he believes distinguish this from Professor Stinnett's situation. The importance of these differences cannot be determined without
further investigation. If the Board concurs that the review should be provided, adoption of the following motion would be appropriate:

In the matter of the review requested by Charles Coate in a letter dated December 2, 1982, pursuant to OAR 580-21-390, regarding a nondisciplinary academic personnel action by Eastern Oregon State College, it is moved that the Board of Higher Education refer the matter to the Chancellor or his designee for examination and informal settlement, if possible. Upon completion, the matter should be returned to the Board for determination of further proceedings, if any, pursuant to OAR 580-21-390(3).

Board Discussion and Action

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

Staff Report to the Board

President MacVicar has recommended that the Yaquina Bay Marine Science Center of Oregon State University be designated "The Mark O. Hatfield Marine Science Center" effective October 30, 1983.

In submitting this recommendation on behalf of Oregon State University, Dr. MacVicar pointed out that the Center was established at Newport during the time that Senator Hatfield was Governor of Oregon and was a strong advocate of the program there, assisting in obtaining appropriate federal resources for its development and operation. Moreover, since his election to the Senate of the United States, Senator Hatfield has maintained a continuous and significant interest in the development of that particular unit of the University. The two recent major projects involving the construction of facilities for aquaculture, financed completely from federal appropriations, would not likely have been undertaken without the Senator's vigorous and enthusiastic endorsement. The development of the Center has been assisted in many other ways by his awareness of its needs and his supportive efforts. Recently, he has been pursuing the addition of a sizeable element of personnel at the Center to undertake studies of the off-shore mineral resources that may prove to be a major source of certain scarce minerals to the nation.

The Board's staff concurs in this recommendation. To date, the Board has not taken official action to name the Center although it has been referred to often as the Yaquina Bay Marine Science Center of Oregon State University. Only one of the buildings has been named. On July 23, 1973, the Board authorized the designation of the first unit of apartment housing there as the Li House in honor of the late Dr. Jerome C. R. Li, a former professor of mathematics and statistics at the University. By designating the entire complex now as "The Mark O. Hatfield Marine Science Center," it would appear possible to name individual buildings later, if desired, consistent with the Board's Administrative Rule 580-50-025.

Staff Recommendation to the Board

It was recommended that the Yaquina Bay Marine Science Center of Oregon State University be designated "The Mark O. Hatfield Marine Science Center."

Board Discussion and Action

Mr. Hunderup described the Board's policy on the naming of buildings in response to a question from Mr. Perry. The Board's Administrative Rule specifies that normally a building shall not be named for a living person unless that person has made a substantial contribution to the cost of that
facility. In the case of the Yaquina Bay Marine Science Center, the entire complex is being named in honor of Senator Hatfield. The action in designating the complex does not preclude the opportunity for the Board, at some future time, to name individual buildings within that complex consistent with the Administrative Rules. He also noted that there are a number of instances on the various campuses where individual rooms within a facility may be named for an individual.

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

Staff Report to the Board

Based upon the request of the Building Names Committee of Oregon State University, institutional officials have recommended that the present Extension Hall on the campus in Corvallis be named Lillard Extension Hall in honor of the late Frank Llewellyn Ballard. Mr. Ballard was a member of the faculty from 1917 until his retirement in 1961 and continued as emeritus professor until his death on September 20, 1971. During his forty-four year career, he served first as a specialist and then as administrator of the Extension Service with the exception of two short periods in the early 1940's when he was the ninth president of the institution (1940 and 1941) and State Supervisor of War Food Production and Conservation (1944-45).

After receiving his degree from Oregon Agricultural College in 1916, Mr. Ballard returned to his native state of New Hampshire for one year to serve as a county extension agent, but he came back to Oregon to stay in 1917 when he joined the Extension Service as a specialist in rural organization and agricultural economics. Through the years, he accepted more and more administrative responsibilities and in 1934 became the director in charge of all Oregon extension work done by county agricultural agents, home economics agents, 4-H club agents, and extension specialists.

Mr. Ballard was acknowledged to be one of the great leaders of the Federal Cooperative Extension program in Oregon, and it was under his leadership that long-range planning programs were instituted in every county in the state following a series of state-wide and county conferences undertaken in 1924 with farmers, business leaders and others to determine goals for Oregon agriculture. The farm economy was keyed to consider market as well as production possibilities and the philosophy of Oregon's Extension Service was established: find out what people need and want and then try to give it to them.

Because of his effective service to agriculture within the state and the nation, Mr. Ballard was honored by many organizations and professional societies. During the OSU Centennial convocation in 1968, he was cited for his achievements as a teacher, skilled administrator, past president and associate director of the Cooperative Extension Service. He was often called "Mister Extension."

Staff Recommendation to the Board

It was recommended that the present Extension Hall on the campus of Oregon State University, which provides offices for the administrative staff of the Federal Cooperative Extension Service in Oregon, be renamed Ballard Extension Hall in honor of the late Frank Llewellyn Ballard.

Board Discussion and Action

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

As a suitable and appropriate memorial to the late Dr. August Leroy Strand, former president of Oregon State University (then Oregon State College) from 1942 to 1961, institutional officials have proposed that the future new building that is planned to include the administrative offices and instructional spaces for the College of Liberal Arts be named "Strand Liberal Arts Hall." The master campus plan anticipates that this structure would occupy the site now used for the central and north wings of Agriculture Hall.

Because it is acknowledged that it may be some time before authorization can be obtained for the planning and constructing of the new facilities for the College of Liberal Arts, the recommendation from institutional officials also contemplates that the present Agriculture Hall be renamed "Strand Agriculture Hall" at this time. Either when Agriculture Hall is razed or the new Liberal Arts Building is constructed, wherever it may be located on the campus, the Strand name would be shifted to the new building. These recommendations, although somewhat unusual, were formulated following consideration of various alternatives by the Building Names Committee and appear appropriate because of the outstanding contributions which Dr. Strand made as a research and extension entomologist in agriculture as well as his strong support for the establishment of the College of Liberal Arts at Oregon State University.

During the time that Dr. Strand served as president of the institution, enrollment increased from 2,941 to 10,037 students. Sixty percent of the 34,685 graduates from 1868 to 1962 had their degrees conferred by President Strand. Twelve residence halls, dining halls, and cooperative houses were built in this period of the greatest rate of growth of the University. Twenty other major academic and research buildings were constructed, including Chemical Engineering, Cordley Hall, Gill Coliseum, Memorial Union additions, Parker Stadium, Wiegand Hall, Withycombe Hall and Dearborn Hall. The Schools of Business and Technology and Humanities and Social Sciences (now the College of Liberal Arts) were formed and Naval Science and Air Force ROTC units were established as well as the Forest Experiment Station. Major curricular expansions were accomplished in many disciplines during his administration. He spearheaded the establishment of international assistance programs with foreign countries, particularly Thailand. The University of Kasetsart in Bangkok was a major center for such international technical aid from Oregon State.

Dr. Strand continued to reside in Corvallis and serve the University as president emeritus until his death on April 27, 1980.

Staff Recommendation to the Board

It was recommended that the proposed new College of Liberal Arts Building at Oregon State University, when it is authorized and constructed, be named the Strand Liberal Arts Hall in honor of the late Dr. August Leroy Strand. Meanwhile, during the interval that Agriculture Hall continues to occupy the site now proposed for the new facilities, it is recommended that it be renamed the Strand Agriculture Hall. These recommendations are made with the understanding that either when Agriculture Hall is removed or when the new Liberal Arts Building is constructed, the Strand name will be shifted to the new building wherever it is located on the campus.

Board Discussion and Action

The Board approved the staff recommendation as presented, with the following voting in favor: Directors Alltucker, Batiste, Flanagan, Gill, Harms, Hensley, Perry, Walling, Wyss, and Ingalls. Those voting no: None. Director Petersen was absent from the meeting at this time.
Delegation of Authority To Approve Emblematic Designs; Rescinding of 1950 Board Action re UO Flag Design

Staff Report to the Board

At its meeting on June 13, 1950, the Board of Higher Education acted on a request of the University of Oregon to approve the design of an official flag for the institution. The University of Oregon has now requested that the Board rescind the 1950 action so that the institution's original design made in 1917 can be adopted as its official flag and emblem.

Inasmuch as the design of flags, emblems, service marks, mottos, mascots, and the like is primarily of institutional interest and concern, the Board's staff believes that such matters should be delegated to institutions for decision.

Staff Recommendation to the Board

It was recommended that the referenced 1950 action of the Board be rescinded and that the responsibility and authority for institutional flags, emblems, service marks, mottos, mascots, etc. be delegated to the presidents of the institutions.

Board Discussion and Action

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

Purchase of Wright Properties, SOSC

Staff Report to the Board

On August 25, 1983, Robert W. and June E. Wright provided options for the sale of their properties at 381 and 391 South Mountain Avenue, Ashland, to the Board in the amounts of $55,500 and $56,750 respectively. In each case, 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 Rickey R. Richey, both of the Medford-Ashland area.

The properties are adjacent parcels on the west side of South Mountain Avenue across from the Education-Psychology Building and the Swedenburg House within that portion of the campus of Southern Oregon State College that is designated for future parking.

The one-story frame residence at 381 South Mountain Avenue is about 53 years old, contains about 825 square feet and includes a living room, combination kitchen and dining room, two bedrooms, bath and utility area. There is a partial basement and some attic storage space also. The appraisers commented that the residence is generally in good repair and condition. The lot, which has a 50-foot frontage on Mountain Avenue and is of varying depth, contains approximately 11,100 square feet, or 0.254 acres.

The property at 391 South Mountain Avenue is improved with a single-story residence that is about 55 years old, contains about 800 square feet and has a living room, dining room, kitchen, two bedrooms, bath, utility room and a shop or workroom. There is also a one-car detached garage. No functional or physical inadequacies of the improvements were noted by the appraisers. The lot is irregular in shape but has a 50-foot frontage on Mountain Avenue. It contains about 12,350 square feet, or 0.284 acres.

