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STATE BOARD OF HIGHER EDUCATION HELD
MARCH 30, 1984

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ADJOURNMENT

Supplement A
A regular meeting of the State Board of Higher Education was held in Rooms 327-328, Michael J. Smith Memorial Center, Portland State University, Portland, Oregon.

The meeting was called to order at 9:00 a.m., March 30, 1984, by the Vice President of the Board, Mr. Loren L. Wyss, and on roll call the following answered present:

Mr. John W. Alltucker
Mr. Alvin R. Batiste
Mrs. Harriett J. Flanagan
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

Absent: Mr. Gill was absent for business reasons, and Mr. Ingalls was absent due to illness.

OTHERS PRESENT

Centralized Activities--Chancellor William E. Davis; Secretary Wilma L. Foster; J. I. Hunderup, Vice Chancellor for Facilities Planning; Clarethei 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; Holly Zanville, Assistant Vice Chancellor for Academic Affairs; Kay Juran, Assistant Vice Chancellor for Public Affairs; Joe Sicotte, Associate Vice Chancellor for Personnel Administration; J. Richard Pizzo, Assistant Vice Chancellor for Student Services, Academic Affairs; Melinda Grier, Compliance Officer; Art Mancl, Director of Campus and Building Planning; James Lockwood, Assistant to Vice Chancellor for Academic Affairs; Kenneth R. Jones, Assistant to Vice Chancellor for Administration; Tim Marsh, Information Director; Nancy Koroloff, Student Intern, Office of Personnel Administration; Pat Wignes, Assistant Board Secretary.

Oregon State University--President Robert MacVicar; T. D. Parsons, Vice President for Administration; Stefan Bloomfield, Assistant to the President; Judith Kuipers, Dean of Undergraduate Studies.

University of Oregon--Richard J. Hill, Provost; Paul S. Holbo, Vice Provost; Dan Williams, Vice President for Administration.

Oregon Health Sciences University--President Leonard Laster; J. T. McGill, Vice President.

Portland State University--President Joseph Blumel; Phil Bogue, Assistant to the President for University Relations; Roger Edgington, Interim Vice President for Finance and Administration; Dawn Dressler, Assistant Professor; John Ellis, Assistant Professor.

Eastern Oregon State College--President David Gilbert; James C. Lundy, Dean of Administration; James Hottois, Dean of Academic Affairs.

Oregon Institute of Technology--President Larry J. Blake; William W. Smith, Dean of Academic Affairs; John H. Smith, Dean of Administration.

Southern Oregon State College--Ernest Ettlich, Dean of Academic Affairs; Ronald Bolstad, Dean of Administration.

Western Oregon State College--President Richard Meyers; James H. Beaard, Provost; William Neifert, Dean of Administration.
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Others--Betty Hamlin, Commissioner, Oregon Educational Coordinating Commission; Sherry Oeser, Executive Director, Oregon Student Lobby.

The Board dispensed with the reading of the minutes of the last regular meeting held on February 24, 1984, and approved them as previously distributed. The following voted in favor: Directors Altucker, Batiste, Flanagan, Harms, Hensley, Perry, Petersen, Walling, and Wyss. Those voting no: None.

The Chancellor said a report on the Budget Note items had been made the previous day to the State Emergency Board. Copies of the report presented to the Emergency Board were distributed to Board members, and a copy is on file in the Board's Office.

The report listed the expenditures to date from the allocation for facilities maintenance and the allocations from the funds provided for engineering, computer science, and cellular biology. A section of the report explained the criteria for the faculty excellence awards and listed the persons selected to receive the awards. Information was given on the salary adjustments that were made.

The Chancellor said the report appeared to be well received.

At the request of the Chancellor, Mr. Lemman commented briefly on the data included in Enrollment Projections 1983-84 through 1988-89. The information gives effect to the increased enrollments in the institutions last fall. Mr. Lemman noted that the number of high school graduates in Oregon is projected to decline steadily through 1993-94, except for a slight increase in 1986-87. Starting in 1993-94, the number of high school graduates increases substantially. The high school graduates represent a major element in the State System enrollment projections.

Mr. Wyss asked whether the State System estimates were consistent with those in the WICHE report summarizing the data on a national basis. Mr. Lemman indicated the trend was consistent with the WICHE forecast. He said the estimates did not forecast any in-migration of students but only considered those now in the public schools as they progress through the various educational levels.

The Chancellor requested Dr. Clifford Smith to review the consortium allocations which were made earlier in the week.

Dr. Smith said the consortium had previously allocated $1.04 million. At that time, industry had not raised all of its share of the money. The most recent meeting of the consortium was to make the second round of allocations because of new monies received and also to respond to a request from the State System to reconsider some of the decisions made at the first meeting. These included consideration of the first priority from Oregon State University in computer sciences, the possible cooperative use of similar equipment being requested by both Portland State University and the Oregon Graduate Center, and the request to review again the optical science efforts at the University of Oregon.

The consortium agreed to fund the Oregon State University computer science proposal with an allocation of $120,000 for equipment. The consortium reviewed the proposed working relationship between the Oregon Graduate Center and Portland State University and awarded $125,000 to Portland State University toward the purchase of equipment. It was indicated that it might be possible to allocate the balance of $40,000 at a later date. The optical science program at the University of Oregon was rejected, based on the opinion that it was not electrical engineering or computer science.

Dr. Smith said the consortium was quite interested in Oregon State University's becoming a member of a new organization called the National Technical University System. This organization will be a consortium of leading schools.
of engineering in the country which will have courses that could be beamed by satellite anywhere in the United States. Students could take a certain number of courses from various institutions and, when the requirements for a master's degree were completed, the National Technical University would award the degree. The cost for membership is $25,000, and the consortium has reserved that amount to pay for the membership of Oregon State University, assuming it is interested in joining.

The consortium has raised approximately $689,000 of the $1 million which it pledged. An additional $70,000 is anticipated, and the group expects to meet its goal of $1 million.

Mr. Perry noted that $328,000 was received for cellular biology even though it did not rate a high priority with the consortium. The Chancellor indicated this amount was State System money. Dr. Smith commented that the consortium was still not interested in cellular biology. The University had been complimented on both the programs in cellular biology and in optical science, but the consortium viewed its guidelines as being rather explicit in their orientation toward electrical engineering and computer science.

The Chancellor said the University of Oregon had a very outstanding program in cellular biology and also in laser optics. He said there was an honest difference of opinion with respect to the interpretation of the guidelines for the consortium in the allocation of the funds provided. He said sources were still being sought to fund the University of Oregon projects.

Dr. Smith also reported that the consortium was interested in a telecommunications link for the three universities and ultimately the other State System institutions and some of the private schools. The purpose would be to bring the strength of the individual institutions to bear on the Portland metropolitan area and to provide programs to the various industries. The State System had already made a proposal to the Fred Meyer Trust. When the consortium learned of this proposal, interest was expressed in providing $200,000 to augment the funds requested from the Fred Meyer Trust and advising the Fred Meyer Trust of the consortium's interest in participating in this project.

Revised Financing Plan for Phase I of Gill Coliseum Additions & Alterations, OSU

Staff Report to the Board

On January 27, 1984, the Board authorized major improvements to Gill Coliseum at Oregon State University in a two-phase program involving expenditures of approximately $2,875,056. This total excluded amounts which the sponsors of the project would disburse directly, principally for architectural design fees and the purchase of spectator seating. The Board was advised that all of the funding for the work would be provided by the OSU Beaver Club through the Oregon State University Foundation. No state tax funds, student fees, or bond borrowings are involved.

Subsequently, on February 3, 1984, the concurrence of the State Emergency Board was obtained for the project.

Near the completion of the bidding documents for the first phase of the work, institutional officials advised that the Athletic Department would pledge all revenues from a proposed surcharge on basketball tickets and from its share of income from the new seats to assist in financing the work to be contracted and completed in 1984. Although the Board's staff was not aware previously of any plan to assess such a surcharge, institutional officials indicated that this was an oversight in their documentation of the project. They have stated that the additional revenues will include a surcharge of $2.00 per ticket for all existing seating (other than for student and faculty/staff seats), increasing the ticket price from $10.00 to $12.00 per game and will also include the institution's share of ticket sales for the 500 or so proposed new seats. The projected total income from these sources is about $138,500 per year, or $692,500 for the five-year period of assessment. Tentative approval for the surcharge has been obtained from the Pac-10 Office, but a signed agreement will be required before it is implemented and before construction contracts are executed.
On the strength of this commitment from the Athletic Department, the Foundation will provide the funds needed to supplement the donations obtained and pledged by the Beaver Club so that resources will be available to meet whatever obligations are required for the construction and remodeling work within the expenditure limitations previously approved by the State Emergency Board. For the Phase I work, on which bids are scheduled to be received on or about April 5, 1984, the estimated expenditures total $1,341,276.

In view of the institution's proposal to assess a surcharge on ticket sales and to make payment of its revenues from this surcharge and from the new seats to the Oregon State University Foundation over a five-year period, which had been omitted inadvertently from the financing plan reviewed and approved previously by the Board and the State Emergency Board, the concurrence of the Executive Committee was requested following the February 24 meeting of the Board.

Subject to a request that the Board's attorney verify the legality of the procedures for making payments to the Foundation from resources obtained from the ticket sales by the Athletic Department, the Executive Committee approved the plan and authorized the staff to present it to the Emergency Board at its next meeting (scheduled for March 29-30, 1984).

Mr. Jerome Lidz, Assistant Attorney General, indicated that the plan appeared to be satisfactory from a legal standpoint provided that (1) an appropriate agreement would be executed with the Foundation to confirm the understanding that the amounts to be remitted to the Foundation would be limited to the specified revenues from ticket sales by the Athletic Department and (2) the approval of the revised financing plan is granted by the Board and the Emergency Board.

The request for Emergency Board concurrence was submitted for consideration on March 29-30.

Staff Recommendation to the Board

It was recommended that the action of the Executive Committee of the Board be confirmed, thus indicating concurrence in the revised financing plan for the proposed first phase of the improvements to Gill Coliseum at Oregon State University involving a combination of gift funds and certain designated revenues from basketball ticket sales over a five-year period.

Board Discussion and Action

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

Staff Report to the Board

In the fall of 1983, officials of Oregon State University requested that the institution's Foundation purchase the Paul and Eleanor Beight property located at 914 S.W. Monroe Street, Corvallis, and hold title until state fund resources and an appropriate expenditure authorization could be obtained by the Board for the acquisition of land for educational and general plant use. The purchase price of $33,250 was equal to the average of two independent appraisals, one from Robert N. Rondeau and the other from Steven S. Swedberg.

Subsequently, with the approval of the Board, a request was presented to the State Emergency Board on February 3, 1984, to authorize the use of balances accumulated from rental operations for the purchase of land at three institutions (Eastern Oregon State College, Oregon State University, and Southern Oregon State College). Of the total authorization of $144,387, the portion applicable to Oregon State University was $36,681, an amount sufficient to cover the option price of the Beight property and related costs incurred by the Foundation for the appraisals, title insurance, pro-rated taxes, etc.
The property contains approximately 1,900 square feet of land, or about 0.04 acres, at the northeast edge of the campus. It is adjacent to other properties which the Board has acquired previously for general campus development.

The improvements include a small single-story residence with living room, dining room, kitchen, two bedrooms, and bath within a total area of about 890 square feet. There is an unfinished basement, but no garage. According to the appraisal reports, the 63-year-old house is in fair to average condition.

As noted, funds for the purchase are available from balances accumulated from the rental income on other state-financed properties.

Staff Recommendation to the Board

It was recommended that the Vice Chancellor for Facilities Planning be authorized to purchase the Beight property at 914 S. W. Monroe Street, Corvallis, from the Oregon State University Foundation at a total price of $34,000. The lot measures 38 feet by 50 feet and is improved with a small old residence. The property is located within the approved projected campus boundaries of Oregon State University and is expected to be utilized for general campus development. The purchase would be charged against the expenditure authorization approved by the Board on December 16, 1983, and by the Emergency Board on February 3, 1984.

Board Discussion and Action

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

Staff Report to the Board

To provide administrative offices and laboratory facilities for the Environmental Health Sciences Center at Oregon State University, institutional officials have proposed that selected areas on the first and third floors of Weniger Hall be remodeled. Specifically, a Cell Culture Facility would occupy space on the first floor which had been vacated by the Chemistry Department during the recent Gilbert Hall Renovation and Addition projects, and a new Mass Spectrometry Facility would be housed on the third floor in remodeled space close to an existing and complementary mass spectrometry facility. To accommodate displaced activities as well as support functions, including the administrative offices for the Center, other rooms within Weniger Hall would be remodeled also.

The alterations would include the removal of unsuitable laboratory benches, fume hoods and some partitions, providing new walls and doors, laboratory benches and fume hoods, supplying appropriate utility services, ventilation and air conditioning (as required for the mass spectrometer), and rehabilitating floors, walls and ceilings, including some acoustical treatment. The planning is being accomplished principally by the staff of the Physical Plant Department.

Funds in the total amount of approximately $205,000 required for the remodeling would be allocated from resources currently available to the institution from building use credits, gifts and grants and operating budget balances. Inasmuch as the scope of work falls within the definition of "capital construction," expenditure authorization would need to be obtained from the State Emergency Board before a contract award could be made.

RECAPITULATION UPON COMPLETION OF CONSTRUCTION DOCUMENTS

Project - OSU Weniger Hall Remodeling for Environmental Health Sciences Center
Planners - Physical Plant Department
Board's priority - Not applicable
Legislative authorization - To be requested from State Emergency Board

Estimated total project costs $ 205,000
Estimated total direct construction costs $ 154,910
Estimated area to be remodeled - approximately 4,623 square feet

Tentative schedule:
Bidding and contract award - May 1984
Completion - October 1984

Tentative financing plan:
Gifts and grants (through OSU Foundation) $ 50,000
Building use credits 50,000
Institutional operating budget accounts:
Environmental Health Services Center (indirect cost allowances) $78,410
Physical Plant special repairs 17,725
and remodeling
Agricultural Chemistry Research 8,865
Total 105,000

$205,000

Staff Recommendation to the Board

It was recommended that the appropriate Board officials be authorized to approve the drawings and specifications prepared by the staff of the Physical Plant Department of Oregon State University and their consultants for the proposed remodeling of spaces on the first and third floors of Weniger Hall for the Environmental Health Sciences Center, solicit bids and, subject to the concurrence of the State Emergency Board, award a contract within a total budget of approximately $205,000 financed from resources available to the institution.

Board Discussion and Action

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

Staff Report to the Board

On September 14, 1979, the Board authorized an allocation of $98,000 from its reserve for physical plant rehabilitation and minor capital outlay for roof repairs and insulation of McNeal Hall, the Physical Education Building at Southern Oregon State College. After bidding documents were prepared for the work by the staff of the Physical Plant Department of the College, a contract award was made to the lowest bidder, Tom Hollenbeck dba Four Winds Roofing Service, Springfield. Inclusive of modifications incorporated by change orders, the last-adjusted contract amount became $55,020 before work was suspended by the contractor late in 1980 or early in 1981.

The suspension was due principally to the failure of materials obtained from an approved manufacturer, Carboline Co. of St. Louis, Missouri, to meet job specifications. Only one progress payment has been made to the contractor and it was in the amount of $14,451. Meanwhile, litigation has been filed, the contractor entered bankruptcy proceedings, a bank to whom the contractor's interest in the contract was assigned has been involved, and the Board's counsel has cross-filed with a complaint against the contractor and the manufacturer of the defective material. Efforts to resolve the issues with the surety that executed the performance bond on August 14, 1980, Heritage Insurance Company of America, an Illinois corporation, have been unsuccessful to date.
Although efforts have been made, initially by the contractor and more recently by the staff of the institution, to institute temporary measures to protect the building from weather damage, these have not been totally successful, and it is apparent that a new roof needs to be installed this year.