Funds required for the purchase of these two properties would be provided from self-liquidating bond borrowings issued under the provisions of Article XI-F(1) of the Oregon Constitution or other auxiliary enterprise balances. The expenditures would be charged against the remaining balance of approximately $54,700 from the authorization for land acquisition within Chapter 539, Oregon Laws 1981, as amended by the State Emergency Board, supplemented to the extent necessary with a portion of the total authorization of $500,000 for land acquisition within Chapter 422, Oregon Laws 1983.

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Summary and Staff Recommendation

It was recommended that the Vice Chancellor for Facilities Planning be authorized to purchase the Robert W. and June E. Wright properties at 381 and 391 South Mountain Avenue, Ashland, at the option prices of $55,500 and $56,750 respectively. Both parcels are located within the approved projected campus boundaries of Southern Oregon State College and are expected to be utilized ultimately for automotive parking. The purchases would be financed from auxiliary enterprise funds. No state tax funds are involved.

Board Discussion and Action

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

Confirmation of Institutional Degree Lists

Staff Report and Recommendation to the Board

In accordance with Board regulations, the following Board members represented the Board in approving candidates for degrees and diplomas for the graduating classes at the various institutions during the 1982-83 academic year and summer sessions:

- Oregon State University - Edward C. Harms, Jr.
- University of Oregon (Including Fall, Winter, Spring, and Summer of 1982-83) - John W. Alltucker
- University of Oregon Law School - Marion T. Weatherford
- Portland State University (Including Fall, Winter, Spring, and Summer of 1982-83) - Louis B. Perry
- Western Oregon State College - Robert C. Ingalls
- Southern Oregon State College - Randal D. Gill
- Eastern Oregon State College (Including Summer 1983) - James C. Petersen
- Oregon Institute of Technology - Harriett J. Flanagan
- Oregon Health Sciences University - Alvin R. Batiste

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

It was recommended that the Board confirm the actions of these Board members in approving degrees and diplomas.

Board Discussion and Action

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

Staff Report to the Board

Oregon State University requests authorization to establish a Center for Gene Research and Biotechnology, as a multidisciplinary unit within Oregon State University's Office of Research. Purpose of the Center will be to strengthen research and teaching concerning the structure, organization, and expression of genetic material, and to encourage research which seeks to apply basic information in this field to problems of practical importance. The complete report is on file in the Board's Office.

Because of Oregon State University's long interest and strength in the applied plant sciences, special emphasis will be placed upon research related to agriculture and forestry. However, Center programs will also seek to apply the techniques of molecular genetics to the animal sciences, veterinary medicine, pharmacy, and marine sciences.

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Initially some 38 faculty from the colleges of science, agricultural sciences, and forestry will participate in the Center, and major research programs in gene research and its practical application are already underway. The University recently received a two-year $545,000 grant from the M. J. Murdock Charitable Trust to coordinate and expand these programs particularly as they apply to fields such as agriculture and forestry. The grant includes funds for two faculty positions and approximately $100,000 for purchase of equipment, establishment of a visiting scientist seminar program, and support of pilot research projects. These developments will enhance educational opportunities in the life sciences at OSU at both the undergraduate and graduate level.

As the Center develops and gains recognition for creative research and strong graduate and postdoctoral programs, increases in grant-funded research are expected to permit addition of 8-10 faculty over the next 5-10 years. This in turn will further strengthen instruction in disciplines encompassed by the research.

Funding requirements of the Center are described in the full report. Research conducted under auspices of the Center will be grant supported. The institution will allocate $25,000 in its education and general budget to provide .25 FTE released time for a Center coordinator, .50 FTE secretary, and office supplies and services.

The Oregon State University proposal has been reviewed by the State System's Academic Council, made up of deans and vice-presidents of academic affairs of the institutions. The Council noted, as does the OSU presentation, the strong program in basic research being carried out by the University of Oregon's Institute of Molecular Biology, and the plans of Oregon Health Sciences University to expand its research in these areas. Representatives from all the three universities were enthusiastic in their support of the proposal, saying it was well-conceived, badly needed, and would increase opportunities for cooperation among scientists in Oregon working in this burgeoning area, to the benefit of students, the people of Oregon, and the nation.

Staff Recommendation to the Board

It was recommended that the Board approve establishment of a Center for Gene Research and Biotechnology at Oregon State University.

Board Discussion and Action

In response to concerns expressed in a letter from Mr. James Campbell of Eugene with respect to this program, the Chancellor asked President MacVicar to explain the controls on this particular project and the benefits to faculty.

President MacVicar stated that federal regulations in this area require the approval of the National Institutes of Health in the conduct of this type of work and those various categories of activity that might be carried out. Oregon State University has conformed, and expects to continue to conform fully with these regulations. The Oregon Legislature designated the Oregon Department of Health to oversee compliance with these regulations, so there is both national and state oversight of the research. While these concerns are real and valid, the general trend in recent years has been to regard them as perhaps not as serious as they were once believed to be, but nevertheless to maintain a very substantial control.

The second point with respect to benefits to faculty is more complicated. President MacVicar indicated the Board requires that any person employed at any of its institutions sign, as a condition of employment, a document which essentially assigns to the Board the patent on any invention or discovery made through the use of the facilities of its institutions.

Mr. Ingalls asked whether President MacVicar knew what inspired the letter. President MacVicar said he supposed merely the title of the docket item, but he indicated he had had no contact with Mr. Campbell. President MacVicar said that, with the Chancellor's approval, he would be pleased to convey this same information to Mr. Campbell.
The Board approved the staff recommendation as presented, with the following voting in favor: Directors Alltucker, Batiste, Flanagan, Gill, Harms, Hensley, Perry, Walling, Wyss, and Ingalls. Those voting no: None. Director Petersen was absent from the meeting at this time.

Staff Report to the Board

At its meeting May 27, 1983, the Oregon State Board of Higher Education gave conditional approval to the request of Western Oregon State College to offer a BA/BS degree program in business, "with final approval to be made following presentation of a report to the Board on the arrangements for implementation of the program." The attached report is intended to fulfill that requirement. The Board asked that the following five areas be addressed in the report.

1. Provisions making it possible for residents of the Salem Metropolitan area in both the public and private sectors to receive upper-division business training or, if they wish, to earn degrees in business.

2. Provisions within the program for specializations in small business development and operation as well as special services to small businesses.

3. Provisions for cooperative relationships of the business program at Western Oregon State College with those at Chemeketa Community College, Willamette University, and Oregon State University.

4. Provision for a strong liberal arts base for all students in the program.

5. Provision for continued development of a strong business faculty.

Each of the five concerns is addressed in a separate section in the report.

Staff Recommendation

The Board's Staff recommended that the Board (1) accept the Western Oregon State College report as a progress report on the design and implementation of a BA/BS degree program in business, (2) authorize Western Oregon State College to proceed with the program, and (3) request that a further report be made in 1986, after the College has had opportunity to have some graduates from the program.

Board Discussion and Action

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

Staff Report to the Board

During the 1983 Legislative Assembly, consideration was given to House Bill 2335 which would have amended existing statutes to permit the University Hospital to have access to a federally established hospital equipment leasing program.

Before legislative consideration was completed, officials in the State Treasurer's Office suggested that a preferential alternative would be the use of short-term general obligation bonds. The Treasurer's Office estimated that interest rates on such bonds would be approximately 2.5% to 3.5% less than the interest rates on leasing or lease-purchase agreements.

Opinions were sought from the Attorney General and bond counsel concerning the legality of using proceeds of bonds issued under authority of Article XI-F(1) of the Constitution for equipment purchases when such equipment is unrelated
to a concurrent capital construction project. The opinion was affirmative. Before consenting to the tabling of House Bill 2335, the Board's staff conversed with members of the Executive Committee of the Board to determine whether the Executive Committee would support such use of bond proceeds. Their response was also affirmative. In addition, the Executive Committee approved our seeking amendment to House Bill 5008, the bill which would give legislative authorization to capital construction and the issuance of bonds, to include $9,700,000 of authorization for hospital equipment purchases.

The Internal Management Directives of the Board need to be changed to allow University Hospital to take full advantage of the availability of Article XI-F(1) bond proceeds. Current Directives require a two-year debt service reserve be established to finance construction projects from Article XI-F(1) bonds. Under current methods of equipment financing, no debt service reserve is required; rather, the State Board of Higher Education on behalf of University Hospital agrees to a monthly payment to a third party financing company to cover principal and interest. The requirement for a two-year debt service reserve, typically applicable to bonds outstanding for periods up to thirty years, would be prohibitive for short-term bonds not exceeding seven years and would make the entire financing arrangement unworkable. A reserve equal to one-half of the ensuing year's debt service is proposed for equipment purchases, approximating a prorata relationship between the reserve requirements for seven-year and thirty-year bonds.

The proposed amendments to the IMD's specifically limit equipment purchases to be financed from bond proceeds to those made on behalf of University Hospital. Chapter 422, Oregon Laws 1983, specifically limits expenditure of bond proceeds for patient services equipment with a package cost of $100,000 or more and requires that the bonds issued for this purpose be retired in not more than seven years. Other amendments to the IMD's are for the purpose of harmonizing the language and policies to permit proceeds to be expended both for capital construction and for Hospital equipment acquisitions.

Staff Recommendation to the Board

The amendments to IMD 6.300 through IMD 6.325 were recommended as written below:

**Financial Management of Auxiliary Enterprise and Other Self-Liquidating [Projects] Activities**


(1) Auxiliary enterprise and other self-liquidating [construction-projects-or-portions-of-projects] activities shall be assigned to one of five categories for debt financing purposes:

(a) Housing facilities, except the residence hall at the Oregon Health Sciences University.

(b) Parking facilities except parking facilities at the Oregon Health Sciences University.

(c) Parking facilities at the Oregon Health Sciences University.

(d) Hospital and clinic facilities and patient services equipment at the Oregon Health Sciences University.

(e) Other auxiliary enterprise facilities, including the residence hall at the Oregon Health Sciences University.

(2) Housing, parking, [and] hospitals and clinics [facilities-projects] are expected to be fully self-supporting and self-liquidating, primarily from user fees, gifts, or grants.
(3) Other auxiliary enterprises [projects] (such as student health service, student center, recreational and similar facilities) are expected to be fully self-supporting and self-liquidating from revenues, gifts, grants, or building fees.

6.305
Bond Issues for Auxiliary Enterprise and Other Self-Liquidating [Projects] Activities

When authorized pursuant to ORS 351.350 or 351.353 and Article XI-F(1) of the Oregon Constitution, bonds may be issued to finance acquisition of Oregon Health Sciences University hospital and clinic equipment and construction of auxiliary enterprise and other self-liquidating projects only if the Board:

(1) Establishes and maintains for bonds so issued [a reserve equal to the debt service for the two ensuing years] appropriate reserves as described below; and

(2) Otherwise conforms to statutory and constitutional requirements.

6.306
Provision for [Initial-Two-Year] Debt Service Reserves

(1) The auxiliary enterprise or other activity responsible for annual debt service shall provide [the initial-two-year] and maintain debt service (principal and interest) reserves equal to the debt service for the ensuing two years, except that Oregon Health Sciences University patient services equipment bonds shall require a reserve equal to one-half the debt service for the ensuing year.

(2) The initial [two-year] debt service shall be calculated to be the actual (uncompounded) amount for principal and interest.

(3) The amount of principal and interest reserves so provided shall be distributed proportionately to all debt service reserves in the same composite interest rate pool.

6.310
Financial Operating Resources for Auxiliary Enterprise and Other Self-Liquidating Projects

(1) Each institution shall maintain separately for housing, parking, and hospital and clinic facilities [projects] (excluding equipment) an emergency debt service reserve equal to 25 percent of the current fiscal year debt service requirement.

(2) The building fee, established by the Board pursuant to ORS 351.170, is a Departmental resource, without regard to the institution at which it is collected, and shall be applied primarily for debt service [on facilities projects] other than [those] for housing, parking, or hospital and clinics.

(3) Debt service for bonds issued for housing, parking, and hospital and clinic facilities [construction projects] and patient services equipment shall be provided primarily from fees charged to users of the facilities. Operating costs of housing, parking, and hospital and clinic facilities shall be provided from user fees and other income.

(4) Income from investment of excess debt service reserves and building repair and equipment replacement reserves shall be credited to the institution and auxiliary enterprise or other activities having the reserves. Income from investment of required debt service reserves shall be distributed proportionately to those reserves.

(5) Income from investment of bond building funds shall be distributed to the debt service reserves in proportion to the allocation of the building funds to the respective auxiliary enterprise and other self-liquidating project categories. Interest on unallocated building funds shall be placed in the building fee debt service fund.
Annual debt service on bonds issued for auxiliary enterprise or other self-liquidating projects shall be apportioned on the following bases:

(1) Bond interest shall be calculated separately for each of the five categories of facilities.

(2) Responsibility for bond interest and principal payments shall be allocated in accord with the following principles:

(a) Interest and principal payments for debt service on parking facilities shall be the responsibility of the institution at which the facilities are located.

(b) Interest and principal payments for debt service on residence hall facilities at Portland State University shall be the responsibility of Portland State University.

(c) Interest and principal payments for debt service on residence hall facilities at all other institutions except the Oregon Health Sciences University shall be allocated to each institution in proportion to the average academic year occupancy of its residence halls in the five preceding years to the corresponding average of the six institutions.

(d) Interest and principal payments for debt service on the residence hall at the Oregon Health Sciences University in excess of amounts available from net operating income shall be provided from building fees.

(e) Interest and principal payments for debt service on other housing facilities shall be the responsibility of the institution at which the other housing facilities are located.

(f) Interest and principal payments for debt service on hospital and clinic facilities and patient services equipment at the Oregon Health Sciences University shall be the responsibility of that institution.

(g) Interest and principal payments for debt service on all other auxiliary enterprise facilities shall be provided from building fees and other income as identified in the specific construction program.

Budgeting for Auxiliary Enterprise Activities

(1) Annually, at a time determined by the Vice Chancellor for Administration, each institution shall propose housing or parking activities budgets conservatively anticipating income from user fees and other sources to provide for all operating expenses and for the establishment and maintenance of required reserves, including the repayment of any outstanding obligations and the elimination of operating overdrafts. If income has been or appears likely to be insufficient for these purposes, the proposed budget shall identify the sources from which needed resources are required to eliminate such deficiencies. The resources shall include an institution’s emergency debt service reserves, and unencumbered balances of other auxiliary activities.

Deficiencies in self-supporting auxiliary enterprise activities shall be carried as overdrafts. The institution must request Board approval of a revised budget plan for eliminating overdrafts either for debt service or for operations.

(2) Prior to the beginning of each fiscal year, the Controller, with the assistance of the Vice Chancellor for Facilities Planning, shall present for Board review and approval a budget plan for the utilization of building fee resources, including debt service on all other auxiliary enterprise facilities.
6.325 Other Uses of Auxiliary Enterprise and Other Self-Liquidating [Project] Debt Service Funds

(1) Authority is delegated to the Vice Chancellor for Administration and the Vice Chancellor for Facilities Planning, following consultation with the officials of the institution, to transfer excess Article XI-F(1) debt service funds to other funds and accounts for the following purposes:

(a) To finance architectural and/or engineering planning of proposed construction for auxiliary enterprises and other self-liquidating projects.

(b) To fund capital improvements or major repairs of auxiliary enterprise or other self-liquidating projects.

(c) To purchase new equipment or replace old equipment for auxiliary enterprise or other self-liquidating projects, if sufficient funds are not available in equipment replacement reserves.

(d) To establish or maintain at required levels reserves, such as building repair reserves and equipment replacement reserves, for auxiliary enterprises.

(e) To eliminate overdrafts in other auxiliary enterprise operating accounts of the institution which generate funds for the debt service accounts.

(2) Plans for the usage during the following fiscal year of excess building fee debt service funds for purposes stated in IMD 6.325(1) shall be submitted to the Vice Chancellor for Administration by June 1 so that priorities may be established and approval granted for the use of the funds. Building repair and capital improvement projects costing over $5,000 must also be reviewed and approved in advance by the Vice Chancellor for Facilities Planning.

Board Discussion and Action

Mr. Batiste suggested that perhaps separate Internal Management Directives for equipment would be preferable instead of incorporating the provisions in the existing sections as proposed. Mr. Lemman indicated this alternative had been considered and rejected because the language would be almost identical and duplicate several pages with very minimal changes in the text.

Mr. Lemman indicated four places in the proposed changes which should have an additional amendment to incorporate the words "patient services" to make it absolutely clear that this proposal is limited to patient services equipment, not to other equipment, even at the University Hospital or the Health Sciences University. These additions were made prior to action on the amendments and have been incorporated in the minutes.

The Board approved a motion by Mr. Batiste to adopt the proposed amendments to the Internal Management Directives as recommended. On roll call vote, the following voted in favor: Directors Alltucker, Batiste, Flanagan, Gill, Harms, Perry, Walling, Wyss, and Ingalls. Those voting no: None. Directors Hensley and Petersen were absent from the meeting at this time.

Staff Report and Staff Recommendation to the Board

To finance a portion of the cost of patient services equipment acquisitions for the Oregon Health Sciences University Hospital, it is necessary to sell State of Oregon, State Board of Higher Education Building Bonds, Series 1983 A, with a total par value of $5,500,000. Authorization for the sale is granted by Chapters 422 and 728, Oregon Laws 1983, Article XI-F(1) of the Oregon Constitution, and ORS Chapters 288 and 351; and
It was recommended that the Board authorize the sale of said Series 1983 A bond issue through approval of the following resolution by roll call vote:

$5,500,000 STATE OF OREGON, STATE BOARD OF HIGHER EDUCATION BUILDING BONDS, SERIES 1983 A

RESOLUTION

WHEREAS, THE STATE BOARD OF HIGHER EDUCATION deems it necessary, pursuant to law, including Article XI-F(1) of the Constitution of the State of Oregon, applicable provisions of ORS Chapters 286 and 351, and Chapters 422 and 798, Oregon Laws 1983, to sell general obligation STATE BOARD OF HIGHER EDUCATION BUILDING BONDS, SERIES 1983 A, of the State of Oregon, in the principal amount of $5,500,000 to provide for the acquisition of equipment for the Department of Higher Education; and for payment of costs incident to the sale and issuance of the bonds; and

WHEREAS, THE BOARD, as required by ORS 351.160, has determined conservatively that said bonds issued under authority of Article XI-F(1) of the Oregon Constitution will be wholly self-liquidating from revenues to accrue from the operation of the Oregon Health Sciences University Hospital or from gifts, grants, or building fees, or from other unobligated revenues as shall be allocated by the Board; and

WHEREAS, THE BOARD is authorized and directed by ORS 351.170 to establish for projects financed from Article XI-F(1) bonds such rates, charges, and fees for use of such buildings, structures or projects, including revenue-producing buildings and structures already constructed, as, in the judgment of the Board, shall provide the required revenues to make the new buildings, structures or projects self-liquidating and self-supporting, and as shall provide the funds with which to amortize the principal of and pay the interest on bonds issued to finance such buildings, structures or projects; now, therefore,

BE IT RESOLVED BY THE STATE BOARD OF HIGHER EDUCATION OF THE STATE OF OREGON that FIVE MILLION FIVE HUNDRED THOUSAND DOLLARS ($5,500,000) par value of bonds authorized by law, including Article XI-F(1) of the Constitution of the State of Oregon, applicable provisions of ORS Chapters 286 and 351, and Chapters 422 and 798, Oregon Laws 1983, be issued and sold by the State Treasurer; and

BE IT FURTHER RESOLVED that the said bonds totaling FIVE MILLION FIVE HUNDRED THOUSAND DOLLARS ($5,500,000) par value be issued and the proceeds from the sale of these STATE BOARD OF HIGHER EDUCATION BUILDING BONDS, SERIES 1983 A, be used for the acquisition of patient services equipment for the Oregon Health Sciences University Hospital of the Department of Higher Education; and for payment of costs incident to the sale and issuance of the bonds, as provided by law, including Article XI-F(1) of the Constitution of the State of Oregon, applicable provisions of ORS Chapters 286 and 351, and Chapters 422 and 798, Oregon Laws 1983; and

BE IT FURTHER RESOLVED that the principal of and the interest on all of the bonds issued pursuant to this resolution be paid on the due dates thereof at the Fiscal Agency of the State of Oregon, in the City and State of New York, and that the said bonds be designated STATE OF OREGON, STATE BOARD OF HIGHER EDUCATION BUILDING BONDS, SERIES 1983 A, and be numbered consecutively; and

BE IT FURTHER RESOLVED that the said bonds be dated October 15, 1983, be issued in denominations of $5,000 each, and mature upon the dates and in the principal installments hereinafter in this resolution set forth. Said bonds are subject to redemption from the moneys and revenues indicated by law, including Article XI-F(1) of the Constitution of the State of Oregon, Chapters 422 and 798, Oregon Laws 1983, and applicable provisions of ORS Chapters 286 and 351; and
BE IT FURTHER RESOLVED that the bonds be advertised for sale on a maturity schedule as follows:

<table>
<thead>
<tr>
<th>Date</th>
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<tr>
<td>October 15, 1984</td>
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<tr>
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<td>510,000</td>
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BE IT FURTHER RESOLVED that the State furnish to the original purchaser of said bonds, without cost to the purchaser, the written opinion of accredited bond attorneys certifying to the validity and legality of the said bonds; and

BE IT FURTHER RESOLVED that the said bonds be the direct general obligations of the State of Oregon, and that they be in the form prepared by the State Treasurer and approved by the Attorney General of the State of Oregon in accordance with ORS 286.041.