The Department of Justice attorney assigned to this case advised recently that in his opinion it would not prejudice the state's position in this litigation to proceed with permanent roof repairs. The staff of the institution has estimated that the total cost of the work remaining to be done will approximate $145,000. By offsetting the balance of $80,000 or so still available from the original allocation of $98,000 mentioned above, it will be necessary to provide approximately $65,000 more to assure reasonably that the work can be completed. The exact amount cannot be determined until new bids have been received and a contract award has been made.

Resources are available from the Board's reserve for physical plant rehabilitation and minor capital outlay, out of the "decision package" of $3 million appropriated for this purpose in the current biennium. Obviously, by allocating this amount of money for the McNeal Hall roof repair and insulation project, other projects expected to be funded will have to be deferred. In the judgment of the Board's staff, the seriousness of the problem at Southern Oregon State College warrants special consideration. If the Board is successful in the litigation now pending, at least a major portion of the costs should be recovered as an offset to this allocation.

Staff Recommendation to the Board

It was recommended that the Vice Chancellor for Facilities Planning be authorized to allocate an additional $65,000, or as much thereof as may be required, from the Board's reserve for physical plant rehabilitation and minor capital outlay for roof repairs and insulation of McNeal Hall at Southern Oregon State College.

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

Mr. Harms reported that the Finance Committee had met the previous evening and had considered the following matters:

1. Contracting Residence Hall Food Services
2. Budget Allocation System (BAS) Model

The report on contracting of residence hall food services appeared to indicate that the institutions which provide these food services are competitive with those elements where it is contracted out. The flexibility which is possible when the institution provides the services seems to outweigh the advantages of contracting for the services. A copy of the report is on file in the Board's Office.

Mr. Harms said that Mr. Petersen had requested some additional information and the staff had been asked to furnish that data to him. If there are any significant changes in the report, the Finance Committee will bring that information to the attention of the Board.

Mr. Harms said the Committee also considered the Budget Allocation System (BAS) Model. The report of the Committee consideration appears in the following item.

Report to the Board--Budget Allocation System (BAS) Model

Introduction

The staff, under the direction of the Chancellor, began developing a new budget system for the Department of Higher Education in February 1983. In the initial stages of development, it was determined that a single model was needed that could be used to measure the relative equity of resources...
at institutions which vary greatly in size and mission. The alternative to a single model would have been to develop five individual models to address the different missions of the institutions. A model for the University of Oregon for its liberal arts emphasis, one for Oregon State University for its land-grant activities, one for Portland State University's unique characteristics, one for the regional colleges, and one for Oregon Institute of Technology would have been necessary. To have built such individual models would have required the selection of peer institutions for each Oregon institution. This would have introduced the requirement of insuring that each set of peer group institutions was of similar quality, else the funding level of an Oregon institution would be enhanced or adversely affected in its relationship to the other Oregon institutions. In other words, equity of funding among Oregon institutions would be difficult to determine because there would not be a common measuring device. The State of Kansas has adopted the peer group institution approach in developing the Kansas budget model. The Kansas model uses Oregon State University as a peer institution for Kansas State University, and the University of Oregon for the University of Kansas. Therefore, Kansas, in the late seventies and early eighties, built into its model the results of Oregon State University's having exceeded its enrollment ceiling while not being fully-funded for its enrollment at that time. Therefore, the funding provided Kansas State was not equitable to that provided the University of Kansas because the relative funding between Oregon State University and the University of Oregon was not comparable when total enrollments were considered. It is this type of potential variation resulting from peer group selection and their peculiar circumstances that makes it difficult to measure equity among Oregon institutions if each Oregon institution is compared to a different external measure.

The BAS Model was designed to give maximum flexibility to policy-makers in the formulation of the budget. The BAS Model uses the "building block" approach to developing a model budget. In other words, it identifies in the Model the various inputs that are required in budget building, such as student credit hours, faculty productivity, faculty salaries, support staff, numbers of degree programs, square feet of buildings, valuation of buildings, acres of land, etc. The opposite to this building block approach is to combine all such costs into a single composite, such as a cost per credit hour. The single cost per student or credit hour is deemed inferior because it does not highlight the very significant policy issues in budget formulation, such as workload per faculty or cost of building maintenance, which are necessary to identify and give effect to institutional differences. The fact that two institutions have the same cost per student does not mean they are funded equitably since one institution may have significantly different utility or building maintenance costs because of a difference in climate or its type of buildings.

The quantification of the various building blocks in the BAS Model is accomplished through the use of comparative as well as normative data. The comparative data are actual data from selected institutions and include such items as faculty productivity ratios (credit hours produced per faculty) and average faculty salaries. The normative data represent funding standards developed by professionals, such as librarians, physical plant directors, media specialists, etc.

During the developmental stages of the BAS Model, the staff met with each Board member, every institution president and numerous individuals on each campus. In addition, we contacted officials in some 21 states and organizations including the National Center for Higher Education Management Systems and the National Association of College and University Business Officers. An extensive on-site visit was made at the University of Kansas and Kansas State University to study the Kansas Model. Through this process of consultation and review, all of the major areas in the BAS Model were thoroughly examined and tested for validity. It is the impression of the staff that all institutions are in agreement to go forward with the BAS Model as presently configured. This is not to say that each institution is fully-supportive of every detail of the Model. However, it is fair to say that as of now no individual or institution has offered a better alternative which is acceptable to all institutions. In gaining acceptance of the BAS Model, the Academic Council was asked to review in depth those items relating
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to the instruction function, particularly the faculty productivity ratios by discipline. At the January 26, 1984, meeting of that Council, at which all institutions were represented, the productivity ratios were approved. In addition, a combined meeting of Academic Vice Presidents and Librarians in September 1983 gave approval to the library portion of the BAS Model. The Physical Plant function has had acceptance since the summer of 1983. The Student Service model has just gained institutional approval. Although the Institutional Support function comprises the most subjective criteria, little objection has been expressed during the developmental stage about its validity.

As indicated above, the BAS Model has been developed along functional lines, i.e., instruction, research, academic support, student services, physical plant operation and maintenance, and institution support. The challenge of developing a single model that can measure instructional resources equitably at institutions which vary greatly in mission was met by using twenty-five different educational disciplines in the instruction function. The distribution of student credit hours among the disciplines reflects the differences that exist among a liberal arts university, a land-grant institution and a regional college. The details describing how the Model is constructed to provide the necessary resources to support the activities contained in each function are shown below.

Instruction

1. Twenty-Five Educational (HEGIS) Disciplines

The use of the twenty-five disciplines is the single most important factor which allows the Model to be used as a common measuring device to compare the relative funding equity of institutions which vary in size and mission. The basic principle of the instruction function model is that a discipline, regardless of institution, should obtain its funding base using the same criteria. Discipline funding among institutions will vary, dependent upon student mix by level.

See Attachment.

2. Four Levels of Instruction--Lower-Division, Upper-Division, Master's, Doctoral

Within each educational discipline student credit hours are generated by four levels of instruction. The variation of credit hours among the four instructional levels produces different results in the same discipline among the institutions. A university will normally have larger proportions of credit hours at the master's and doctoral level, and thus its funding will be greater than that of a college, even though the total credit hours in the discipline may be the same.

It is generally accepted that in undergraduate instruction the level of the course being taught is the primary determinant in the instruction cost. In graduate instruction, it is the level of the student, i.e., doctoral students demand more faculty time than do master's or upper-division students. In this Model, lower- and upper-division credit hours taken by undergraduates are counted at the level of the course, whereas master's and doctoral credit hours are counted at the level of the student. This distinction between course credit hours and student credit hours further highlights the differences that may exist in a discipline among institutions.

3. Faculty Productivity by (HEGIS) Disciplines

Faculty productivity is defined as the total credit hours produced by a full-time instruction faculty member in an academic quarter. A faculty productivity ratio of 300 at the lower division level is equivalent to a student-teacher ratio of 20:1 (300:15).
The faculty productivity ratios used in the BAS Model were derived using actual data from the following institutions: University of Colorado, Indiana University, University of Michigan, Michigan State University, University of Missouri, Ohio State University, University of Illinois, University of Virginia, and University of Washington. These universities are all large institutions; therefore, faculty productivity at the lower-division and upper-division levels represents an economy of scale in certain disciplines that is difficult to achieve at smaller institutions.

In recognition of this difficulty, a "small school differential" has been provided in nine disciplines. For these nine of the twenty-five disciplines, the small school productivity ratios for lower division and upper division are 80% of the large school ratio. The basis for selecting the disciplines and the 80% factor came after review of actual credit hour production of faculty in small institutions in Oregon and the review of data presented by Virginia, Illinois, and New Mexico institutions. There is a definite pattern in these nine disciplines which indicates lower credit hour production at small institutions.

Recently in the BAS Model review process, dissatisfaction has been expressed by certain individuals representing the larger institutions over the small school productivity ratio differential policy. Some at the larger institutions would wish to remove the differential. However, the larger institutions must be reminded that just as a small school differential for undergraduates can be defended through the study of actual comparative data so can the more generous productivity ratios at the graduate level. If comparative data are to be the basis for establishing productivity ratios, we must apply the findings to both large and small schools.

The BAS Model faculty productivity ratios applied to the actual or projected Oregon institution credit hours by level of instruction generates a number of FTE faculty required for each discipline. The credit hour data for each discipline represent the only Oregon institution data used in the instruction function model.

One other university/college (large vs. small school) differential is included in the BAS Model. National data indicate that approximately 12% of the faculty at a university is composed of graduate teaching assistants. Therefore, the total university teaching FTE generated by the productivity ratios is 88% ranked staff and 12% graduate assistants.

For the colleges, the faculty generated are all ranked staff, because colleges do not have graduate programs of sufficient size to have available graduate teaching assistants for use in undergraduate instruction.

4. Faculty Salary Averages and Rank Mix by Discipline:

A significant factor related to the program financing of an institution is to give recognition to the differences that exist in faculty salaries by discipline. The BAS Model uses a broad-based national salary survey compiled by Oklahoma State University. This survey includes over 70 institutions from all regions of the United States. The BAS Model uses the "all rank" salary averages by discipline. The use of the "all rank" salary average implies that the rank mix for each discipline in the BAS Model is the rank mix that exists in the 70 plus institutions in the salary survey. The BAS Model adjusts these national salary averages by 6% to reflect the State of Oregon policy of paying the employees' share of the state retirement program.

National salary data indicate that college salaries are approximately 87% of university salaries. The BAS Model introduces a salary differential by applying this 87% factor to all discipline salary averages for the colleges and Oregon Institute of Technology.
5. Support Staff

The BAS Model provides for support staff in the instruction function at levels considered as normative for such support. Technical support staff are provided at a ratio of 1 technical staff member for each 10 faculty. Technical support staff are laboratory technicians, prop builders, etc. It is obvious that certain disciplines require more or less support than this 1:10 ratio, and further refinements of the BAS Model will address these individual discipline differences. However, the consensus of most individuals who reviewed this particular element in the Model is that a 1:10 ratio applied institution-wide is a fair approximation of the need.

Administrative and clerical support staff are provided in the BAS Model at a ratio of 1 per 5 FTE instructional faculty. This is a normative standard deemed adequate to meet the required support activities.

6. Services and Supplies

The BAS Model for services and supplies provides an allowance equal to 10% of instruction salaries. Although needs for services and supplies tend to vary by discipline and further refinements of the BAS Model will address these variances, it is deemed acceptable to apply the 10% factor to the total for all instruction disciplines.

7. Staff Development

Staff development represents that activity which provides for staff in-service training and activities such as attendance at national professional meetings. An allowance equal to 2% of instructional faculty salaries at the universities and 2.25% of salaries at the colleges and Oregon Institute of Technology is provided for this activity. The differential in the percentage allowance is to account for the lower salary base at the colleges, because costs for staff development activities tend to be the same regardless of the salary level of the faculty.

Research

An allowance for state-funded research activities is provided in the BAS Model. The formula provides for an allocation to universities equal to 4% of instructional faculty salaries including the payroll expenses. The allocation to the colleges and Oregon Institute of Technology is 1% of salaries plus other payroll expenses. The 4% factor selected for the universities is representative of the state-funded research dollars in comparable institutions. The 1% for the colleges and Oregon Institute of Technology represents a minimum amount for research, recognizing that research is not a major mission of these institutions.

Academic Support

The Academic Support function contains the budget for such activities as libraries, media and audiovisual services, museums, and offices of academic deans and division heads.

The museums on the various campuses are not funded on a formula basis in the BAS Model. Instead, they are carried in the Model at the present base budget level.

Funding for academic deans and division heads is provided by applying an 8% factor to the total instructional faculty salaries generated in the instruction function. The 8% factor is representative of the resources presently applied to these administrative activities.
The library portion of the BAS Model has been reviewed by the institution librarians and the academic vice presidents and deans. The library model has been accepted as the best normative data available on library resource requirements. Many elements of the library model are used as standards in accreditation review. The BAS Model for libraries provides the following formula for determining the adequacy of holdings:

- Base Number of Volumes @ 85,000
- Volumes per faculty @ 125
- Volumes per student @ 20
- Volumes per baccalaureate or associate degree program @ 610
- Volumes per masters with no doctoral program @ 10,000
- Volumes per masters with doctoral program @ 3,750
- Volumes per doctoral program @ 31,250

The yearly acquisitions rate is 5% of the holdings formula as outlined above. The dollar allocation for acquisitions is determined by applying an amount per volume for universities with a differential amount for colleges.

The library staffing formula recognizes the need for a minimum staffing level plus additional staff to meet the requirements placed on a library by students as well as degree programs offered by an institution. The staffing formula is summarized as follows:

a) FTE Allowances: 10 core staff, plus four-term cumulative headcount students divided by 600; plus .50 FTE per masters program, plus 2.0 FTE per doctoral program.

b) FTE staff is composed of academic (30%), classified (60%) and student (10%) positions funded at an average salary for each category.

The costs associated with binding are provided at 8.5% of the acquisition budget, and the other services and supply costs are budgeted at 10% of the formula budget for staffing, acquisitions and binding.

The media services portion of the Academic Support formula was recommended by the Media Council of the State System. It does not make provisions for any computer learning activity but instead provides resources based upon current needs and activity levels. The formula is a three-tier classification based upon the instruction budget of the BAS Model and the FTE student enrollment:

<table>
<thead>
<tr>
<th>FTE Student Enrollment</th>
<th>Percent of Instruction Budget for Media Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000-4999</td>
<td>3.4%</td>
</tr>
<tr>
<td>5000-9999</td>
<td>2.7%</td>
</tr>
<tr>
<td>10000+</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

Student Services

The Student Services function includes activities such as admissions, registration, financial aid, placement, advising, etc. These basic functions must be performed by all institutions regardless of size. However, it is widely accepted that a correlation exists between the numbers of headcount students and cost. Therefore, the student services funding formula recognizes fixed costs in administering student services as well as the variable costs for providing services as the total number of headcount increases. The BAS Model for student services first builds a small school formula, which then represents the "core" funding for the larger institutions:

**Small School Formula**

- First 1,500 headcount (core) $700,000
- Next 1,500 headcount @ 300 450,000
- Next 1,500 headcount @ 280 420,000
- Next 1,500 headcount @ 230 345,000
- 6,000 headcount $1,915,000
Large School Formula

First 6,000 headcount $1,915,000
Next 6,000 headcount @ 280
Next 12,000 headcount @ 230

Physical Plant Operation and Maintenance

The BAS Model for the operation and maintenance of the physical plant is composed of normative standards necessary to maintain buildings and grounds adequately.