BE IT FURTHER RESOLVED that the State Treasurer advertise the said STATE OF OREGON, STATE BOARD OF HIGHER EDUCATION BUILDING BONDS, SERIES 1983 A, for public sale thereof on such date as he determines feasible, at a price of not less than $98 for each $100 par value thereof, with a maximum net effective rate of interest not to exceed 13%, unless the State Treasurer determines through reasonable marketing efforts that the maximum rate may be 14%, pursuant to ORS Chapter 288.

BE IT FURTHER RESOLVED that the Vice Chancellor for Administration of the State Board of Higher Education be authorized to effect the necessary arrangements for the production, in accordance with ORS 287.018, of an Official Statement for bonds issued pursuant to this resolution.

BE IT FURTHER RESOLVED that the Secretary and Vice Chancellor for Administration of the State Board of Higher Education be authorized to effect the necessary arrangements with the State Treasurer to deliver the bonds and to receive payment therefor.

**Board Discussion and Action**

On roll call vote, the Board approved the staff recommendation and adopted the above resolution. The following voted in favor: Directors Alltucker, Batiste, Flanagan, Gill, Harms, Perry, Walling, Wyss, and Ingalls. Those voting no: None. Directors Hensley and Petersen were absent from the meeting at this time.

**Resolution**

**Staff Report to the Board**

The Industrial Security Manual issued by the U. S. Department of Defense requires that owners, officers, and executive personnel of corporations and regents or trustees of colleges and universities whose employees have access to classified material in the course of working on Department of Defense contracts delegate to others the authority for fulfilling the requirements of the Industrial Security Manual and exclude themselves from access to classified information.

The resolution recommended to be adopted is that required by the Manual and is, except for changes in the date, names of Board members, and the title of the (now) Dean of Research, identical to that which has been adopted annually by the Board.
Staff Recommendation to the Board

It was recommended that the Board adopt the following resolution regarding access to classified information related to Department of Defense material:

Resolution

At a meeting of the Oregon State Board of Higher Education on September 23, 1983, with a quorum present, it was voted:

That those persons occupying the following positions for Oregon State University shall be known as the Managerial Group as described in the Industrial Security Manual for Safeguarding Classified Information:

- President
- Dean of Research
- Vice President for Administration
- Director of Business Affairs
- Dean of Faculty
- Security Officer

That the chief executive and the members of the Managerial Group have been processed or will be processed for a personnel clearance for access to classified information, to the level of the facility clearance granted to this institution as provided for in the aforementioned Industrial Security Manual.

That the said Managerial Group is hereby delegated all of the Board’s duties and responsibilities pertaining to the protection of classified information under classified contracts of the Department of Defense or User Agencies of Its Industrial Security Program awarded to Oregon State University.

That the following named officers and members of the Oregon State Board of Higher Education shall not require, shall not have, and can be effectively excluded from access to all classified information in the possession of Oregon State University and do not occupy positions that would enable them to affect adversely the policies and practices of Oregon State University in the performance of classified contracts for the Department of Defense or User Agencies for Its Industrial Security Program awarded to Oregon State University.

Officers and Board Members

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
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<tr>
<td>Robert C. Ingalls</td>
<td>President</td>
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<tr>
<td>Loren L. Wyss</td>
<td>Vice President</td>
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<tr>
<td>Edward C. Harms, Jr.</td>
<td>Member, Executive Committee</td>
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<tr>
<td>Louis B. Perry</td>
<td>Member, Executive Committee</td>
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<tr>
<td>John W. Alltucker</td>
<td>Board Member</td>
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<td>Alvin R. Batiste</td>
<td>Board Member</td>
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<td>Harriett J. Flanagan</td>
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<td>Randal D. Gill</td>
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<td>James C. Petersen</td>
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<td>Linda L. Walling</td>
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<td>William E. Davis</td>
<td>Chancellor</td>
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<tr>
<td>Wilma L. Foster</td>
<td>Secretary</td>
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Board Discussion and Action

On roll call vote, the Board approved the staff recommendation and adopted the above resolution. The following voted in favor: Directors Alltucker, Batiste, Flanagan, Gill, Harms, Perry, Walling, Wyss, and Ingalls. Those voting no: None. Directors Hensley and Petersen were absent from the meeting at this time.
Mr. Wyss reported that the Committee on Instruction, Research, and Public Service Programs had met the previous evening and considered a number of topics for possible study by the Committee during the coming year.

Two "umbrella" topics were chosen for investigation:

1. How the State System is handling new technologies as they affect instruction, research, and libraries, and how resources were being allocated among them. The review would include especially computers and other new information technology.

2. How resources were being allocated to instruction programs, including low-enrollment, low-production programs, both graduate and under-graduate, and high-enrollment programs such as engineering, computer science, and business. There was a concern for the development of pinnacles of excellence and the allocation of resources to enhance areas of excellence that currently exist.

It was agreed that the Committee would meet on the evening before the regular Board meeting between now and June 1984.

Mr. Wyss said it was also agreed that the Committee would try to reach some specific conclusions so that policy recommendation can be made to the Board. The plan is to operate under a publicized timetable so that the institutions will have some indication of the time in which they can respond to questions. The first topic will be the study of new technologies, and it is anticipated the next three or four meetings will be devoted to that discussion.

Mr. Harms reported that the Committee on Finance, Administration, and Physical Plant had also met the previous evening and considered a proposed list of discussion topics which posed policy considerations. The Chairman of the Committee and the Vice Chancellors for Administration and Facilities Planning were given authority to assess some priorities among the selected topics and present the items for discussion at subsequent meetings.

Mr. Ingalls reported that he had received the following communications:

Approval from the Educational Coordinating Commission of programs at Southern Oregon State College, Western Oregon State College, Oregon State University, and Oregon Institute of Technology.

A statement from Mr. John Burnett, owner of a soil testing laboratory in Corvallis, alleging that certain things have not been done in connection with the competition from Oregon State University. Mr. Ingalls indicated he had asked Mr. Burnett to itemize the things to which he objects.

Mr. Perry inquired what had happened in connection with the letter to the Governor concerning the accuracy of statistics used by the educational segments.

Mr. Ingalls said a committee had been appointed by the Governor which included Mike Lincicum from the Finance office and representatives from the Departments of Education and Higher Education and the Educational Coordinating Commission. He said to his knowledge there had been no further disputes over data.

On May 25, 1979, the Board approved the sale of a lot and residence in Seattle, Washington, which was donated to the Oregon Health Sciences University as part of the Richard P. Knowlton estate. The minimum bid price approved by the Board was $135,000. If sold on contract, the minimum acceptable terms were 20% down with the balance payable in equal installments over a period not to exceed ten years.
On July 3, 1979, the Board staff accepted the highest bid of $152,100 from S. R. and Sallie M. Thiessen of Seattle, Washington. A land sale contract was executed on July 13, 1979. The terms were equal monthly payments of $1,876.14, including principal and 11% interest, for ten years.

Because the purchasers were unable to make the monthly payments, they requested on October 31, 1979, that the contract be extended temporarily by means of a 25-year amortization schedule. After first consulting with Edward Branchfield, Assistant Attorney General, the Board's staff allowed the purchaser to make "interest only" payments for a number of months.

In February 1982, Mr. Thiessen indicated to Health Sciences University officials that he had been unable to sell the property, would be unable to make further payments, and desired to "return the deed." A "Full and Completed Release," approved by James Casby, Assistant Attorney General, was executed as of August 31, 1982. The settlement included retention of the initial down payment and all subsequent principal and interest payments.

Meanwhile, Health Sciences University administrators have considered alternatives to direct sale such as a trade for unimproved recreation property. Mrs. Thiessen has continued to live in the house on a rental basis.

Oregon Health Sciences University officials requested that the property be advertised for sale by bid. Two appraisals were obtained. The property is being advertised for sale for a minimum bid price of $164,000. If sold on contract, the minimum acceptable terms would be 15% down, interest at not more than 2% below the average being charged by loan houses at the time of sale, with the balance of principal and interest payable in equal monthly installments over a period not to exceed 20 years.

Board Discussion and Action

Mr. Ingalls indicated the real estate market continues to be soft and there is question whether the property can be sold at the minimum bid price of $164,000. He said the staff had requested permission to lower the minimum bid price to $150,000 if they get no bids at $164,000.

The Board accepted the report and authorized lowering the minimum bid price to $150,000, if necessary.

Staff Report to the Board

Upon the recommendation of James D. Graham & Associates, Inc., Portland, project engineers, officials of the Oregon Health Sciences University accepted the work of the prime contractor for the upgrading of the emergency power system within University Hospital South as of July 14, 1983, subject to the completion of minor unfinished items. The bidding and contract awards for both the equipment and the installation and on-site modifications had been processed through the Department of General Services, Salem.

A revised semifinal project budget is shown below in comparison with the budget reported to the Board on June 24, 1983:

<table>
<thead>
<tr>
<th></th>
<th>Revised Budget 7/14/83</th>
<th>Original Budget 6/24/83</th>
<th>Increase or (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct construction costs - Friberg Electric Co., Portland</td>
<td>$32,915</td>
<td>$32,915</td>
<td>$ -</td>
</tr>
<tr>
<td>Equipment</td>
<td>55,900</td>
<td>55,900</td>
<td>-</td>
</tr>
<tr>
<td>Professional services fees</td>
<td>8,500</td>
<td>8,500</td>
<td>-</td>
</tr>
<tr>
<td>Construction supervision and miscellaneous costs</td>
<td>13,685</td>
<td>10,385</td>
<td>3,300</td>
</tr>
<tr>
<td>Contingencies</td>
<td>-</td>
<td>3,300</td>
<td>(3,300)</td>
</tr>
<tr>
<td>Total</td>
<td>$111,000</td>
<td>$111,000</td>
<td>$ -</td>
</tr>
</tbody>
</table>
The work of the contract included the replacement of an existing 250 kw emergency generator with one having a capacity of about 500 kw and such modifications throughout the switching system as needed to service the critical branches which had been overloaded or were expected to be affected by planned alterations.

The expenditures for this project were charged against proceeds from the sale of self-liquidating bond borrowings obtained under the provisions of Article XI-F(1) of the Oregon Constitution. This work was part of the Board's program for University Hospital South Addition and Alterations authorized within subsection (6)(a) of Section 1 of Chapter 539, Oregon Laws 1981.

RECAPITULATION UPON INSPECTION AND ACCEPTANCE

Project - OHSU University Hospital South Addition and Alterations (Emergency Power System Modifications)


Board's priority - Part of No. 4 in 1981-1983 (Auxiliary Enterprises)

Legislative authorization - Chapter 539, Oregon Laws 1981

Estimated total project costs (this portion only) $111,000

Estimated total direct construction costs (this portion only, excluding the $55,900 cost of new generating equipment) $32,915

Financing plan: Article XI-F(1) bond borrowings $111,000

Board Discussion and Action

The Board accepted the report as presented.

Staff Report to the Board

Upon the recommendation of institutional officials, the final drawings and specifications which had been prepared with the assistance of Stastny/TCP, PC, project architects, Portland, for the Emergency Room renovations in University Hospital North on the campus of the Oregon Health Sciences University, were accepted on behalf of the Board. Nine bids were received for the work on August 11, 1983, ranging from a low of $420,820 to a high of $512,701. These amounts include two additive alternates which were exercised. Inasmuch as the low bid was well within the direct construction cost allowance and resources were available for the work, a contract award was made and the following tentative budget was approved for the project:

Direct construction costs - Brandon and Bauer Construction Inc., Portland $420,820
Professional services fees 44,783
Furnishings and equipment 50,300
Construction supervision and miscellaneous costs 43,889
Works of art 4,208
Contingencies 42,000

Total $606,000

The estimated total expenditure requirements of $606,000 are $70,000 less than the pre-bid budget reported previously.
In accordance with the schematic design phase of planning which the Board reviewed and approved on October 22, 1982, as modified by the report to the Board of the acceptance of the design development phase of planning on February 25, 1983, the work of the contract includes altering significantly the entrance/admitting function, including the separation of ambulatory and ambulance cases, and providing convenient triage, waiting, storage and other support spaces. The principal medicine/surgery and crash rooms will be redefined and will be provided with all of the appropriate services for the support functions. Consultation rooms will be upgraded and a communication center will be added to facilitate the paramedic-physician consultation function which now serves Portland and Multnomah County. Eight existing examination rooms will remain about the same but will be provided with more convenient support spaces. The work involves approximately 6,055 gross square feet of remodeled area and two small additions totaling about 415 square feet. The additive alternates provide plumbing for new hot, cold and hot water return lines from University Hospital North to the First Floor, and provide polished chrome-plated recessed pendant sprinkler heads.

Expenditure authorization for the project was obtained from the State Emergency Board on August 22-23, 1983.

The work is part of a larger project, Hospital and Clinic Rehabilitation and Alterations Projects, for which a total expenditure limitation of $5,480,000 was authorized by the 1981 Legislature. All of the expenditures applicable to the Emergency Room Renovations project are being financed from proceeds from the sale of self-liquidating bond borrowings obtained under the provisions of Article XI-F(1) of the Oregon Constitution. No state tax funds are involved in the alterations project.

RECAPITULATION UPON RECEIPT OF BIDS AND CONTRACT AWARD

Project - OHSU Hospital and Clinic Rehabilitation and Alterations Projects
(University Hospital North, Emergency Room Renovations)

Architects - Stastny/TCP, PC, Architects, Portland

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

Legislative authorization - Chapter 539, Oregon Laws 1981

Estimated total project costs (this portion only) $606,000

Estimated direct construction cost (this portion only) $420,820

Estimated gross areas:
Remodeled 6,055 square feet
New construction 415
Total 6,470

Scheduled completion - March 1984

Tentative financing plan:
Article XI-F(1) bond borrowings $606,000

Board Discussion and Action

The Board accepted the report as presented.

Staff Report to the Board

Based upon the recommendations of officials of the Oregon Health Sciences University, and in accordance with the provisions of OAR 580-50-020, arrangements were made with Carson, Bekooy, Gulick & Associates, Inc., Consulting Engineers, Portland, for professional services relating to analyzing the existing hot water systems and developing a report outlining possible design solutions with related cost estimates for Baird Hall, MacKenzie Hall, and the Library-Auditorium Building on the campus in Portland.
Compensation for the professional services of the Engineers and for reimbursement of related expenses for this work will be based upon time and materials not to exceed a maximum of $7,600.

Funds for the analysis and planning are being provided from balances available to the institution through its operating budget.

Board Discussion and Action

The Board accepted the report as presented.

Staff Report to the Board

Upon the recent recommendation of institutional officials, the work of the prime contractor for the final phase of the Variable Volume Fan System Conversion within Science II at Portland State University, was acknowledged as being accepted on behalf of the Board as of April 30, 1983.

The work of the contract included the installation of approximately 50 variable air volume valve dampers in the ventilation system, the replacement of four Owner-supplied building air-supply fans and related control changes for the exterior zones of the building. As reported to the Board on April 22, 1983, the contract award was made to General Sheet Metal Works, Inc., Milwaukie, in the amount of $44,180. No changes to the contract amount were made.

One-half of the project costs were financed from the federal grant of $250,000 obtained from the U. S. Department of Energy under Title III of the National Energy Conservation and Policy Act of 1978 (Institutional Buildings Grants Program), and the remainder was provided from the matching General Fund appropriation made to the State Emergency Board by Chapter 290, Oregon Laws 1978.

Board Discussion and Action

The Board accepted the report as presented.

Staff Report to the Board

Upon the recommendation of officials of Portland State University, the Board's staff acknowledged the acceptance of the design development phase of planning for the proposed Tennis Courts Cover, Rehabilitation and Expansion project for which the Board and the 1983 Legislature approved an expenditure limitation of $865,000. Inasmuch as the plans conformed substantially to the schematic design reviewed and approved by the Board on June 24, 1983, authorization was given to Architects Yost-Grube-Hall to proceed with the construction documents.

To offset increases reflected in the current estimates of direct construction costs, consideration is being given to the provision of deductive alternates for two or more of the six surface courts to be constructed on the site south of Shattuck Hall, an awning frame, and lighting for the track surrounding the courts on the roof of the Health and Physical Education Building. These and other minor adjustments, such as the omission of benches and the proposed metal storage shed, may be needed in order to stay close to the direct construction cost allowance of approximately $746,993 indicated previously.

The application for approval by the Design Commission of the City of Portland was acted upon favorably on August 23, 1983.

All of the project costs are to be financed from proceeds from the sale of self-liquidating bonds under the provisions of Article XI-F(1) or from balances available for auxiliary enterprises. No state tax funds are involved in the proposed construction.
RECAPITULATION UPON COMPLETION OF DESIGN DEVELOPMENT PHASE OF PLANNING

Project - PSU Tennis Courts Cover, Rehabilitation and Expansion

Architects - Yost-Grube-Hall, P.C., Portland

Board's priority - No. 10 in 1983-1985 (Auxiliary Enterprises)

Legislative authorization - Chapter 422, Oregon Laws 1983

Estimated total project costs $865,000

Estimated direct construction costs:
Cover and rehabilitation of existing courts on roof of Health and Physical Education Building $714,000
Construction of six surface courts south of Shattuck Hall 74,000
Subtotal $788,000
Less - Adjustments through modifications to the drawings and specifications or by exercising bid alternates 41,007
Net (direct construction cost allowance) $746,993

Tentative schedule:
Bidding - October 1983
Completion - May 1984

Tentative financing plan:
Article XI-F(1) bond borrowings and/or balances available for auxiliary enterprises $865,000

Board Discussion and Action

The Board accepted the report as presented.

Staff Report to the Board

Based upon the recommendations of officials of the University of Oregon, and in accordance with the provisions of OAR 580-50-020, arrangements were made with three consulting firms for conducting technical assistance studies of various facilities on the campus of the University of Oregon in accordance with Bonneville Power Administration requirements and the Oregon Department of Energy's Final Rules for the Institutional Buildings Program (OAR 330-68-020(c)).

Compensation for the professional services of the consultants and for the reimbursement of related expenses for these studies will be based upon time and materials not to exceed the following limitations:

EMC Engineers, Eugene: $15,075 for the Computing Center, and $8,100 for Oregon Hall
Brown and Caldwell, Eugene: $6,480 for the Gerlinger Annex, and $4,774 for the Clinical Services Building

These studies are expected to be financed from Oregon Department of Energy grant awards under the federal Institutional Buildings Program (Public Law 96-501) in the total amount of $40,454.