The building maintenance formula is based upon the replacement cost of buildings according to their type of construction. An additional allowance is provided for those buildings having air conditioning. The BAS Model is as follows:

a) Woodframe valuation x .0135
b) Masonry-wood valuation x .0100
c) Masonry valuation x .0085

The allowance for air conditioning is .0010 times valuation of air conditioned buildings. When the entire area of a building is not air conditioned, the valuation is adjusted for the percentage which is air conditioned.

Building rehabilitation and remodeling is provided at 1% of the valuation of all Education and General buildings. An allowance for utility distribution system maintenance is provided at 10% of the building maintenance allowance.

Janitorial service and window washing activities are provided for as an allowance per square foot of Education and General buildings. Janitorial services are provided at 1 FTE janitor per 25,000 square feet and an FTE window washer is provided for every 350,000 square feet. The grounds maintenance allowance is based on the total acreage of a campus divided into four levels of intensity of use. Very high use acreage is provided 1.00 FTE groundskeeper for every 4 acres, high use acreage 1.00 FTE groundskeeper for 16 acres, medium use 1.00 FTE groundskeeper for 32 acres and low use is budgeted at 1.00 FTE groundskeeper for 64 acres.

The services and supply allowance is budgeted at $1,000 per janitor and $2,200 for each groundskeeper.

The allowance for physical plant administration is budgeted at 15% of the total personnel allowance for janitorial and grounds maintenance.

At Oregon State University adjustments are included to recognize the lower costs associated with maintenance and care of farm buildings and barns.

Utilities are budgeted at the consumption levels necessary to meet the requirements of a normal heating and cooling season.

Institution Support

Institution support represents those activities involved in the overall administration of an institution, such as the president's office, business office, budget office, personnel office, affirmative action office, etc.

Many of the activities in the general administration of an institution are independent of the size of an institution. The institution support model contains a core staff and support allocation of $700,000 regardless of institution size. However, the numbers of staff and students on a campus do translate into additional administrative costs. Therefore, the BAS Model...
provides additional administrative support at $110 per fall term headcount student and FTE academic and classified staff member. Further, the total dollar volume of expenditures in an institution measures, in part, the resources required to administer an institution. To recognize this factor, the BAS Model provides an allowance equal to 5% of the total BAS Model (excluding the institution support function).

Equipment

The components of a model which will adequately reflect the various equipment needs of the institutions is still under review. We can calculate the dollars required to replace the existing equipment inventory. However, that does not address the equipment levels appropriate to the program. A method of modeling equipment needs is presently under development and should be available in early summer 1984.

Non-Modeled Elements of the Budget

1. Extension and Public Services

The Extension and Public Service activities such as the Bureau of Governmental Research, Labor Education Research Center, Population Research Center, Regional Services Institutes, etc., are not being modeled. The budgets for these activities are based upon the present program level. Board approved program levels may be necessary in the future, particularly when changes in levels of service are proposed.

2. Veterinary Medicine, OSU

The College of Veterinary Medicine has been created recently by the Board and Legislature and is deemed to have funding adequate to carry out its mission. The recommendation is to continue the funding at the present program levels.

3. Oregon Health Sciences University

The mission and programs of the Oregon Health Sciences University are such that it was impractical to include them in the BAS Model. However, preliminary steps have been taken to develop a funding model for OHSU. The developmental effort on the OHSU model will take place during the summer and fall of 1984.

4. Education and General Services expenditure budgets are funded from both Board's resources and institutionally-designated resources. Board's resources, consisting of State General Fund and Tuition and Fees, support that portion of expenditures covered by the model and activities described above. Institutional resources consist of indirect cost recoveries, special program fees and summer session tuition which support expenditure levels to be added to model-generated expenditures.

5. Statewide Public Service Divisions

The Statewide Public Service Divisions, (Agricultural Experiment Station, Cooperative Extension Service, Forest Research Laboratory, University Hospital, Crippled Children's Division and Dental Clinics) are not included in the BAS Model and there is no intent to include them in a formula funding model.

6. The self-support activities, such as auxiliary activities and activities supported from special fees, are excluded from the BAS Model. The intent is to maintain this separation from the regularly-funded Education and General program.
Staff Recommendation to the Committee

It was recommended that the Committee approve, and submit to the Board of Higher Education for its approval, the Budget Allocation (BAS) model as an accepted method for measuring the relative level of funding for each institution (excluding the Oregon Health Sciences University). It is to be understood that the BAS model will continue to undergo modification and change as better measures for determining adequacy of funding are developed.

Recommended uses of the BAS model in developing biennial budget requests and allocations will be presented to the Committee on Finance, Administration, and Physical Plant at its meeting on April 26, 1984.

Attachment

Oregon Department of Higher Education

Budget Allocation System (BAS) Model
(Factors and Formulas)

Instruction Function

1) Discipline Productivity Ratios by Level of Instruction**

<table>
<thead>
<tr>
<th>Discipline</th>
<th>Lower-Division</th>
<th>Upper-Division</th>
<th>Masters</th>
<th>Doctoral</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Coll.</td>
<td>Univ.</td>
<td>CIT</td>
<td>Coll.</td>
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<tr>
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<tr>
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<td>210</td>
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<td>Biology*</td>
<td>260</td>
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<td>Communication*</td>
<td>260</td>
<td>320</td>
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<td>Computer Science*</td>
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<tr>
<td>Education*</td>
<td>190</td>
<td>240</td>
<td>190</td>
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<td>230</td>
<td>160</td>
<td>130</td>
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<tr>
<td>Fine Arts/Applied Arts</td>
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<td>110</td>
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<tr>
<td>Foreign Languages</td>
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<td>Law</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
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<tr>
<td>Letters</td>
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<td>290</td>
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<td>230</td>
<td>120</td>
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<tr>
<td>Mathematics*</td>
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<td>370</td>
<td>300</td>
<td>180</td>
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<tr>
<td>Military Science</td>
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<td>360</td>
<td>200</td>
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<td>Interdisciplinary</td>
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<td>--</td>
<td>150</td>
<td>--</td>
</tr>
<tr>
<td>Diesel Power Tech.</td>
<td>--</td>
<td>--</td>
<td>150</td>
<td>--</td>
</tr>
</tbody>
</table>

*Disciplines with a college/university differential in productivity ratios.

**Student Credit Hours per Academic Quarter.
### 2) Discipline Salary Average

<table>
<thead>
<tr>
<th>Discipline</th>
<th>National Averages</th>
<th>Oregon Univ. at Nat. Avg.</th>
<th>Oregon Colleges at 87% of University</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>$29,723</td>
<td>$28,041</td>
<td>$24,395</td>
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<td>Fine Arts/Applied Arts</td>
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<td>27,448</td>
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<td>Psychology</td>
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<td>Public Affairs</td>
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<td>Social Science</td>
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<td>Interdisciplinary</td>
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<td>23,793</td>
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</tr>
<tr>
<td>Diesel Power Tech.</td>
<td>25,221</td>
<td>23,793</td>
<td>20,700</td>
</tr>
</tbody>
</table>

*OIT at university average.
3. Instructional Staff
   a) For universities the productivity ratios produce a total instructional faculty of which 88% are ranked faculty and 12% are graduate assistants.
   b) For colleges and OIT the productivity ratios produce total instructional faculty and 100% are ranked faculty.
   c) Graduate assistant salary average is $17,400 for all disciplines in 1982-83.

4. Support Staff
   a) Technical support staff @ 1 per 10 FTE instructional faculty.
      The technical support positions are budgeted as Lab Tech 2 at the second step of the range.
   b) Administrative/clerical support staff @ 1 per 5 instructional faculty.
      The administrative/clerical support positions are budgeted as Secretary at the second step of the range.

5. Other Payroll Expenses
   a) Ranked faculty salaries budgeted at 31.8% for universities and 32.4% for colleges and OIT.
   b) Unranked graduate assistant salaries budgeted at 2.5% at universities.
   c) Technical support and administrative/clerical support budgeted at 37.9% universities and colleges.

6. Services and Supplies
   Services and Supplies are budgeted at 10% of instruction salaries (excluding OPE).

7. Staff Development
   a) For universities staff development is budgeted at 2% of instructional salaries (excluding OPE).
   b) For colleges staff development is budgeted at 2.25% of instructional salaries (excluding OPE).

8. Equipment
   (To be determined)
9. College of Veterinary Medicine-OSU

The College of Veterinary Medicine is budgeted on a program basis and the funding base is that presently budgeted in the 1983-84 Operating Budget. From this 1983-84 base, the budget is adjusted incrementally for price and salary adjustments, plus program improvements as approved.

Research Function

Allowance is based on instructional ranked and unranked faculty salaries including other payroll expenses. Universities at 4% of salaries + OPE; colleges and OIT at 1% of salaries + OPE.

Public Service Function

The public service activities in Education and General Services are budgeted on a program basis and the funding base is that presently budgeted in the 1983-84 Operating Budget. From this 1983-84 base, the budget is adjusted incrementally for price and salary adjustments, plus program improvements as approved.

Student Service Function

The Core funding for Student Services is comprised of the following:

1 Registrar
1 Admissions Officer
1 Financial Aid Director
1 Dean of Students
1 Director of Counseling

Subtotal (Including OPE) $245,000
Support staff 14 FTE
(Range 16, Step 2) Including OPE 265,000
Support Services 190,000
Total Core Support (1983-84) $700,000

Small School Formula

First 1,500 headcount (Core) $ 700,000
Next 1,500 headcount @ $300 (1983-84) 450,000
Next 1,500 headcount @ $280 (1983-84) 420,000
Next 1,500 headcount @ $230 (1983-84) 345,000
6,000 headcount (1983-84) $1,915,000

Large School Formula

First 6,000 headcount $1,915,000
Next 6,000 headcount @ $280 (1983-84)
Above 12,000 headcount @ $230 (1983-84)
Meeting #510  
March 30, 1984

**Academic Support Function**

1. Library holdings determined as follows:

   a) Base collection number of volumes @ 85,000
   b) Volumes per FTE instructional faculty @125
   c) Volumes per 3-term FTE student @ 20
   d) Volumes per baccalaureate or associate degree program @ 610
   e) Volumes per masters with no doctoral program @ 10,000
   f) Volumes per masters with doctoral program @ 3,750
   g) Volumes per doctoral program @ 31,250

   The number of programs to be determined and maintained by the Vice Chancellor for Academic Affairs.

2. Acquisitions are 5% of the holdings as determined by the formula:

   Price per volume budgeted in model:

   **Universities @ $42 per volume (1983-84 prices)**
   **Colleges and OIT @ $34 per volume (1983-84 prices)**

   The prices per volume for universities and colleges will be determined through consultation with the head of the State System Library Council.

3. Library Staffing

   a) FTE allowances: 10 Core staff plus 4-term cumulative headcount divided by 600 plus .50 FTE per masters program, plus 2.0 FTE per doctoral program.

   b) FTE formula staff distributed as follows:

       30% academic staff budgeted at salary average of ranked instructional faculty
       60% classified staff budgeted at the second step for Administrative Assistant 2
       10% student staff budgeted at $5.53 per hour average

4. Binding is budgeted at 8.5% of the acquisition formula (2 above).

5. Library services and supplies are budgeted at 10% of the formula funding for acquisitions plus binding plus staffing including other payroll expenses.

6. Academic deans and division heads funding is budgeted at 8% of instructional faculty salaries including other payroll expenses.
7. Media services and other instructional support activities. This formula represents activities such as television, audio-visual and learning laboratory operations.

<table>
<thead>
<tr>
<th>FTE Student Enrollment</th>
<th>Percent of Instruction Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000-4999</td>
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<tr>
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</tr>
<tr>
<td>10000+</td>
<td>1.5</td>
</tr>
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8. Museums

Museums budgeted in Education and General Services are budgeted on a program basis and the funding base is that presently budgeted in the 1983-84 Operating Budget. From this 1983-84 base the budget is adjusted incrementally for price and salary adjustments, plus program improvements as approved.

**Physical Plant Function**

1. Building maintenance is based on replacement cost of buildings using current valuations. All Education and General buildings are categorized into three types of construction and a maintenance factor is applied to each.

   a) Wood frame valuation x .0135 = maintenance budget
   b) Masonry-wood valuation x .0100 = maintenance budget
   c) Masonry valuation x .0085 = maintenance budget
   d) Air conditioned buildings valuation x .0010 = maintenance budget

   Total equals budget for building maintenance

   At OSU farm buildings are provided maintenance dollars on 40% of their valuation times maintenance factor.

2. Building rehabilitation and remodeling is budgeted at 1% of total Education and General building valuation.

3. Utility distribution system maintenance is budgeted at 10% of building maintenance budget as calculated in 1, above.

4. Janitorial service and window washing is based upon total square footage in Education and General buildings.

   a) 25,000 square feet per janitor = total FTE janitors
   b) 350,000 square feet per window washer = total FTE window washers
   c) Supervising staff equals .15 x (FTE janitor + FTE window washer) = Total FTE supervisors
   d) The sum of a, b, and c, (equals total janitor and window washer FTE) times salary rate of custodial worker range 8 step 2 equals total salaries.
   e) OPE rate as determined for position of custodial worker range 8 step 2.
   f) Services and supplies determined by multiplying $1,000 per total janitorial and window washing FTE.

   At OSU farm buildings are provided janitorial FTE for 10% of their total square footage.
5. Grounds maintenance is based upon the total acreage within campus boundaries categorized by intensity of use.
   a) Very high intensity use areas provided 1.00 FTE groundsmen/4 acres.
   b) High intensity use areas provided 1.00 FTE groundsmen/16 acres.
   c) Medium intensity use areas provided 1.00 FTE groundsmen/32 acres.
   d) Low intensity use areas provided 1.00 FTE groundsmen/64 acres.
   e) Supervising staff equals .15 x total of groundsmen FTE = supervising FTE.
   f) The sum of groundskeeper FTE and supervising FTE times salary rate of a groundskeeper 2 range 13 step 1 equals total salaries budgeted for grounds maintenance.
   g) OPE rate as determined for position of groundskeeper 2 range 13 step 1.
   h) Services and supplies determined by multiplying $2,900 per total FTE groundsmen.
   i) Physical plant administration allowance provided by multiplying .15 x total janitorial and groundskeeper salaries plus OPE.
   j) Utilities are budgeted at consumption levels necessary for a normal heating and cooling season.
   k) An indirect cost negative adjustment is made to the total physical plant budget as generated by the above formulas. The indirect cost adjustment is equal to the total indirect costs generated by the indirect cost pool associated with the physical plant.

Institution Support Function

1. The Core funding for institution support is comprised of the following:
   a) 1 President
   b) 1 Vice President/Dean for Administration
   c) 1 Vice President/Dean for Academic Affairs
   d) 1 Business Manager
   e) 1 Budget Officer
   f) 1 Personnel Officer
      Subtotal (Including OPE) $390,400
   g) Support staff 6 FTE (Range 16 Step 2)
      Including OPE 113,000
   h) Support services 196,600
      Total Core Support (1983-84) $700,000

2. An allowance for the total students and staff on campus:
   a) Fall term student headcount x $110 (1983-84 factor)
   b) Unclassified FTE x $110 (1983-84 factor)
   c) Classified FTE x $110 (1983-84 factor)

3. An allowance for the total dollars expended by the Education and General budget:
   The total BAS Model budget for all functions except institution support times 5%.