Board Discussion and Action

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

Based upon drawings and specifications prepared by the Physical Plant Department, seven bids were received on July 26, 1983, for the first phase of the Autzen Stadium Sanitary Sewer Connection project on the campus at the University of Oregon, ranging from a low of $16,250.15 to a high of $28,790. Inasmuch as the low bid was within the estimate and the resources were available for the work, a contract award was made and the following tentative budget was approved for the project:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct construction costs</td>
<td>$16,250.15</td>
</tr>
<tr>
<td>Staton Construction, Inc., Eugene</td>
<td></td>
</tr>
<tr>
<td>Professional services fees</td>
<td>$2,700.00</td>
</tr>
<tr>
<td>Construction supervision and miscellaneous costs</td>
<td>$4,799.85</td>
</tr>
<tr>
<td>Systems Development Charge (City of Eugene)</td>
<td>$28,430.00</td>
</tr>
<tr>
<td>Contingencies</td>
<td>$1,400.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$53,580.00</strong></td>
</tr>
</tbody>
</table>

Subsequent to Board review and approval of the drawings and specifications for this work on June 24, 1983, it became apparent that it would be necessary to accomplish this work in two phases inasmuch as the City of Eugene indicated that the new main public sewer line cannot accept solids until the spring of 1984. Consequently, the scope of the work was revised so that the existing septic tanks can be used in the interim to intercept solids.

Phase I of the work consists of constructing the sanitary sewer on the west side of the stadium and connecting it to the city system. The east side work involves revamping the discharge line from the existing sewer pump to the sewer line.

Phase II, which is expected to be accomplished in 1984, will involve connecting the stadium sewer outfalls and abandoning the septic tanks on the west side. On the east side, a new gravity-flow sewer will be constructed and the power pump and septic tanks will be abandoned.

The expenditure requirements for the construction of sewer service connections are being financed from receipts from the athletic ticket surcharge which is to be assessed through the 1984 football season. In accordance with the program reviewed with the Board on June 24, 1983, the University is pledging funds from its Intercollegiate Athletic Department operating account and from its parking reserves as additional assurance that all payments for the work will be made in a timely manner.

RECAPITULATION UPON RECEIPT OF BIDS AND CONTRACT AWARD

Project - UO Autzen Stadium Sewer Connection

Engineers - UO Physical Plant Department

Board's priority - Not applicable

Legislative authorization - Not applicable

Estimated total project costs (this portion only) $53,580.00

Estimated total direct construction costs (this portion only) $16,250.15

Scheduled completion - September 1983

Tentative financing plan:
Athletic Department ticket surcharge $53,580.00

Board Discussion and Action

The Board accepted the report as presented.
Meeting #505

September 23, 1983

Staff Report to the Board

Upon the recommendation of institutional officials and Afseth, Jacobs & Schmitz, project architects, Medford, the work of the prime contractor for the Stadium project on the campus at Southern Oregon State College was accepted on behalf of the Board as of August 4, 1983, subject to the completion of minor unfinished items and subject also to various backcharges totalling $24,387 which may be imposed because of the failure of the contractor to complete the work by January 21, 1983, the scheduled completion date as last revised by change order. These backcharges relate to additional fees requested by the architects and their consulting engineers as well as increased costs to the College for construction inspection and contract administration after January 21, 1983.

The work of the contractor was inspected by the Vice Chancellor for Facilities Planning on August 24, 1983.

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

<table>
<thead>
<tr>
<th></th>
<th>Revised Budget 8/4/83</th>
<th>Original Budget 7/23/82</th>
<th>Increase or (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct construction costs</td>
<td>$1,082,532*</td>
<td>$1,074,030</td>
<td>$8,502 (1)</td>
</tr>
<tr>
<td>Jack Mathis General Contractor, Inc., Roseburg</td>
<td>78,461*</td>
<td>77,191</td>
<td>1,270</td>
</tr>
<tr>
<td>Professional services fees</td>
<td>32,634</td>
<td>32,634</td>
<td>-</td>
</tr>
<tr>
<td>Furnishings and equipment</td>
<td>10,740</td>
<td>10,740</td>
<td>-</td>
</tr>
<tr>
<td>Works of art</td>
<td>70,633</td>
<td>58,924</td>
<td>11,709</td>
</tr>
<tr>
<td>Construction supervision, testing and miscellaneous costs</td>
<td>-</td>
<td>21,481</td>
<td>(21,481)</td>
</tr>
<tr>
<td>Contingencies</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$1,275,000</td>
<td>$1,275,000</td>
<td>$ -</td>
</tr>
</tbody>
</table>

*Prior to adjustment for backcharges described above.

(1) Includes the addition of conduit to Ticket Booth #1, the addition of 82' of concrete curb, the addition of certain paving, electrical modifications, the construction of a new manhole for the sewer, and other minor modifications within 23 approved change orders.

The work of the contract included the construction of the concrete grandstand with a seating capacity for approximately 2,178 spectators, including 38 spaces for wheelchairs, with all seats under a roof cover. The area under the grandstand accommodates restrooms, a concession stand, storage area, and also includes a large unimproved space which could be developed at some future time. A pressbox and the coaches' observation areas are directly under the roof structure. New field lighting replaced the old system at Fuller Field.

Approximately twenty percent of the project costs were financed from gift funds, and the remainder was provided from proceeds from the sale of bonds under the provisions of Article XI-F(1) of the Oregon Constitution. Pending the collection of some of the amounts pledged to the Southern Oregon College Foundation, some of the gift funds required interim financing from excess reserves from commingled student building fees.

RECAPITULATION UPON INSPECTION AND ACCEPTANCE:

Project - SOSC Stadium

Architects - Afseth, Jacobs & Schmitz, Medford

Board's priority - No. 20 in 1981-1983 (Auxiliary Enterprises)
Legislative authorization - Chapter 539, Oregon Laws 1981

Estimated total project cost $1,275,000
Estimated direct construction costs $1,082,532

Financing plan:
- Gifts through the Southern Oregon College Foundation $255,000
- Article XI-F(1) bond borrowings and/or balances available for auxiliary enterprises 1,020,000

Total $1,275,000

Board Discussion and Action

The Board accepted the report as presented.

Staff Report to the Board

As indicated in the minutes of the March 28, 1972, meeting of the Board, Architects Hiatt and Rounds, Medford, were commissioned for a feasibility study of the possible remodeling of the Swedenburg House on the campus of Southern Oregon State College, including the preparation of schematic plans and cost estimates.

Based upon the recent recommendation of officials of Southern Oregon State College, arrangements were made with Donal P. Rounds, the surviving partner of the firm, through a supplement to the earlier agreement to provide for the additional services applicable to the design, bidding and contract administration of the proposed Swedenburg House Remodel project for which an expenditure authorization of $340,000 has been approved by the 1983 Legislature.

Compensation for the professional services of the Architect and for reimbursement of related expenses for this additional work will be based upon time and materials not to exceed an amount to be determined from an adjusted fee curve attached to the original agreement which calls for a percentage of the direct construction costs. Tentatively, based upon the estimated direct construction costs of $270,000, the maximum total compensation would be approximately $31,860.

Funds for the current planning are being provided from gifts which are being processed through the Southern Oregon College Foundation.

Board Discussion and Action

The Board accepted the report as presented.

Staff Report to the Board

Upon the recommendation of institutional officials, the final drawings and specifications which had been prepared with the assistance of MFIA, INC. (formerly known as Morrison, Funatake, Inouye, Andrews, Inc.), consulting engineers, Portland, for the upgrading of the primary electrical distribution system on the campus of Eastern Oregon State College, were accepted on behalf of the Board. Eight bids were received for the work on August 25, 1983, ranging from a low of $83,000 to a high of $134,456. Inasmuch as the low
bid was within the estimate and resources were available for the work, a contract award was made and the following tentative budget was approved for the project:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct construction costs -</td>
<td>$83,000</td>
</tr>
<tr>
<td>Clarke Electric, Inc., Eugene</td>
<td></td>
</tr>
<tr>
<td>Professional services fees</td>
<td>$8,300</td>
</tr>
<tr>
<td>Construction supervision and</td>
<td></td>
</tr>
<tr>
<td>miscellaneous costs</td>
<td>$4,000</td>
</tr>
<tr>
<td>Contingencies</td>
<td>$10,567</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$105,867</strong></td>
</tr>
</tbody>
</table>

The final design follows closely the preliminary study which the Board reviewed and approved on May 27, 1983. The work of the contract includes installing a bank of outdoor metal-enclosed switchgear at the west side of the Library, and the installing of a duct-bank and cable along the west of the Library between the new switchgear and the sidewalk vault serving the Science Building. New cable will be provided and spliced so that each building feeder (Science, Library and Administration) will be switched and fused at the new switchgear. Oil switches and sectionalizer will be removed from the sidewalk vaults. The transformer on the east end of the Library will be abandoned and the panel will be subfed from the switchgear at the west end. The existing lead line will be abandoned. The transformers at Hunt Hall will be refed from existing switchgear at the Heating Plant switch-bank with supplemental switchgear on a padmount at Hunt Hall. Provisions will be made for the future expansion of the new switchgear and the extension of the "K" Avenue system to permit completion of a loop to permit feeding electricity from either direction thus isolating ground faults and minimizing electrical service disruptions.

The tentative financing plan anticipates that $90,867 will be provided from resources allocated from the Board's 1982-83 reserve for physical plant rehabilitation and minor capital outlay and the remaining $15,000 will be provided from excess sinking fund reserves from commingled student building fees.

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

Project - EOSC Electrical Distribution System Upgrading

Engineers - MFIA, INC., Portland

Board's priority - Not applicable

Legislative authorization - Not applicable

<table>
<thead>
<tr>
<th>Estimated total project costs</th>
<th>$105,867</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated total direct construction costs</td>
<td>$83,000</td>
</tr>
<tr>
<td>Scheduled completion - June 1984</td>
<td></td>
</tr>
<tr>
<td>Tentative financing plan:</td>
<td></td>
</tr>
<tr>
<td>Resources from Board's 1982-83 reserve for physical plant rehabilitation and minor capital outlay</td>
<td>$90,867</td>
</tr>
<tr>
<td>Excess sinking fund reserves from commingled student building fees</td>
<td>$15,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$105,867</strong></td>
</tr>
</tbody>
</table>

**Board Discussion and Action**

The Board accepted the report as presented.
Report of Bids and Contract Award for Stadium, EOSC

Staff Report to the Board

Based upon the drawings and specifications prepared by the staff of Eastern Oregon State College, four bids were received on July 13, 1983, for the Stadium project, ranging from a low of $113,000 to a high of $463,938. Inasmuch as the proposal of the lowest bidder did not conform to the project requirements as outlined within the bid documents, a contract award was made to the next lowest bidder and the following tentative budget was established for the initial phase of the work:

Direct construction costs -
Stadiums Unlimited, Inc. $139,436
Less - Credit allowed within a change order executed simultaneously for substitution of lighter gauge galvanized steel litter shield (6,343) 
Net $132,593
Utility service connections 8,000
Construction supervision and miscellaneous costs 2,000
Contingencies 5,740
Total $148,333

In accordance with the preliminary planning which the Board reviewed and approved on May 27, 1983, the work of the contract includes the furnishing and installing of a prefabricated grandstand with self-weathering steel I-beam understructure, with seating for approximately 2,000 spectators. The top middle section will be equipped with theatre-type seats for about 100 sponsors and other VIP guests.

Although it was contemplated earlier when the Board and the 1983 Legislature approved an expenditure limitation of $188,000 for the project, exclusive of the gifts-in-kind for both materials and services, that $73,000 would be provided by donations from individuals and various organizations, and the remaining $115,000 would be financed from self-liquidating bond proceeds or from balances available for auxiliary enterprises, such as excess sinking fund reserves from commingled student building fees, at the time of contract award, the total resources available were only $148,333. Consequently, portions of the project, such as landscaping, walks, a public address system and the finish materials and fixtures for a proposed restroom and concession stand which local construction suppliers and tradesmen are planning to construct, have been deferred pending the receipt of additional gift funds.

RECAPITULATION UPON RECEIPT OF BIDS AND CONTRACT AWARD

Project - EOSC Stadium
Architects - None
Board's priority - No. 12 in 1983-1985 (Auxiliary Enterprises)
Legislative authorization - Chapter 422, Oregon Laws 1983
Estimated total project cost (this portion) $148,333
Estimated total direct construction costs (this portion) $132,593
Scheduled completion - November 1983
Tentative financing plan (this portion):

| Article XI-F(1) bond proceeds and/or balances | $115,000 |
| Gifts | 33,333 |
| Total | $148,333 |

Board Discussion and Action

The Board accepted the report as presented.

Staff Report to the Board

Based upon the recommendations of officials of Eastern Oregon State College, Oregon Institute of Technology, Oregon State University and Portland State University, and in accordance with the provisions of OAR 580-50-020, arrangements were made with Martin/Soderstrom/Matteson Architects, P.C., Portland, for professional services relating to the proposed repair and/or re-roofing of various buildings at the four institutions. As authorized by the Board on June 24, 1983, these projects constitute a portion of the "Decision Package" for supplemental plant maintenance funds approved by the 1983 Legislature. In some instances, the scope of work contemplated by the initial agreements with the architects will be limited to investigations, recommendations and cost estimates, but in other cases it will include also the preparation of contract documents, assistance in bidding and contract administration.

Compensation for the professional services of the Architects and for reimbursement of related expenses for these projects will be based upon time and materials not to exceed the following limitations:

Eastern Oregon State College -- $5,000 for services relating to various buildings

Oregon Institute of Technology -- $5,700 for services relating to Semon and Owens Halls

Oregon State University -- $15,200 with specific sub-limitations for McAlexander Field House, Memorial Union Building, Women's Building, Nash Hall and the Naval ROTC buildings

Portland State University -- $15,000 for investigations for the Smith Memorial Center, Neuberger Hall, Shattuck Hall and Lincoln Hall with implementation of proposed re-roofing of Lincoln Hall

Arrangements for any additional services and compensation will be made through supplements to the individual professional services agreements in the usual manner.

Funds for the planning of these proposed roofing projects are being provided from the operating budget resources for plant maintenance authorized by the Board and the 1983 Legislature.

Board Discussion and Action

The Board accepted the report as presented.

Staff Report to the Board

On February 25, 1983, the Board heard a presentation from Representative Peter Courtney, District 33, and Mrs. Doris Warr, Salem, describing the importance of tourism to the economic development of the state and urging that Higher Education develop a program or school of tourism at one or more of the state's colleges and universities.

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At the conclusion of the presentation, the Board approved a motion by Mr. Harms requesting the Office of Academic Affairs to review and report to the Board on the instruction in tourism currently being offered by the institutions and the possible economic benefit of an expanded program.

Subsequently, four bills on tourism were introduced in the 1983 Legislative Assembly. During the course of hearings on these bills before the Senate Committee on Transportation and Tourism, chaired by Senator Del Isham, the Board's staff presented information concerning programs and activities of the institutions of the State System relating to tourism and the tourist industry. This information was summarized in letters to Representative Courtney, Senator Isham, and Governor Atiyeh, with copies to the Board. The letter to Representative Courtney was representative of the information provided at that time and was reproduced on page 17c of the docket as a part of this report.

Modification of BA/BS Degree Program in Hotel and Restaurant Management, OSU

The program in the State System most directly involved with the tourist industry is the BA/BS degree program in hotel and restaurant management at Oregon State University. This is an interdisciplinary program, combining professional courses in management and foodservice operation offered by the schools of home economics and business. The program is relatively new, having been inaugurated in 1974-75. Students enrolling in the program are encouraged to explore careers in various aspects of the hospitality industry, both through formal course work and in the 600 clock hours of industry experience required for graduation. Experienced industry professionals advise the faculty concerning the program and serve as special lecturers, research consultants, and supervisors for internship and practice requirements. Enrollment in and graduation from the program has held fairly steady, as shown below. The number of declared majors freshman through senior level spring term 1983 totalled 125. Placement from the program has been excellent, with approximately 40% of the graduates going into the hotel industry, 40% into restaurant management, 10% to resorts, 4% to national parks, and the remainder to related activities.

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Number of Graduates:</td>
<td>19</td>
<td>16</td>
<td>15</td>
<td>24</td>
<td>16</td>
</tr>
</tbody>
</table>

Because much of the hospitality industry exists to serve travellers, the subject of tourism has been an integral part of the student's instruction since the program's inception. The required four-hour course HRM 360 Marketing Hospitality Services, for example, is concerned with "Organization and management of marketing and public relations function for lodging and food service organizations. Analysis of the travel industry and development of techniques and procedures for serving groups and individuals."

In view of the interest of legislators and others in Oregon in preparation of students with specific interest in tourism and the tourist industry, Oregon State University has examined how the tourist component of its program might be strengthened and given greater visibility.
As a result of this review, Oregon State University proposes beginning fall term 1983, to:

1. Change the title of its program to Hotel, Restaurant, and Tourism Management.

2. Inaugurate two courses, HRTM 300 Principles of Tourism, 3 hours, and HRTM 400 Tourism Marketing and Research, 4 hours.

3. Offer students majoring in the program the option of completing the present program in hotel and restaurant management or a modification of the program emphasizing tourism management. These options are shown in the Exhibit on the following page.

Funding for the .25 FTE faculty required to teach the two new courses and related library holdings will be through internal reallocation. Faculty salaries to be allocated to these courses for 1983-84 is projected at $9,853.50 (salary and O:E).

Dr. Linn Soule, associate professor of business administration and director of the hotel and restaurant management program, reports that the principal objective of the tourism option will be to provide trained professionals for a rapidly growing industry which is becoming more clearly identified as "travel and tourism."

Dr. Soule presents the following statement concerning career opportunities in this field:

Students successfully completing the tourism option would be expected to gain employment in a number of industry segments. Tour wholesalers who assemble a range of travel service components into packages for resale through travel agents and travel providers would be expected to claim many of the graduates. Travel providers such as airlines, shiplines, and railroads will need educated professionals to carry forward their increasingly complex functions within the industry, as well as retail travel agencies. Governmental agencies responsible for travel information and regulation, as well as agencies concerned with regional economic development, will require increasing numbers of technically trained and management oriented personnel. Individual cities and regions are paying increasing attention to promoting visitor traffic. Better educated personnel will be needed to staff these convention and visitor bureaus and agencies.

Students in the tourism option will have 55 hours of free electives in the 192 credit hours required by Oregon State University for a baccalaureate degree. The students will be encouraged to use these electives to build strength in a complementary area, e.g., foreign language, physical geography, economics, sociology, recreation.

Staff Recommendation

Board action was not required. However, Oregon State University welcomed the Board's comments and endorsement of the proposed program modifications.

Board Discussion and Action

The Board accepted the report as presented.
## Requirements for Major

### Common Core

<table>
<thead>
<tr>
<th>Course</th>
<th>Title</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>HRTM 105</td>
<td>Introduction to Hotel and Restaurant Management.</td>
<td>3</td>
</tr>
<tr>
<td>HRTM 106</td>
<td>Hotel and Restaurant Organization.</td>
<td>3</td>
</tr>
<tr>
<td>HRTM 215</td>
<td>Financial Controls for Hotels and Restaurants.</td>
<td>4</td>
</tr>
<tr>
<td>HRTM 230</td>
<td>Hotel Law.</td>
<td>1</td>
</tr>
<tr>
<td>HRTM 460</td>
<td>Lodging Management.</td>
<td>4</td>
</tr>
<tr>
<td>BA 131</td>
<td>Introduction to Business Data Processing.</td>
<td>4</td>
</tr>
<tr>
<td>BA 211</td>
<td>Financial Accounting.</td>
<td>4</td>
</tr>
<tr>
<td>BA 226</td>
<td>Business Law.</td>
<td>4</td>
</tr>
<tr>
<td>BA 235</td>
<td>Quantitative Business Methods.</td>
<td>4</td>
</tr>
<tr>
<td>BA 302</td>
<td>Management Processes.</td>
<td>4</td>
</tr>
<tr>
<td>BA 312</td>
<td>Marketing.</td>
<td>4</td>
</tr>
<tr>
<td>BA 313</td>
<td>Finance.</td>
<td>4</td>
</tr>
<tr>
<td>BA 361</td>
<td>Organizational Behavior.</td>
<td>4</td>
</tr>
<tr>
<td>BA 495</td>
<td>Business and Its Environment.</td>
<td>4</td>
</tr>
<tr>
<td>Ec 213, 214</td>
<td>Principles of Economics.</td>
<td>8</td>
</tr>
</tbody>
</table>

Practicum Requirement: 600 hours industry work experience.