4. All central government assessments are budgeted at the actual assessment levels.

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Discussion and Recommendation by the Committee

In presenting the Budget Allocation System Model report, Mr. Lemman indicated that the Model was viewed as a dynamic rather than static instrument and would never be fully complete. He said it would always be under review, development, modification, and refinement, but the staff was prepared to advise the Board concerning the details of the Model with the expectation that at the April meeting any unresolved differences between the staff and the institutional personnel could be communicated to the Board and evaluated. It is expected also that it will be possible to make a recommendation at that time on the use of the model in the development of the biennial budget request and as a guide to the allocation of funds to the several institutions.

Mr. Quenzer said the Model was designed to be sufficiently detailed to allow the policy makers at all levels to see the elements in the institutional budgets which determine cost and the adequacy of funding in very diverse institutions with different missions. The 25 different educational disciplines incorporated in the instructional function are a key element in the effectiveness of the Model as a common measuring device for such diverse institutions.

In addition to these 25 HEGIS disciplines, the student-teacher ratios, the faculty productivity ratios, and the four levels of instruction build into the Model the significant differences between colleges and universities. He described examples of the application of the Model. The Model would not provide the University of Oregon and Southern Oregon State College in total the same student-teacher ratio nor the same cost per credit hour, but it would provide funding for lower-division psychology, for example, on an equitable basis, if one considered that equity required in that particular discipline a small school differential.

In response to a question concerning how close the present budget comes to the figures indicated by the application of the Model, Mr. Quenzer said it would probably be 72-74% as the process moves into the acquisition portion of the Model. Previously, reference had been made to 80% of the "adjusted" Model.

Mr. Petersen asked whether the timeline had been determined with respect to when the institutions would be at 100% of the indicated funding. Mr. Quenzer noted that the Model has now quantified for the Board the general level of underfunding that exists for the State System. The policy question for the Board to decide is how much of that underfunding should be eliminated. Mr. Lemman said there are many questions and opportunities in dealing with the Model and also policy questions that can be included in the device, both for requesting funds and for allocating them. Mr. Quenzer said he viewed the Model as a very flexible management tool to assist the Board and the Chancellor in the whole issue of setting policy.

Mr. Harms inquired whether anything had been included in the Model on equipment. Mr. Quenzer replied that the issue of equipment was under study by a task force headed by Mr. Stefan Bloomfield of Oregon State University. He said it is very difficult to determine the adequacy of the need within each discipline for equipment. When the task is accomplished, it is expected to provide a significant body of literature and information to the higher education budgeting and modeling system in the United States.

There were some brief comments with respect to the historical development of the budget process and the fact that budgeting procedures seem to follow recurring cycles. To some extent this is a reflection of the detail that legislators and others working with the budgets may wish to see at a given time. The detail is always available to substantiate the aggregate amounts, but there are cycles in the format for presenting the information.

In discussing student services, Mr. Quenzer explained that a core amount was used to represent the cost to any institution to hire a registrar, admissions officer, financial aids officer, and other persons required regardless of the number of students.
It was indicated the Law School at the University of Oregon was included in the Model, but that there are changes occurring in legal education. The Model will provide an opportunity to react to changes as they occur.

Mr. Batiste asked whether in looking at both the allocation and acquisition phases of the Model, it had been possible to identify policy issues the Board should be considering and perhaps discussing with the Legislature. Mr. Quenzer replied that the Model had quantified the inadequate support in several key elements, such as faculty FTE, salary averages, library support, and physical plant maintenance. The Model should help to clarify some of these things which the Board has previously identified as budget issues and taken to the Legislature in the past. With respect to physical plant maintenance, it is hoped that it will be possible to achieve a sufficient base for preventive maintenance rather than crisis management.

Mr. Harms said he had planned, unless other Committee members disagreed, to present a brief report at the Board meeting but not to present the BAS Model for adoption. He said in view of President Olum's previous reservations, there should be an opportunity for the Board to hear his expression of those reservations prior to the adoption of the Model. He then called upon representatives of the institutions to comment.

Dr. Richard Hill, Provost at the University of Oregon, said President Olum did have some basic differences with the assumptions underlying the Model and was particularly troubled by the way the Model is productivity driven. He noted that there were a large number of variables in the Model and it was difficult to deal with those variables in a systematic fashion given the time constraints under which everyone was working. He said Mr. Quenzer's statement with respect to the degree to which others could understand what went into the funding of higher education was an excellent point. The Model will demonstrate to the Legislature the serious underfunding of higher education in Oregon, and this is an important function. Dr. Hill said when the Model goes beyond the acquisition stage to the allocation stage, there are some very serious difficulties with the Model as it is currently formulated. There are some problems with productivity as measured in the Model in terms of student credit hours generated. It has always been a difficult task to measure productivity. Dr. Hill said the University of Oregon faculty is expected to spend half of their effort in teaching and half in research and service, but the productivity hours in the Model are in terms of student credit hours generated at various levels. The distinctions now made between four levels of instruction are certainly a step in the right direction, but the lack of a research and service component in measurement of faculty productivity is a very serious limitation of the Model.

Dr. Hill then mentioned some special concerns that should be addressed with respect to the Law School in the areas of of library and productivity.

President Larry Blake said he would focus on the two words of accountability and flexibility which to him described the system very well. By implementing this type of formula, it will be possible to state the needs of the institutions and to prove their validity. The flexibility permits the use of the funds achieved during the acquisition process by allocating them for the best interests of the institution. Each institution will have a different emphasis from that of the national average, and the model provides the flexibility to meet different needs.

Dr. Theran D. Parsons, Vice President for Administration at Oregon State University, said he supported the general concept of the Model and believed it would be useful in obtaining resources. He said he too could object to some of the numbers. He indicated that each institution has areas of higher priority than others so it would not be possible for any institution to use the Model as an internal allocation system. He said the prime purpose of the Model at this point is for acquisition of funds and it would serve that purpose very well.
President Gilbert said he would support President Blake’s comments and that the flexibility provided a move in the right direction. He indicated that Mr. Quenzer had been extremely responsive to the specific concerns presented to him.

Board Discussion and Action

Mr. Harms reviewed some of the elements presented to the Committee and indicated that the Committee requested action be deferred to the April meeting. The staff report and Committee discussion is included above for future reference.

Mr. Harms said the adoption of the system could well be one of the most significant decisions made by the Board. He emphasized the importance of reviewing the material in the agenda before the next meeting so that Board members would be aware of how the Model was developed and the purpose of it. Mr. Harms said there appeared to be general agreement from the institutions that the BAS Model would present a much clearer budget to the Legislature.

Mr. Harms explained that the Model is based upon a number of factors using both comparative data and normative data. Comparative data are actual data from selected institutions and include such items as faculty productivity ratios, and average faculty salaries. The normative data represent funding standards developed by professionals, such as librarians, physical plant directors, and media specialists. The Model is composed of certain functions—instruction, research, academic support, student services, physical plant operation and maintenance, and institutional support.

The area of support consists of several elements. The first is based on 25 educational disciplines, taking into consideration four levels of instruction, faculty productivity by the disciplines, faculty salary averages and rank mix by disciplines, support staff for instruction, services and supplies, and staff development. All of these are part of the instruction segment of the Model. The second major category is research and calls for an allocation equal to 4% of instructional faculty salaries at the universities for research and 1% at the colleges. A third major category is academic support which includes libraries, media and audio-visual services, museums, and the positions of academic deans and division heads. Mr. Harms called particular attention to the formulas in the report.

Mr. Harms said student services are based upon a core for the first 6,000 students with increments of 6,000 students at the larger schools.

Physical plant operation and maintenance is a fourth major category which has been determined by normative standards necessary to maintain the buildings and grounds adequately. Institutional support represents certain basic activities necessary in the overall administration of an institution.

Mr. Harms said there was general agreement that this Model at least represents a useful acquisition model and will provide additional information which has not been as readily available to the Legislature about certain aspects of the operating costs. Mr. Harms indicated the University of Oregon still expressed some reservations, particularly in the weight to be given to productivity and student credit hours generated and their relationship to research and to a research institution generally. One reason for requesting action be deferred was to give President Olum an opportunity to express these reservations.

Mr. Harms concluded by urging Board members to read the material in full and to be prepared to take action at the April Board meeting after there was an opportunity for additional testimony from the institutions. He said he believed it was a good model and he expected the Committee would be recommending its acceptance.

In response to a question from Mr. Perry concerning the use of the Model with the Legislature, Mr. Harms said the data and numbers should have meaning and be easily understood, even though the concept itself might be
difficult to understand. He also indicated that the term "acquisition model" refers to using it as the basis for acquisition of funds from the Legislature.

The Chancellor said if the average for the 20 comparative universities for all of the disciplines were fully funded, it would represent 100% in terms of the acquisition. If it were only possible to fund at 90% or 80% of that level, the acquisition levels would be different amounts.

Mr. Harms commented that one of the attractive elements of the Model was the flexibility to decide to fund an area at something other than 100% of the level. He said some of the reservations which have been expressed are that used as an allocation device, the Model might be too inflexible. The intention is that once the funds are allocated, the institutions will be free to establish some priorities within the institutions.

Staff Report to the Committee

Oregon State University requests the approval of a Veterinary Center for Drug Research and Reference Testing. The Center would be under the auspices of the College of Veterinary Medicine. The request is included in the agenda document for the March 29, 1984, meeting of the Committee on Instruction. A copy is on file in the Board's Office.

Currently, there are two Centers for Drug Research and Reference Testing recognized by the National Association of State Racing Commissioners, one at Ohio State University and one at Cornell University. The proposed Center would provide service to the racing industry of Oregon and other state racing jurisdictions in addition to furthering the teaching, research, and public service programs of the College of Veterinary Medicine. Such a Center evaluates private laboratories performing routine testing of samples collected during race meets and, hence, will not be in competition with private laboratories. The funding for the Center will include a percentage of parimutuel betting dollars, contracts with state racing commissioners, and granting agencies.

No state funds would be used in the operation of the Center. However, it is expected that the Center will provide opportunity for both departmental research, carried out by faculty as a part of their regular research activities, and funded projects considered under contract.

Staff Recommendation to the Committee

The staff recommended that the Board authorize Oregon State University to establish a Veterinary Center for Drug Research and Reference Testing, with funding to be provided from a percentage of parimutuel betting as provided in ORS 462.280 and contracts with state racing commissions and other councils and agencies as described in the proposal.

Discussion and Recommendation by the Committee

President MacVicar explained that the proposed center is a reference and not a testing center. It is for the purpose of designing tests on drugs that either have been or might be used in racing animals and to establish standards for private laboratories to assure that their testing is made with appropriate quality control. If it is successful, it is anticipated the center would serve the western part of the United States from the Rockies to the Pacific Coast.

Mr. Perry asked whether there was an impact in terms of instruction and training results for students. Dr. MacVicar said the program would be a service area with a significant research component on the methodology of doing these tests. There may be some concern, particularly with horses, on the impact of the drug itself, and this would fit into the pharmacology area. There would be some application in the toxicology program. The primary mission will be to perform this important service, but there will be instruction and research components.
There was some discussion of the financing of the center. President MacVicar said the firm financial commitment was that of the Oregon Racing Commission. The remainder of the financing was expected once the center was in operation.

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

**Board Discussion and Action**

In response to a question from Mr. Harms during the discussion, it was stated that if Portland Meadows Race Track ceased to operate, there no longer would be a concern with the testing of racing animals except for the greyhound track. It was pointed out also that there would be some parimutuel betting at the county fairs.

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

**Staff Report to the Committee**

The Eastern Oregon State College Rural Education Development Center was established in 1983, with the assistance of a grant from the Northwest Area Foundation.

The Center is an outgrowth of Eastern Oregon's grant-funded Rural Based Teacher Development Project, now in its fifth year. The Center will (1) further the regional mission of Eastern Oregon State College through increased service to rural educators, (2) enhance teacher education programs through cooperative development efforts, and (3), through its consortium, enable Eastern Oregon State College to be in compliance with requirements of the Teacher Standards and Practices Commission.

Because the Center was a part of Eastern Oregon State College's extensive and on-going rural teacher education activities, and because use of a consortium to serve as an advisory body in the review, evaluation, and development of teacher education programs is now required by Teacher Standards and Practices Commission, the College overlooked bringing a request for approval of the Center to the Board. The request is being made at this time. The request is included in the agenda document for the March 29, 1984, meeting of the Committee on Instruction. A copy is on file in the Board's Office.

The Center is funded by Eastern Oregon State College as a part of its teacher education programming, by fees for services and membership fees for the consortium, and by a three-year developmental grant of $107,962 from the Northwest Area Foundation ($57,962 the first year, $35,000 the second year, and $15,000 the third year). The program of the Center is designed so that it can continue as a self-supporting entity after the initial grant period.

**Staff Recommendation to the Committee**

The staff recommended that the Board approve the Eastern Oregon State College Rural Education Development Center.

**Discussion and Recommendation by the Committee**

Dr. Harvey Bennett, Dean of the School of Professional Studies at Eastern Oregon State College, explained that the center grew from ideas generated by the need for rural-based teacher development which has been funded externally and internally in the eastern Oregon region. The center encourages participation in teacher education activities and provides a different focus and different interaction than a teacher education program. The consortium is composed of educators at various levels.
Dr. Bennett said the funding comes from three sources. The first is outside funding sought in terms of the services of the center. The second source is by resolution, and nine school districts have expressed a willingness to contribute. A third source will be membership services in the region both for individuals and for organizations.

Mr. Wyss asked whether there appeared to be any difficulty or breach of tradition in the requirement by the Teacher Standards and Practices Commission that no approval of a teacher education program would occur without an advisory body which is a consortium of people other than the Board of Higher Education.

Dr. Bennett said the Commission has approved processing standards which mean more than just a rule. The act that goes with the rule means that the profession is involved with reviewing what colleges do in preparation of teachers at the undergraduate level. The role of the consortium is consultative and its meetings are required at a certain level, but each institution is left to decide how it will structure its size as long as there is parity. In the past, the institutions were reviewed by the Commission, but there was no intervening professional group to speak to the Commission regarding the differences between institutions, between the regions they serve, and between the needs of schools in those regions. Now there is such a group and it is a very profitable body and a very good guiding group. Dr. Bennett assured Mr. Wyss that the consortium was acting in an advisory capacity.

Mr. Wyss said he had no wish to imply that this was not an admirable program. He said he was just interested in the idea of consortia which he did not believe had been discussed by the Committee or the Board over the last eight years.

Dr. Bennett said consortium development has been occurring over perhaps the last ten years. There was a period of time when an institution could choose to come under one set of standards or another. If they chose to come under this set of standards for approval, a consortium was required. Most did not, but one institution moved ahead and did so. That institution produced a program based on the advice of professionals under that set of rules. Once this barrier was passed, the institutions began to implement the idea of consortia.

The Committee recommended that the Board approve the program as recommended.

Board Discussion and Action

Mr. Harms commented that although this program in number was very small, the program was very noteworthy in terms of a dramatic program with tremendous meaning to the people and teachers as professionals in the area. Because of the distances involved to the nearest support facility for professional educators, the program is extremely important.

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

Staff Report to the Committee

Southern Oregon State College and the University of Oregon College of Education are pleased to report the signing of a memorandum of agreement whereby students in the southern Oregon region will be able to complete requirements for the standard handicapped learner's endorsement as part of a program leading to a master of science in education degree at Southern Oregon State College.

Southern Oregon State College is authorized to offer course work leading to the basic handicapped learner's endorsement, primarily as a part of its program preparing elementary teachers, but does not have the resources and
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is not authorized to offer the standard endorsement program. Under the agreement with the University of Oregon, teachers and others in the region who wish to continue their preparation at the graduate level at Southern Oregon State College will be able to complete the University of Oregon 21-credit-hour standard endorsement program as a part of their master's degree work without loss of credit and with only one summer term on the University of Oregon campus.

The University of Oregon, under this agreement, will schedule nine credit hours of work applicable to the program each year in southern Oregon. Southern Oregon State College, in turn, will waive its graduate residence requirement limiting transfer credit to 15 credit hours and accept the entire block of 21 credit hours toward completion of requirements for the master's degree.

Discussion and Recommendation by the Committee

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

Board Discussion and Action

The Board accepted the report as presented.

Staff Report to the Committee

Summer sessions in the Oregon State System of Higher Education have now experienced two years of operation under a self-support policy. How has the requirement of self-support affected the extent and quality of programming, the financial viability of the sessions, and student access to educational services? Does self-support make Oregon's sessions more or less similar to summer sessions in other states? Is there a problem or the possibility of a future problem which needs the Board's attention?

To address these questions, the staff has reviewed the history of summer session funding in Oregon, examined enrollment and tuition trends for the past decade, and surveyed other states' processes.

Background Information

Enrollment growth during the 1960's generated considerable interest in the expansion and development of summer sessions. The effective use of facilities, particularly for campuses facing shortages of classrooms and laboratories, provided much of the motivation. There was also a high interest in development of a "fourth term", integrated with terms of the regular academic year. Advocates of the fourth term saw an opportunity to schedule classes which would provide accelerated progress toward degrees, thereby moving students quickly and economically through the programs.

This interest in summer term development is illustrated by Board requests for allocation of State General Funds for enhancement of summer instruction. As late as December 1968, Board minutes reflect discussion favoring promotion of the fourth term as beneficial to students and the people of Oregon.

In its 1973 session, the Legislature began to reverse the trend toward augmented summer funding by limiting the appropriation support for the 1974 summer session to $1,200,000. Principal reason for this action appears to have been the scarcity of State General Fund resources. However, the limitation included a directive that the Board of Higher Education reevaluate summer policies prior to the 1975-1977 Biennial Budget Request.

This evaluation was completed and reported to the Board February 25, 1975. The Board accepted the report with the recommendation that attention be
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given to continuation of state financial support at the same level as it had been given in the past. Principal finding and conclusions of the report are listed below.

The main purposes served by the summer session are to make it possible for students to continue or to accelerate progress toward a degree and to provide opportunities for self-improvement and professional advancement.

The summer term provides some unique opportunities and advantages such as the following:

a. Curricular choices are more flexible than during the regular term and offerings are designed to meet specific student needs.

b. The format in which programs and courses are offered--workshops; pre- and post-summer sessions; 4-week, 8-week and 11-week sessions--is more varied than during the regular term.

c. Special programs may be developed that are not offered during the regular year with the wider use of outstanding visiting professors.

The summer term results in improved year-round utilization of campus facilities.

Slightly more than half of all the students enrolled in Oregon State System of Higher Education institutions in the summer are undergraduates.

Summer session expenditures are met principally from tuition charges. In the summer of 1972, tuition provided 74.8% of the summer session expenditures. Corresponding figures for 1973 and 1974 were 67.6% and 71.1%, respectively.

In summary, although there are some pressures to diminish the role of the summer session, there are compelling reasons for maintaining and even strengthening the summer term as we look to the future.

Despite this report, the 1979 Legislature directed the Board to move toward 20% State General Fund support of direct instructional costs during the 1980 summer session and to establish the 20% guideline for subsequent years.

During 1981, special sessions of the Legislature were called to reduce appropriations for state agency expenditure budgets. In determining how Higher Education would bear its share of the reductions, the Board of Higher Education identified a number of actions, among which was elimination of State General Fund support of summer session. The summer sessions by this action moved from a State General Fund-assisted to a self-support operation, beginning with the 1982 session. Withdrawal of General Fund support resulted in the elimination of about a million dollars per year from systemwide summer operations, representing nearly 20% of the planned 1982 expenditures. The self-support principle was continued in the biennial budget approved by the 1983 Legislature. The 1983 session was self-supporting and the 1984 session is budgeted and planned in that fashion.

The 1982 summer session was a year of retrenchment for all summer programs. Not surprisingly, three of the seven institutions suffered summer deficits, which were covered by institutional resources from other self-support programs or were carried forward as a liability of the following year's summer session. Oregon State University suffered the largest individual deficit ($190,000), but recovered and operated in the black for 1983.

Preliminary information on the 1983 session indicates that institutions are successfully limiting expenditures to resource levels.
It should be noted that even during the years of State General Fund support for summer session, institutions were not required to budget their sessions in exact support ratios. Institutional decisions regarding trade-offs between academic year and summer session expenditures within a fiscal year allocation resulted in some summer sessions operating much more nearly at a self-support level than others.

**Summer Session Funding in Other States.** An examination of policies of other states, reveals a surprising array of summer session funding arrangements, a few of which are shown in Exhibit 1. Some sessions are subsidized as was Oregon prior to 1982; some are funded under a formula which does not differentiate between academic year and summer students (equivalent to a four-term funding model); some are self-supporting for direct instruction costs; and some larger programs may even generate a profit, which is redirected to to supplement departmental budgets for the academic year.

Oregon's self-support of direct costs of the summer program appears to fall near the middle of the broad range of funding mechanisms.

**Enrollments**

Summer enrollment growth during the 1960's reached a peak in 1969 and 1970, declined, and then stabilized during the mid-1970's at all institutions except Portland State University. The Portland State University summer session continued to grow and became the largest in the System.

This report examines summer enrollment change, particularly during the two years of self-support, in respect to student headcount (Table I), credit hour production (Table II), and mix of undergraduate/graduate credit hours and numbers of credit hours carried per student (Table III).

As shown in Table I, headcount summer enrollment declined 12.2% over the two years of self-support, from 1981, the final year of General Fund support, to 1983. Credit hours declined 19% for the same period. The relative decline in headcount and credit hour production is reflected in a credit-hour carrying load change from 8.0 to 7.4 credits per student. The lower credit-hour load is the result in part of elimination of a fee plateau for full-time students. Under self-support fee policies, students pay for each credit hour of enrollment.

During two years of self-support, Portland State University experienced the lowest percentage of decline in the System.

The Portland State experience suggests a favorable summer enrollment circumstance peculiar to that institution. Conditions which appear to favor the Portland State University summer program include its urban location, convenient to a large population of employed people interested in professional development, and an academic year program attracting a larger-than-average number of part-time students (who presumably can continue part-time studies year-round). Also, there is some evidence that urban institutions fare better during economic hard times because students choose to save money by living with their parents and attending a school near their homes. Size of academic year enrollment does not appear to be a factor in PSU's summer enrollment, since its summer enrollment is larger than that of either University of Oregon or Oregon State University even though UO and OSU have larger academic year enrollments. Program differences may have an impact. The University of Oregon and Portland State University have much of their enrollment in disciplines which permit the delivery of instruction in large classes and thus offer programs more readily converted to self-support. Both institutions were more nearly self-support operations than was true systemwide during years of State General Fund support.

Small institutions appear to be particularly vulnerable to program reductions resulting from self-support requirements. Reduced offerings attract fewer students, resulting in further reductions in programming.
Experience Nationally. Summer session enrollments across the country have tended to remain stable in recent years, with gains in undergraduate enrollment offsetting losses in graduate enrollment (The Chronicle of Higher Education, July 6, 1983). Reports of the 1982 annual meeting of the Association of University Summer Sessions show 14 institutions with growth, 17 institutions with decline, and 4 with stable enrollments (no data available on 15 other member institutions). Institutions reported growth in engineering, business administration, and computer courses. Twelve institutions reported continuing declines in enrollment in education.

A variety of causes for enrollment change are cited:

1. Academic year cutbacks forced students into summer sessions.
2. Curtailed classes in prior term or semester were made available in summer (when all spring term sections were filled students waited for summer to obtain required courses).
3. Economies to the student if courses were taken at institutions close to home (good for some, bad for other institutions).
4. Economic pinch on students, particularly those who need to work to continue schooling.
5. Incoming freshmen enrolled in summer to complete English requirements.
6. Shift to larger proportion of enrollments in older age groups.
7. Severe budget reductions throughout the university coupled with tuition increases. (It may be noteworthy that only the University of Washington representative made this point. It applies equally well to Oregon's circumstance.)

The 12% decline in student headcount and 19% decline in student credit hours in the System summer session during two years of self-support reflects an enrollment decline of much greater magnitude than has been experienced nationally. Changes in programming and tuition policies to meet self-support requirements is considered by the institutions to be the major factor responsible for the significant reduction in summer enrollment.

Three examples of the effect of self-support on summer session operation are given:

From Dr. James H. Beaird, provost of Western Oregon State College:

The financial facts of life are abundantly clear. Our current levels of tuition, as high as they are, are not sufficient to pay the full instructional costs of an educational program. The independent colleges and universities demonstrate through their tuition levels the validity of this point. Our own experience, first with Continuing Education, and now with Summer Session serves still to illustrate this point most adequately. We simply cannot generate sufficient revenues to cover instructional costs without sacrificing quality or finding another form of subsidy. In both the DCE and summer sessions, we look to the faculty for that subsidy. In DCE the subsidy is in the form of a lower rate paid to the faculty member for instruction. The fact of the matter is, we also subsidize our credit courses by engaging in other kinds of activities of a non-credit nature, e.g., conferences, workshops, seminars, etc.

The subsidy form for the summer session faculty is through increased workloads on this campus and salary limitations combined with such increases on other campuses. None of us in administration feel any great pride in these stopgap solutions. We are able to implement them only by taking advantage of our faculty—their personal economic necessity which forces them to take whatever is available or their commitment to serve their students and the institution by working at the lower rates.
From Dr. Larry Helms, director of summer session, Southern Oregon State College:

... the higher, non-plateued summer session rates are indeed restricting enrollments. I can assure you that my office has been filled with students the past two summers complaining about the high cost of summer session and bemoaning the fact that they could not take more credit hours due to their personal financial situations.

I am afraid the real problems may not surface for another year or two. We have students who have already started degree programs who are in various stages, nearing completion. They are "trapped" into attending summer school no matter what costs may be involved. Once this group of students finish their summer work, I believe we can anticipate a much greater decline in summer enrollments.

There are two other aspects of the summer session operation that should be addressed and they are faculty morale and breadth of course offerings. Faculty morale has plummeted since the concept of a self-supporting summer session was initiated. I now find some faculty offering courses that will guarantee sufficient enrollment during the summer as opposed to offering courses that are either needed by students or are solid academic breadth offerings. At Southern Oregon State College we do not have a large pool of overenrolled summer courses and as a result we have set minimum enrollments for each summer course. It is possible, therefore, for a professor to prepare for a summer course, make plans to stay on campus to teach that course, and then have the course cancelled out from underneath him.

From Dr. Paul Holbo, vice provost for academic affairs, University of Oregon:

In response to the question about the students served in the summer session, I can report that approximately 27% of the students registered in a spring term register in the subsequent summer term. About half of our summer students are "regular" students; however, a number of these are teachers and others who normally attend in summers. Hence the summer clientele differs somewhat from that in the academic year.

The question of the academic quality of summer session over the years is more difficult to answer, but the following impressions are probably warranted. The quality of summer session was perhaps at its apogee in the mid-1960's. Faculty salaries had begun to slip but still were reasonably good. Hence there was little enough competition from our faculty for summer teaching positions that visitors from other universities frequently joined our ranks. These visitors included professors of considerable stature from leading universities. Their visits often added richness to our curricular offerings, enhanced the luster of the University, and strengthened academic ties to first-rate schools.

As budgets became tight in the early 1970's, as compensation for summer session was cut back to 20% of base pay, and as salary increases fell behind inflation (particularly during the 1973-1975 biennium), competition for summer teaching positions increased. With local faculty members eager to teach, it no longer was possible to bring in as many visitors from other institutions. Indeed, the appearance of a distinguished senior visitor as a regular summer session faculty member is now a rare phenomenon.

In addition, the severe inflation during the late 1970's put pressure on summer session to restrain costs, meaning salaries ... the Summer Session Office was compelled to limit the amount of money it could expend in individual departments, so that less expensive graduate teaching fellows sometimes were hired because full professors could not be afforded.
It should be noted that Western Oregon State College and Southern Oregon State College urge that consideration be given to restoration of State General Fund support for summer sessions at the 20% level. The alternative, they say, will be restriction of the summer programs to a narrow band of special interest courses, with little opportunity for teachers or others to pursue full-time summer study except at the larger institutions.

The University of Oregon questions seeking State General Fund support as a high priority matter. In Dr. Holbo's words:

The University of Oregon would have to question seeking General Fund support for the summer session as a high priority matter. We could certainly use more money and, if we had such funds, would improve the quality of the summer program. However, we are surviving on a self-support basis at the present time and we think that we can continue to do so. We have much more serious financial problems during the regular academic year, and these have higher priority for us.

This is also the position of Portland State University.

Summer Session Tuition Policy

For a number of years prior to 1975, Board policy provided that summer session tuition charges be based upon rates applicable in the preceding term. While the total tuition charge was held constant, the distribution of revenues to instruction, building, incidental, health service, and gym suit accounts differed from that of the academic year. In general, a larger portion of summer tuition was assigned to instruction. This was done both in recognition of reduced levels of service for summer auxiliary activities, and to produce resources for instruction during the session when nonresident fees were foregone.

In the latter half of the 1970's, tuition differentials among institutions developed, principally as the result of (1) adoption of instruction fee differentials between universities and colleges and (2) differences in incidental and health service fees approved for each institution. Beginning with the 1975 summer session, the Board adopted a summer fee policy which set undergraduate instruction fees at 115% of spring term, graduate instruction fees at 110% of spring term, and mandatory fees at amounts determined through institutional processes and recommendations. In practice, the policy produced total tuition charges very close to those of the preceding spring term.

The 1979 Legislature initiated the next change in summer session tuition by directing a move toward 20% General Fund support of direct summer instruction costs. As a result, 1980 summer instruction fees were determined by a combination of the 1975 policy (115% UG/110% Grad) and movement toward rates which would generate 80% of summer expenditures.

By 1980, Oregon's fiscal dilemma began affecting appropriations and tuition rates in dramatic fashion. Significant tuition increases imposed for the academic year were matched by 1981 summer rates 15% over the summer of 1980. The 1981 summer session was the last to receive State General Fund support. For the 1982 summer session, Board action to meet Special Session appropriation cuts required that all direct costs of teaching and administering summer sessions be covered by tuition income.

In order to permit the institutions to operate under self-support requirements, Board policies were changed to allow each institution to determine a fee structure which would best serve its mission and its students. The most significant change was the elimination of the full-time student plateau. Summer students pay for each credit hour of enrollment. This policy contrasts with academic year terms in which undergraduates pay a single full-time rate for 12-21 credit hours and graduates pay a full-time rate for 9-16 credit hours.
Table IV shows the relationships between fee rates during selected years since 1976. As might be expected, large differences appear among institutional summer rates during 1982, the first year of self-support. During the second year of self-support (1983 session), rates become much more similar among institutions and, for undergraduates, were surprisingly close to spring term 1983 rates. Graduate student charges in the 1983 summer session were without exception significantly lower for nine credit hours than were full-time graduate fees for spring term.

If the self-support principle for summer is continued, however, an increased tuition disparity between terms of the academic year and summer can be expected. This disparity will occur because General Funds available to offset increased costs in the regular academic year will not be available to soften the impact of improvements in salary and other budgets on programs fully supported by fees. This circumstance may become apparent as early as the 1984 summer session.