Total Common Core: 59

### Hotel and Restaurant Option

<table>
<thead>
<tr>
<th>Course</th>
<th>Title</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>HRTM 350</td>
<td>Facilities Design and Maintenance.</td>
<td>4</td>
</tr>
<tr>
<td>HRTM 360</td>
<td>Marketing Hospitality Services.</td>
<td>4</td>
</tr>
<tr>
<td>HRTM 406</td>
<td>Projects.</td>
<td>3</td>
</tr>
<tr>
<td>HRTM 450</td>
<td>Restaurant Management.</td>
<td>4</td>
</tr>
<tr>
<td>Mb 130</td>
<td>Introductory Microbiology.</td>
<td>3</td>
</tr>
<tr>
<td>FN 215</td>
<td>Foods.</td>
<td>5</td>
</tr>
<tr>
<td>FN 225</td>
<td>Human Nutrition.</td>
<td>4</td>
</tr>
<tr>
<td>FN 313</td>
<td>Meal Management.</td>
<td>3</td>
</tr>
<tr>
<td>CT 250</td>
<td>Textiles.</td>
<td>3</td>
</tr>
<tr>
<td>IM 311</td>
<td>Quantity Food Production.</td>
<td>4</td>
</tr>
<tr>
<td>IM 441</td>
<td>Foodservice Equipment Planning and Facility Design. (G)</td>
<td>3</td>
</tr>
<tr>
<td>IM 442</td>
<td>Foodservice Procurement and Inventory Systems. (G)</td>
<td>3</td>
</tr>
<tr>
<td>FST 421</td>
<td>Food Law.</td>
<td>3</td>
</tr>
</tbody>
</table>

Total, Hotel and Restaurant Option 45

### Tourism Option

<table>
<thead>
<tr>
<th>Course</th>
<th>Title</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>HRTM 300</td>
<td>Principles of Tourism.</td>
<td>3</td>
</tr>
<tr>
<td>HRTM 400</td>
<td>Tourism Marketing and Research.</td>
<td>4</td>
</tr>
<tr>
<td>Ec 414</td>
<td>Regional Economics.</td>
<td>4</td>
</tr>
<tr>
<td>Ec 463</td>
<td>Transportation Economics.</td>
<td>3</td>
</tr>
<tr>
<td>RR 251</td>
<td>Resource Recreation Management.</td>
<td>4</td>
</tr>
<tr>
<td>RR 321</td>
<td>Social Behavior and Resource Management.</td>
<td>4</td>
</tr>
<tr>
<td>RR 381</td>
<td>Resource Recreation Planning.</td>
<td>3</td>
</tr>
<tr>
<td>Geog 107</td>
<td>Introduction to Economic Geography.</td>
<td>3</td>
</tr>
<tr>
<td>BA 467</td>
<td>Personnel Management.</td>
<td>3</td>
</tr>
<tr>
<td>BA 478</td>
<td>Marketing Research.</td>
<td>4</td>
</tr>
</tbody>
</table>

Total, Tourism Option 35
The Board meeting was adjourned at 3:15 p.m., on September 23, 1983, to be reconvened at 11:00 a.m., October 12, 1983, by conference telephone connection.

President Ingalls called the adjourned session of the regular State Board of Higher Education meeting held on September 23, 1983, to order at 11:00 a.m., Prevailing Pacific Time, on October 12, 1983. The following answered roll call:

Mr. John W. Alltucker  
Mr. Alvin R. Batiste  
Mrs. Harriett J. Flanagan  
Mr. Randal D. Gill  
Mr. Edward C. Harms, Jr.  
Mr. Richard F. Hensley  
Mr. Louis B. Perry  
Miss Linda L. Walling  
Mr. Loren L. Wyss  
Mr. Robert C. Ingalls

Absent: Mr. James C. Petersen was absent because the operator was unable to reach him at the time the conference call was placed.

Centralized Activities--Chancellor William E. Davis; Secretary Wilma L. Foster; W. T. Lemman, Vice Chancellor for Administration; J. I. Hunderup, Vice Chancellor for Facilities Planning; Wil Post, Vice Chancellor for Public Affairs; Ross Hall, Controller; Tim Marsh, Information Director; Allen Horn of the Controller's Office.

Others--Gary Stevens, Assistant Director of Fiscal Services, Oregon Health Sciences University. Facilities were provided at the Chancellor's Office in Eugene and in the Conference Room of the Veterans' Administration Building for media representatives and interested staff to have telephone access to the meeting.

Acceptance of Bid for $5,500,000 State of Oregon, State Board of Higher Education Building Bonds, Series 1983 A, Article XI-F(1)

The Vice Chancellor for Administration reported that at 9:00 a.m., Prevailing Pacific Time, on October 12, 1983, nine sealed bids were received, pursuant to an advertisement authorized by the Board of Higher Education at its meeting on September 23, 1983, for the proposed sale of $5,500,000 State of Oregon, State Board of Higher Education Building Bonds, Series 1983 A. Present were Mr. Richard D. Roberts of Ragen, Roberts, O'Scannlain, Robertson & Neill, Bond Attorneys; W. T. Lemman, Allen Horn, Gary Stevens, and Ross Hall. The Bonds were to be sold at a price of not less than $98 for each $100 par value thereof. Bids received for the bonds maturing October 15, 1984, through October 15, 1990, were as follows:

<table>
<thead>
<tr>
<th>Name of Bidder</th>
<th>Total Interest Cost</th>
<th>Add Discount</th>
<th>Total Net Interest Cost</th>
<th>Effective Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citibank N.A. &amp; Assoc.</td>
<td>1,448,250.00</td>
<td>65,560.00</td>
<td>1,513,810.00</td>
<td>7.2989</td>
</tr>
<tr>
<td>Kidder Peabody</td>
<td>1,478,820.00</td>
<td>68,750.00</td>
<td>1,547,570.00</td>
<td>7.4618</td>
</tr>
<tr>
<td>Bear Stearns</td>
<td>1,479,487.50</td>
<td>82,306.30</td>
<td>1,561,793.80</td>
<td>7.5303</td>
</tr>
<tr>
<td>Rothschild, Unterberg, Towbin</td>
<td>1,462,500.00</td>
<td>101,713.70</td>
<td>1,564,213.70</td>
<td>7.54201</td>
</tr>
<tr>
<td>Merrill Lynch</td>
<td>1,516,750.00</td>
<td>55,000.00</td>
<td>1,571,750.00</td>
<td>7.57835</td>
</tr>
<tr>
<td>Harris Trust</td>
<td>1,513,680.00</td>
<td>65,692.00</td>
<td>1,579,372.00</td>
<td>7.6151</td>
</tr>
<tr>
<td>Continental</td>
<td>1,505,519.99</td>
<td>75,625.00</td>
<td>1,581,144.99</td>
<td>7.62365</td>
</tr>
<tr>
<td>Bankers Trust</td>
<td>1,529,450.00</td>
<td>82,500.05</td>
<td>1,611,950.05</td>
<td>7.7722</td>
</tr>
<tr>
<td>Salomon Bros.</td>
<td>1,568,600.00</td>
<td>77,000.00</td>
<td>1,645,600.00</td>
<td>7.9344</td>
</tr>
</tbody>
</table>

Following the reading of the bids, the Vice Chancellor for Administration indicated that the most favorable bid was that of Citibank N.A. and Associates with a total net interest cost of $1,513,810 and an effective interest rate of 7.2989 percent per annum. He also stated that the bonds were to be in denominations of $5,000 or integral multiples thereof.
It was proposed that the recommended bid be accepted by adoption of the following resolution:

**RESOLUTION**

BE IT RESOLVED that the FIVE MILLION FIVE HUNDRED THOUSAND DOLLARS ($5,500,000) STATE OF OREGON, STATE BOARD OF HIGHER EDUCATION BUILDING BONDS, SERIES 1983 A, sold to Citibank N.A. and Associates at $5,434,440 on the 12th day of October, 1983, be issued to bear date the fifteenth day of October, 1983; to bear interest

- at the rate of 5.75 percent per annum for the bonds of the issue maturing on October 15, 1984;
- at the rate of 6.25 percent per annum for the bonds of the issue maturing on October 15, 1985;
- at the rate of 6.75 percent per annum for the bonds of the issue maturing on October 15, 1986;
- at the rate of 7.00 percent per annum for the bonds of the issue maturing on October 15, 1987 to 1988, inclusive;
- at the rate of 7.25 percent per annum for the bonds of the issue maturing on October 15, 1989;
- at the rate of 7.50 percent per annum for the bonds of the issue maturing on October 15, 1990;

BE IT FURTHER RESOLVED that the bonds be issued to mature serially on the dates provided in the resolution of the Board duly adopted at its regular meeting on September 23, 1983, and that both the principal of and interest upon the bonds be paid at the Fiscal Agency of the State of Oregon, in the City and State of New York; and

BE IT FURTHER RESOLVED that the said bonds be executed in the form prepared by the State Treasurer and approved by the Attorney General of the State of Oregon in accordance with ORS 286.041.

BE IT FURTHER RESOLVED that the bonds be in denominations of $5,000 or integral multiples thereof, as provided in the resolution adopted by the Board at the September 23, 1983, meeting; and

BE IT FURTHER RESOLVED that the September 23, 1983, resolution of the Board authorizing the issuance of said bonds, and all acts performed by the Board in adopting the said resolution, and by the Secretary of the Board and the Vice Chancellor for Administration in connection with the issuance and sale of the said bonds, including the notice of bond sale and its publication in New York and Oregon on September 28, 1983, be and they hereby are fully approved, ratified, and confirmed.

BE IT FURTHER RESOLVED that functions of the Secretary of the Board in preparing and providing of transcript material, and other actions relating to the bond issue shall be performed by the Secretary of the Board; and correspondingly, functions of the Vice Chancellor for Administration shall be performed by the Vice Chancellor for Administration, the Controller, or by the Management Assistant.

**Board Discussion and Action**

On motion by Director Perry and second by Director Gill, the Board approved the staff recommendation as presented and adopted the above resolution on roll call vote. The following voted in favor: Directors Alltucker, Batiste, Flanagan, Gill, Harms, Hensley, Perry, Walling, Wyss, and Ingalls. Those voting no: None.
Meeting #505

ADJOURNMENT  The Board meeting was adjourned at 11:20 a.m., October 12, 1983.

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