Policies in Other States. Tuition policies for summer sessions in other states are as diverse as are the funding policies (Exhibit 2). Undergraduate/graduate differentials are common. A single rate per credit hour for all summer courses receives fairly wide use. Resident/nonresident differentials appear to be infrequent in summer.

Program, Mission, and Educational Opportunity

Changes in educational activity during two years of self-support is readily apparent. Examination of enrollment data shows significant declines in both headcount and credit hour production since 1981. Some decline has also occurred in the size of summer term as compared with fall term of the academic year. Since other factors (such as the economy, family resources, availability of financial aid, job opportunities, requirements for professional advancement) affect attendance decisions, it is difficult to assess exactly the self-support impact. Institution administrators cite two factors, however, which are probably significant in reducing enrollments: (1) an institution must eliminate low-enrollment courses, for example laboratory courses, which would be offered in a well-rounded program but cannot be funded in self-support mode, and, (2) fee schedules discourage students from educationally sound course loads.

Possibly the most significant educational opportunity issue to result from emergence of summer session as a self-support entity is an inconsistency between academic year and summer funding. If the principal objective of summer term is continuing or accelerating progress toward a degree, credit instruction in either an academic term or summer session should be equal value to the student and society. This suggests that state subsidy of educational costs should be recognized in either circumstance. Conversely, charges to students should be similarly equated for academic year and summer terms.

One further point concerns the emphasis applicable to summer session when academic year enrollments are stable or declining. In some quarters the development of strong summer programs has been viewed as a response to enrollment growth, necessary only so long as high academic year enrollment levels were maintained. By this view, projected lower annual enrollments should lead to a deliberate reduction in summer programming. Such an argument is specious since the economics of full-year operation and the goals of summer programs remain valid at any level of annual enrollment. But most important, the summer need is demonstrated by the large numbers of students who enroll and utilize the educational opportunity even when tuition rates are high. A more responsible response is to view a period of decline as opportunity to reexamine priorities with the view of maintaining quality in a smaller program.

The importance of summer sessions to educational opportunity must be emphasized. Nearly 80% of the System's summer students are Oregonians. Although statistics are not available, staff members at the institutions state that the majority of summer students were enrolled someplace during the prior academic year.
As indicated earlier in this report, there are differences of opinion among Oregon administrators concerning the impact of self-support on summer educational opportunity, reflecting the size of the institution and the clientele it seeks to serve. The director of the Portland State University program will argue that requirements of self-support can assist administrators in achieving a quality improvement in summer programs by forcing them to focus attention in student and community needs as a basis for scheduling and staffing. Quality of programming has suffered at all the other institutions, roughly in descending order of size. Oregon State University, in the middle, notes that loss of all state funding has hurt the program because of the inability to make commitments to students and faculty that courses scheduled will be offered and by the necessity to staff the courses as inexpensively as possible thus eliminating the opportunity to bring in distinguished faculty from outside the System. The smaller programs find the enrollment decline of the last two years to be an indicator of worse to come, resulting inevitably in reduction of opportunities for full-time enrollment in summer session and possibly elimination of all study opportunities other than special courses for teachers.

(The Exhibit and Tables referred to in the above report appear as Supplement A to these minutes.)

Staff Recommendations to the Committee

The Board's staff recommended that the Board affirm policies and guidelines in respect to summer session programming and funding as stated below:

1. The institutions of the State System of Higher Education are encouraged to schedule such educational programs during the summer term as their resources permit in order to:
   a. Enhance the economic utilization of space and facilities.
   b. Provide opportunities for students to continue, catch up, or accelerate their programs.
   c. Relieve pressure on impacted programs.
   d. Provide special programs of varying lengths designed to serve inservice and professional education needs of groups seeking this service.
   e. Provide opportunities for students who do not meet regular admission requirements to obtain admission by demonstrating ability to do collegiate work.
   f. Provide opportunity for faculty to experiment with curricular innovation, enrichment, and invigoration through development of special programs and through use of outstanding visiting professors.

2. The same standards for academic quality should apply to summer sessions as to the academic year.

3. Scheduling and staffing of the summer sessions should be based on programmatic needs.

4. It is not the intent of the Board to offer complete fourth term opportunities regardless of enrollment during the summer term or to integrate the summer term into a four-term academic year. Courses and programs offered during the summer are to serve specialized educational needs for which there is clientele sufficient to permit a substantial portion of the direct costs of instruction and administration to be covered by tuition.
5. Summer session programs are a service to students and a bargain to the state. The Board should seek restoration of the minimal State General Funds needed to maintain economical, educationally sound summer terms. Restoration of funds to cover 20% of the summer session direct costs of instruction and administration, as proposed by the 1979 Legislative Assembly, would be a reasonable goal. Because of differences among the institutions in respect to mission and clientele to be served, funds appropriated for summer session should be part of the institution's education and general budget.

In implementation of these guidelines and policies, the Board's staff recommended that the Board include in its 1985-1987 Biennial Budget request a decision package in the amount of $3,000,000 to restore state funding for summer sessions to the 20% level anticipated in the 1979-1981 biennial budget.

Discussion and Recommendation by the Committee

Mrs. Kahananui said the Board needed to consider whether it wished to continue the operation of the summer sessions on the self-support basis or whether it preferred to consider submission of a program improvement request to the Legislature for some restoration of state funds to the summer session. The report provides the information necessary as a basis for that decision. Additional data from the report appears as Supplement A to these minutes.

Mr. Perry inquired how faculty were compensated in the summer session. Mrs. Kahananui responded that under the self-support principle, no faculty member is guaranteed employment if there is not sufficient registration for the class. This creates problems in that no commitment to either faculty or students can be made that a course will be offered. If sufficient enrollment does not materialize for a particular course, it will not be offered. Under the self-support budget for summer session, the institutions have great difficulty in offering laboratory courses because they are, by definition, courses of limited enrollment.

Mr. Perry questioned whether it would be worthwhile to consider the issue at this time since the request was likely to have a low priority.

Mr. Wyss invited representatives from the institutions to comment on the proposal.

President Blumel said he had no real argument with the basic premise of the recommendations but he believed it would be premature to develop a program improvement recommendation at this point. He said a recommendation for a significant sum of program improvement money for summer session would be very, very low on the priority list for Portland State University. He said the summer session is a valuable adjunct to the academic programs of the institution and he was personally very proud of the summer session at Portland State University. He indicated that state support for off-campus instruction within reasonable limits would be a much higher priority at Portland State. In response to a question, he said it was his opinion that off-campus instruction would benefit the state more than would the same number of dollars put into summer session. The lines that are drawn in terms of on-campus and off-campus instruction are rather artificial, particularly in the environment in which Portland State University operates.

President Meyers said he supported the staff recommendations because summer session is very important and that the artificial barriers between on-campus and off-campus are equally artificial for summer session and the rest of the academic year. To say that summer school is less important than some of the offerings within the other three terms is not true with respect to many of the offerings at Western Oregon State College.
In response to a question from Mr. Perry, Dr. Meyers said he would like to see the Board support the principle even though the likelihood of funding was very remote. He indicated that many people may have an opportunity to take classes during the summer when they cannot do so during the rest of the year. They often are deterred by the cost.

He indicated there was a large summer program at City College where he served previously. It was supported equally with the rest of the year from state funds. The local boards then decided how much of the budget would go toward summer session or toward the rest of the year, but the basic state support was the same. With respect to enrollment in summer session or the regular academic year, there was no difference. After Proposition 13, no matter how many classes were offered in any term, the classes were closed because it was not possible to offer the number of classes to meet the needs of the community.

There was a brief discussion of whether lowering summer tuition represented a state subsidy which might be in addition to other public money paid to an individual in some way for taking classes, particularly in the case of local school districts. Dr. Meyers said he would see no distinction between summer session and courses taken for a similar purpose during the rest of the year, perhaps in evening classes.

Dr. Paul Holbo, Vice Provost for the University of Oregon, commented that the staff report on summer session states clearly and accurately many of the problems of quality and financing that have developed during the past ten years. The views at the University of Oregon are similar to those from Portland State University and are in opposition to the staff report's proposed decision package for 20% funding of the summer session operations. The basic reason is that there are many issues of substantially higher priority, namely, restoration of legislative budget cuts. Dr. Holbo said even before the withdrawal of state support, a larger proportion of the program costs were funded by tuition during the summer session than was true for the other academic terms. This was the case at both Portland State and the University of Oregon. He indicated that both institutions could make savings in the lower-division classes through economy of scale, but it was also necessary to deliver upper-division and graduate work with the savings that were generated. Summer session overall was not making a profit, he said, but it had been possible to come out even. Despite these problems, the situation during the regular academic year is considered to be even more serious.

Dr. Holbo said there was a concern that General Fund support for the summer session might result in charging nonresident tuition during the summer. Since nonresident students are a substantial part of the enrollment during summer term, this could result in the loss of nonresident enrollment. If the University of Oregon lost out-of-state students in the summer, it would be necessary to cut back the overall summer graduate program, and thus General Fund support to the upper-division programs at the regional colleges might result in loss of upper-division and graduate programs at the University of Oregon. This does not mean that the University is unsympathetic with the problems of the small colleges in the summer, nor does it take the position that nothing should be done. It is recognized that the decline of state support, along with inflation and demographic factors, has injured the summer session at the smaller schools. The intent is only to point out that the decision package under consideration might solve problems at some institutions only to create problems elsewhere. He proposed that perhaps the decision package be applied only to the small schools, if this were their preference.

Mrs. Flanagan noted the statement in the report that nearly 80% of the State System's summer students were Oregonians and asked if this were inaccurate with respect to the University of Oregon.

Dr. Holbo said he believed half of the summer session students were regular students, interpreting that rather broadly. The enrollment includes a substantial number of Oregonians.
There was some discussion of the possible problems involved if the program improvement money were received. There was also some discussion of other pressures which operate during the summer session with respect to faculty and staff.

Mr. Perry noted that deleting the fifth statement in the staff recommendations pertaining to the $3 million would express support for the summer session but would allow time to investigate further the differences among the institutions before dealing with the issue of a program improvement recommendation.

Mr. Wyss suggested that there might be an additional issue involved in the matter of the administration of summer session programs. Both Portland State University and the University of Oregon seem to be doing this effectively, and perhaps there are some things that could be shared with the other institutions.

President Blumel said he was not claiming Portland State University was doing a better job of managing summer sessions. There were different circumstances. The key issue is whether a program improvement item should be recommended for summer session at this time without having the total context of other program improvement requests and priorities from the institutions.

President Meyers noted that all of the institutions operated in the black last summer so there was adequate administration at all of them.

Dr. William Smith, Dean of Academic Affairs at Oregon Institute of Technology, said the institution had no teacher education program. It is also an institution that works very diligently in acquiring summer jobs for students and faculty and has shown reasonably good success. Even so, 20-28% of the students enroll in summer session. They do this because the curricula are highly prescribed and students pay a penalty for getting out of phase. Therefore, they take summer session classes to get back into phase and graduate on time. Other students come out of high school and use the summer session to remove mathematics and English deficiencies. Some students retake courses which they failed or in which they received a very low grade. In addition, there is another group of students who wish to accelerate their graduation. Dr. Smith also referred to the problems with students and faculty when it is necessary to cancel a scheduled class because of inadequate enrollment. He said he strongly supported the 20% recommendation to provide some flexibility in the scheduling. He indicated that he agreed with his colleagues that summer session funding was not the highest priority at Oregon Institute of Technology, but stated the summer session is important educationally.

Dr. Ernest Ettlich, Dean of Academic Affairs at Southern Oregon State College, said the problem at that institution was in the area first identified by Dr. Smith with respect to completing the degree in highly-structured courses. There is also a problem in high-cost areas. The 20% becomes important in offering courses for students attempting to complete degree programs in four years. With respect to the priority, Dr. Ettlich said the 20% summer session funding would not have a high priority in comparison with faculty salaries and equipment funds. It is important, but not as important as some of the other things that have been cut in the last two years.

President MacVicar said a special committee of the faculty at Oregon State University has considered this issue since the 1983 summer session. The Faculty Senate recommended that the Board be requested to include in the budget presentation for the 1985 Legislative Session some restoration of General Fund support for summer term. He said he supported this recommendation and had forwarded it to the Chancellor's Office. The action to have a self-support summer term was taken as a matter of academic expediency on the basis that it would be less damaging than something else which might be cut. He pointed out that prior to the imposition of the self-support requirement in 1981, the University of Oregon did not really spend General
Fund money for summer term because it had already placed the summer session on essentially a self-support basis to deal with some of its other fiscal problems. Consequently, the 1981 decision did not affect all institutions equally.

He said he would concur that it was premature to make a decision but this matter should be considered among other issues as the staff and institutions continue preparation of the 1985-1987 budget. He suggested that rather than adopting the final staff recommendation that it be reworded to say in effect that among other matters, the issue of program improvement related to summer term be considered when other program improvements are considered and a priority list established. He said he would suspect that on almost all of the priority lists, it would be sufficiently low that the time and effort devoted to the issue would not have been particularly profitable.

Dr. D. S. Fullerton, President of the Oregon State University Faculty Senate, said summer term had an important role in the retention of faculty and students. The summer salary makes a significant difference in attracting and retaining good faculty members, especially at the lower salary levels. In addition, summer term provides a center for learning and a center for excitement during the summer. He indicated his support for the 20% funding level. The first priority would still be faculty salaries.

Dr. Blumel pointed out that the discussion had implied that the retention of faculty by virtue of summer employment was a factor. This is quite different from other concerns about the summer session program.

Mr. Wyss proposed that the Committee recommend to the Board approval of Recommendations 1, 2, 3, and 4, and that Recommendation 5 be modified and recommended for Board approval as follows:

5. Summer session programs are a service to students and a bargain to the state. Because of differences among the institutions in respect to mission and clientele to be served, funds appropriated for summer session should be part of the institution's education and general budget. The Board should seek restoration of state general funds needed to maintain economical, educationally sound summer terms.

The Committee approved the revised wording for Recommendation 5 to be submitted to the Board for approval. There was some discussion of the intent of the modification. Mr. Wyss said the Committee was stating that state support was needed but it was up to the institutions to place any summer session funding request within their own priority structure.

Board Discussion and Action

Mr. Wyss said that during the Instruction Committee meeting there had been a rather lengthy discussion of the effect of the elimination of state support on the summer session operations. It became clear that there was a difference of opinion among the institutions on the priority they place on the importance of restoring some kind of state support to the summer session. The Committee discussion and action is reported above.

Mr. Wyss said he had been surprised to see how important the summer session enrollments were to some of the institutions in terms of enrollment size.
Mr. Wyss then presented the Committee recommendation to approve the first four recommendations and read the following wording for Recommendation 5, as modified, for approval by the Board:

5. Summer session programs are a service to students and a bargain to the state. Because of differences among the institutions in respect to mission and clientele to be served, funds appropriated for summer session should be part of the institution's education and general budget. The Board should seek restoration of state general funds needed to maintain economical, educationally sound summer terms, leaving to the institutions, in effect, the priority which they would prefer to place on this item of restoration of funds in program improvement requests.

In response to a question from Mr. Batiste, Mr. Wyss said this recommendation would modify the self-support policy that the Board has maintained.

Mr. Batiste said it did not do this across the board but offered an alternative for each institution to decide. He said this would be a case of no policy and he would like further consideration of the matter. He said it should either be self-support or not be self-support.

Mr. Perry said the statement had been expressed in this manner to show intent but to eliminate specifics because to resolve the issue of how much funding there should be and relate that to the differences of opinion among the institutions, would not be profitable in terms of the money that was likely to be available and the probable priority position for a request.

The Board approved staff recommendations one through four as presented and Recommendation 5 as presented above. The following voted in favor: Directors Alltucker, Flanagan, Harms, Hensley, Perry, Petersen, and Wyss. Those voting no: Directors Batiste and Walling.

The Chancellor commented that, in another economic time, a subsidy or utilization of state-appropriated funds would be highly desirable for summer session. Given the limited funding, however, several of the institutions preferred not to have a change because they had other priorities in their academic and instructional programs which they considered to be more important.

Mr. Harms said the proposal was not a new policy but a return to what was done prior to 1973. He agreed that it was unlikely any funds would be appropriated.

Report of Committee on Engineering Education

Mr. Hensley reported the engineering advisory committee had visited or will visit the campuses of Oregon Institute of Technology, Oregon State University, and Portland State University. The committee was accompanied on these visits by the Chancellor, Dr. Clifford Smith, and Mr. Douglas Collins of the Educational Coordinating Commission. There was an opportunity to meet with the administration, faculty, and staff at these institutions and to visit the classrooms and facilities. Other visits are scheduled in the Portland area.

Mr. Hensley said the institutions were to be complimented on what they were doing with limited resources. Faculty and students were enthusiastic and very proud of their activities.

A further report is anticipated at a later meeting.

Staff Report to the Board

The planning for the present campus of Oregon Institute of Technology was completed in 1961 by the nationally recognized firm of Skidmore, Owings & Merrill, architects, engineers and planners. Following completion and occupancy of the initial buildings in 1964, the master plan served as a guide for campus development for a number of years, modified as necessary to accommodate special requirements of individual facility projects. In 1978,
an update of the master plan was undertaken by the staff with assistance from the same architectural firm. The Board was not involved at that time in reviewing the various assumptions and objectives, and the revisions to the master plan were not presented to the Board for formal approval. Essentially, they conformed to the original concepts, but with some modifications to reflect the emphasis upon degree programs and related facility requirements.

Subsequent to this effort, there have been a number of developments which indicate that it is appropriate for a comprehensive look at the long-range future development of the campus. The library (identified as the Learning Resources Center), a major addition to the College Union Building, new athletic and recreational facilities (including a swimming pool within the Physical Education Building), increased parking, utility tunnels, and improvements for accessibility by the handicapped have been added and several new facilities are being proposed by institutional officials as part of the capital construction program for the next 6-year period. Furthermore the enrollment limitation for the institution was raised by the Board in December 1982 from 2,000 to 2,500 students, some significant changes have been made in instructional program offerings and the Board recently placed additional emphasis on technological instruction as an aid to the State's economic development.

Assumptions and objectives for undertaking a more complete updating of the long-range development plan for Oregon Institute of Technology are attached for Board review and comment. Some of the assumptions upon which the planning is to be based, such as the following, are fundamental policies for facility planning:

1. That Oregon Institute of Technology will retain its role as Oregon's only public polytechnic college, serving both the state and region as stated in the Board-approved Mission Statement for Oregon Institute of Technology as outlined in the Strategic Plan dated May 27, 1983.

2. That the main campus of Oregon Institute of Technology will remain in Klamath Falls.

7. That the planning and development of future campus facilities will be predicated on OSSHE enrollment projections and ceilings and Board-approved facilities use objectives and projection standards.

Assumption number 9, which allows for flexibility to satisfy changing curriculum requirements, implies that technological education must reflect increasingly rapid changes in technology. These changes may make present facilities obsolete unless they are remodeled for reassignment.

Institutional officials have indicated that much of the master campus planning update will be done by staff members. However, some assistance from outside professional consultants is expected to be used to translate the needs into a plan (similar to a building feasibility study) to serve as a framework for decision-making. This assistance is envisioned to be accomplished as part of the planning for the institution's proposed highest priority capital construction project for 1985-1987, which is a new classroom-laboratory building. Prior to formalization and application to the proposed new facility, the Board would be given an opportunity to review the long-range physical development plan at an early stage so that modifications could be made, if necessary or desired.

Staff Recommendation to the Board

It was recommended that the Board approve the Planning Assumptions and Planning Objectives as a basis for updating a long-range physical development plan for Oregon Institute of Technology and that the Vice Chancellor for Facilities Planning be authorized to advance funds from the Board's reserve.
for architectural/engineering planning to cover the cost of professional consultants' services in assisting the staff in this effort with the understanding that the advance would be repaid from appropriations for the next educational and general plant building project on that campus.

LONG-RANGE DEVELOPMENT PLAN FOR OREGON INSTITUTE OF TECHNOLOGY

PLANNING ASSUMPTIONS

1. That Oregon Institute of Technology will retain its role as Oregon's only public polytechnic college, serving both the state and region as stated in the Board-approved Mission Statement for Oregon Institute of Technology, incorporated in the Strategic Plan for the Oregon State System of Higher Education, 1983-87, dated May 27, 1983.

2. That the main campus of Oregon Institute of Technology will remain in Klamath Falls.

3. That OIT will continue to provide both Associate and Baccalaureate level programs in selected technologies and that these programs will continue to be presented using the inverted curriculum philosophy that has been so successful in the past.

4. That the Portland Center of Oregon Institute of Technology will support the technological education needs of Portland area residents by providing upper division course work in approved technologies resulting in the Baccalaureate degree. Both two-year (Associate Degree) and four-year (Baccalaureate) programs will be provided in Klamath Falls.

5. That OIT will continue to serve as an educational, cultural, and social center in the southeastern region of Oregon in a variety of public service activities.

6. That the demographic mix of students served will continue to show a significant majority from outside the local area (i.e., from outside Klamath and Lake Counties).

7. That the planning and development of future campus facilities will be predicated on OSSHE enrollment projections and ceilings and Board-approved facilities use objectives and projection standards.

8. That expansion of campus boundaries may be needed to permit the orderly development of future programs and facilities.

9. That the total planning process will be dynamic in nature and that the Plan developed will allow for flexibility to satisfy changing curriculum requirements.

10. That the planning process will be implemented, to a large degree, with institutional personnel. Portions of the planning will need to be done with professional assistance and in conjunction with priority capital construction.

PLANNING OBJECTIVES

1. To insure that the continuing development of educational, cultural and social programs will support the Mission Statement for Oregon Institute of Technology, in the Strategic Plan, dated May 27, 1983, as approved by the Board of the Oregon State System of Higher Education, and meet Oregon's needs for polytechnic education.

2. To insure that the development of future campus facilities will support the educational, cultural, recreational and social programs of OIT and its total community.
3. To provide full opportunity for involvement in the planning process by the Board and its staff, appropriate institutional bodies, alumni, community groups and other appropriate interested parties.

4. To insure that new campus facilities will be aesthetically pleasing as well as flexible and functional.

5. To insure that approved campus boundaries will meet both current and future needs.

6. To provide for the continuing improvement of current campus facilities.

7. To insure the harmonious and aesthetic interface with adjoining properties such as the Merle West Medical Center and the College Industrial Park.

8. To insure that planning is efficient and economical, professional assistance is expected to be used to include the following:
   a. Review instructional program focus in relation to present facilities.
   b. Identify sites for facilities required for present and future enrollments, including land needs.
   c. Review physical education and recreation facility sites consistent with recent developments.
   d. Identify parking needs.
   e. Review campus service traffic.
   f. Develop plans for a communication infrastructure.
   g. Insure that sufficient utility systems capacity will be available to meet the needs of future campus development and that operating and maintenance costs will be minimized by incorporating labor and energy-saving features in the design of new facilities.

Board Discussion and Action

Mr. Hunderup requested Mr. Art Mancl, Director of Campus and Building Planning in the Office of Facilities Planning, to present the planning assumptions and objectives. Mr. Mancl reviewed the assumptions and commented briefly.

The Chancellor said internal planning assumptions or documents of this nature are compared with the Board's overall planning objectives as set forth in the mission statements in the overall plan. He said the recommendation before the Board was consistent with those and not in conflict with any statements in the planning document. He indicated approval was recommended. He said if there were a conflict, the Board's mission statement would prevail unless specifically changed, but the present recommendation is well within the parameters of the mission statement approved by the Board. The Chancellor said an institution could change its mission and if it were a definite change in mission, or an expansion of the mission, then the proposal should be considered by the staff and the Board and the language of the mission statement modified to accommodate the approved change.

With respect to the expansion of campus boundaries, Mr. Perry inquired whether there was a program to evaluate potential institutional needs and changes in the campus boundaries.

Mr. Hunderup said the campus boundaries were continuously under review. If property is surplus to the needs of the institution, a recommendation is brought to the Board to contract its boundaries to exclude properties which are no longer deemed to be essential. In Klamath Falls, the situation is somewhat different. The original site was developed in terms of an enrollment
Meeting #510

Discontinuation of AE in Engineering Drafting Technology, OIT

March 30, 1984

Pattern of 1,600 students, only the first 800 of which were contemplated at the time the new campus was occupied. The enrollment has since been modified to 2,500 students and consideration should be given to the campus boundaries to determine that the existing parameters provide the opportunity to accommodate the physical facilities improvements that are necessary. The impact on the dimensions of the campus of a proposed classroom-laboratory facility must be considered. Any consideration of the campus boundaries involves consideration of the program and the physical environment in which the institution is located. Any decisions or commitments with respect to the campus boundaries should await consideration of some of the factors identified in the planning assumptions.

Mr. Perry commented that there might be some urgency to acquire properties as they become available or the opportunity to do so might be lost. Mr. Hunderup indicated this was one of the reasons for moving as quickly as possible. However, there is no expenditure authorization to buy land. Even if the campus boundaries were enlarged, there would be no resources to buy that land for Education and General Plant purposes unless gift funds became available.

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

Staff Report to the Board

Oregon Institute of Technology requests authorization to discontinue its major program leading to the associate in engineering degree in engineering drafting technology effective fall term 1984-85.

The engineering drafting technology program is one of the few degree programs at Oregon Institute of Technology which has experienced declining enrollment. Only four students graduated in the program in 1980-81; four in 1981-82; and eight in 1982-83. Placement of graduates has been disappointing. It is the only engineering technology associate degree program for which there is no corresponding baccalaureate program. Retention of the major would require substantial investment in computer equipment.

The curriculum in Engineering Drafting Technology has been administered by the mechanical engineering technology department. The department will continue to offer courses in drafting for students enrolled in mechanical, civil, and manufacturing engineering technologies and in diesel power technology, and students presently enrolled in the major program will be permitted to complete their associate degree studies. However, if the degree program were discontinued, no new majors would be accepted effective 1984-85.

Staff Recommendation

The Board's staff recommended that the Board authorize Oregon Institute of Technology to discontinue the associate of engineering degree program in engineering drafting technology.

Board Discussion and Action

Mr. Hensley asked whether students took some form of computer design instruction as part of their course work. Dr. Blake said they did. Drafting was not being dropped as a subject, but just as a degree program. He said the placement record should be corrected because most of the students who take this associate degree have another associate degree in which they are placed, and 97% of the students are placed. President Blake said the institution was moving very rapidly into computer assisted design and computer assisted manufacturing in most of the engineering disciplines. Equipment will be added for electronic drafting, computers, and software.
Mr. Alltucker said he would agree that the program should be dropped now but he was concerned that there be continued review of the needs of industry because conditions may very well change in the next year or two. He was assured that the institution would work with the business community when the need for draftsmen begins to occur.

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

Staff Report to the Board

The Board's Office staff has been working for many weeks with the staff of the Agricultural Experiment Station at Oregon State University concerning the rather severe problem now being faced by the College of Veterinary Medicine's Diagnostic Laboratory. Increased demand for services from the Laboratory has, over the past several years, consumed inventories and temporary resources and has exhausted the Station's ability to finance the operation at the current level of client demand. Although five alternatives are outlined for legislative consideration, the Board's staff believes there is no feasible alternative other than to request an additional General Fund appropriation of $230,203 and an increase in Other Funds expenditure limitation of $113,425 for the 1983-1985 biennium.

Briefly, the Veterinary Diagnostic Laboratory assists animal owners and veterinarians in the diagnosis of animal diseases. In this regard, the Laboratory performs a significant public health role in that many of the diseases (including rabies, psittacosis, salmonellosis, etc.) are directly transmissible from livestock, poultry, and pets to owners, handlers, and children. There are no other laboratories in Oregon, public or private, that perform the array of tests on all animal species that are done at the Diagnostic Laboratory.

Increases in tests have been substantial and, although fees are at or above levels for comparable tests performed by public and private laboratories in other states, only small animal clients can pay their own way. If fees are set too high, owners do not send their animals to the Laboratory, which can result in decreased probability of detecting foreign animal disease, decreased probability of detection of diseases to other species, and increased potential of transmission of diseases from animals to humans.

Staff Recommendation to the Executive Committee

Inasmuch as the Emergency Board was to meet on March 30 and not again until May 25, and in view of the March 9 deadline for submitting requests to the March Emergency Board, the staff recommended that the Executive Committee authorize the request for an increase in the General Fund appropriation of $230,203 and an increase in the Other Funds expenditure limitation of $113,425. The Executive Committee unanimously authorized the request. The Executive Committee action is now presented to the Board for ratification.

Board Discussion and Action

Mr. Lemman reported that the net result of the recommendation from the Education Subcommittee of the Emergency Board on the previous day had been to add $136,203 of General Fund appropriation and to increase the expenditure limitation by $158,425.

The Board confirmed the action of the Executive Committee, with the following voting in favor: Directors Alltucker, Batiste, Flanagan, Harms, Hensley, Perry, Petersen, Walling, and Wyss. Those voting no: None.

Staff Report to the Board

Mr. Wyss indicated that the report on placement of teacher education graduates during 1981-82 had originally been scheduled for the Committee on Instruction the previous evening. He invited Dr. Holly Zanville to present the report to the full Board.
Dr. Zanville said the report, entitled "Placement of 1981-82 Elementary and Secondary Teaching Graduates from Oregon Teacher Education Institutions," was the sixth of the annual reports compiled on the placement of graduates of teacher education from both the private and state-supported institutions. A copy of the report is on file in the Board's Office.

Dr. Zanville stated certain caveats regarding the report. For example, the State Department of Education collects information from school districts for people hired by September 30 in the fall of each year. It is known that many teachers are hired after that date, and there is no mid-year check on the number of these appointments. It is also unlikely that with the majority of persons shown as substitute teachers in the school-related category, that it can be considered as full-time employment. By separating part-time employment and full-time employment in subsequent reports, it will be possible to obtain a more accurate determination of those who are able to secure full-time work.

Dr. Zanville also stated that 34% of the respondents to the report indicated they were still seeking teaching positions, but the total unemployment figure was only 2.6%. It is probable the unemployment rate is somewhat higher than it was possible to verify. The report reflects information for 65% of the students, and it would be very unrealistic to assume that the remaining 35% were employed as regular teachers, although some are.

Dr. Zanville said the report was designed several years ago to help students to make judgments about teaching careers and to assist the institutions in advising students. This information is provided to all of the institutions for use with students, to the State Department of Education, the Teacher Standards and Practices Commission, and the Oregon Educational Coordinating Commission. It has been provided also to high school counselors for the last two years. The report is not designed to be used as a supply and demand study. It is intended to try to address that issue in the major teacher education report which is now under way.

Dr. Zanville summarized the major findings. There were 1,634 students who completed student teaching in 1981-82, of which 86% attended State System institutions. Of the students who completed their student teaching, 86% graduated and applied for certification in Oregon. Of those who were certified, 43% were certified at the elementary level and 57% at the secondary level. About 20% of the students were hired as regular teachers in public school settings by September 30. The 1982-83 figures indicate that 30% were hired by September 30, which indicates some improvement in the early hires of new teachers. Dr. Zanville noted that it had been possible to verify the employment status of 65% of the students who completed and were certified. The response rate varied by institution. In terms of actual placement, it has been verified that 52% were placed as regular teachers, 25% in the related school positions category, 16% found other full-time employment, 5% were continuing full-time studies, and 3% were homemakers.

Dr. Zanville commented that school districts are showing a preference in hiring for the teachers with experience, so it is critical for those who are not hired directly from college to obtain experience as substitute teachers. There were 34% of the respondents still seeking positions, but 69% of those reported being place-bound.

The lower areas of placement, with a placement rate less than 40%, were health education, art education, physical education and sciences, primarily biological science. Those areas with a 70% placement rate or better were agriculture, educational media, and industrial arts. Dr. Zanville called attention to the placement rates by fields and to the experience over the past several years.

The major teacher education report which is in preparation will be seeking an estimate of the available pool of certified teachers, including both those presently employed and those who are certified and might wish to teach now or in the future.
The Chancellor said he had been perplexed by the low percentage of employment for persons trained in science, mathematics, and foreign language.

Dr. Zanville said the sciences were primarily persons in biological science and there were perhaps more people trained than were needed for the lower level science in the high school. If chemistry and physics were separated, the percentage for those sciences might be different. Place-bound students are another factor.

Mr. Hensley asked if there were any data to indicate the jobs that were available during the same period so that the report could be expanded into a market survey to determine supply and demand for the different teaching positions.

Dr. Zanville said she was not aware that the State Department of Education collected that information. There are discussions under way in connection with estimates of supply and demand, and it might be possible to discuss that question at a later time.

Mr. Wyss thanked the staff for the report.

Administrative Rule Review

Mr. Lemman reported that a comprehensive review of the Board's Administrative Rules is under way as required by law to be done at least every three years. He distributed a progress report, noting that most of the responses have been in the area of those rules related to academic employment. Comments have come from faculty, staff members, and organizations. Mr. Lemman said he did not recall that any comments were received from the general public with no affiliation or association with higher education.

ITEMS FROM BOARD MEMBERS

Mr. Batiste reported that there would be a meeting with the State Board of Education and the Oregon Educational Coordinating Commission on Monday, April 9, beginning at 1:30 p.m. in Eugene.

Joint Meeting

Oregon Investment Council

Mr. Perry inquired about the status of the depositions in the ASUO vs. Oregon Investment Council action. Mr. Lemman indicated those arrangements had been made directly with Board members by the attorneys involved.

Board Member Replacements

Mr. Perry commented that two of the senior and very active members of the Board were not eligible for reappointment after this year. A third member might or might not be reappointed, as would be true of a fourth member who would be a student. He suggested that the Governor should be apprised of the need to have people who could be integrated into the Board very rapidly because next year is a legislative year. Mr. Wyss said he believed there had been some discussion of that already and there may even be an indication that there will be a reappointment which would alleviate the problem.

Marketing Report

Mr. Petersen requested a short report on the State System's marketing program to high school students. The Chancellor indicated that it could be arranged.

Appointment of Nominating Committee

Mr. Wyss said Mr. Ingalls had requested that he report on the appointment of the nominating committee. Mr. Petersen will serve as chairman, and Mr. Batiste and Mrs. Flanagan will be the other members of the Committee.

Executive Sessions

Mr. Wyss announced that an Executive Session of the Board would be held immediately following the Board meeting to discuss current litigation pursuant to ORS 192.660(1)(h).

A second executive session was called for 9:00 a.m., April 18, 1984, in Room 101-Division of Continuing Education Building, for the purpose of interviewing a candidate for the presidency of Oregon State University pursuant to ORS 192.660(1)(a).

A special meeting of the Board will be held at 1:00 p.m. on April 18, 1984, for consideration of the appointment of a president for Oregon State University. (The latter two meetings were subsequently cancelled.)
Report of Bids and Contract Award for Snell Hall Remodel, Phase I, OSU

Staff Report to the Board

On December 16, 1983, the Board authorized approval of the final drawings and specifications which had been prepared with the assistance of Jeppsen, Miller & Tobias, project architects, Corvallis, for the first phase of remodeling within the top three floors of Snell Hall on the campus of Oregon State University. Subsequently, on February 3, 1984, the State Emergency Board granted expenditure authorization for the project within the requested limitation of $155,000. Five bids were received for the work on February 14, 1984, ranging from a low of $79,673 to a high of $108,400. Inasmuch as the low bid was well within the direct construction cost allowance, 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></td>
</tr>
<tr>
<td>Blumenstein, Dean Construction, Inc.</td>
<td>$ 79,673</td>
</tr>
<tr>
<td>Force account work</td>
<td>7,580</td>
</tr>
<tr>
<td>Materials furnished by institution</td>
<td>12,600</td>
</tr>
<tr>
<td>Carpeting</td>
<td>15,100</td>
</tr>
<tr>
<td>Telephone Co. cabling &amp; conduit</td>
<td>9,000</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$123,953</strong></td>
</tr>
<tr>
<td>Professional services fees</td>
<td>7,100</td>
</tr>
<tr>
<td>Construction supervision and miscellaneous costs</td>
<td>10,307</td>
</tr>
<tr>
<td>Works of art</td>
<td>1,240</td>
</tr>
<tr>
<td>Contingencies</td>
<td>12,400</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$155,000</strong></td>
</tr>
</tbody>
</table>

Consistent with the description provided to the Board previously, the work of the contract includes the rehabilitation of a large conference/seminar room and a medium-sized general work/meeting room, the removal of built-in study bedroom furnishings, the demolition of some of the wall partitions, and various mechanical and electrical service revisions needed for the conversion of the dormitory-type spaces to office use. Some alterations also will be made to convert the existing bathrooms to toilet rooms with provision for handicapped persons (on the fourth floor), as well as general painting, new acoustical ceiling treatment, new floor coverings, and steam pipe insulation.

The estimated expenditure requirements for this project will be provided from a combination of several resources available to the institution, including Agricultural Research Foundation gifts, operating budget balances, and Continuing Education and Summer Term income.

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

Project - OSU Snell Hall Remodel, Phase I

Architects - Jeppsen, Miller & Tobias, Corvallis

Board's priority - Not applicable

Legislative authorization - Emergency Board action on February 3, 1984

Estimated total project costs $155,000

Estimated total direct construction costs $123,953

Estimated area to be remodeled - 13,058 square feet

Scheduled completion - July 1984
Meeting #510
March 30, 1984

Tentative financing plan:
Gift funds from Agricultural Research Foundation $ 3,790
Institutional operating budget balances, including indirect cost allowances 92,715
Continuing Education and Summer Term income 58,495

Total $155,000

Board Discussion and Action

The Board accepted the report as presented.

Staff Report to the Board

Report of Acceptance of Construction Documents for Phase I of Gill Coliseum Additions & Alterations, OSU

Upon the recommendation of institutional officials, the final drawings and specifications prepared by Settecase Smith Doss Architecture for the proposed Phase I of Gill Coliseum Addition and Alterations were accepted on behalf of the Board as a gift from the Oregon State University Foundation. The scope of work reflected in these construction documents, both for Project 1, Addition and Alterations, and Project 2, Fire Suppressing and Alarm Systems, corresponds with the description provided when the schematic design phase of planning was presented to the Board on January 27, 1984. Bids for the work are scheduled to be received in Corvallis on April 5.

Briefly, the Project 1 work would add a new exterior ticket office and provide for various alterations at interior locations within the building, such as to remodel approximately 42,000 square feet of existing space, add about 200 new balcony seats, provide new wall, ceiling, and floor finishes, add a new portable stage, operable partitions, and trophy cases as well as improved lighting and ventilation. The estimated direct construction costs thereof total approximately $1,012,500. Several deductive alternates are specified in an effort to assure reasonably the receipt of bids within this budgeted allowance.

The work within Project 2, being bid separately on the same date, would add fire suppressing and alarm systems throughout the Coliseum, including the basement, as required by the State Fire Marshal. The tentative estimate for these direct construction costs is $232,000.

Contractual arrangements have been made with the project architects for their assistance to the Board during the bidding and construction phases consistent with the understandings reflected in the earlier agreement between the architects and the Oregon State University Foundation. Compensation for the bidding and construction phases shall not exceed 2% of the direct construction costs for Project 1 and 1.25% of the direct construction costs for Project 2.

The financing plan, involving gifts and certain revenues from basketball ticket sales, is described in a separate agenda item for this meeting of the Board. No state tax funds are involved.

Board Discussion and Action

The Board accepted the report as presented.

Staff Report to the Board

Report of Engineering Services for Water Piping Replacement, OSU

Based upon the recommendations of officials of Oregon State University, and in accordance with the provisions of OAR 580-50-020, arrangements were made with Carson, Bekooy, Gulick & Associates, Inc., Engineers, Portland, for professional services relating to the design and contract administration for the proposed replacement of piping for the domestic cold and hot water systems within Witycombe, Milam, Nash, and Rogers Halls on the campus in Corvallis.
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 $42,854.

The planning costs of the proposed water piping replacement are being financed from balances available to the institution, including amounts allocated previously from the Board's reserve for physical plant rehabilitation and minor capital outlay.

**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 the following two consulting firms for professional estimating services applicable to minor maintenance, repair and capital improvement projects: Tom Giesen, Eugene, and Mason Estimating Service, Inc., Portland.

Compensation for professional services of the consultants and for reimbursement of related expenses for this work will be based upon time and materials not to exceed a maximum of $10,000 per consultant for the period ending June 30, 1985.

Funds for these services will be provided from resources available to the institution within the operating budget.

**Board Discussion and Action**

The Board accepted the report as presented.

**Staff Report to the Board**

As reported to the Board on January 27, 1984, the final drawings and specifications which had been prepared with the assistance of Yost-Grube-Hall, P.C., Portland, project architects, for the Tennis Courts Cover, Rehabilitation and Expansion project on the campus of Portland State University, were accepted on behalf of the Board. Five bids were received for the work on February 9, 1984, ranging from a low of $766,055 to a high of $938,844. These amounts include three deductive alternates which were exercised. Inasmuch as the low bid was higher than the direct construction cost allowance, a change order deducting $17,930 from the lowest bid was negotiated for various revisions and was issued simultaneously with a contract award. 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></td>
</tr>
<tr>
<td>Pence/Kelly Construction, Inc.</td>
<td>$766,055</td>
</tr>
<tr>
<td>Less change order reductions</td>
<td></td>
</tr>
<tr>
<td>Net</td>
<td>$748,125</td>
</tr>
<tr>
<td>Professional services fees</td>
<td>70,996</td>
</tr>
<tr>
<td>Construction supervision and</td>
<td>11,676</td>
</tr>
<tr>
<td>miscellaneous costs</td>
<td></td>
</tr>
<tr>
<td>Works of art</td>
<td>7,481</td>
</tr>
<tr>
<td>Contingencies</td>
<td>26,722</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$865,000</strong></td>
</tr>
</tbody>
</table>

In accordance with the schematic design phase of planning which the Board reviewed and approved on June 24, 1983, and the design development phase of planning which was reported to the Board on September 23, 1983, the work of the contract includes the construction of four covered tennis courts and four on-grade courts. The deductive alternates which were exercised...
deleted two on-grade courts, the awning and track lighting. The simultaneous change order deleted the fabric wall at the west elevation, and gave effect to other cost savings identified by the contractor in consultation with the architects and institutional officials.

The total project budget of $865,000 was authorized by the Legislature as part of the 1983-1985 capital construction program within Chapter 422, Oregon Laws 1983. Financing is from auxiliary enterprise resources. No state tax funds are involved.

RECAPITULATION UPON RECEIPT OF BIDS AND CONTRACT AWARD

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 $748,125
Scheduled completion - September 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 Oregon Health Sciences University, and in accordance with the provisions of OAR 580-50-020, arrangements were made with Broome, Oringdulpf, O'Toole, Rudolf & Associates, Portland, for professional services relating to the planning for the proposed 10A Nursing Unit remodel within University Hospital South. This work is expected to be undertaken as part of the 1981-1983 authorized program for Hospital and Clinic Rehabilitation and Alterations Projects.

Compensation for the professional services of the Architects and for reimbursement of related expenses shall be based upon time and materials not to exceed $11,500.

Pending the award of construction contracts, when it is expected that the project expenditure requirements would be financed from self-liquidating bond borrowings issued under the provisions of Article XI-F(1) of the Oregon Constitution, the planning costs are being financed from balances available to the institution from hospital operating accounts.

Board Discussion and Action
The Board accepted the report as presented.
Meeting #510

Report of Appointment of Architects for Hospital and Clinic Rehabilitation and Alterations Projects (Clinical Laboratory Building Third Floor Renovation), OHSU

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 Martin/Soderstrom/Matteson Architects P.C., Portland, for professional services relating to the Clinical Laboratory Building Third Floor Renovation project which is expected to be undertaken as part of the 1981-1983 authorized program for Hospital and Clinic Rehabilitation and Alterations Projects.

Compensation for the professional services of the Architects and for reimbursement of related expenses shall be based upon time and materials not to exceed a maximum of $28,700 for the Master Planning Phase for six floors, and not to exceed a maximum of $58,800 for the Third Floor Renovation.

Pending the award of construction contracts, when it is expected that the project expenditure requirements would be financed from self-liquidating bond borrowings issued under the provisions of Article XI-F(1) of the Oregon Constitution, the planning costs are being financed from balances available to the institution.

Board Discussion and Action

The Board accepted the report as presented.

Report of Architectural Services for Schneider Museum of Art, SOSC

Staff Report to the Board

Based upon the recommendations of Southern Oregon State College officials, 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 design and contract administration for the proposed Schneider Museum of Art on the campus in Ashland. Authorization for this project, with an expenditure limitation of $425,000, was included within the Board's capital construction program approved by the 1983 Legislature.

Compensation for the professional services of the Architects and for reimbursement of related expenses for this work will be based upon time and materials not to exceed a maximum of 9% of the direct construction costs which currently are expected to be limited to $285,000.

All funds required for the planning and construction of these facilities are being provided from gifts to the Southern Oregon College Foundation.

Board Discussion and Action

The Board accepted the report as presented.

ADJOURNMENT

The Board meeting was adjourned at 11:30 a.m.

Robert C. Ingalls, President
Wilma L. Foster, Secretary
### Exhibit 1

**Examples of Summer Session Support—Other States**

<table>
<thead>
<tr>
<th>State</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maryland</td>
<td>Summer sessions fully self-supporting including indirect costs.</td>
</tr>
<tr>
<td>Nevada</td>
<td>Summer session self-supporting—for direct instructional costs.</td>
</tr>
<tr>
<td>Washington</td>
<td>All tuition is returned to the state which then allocates funds through legislative appropriations. Since summer tuition is not earmarked, summer tends to take budget cuts like academic year when resources are limited.</td>
</tr>
<tr>
<td>Minnesota</td>
<td>State provides funds for full-year operations and allows full institutional autonomy in determining its use. Thus, summer can be subsidized or not, dependent upon university allocation policy.</td>
</tr>
<tr>
<td>Wisconsin at Madison</td>
<td>Summer tuition equals direct instruction costs for summer. If a surplus develops, balances are available for development of new courses to be offered in a subsequent session.</td>
</tr>
<tr>
<td>California; UCLA</td>
<td>Summer revenue turned over to the university covers direct costs, indirect costs (labeled services to summer session) and some profit margin which is applied to instructional program during academic year.</td>
</tr>
<tr>
<td>----------------------</td>
<td>-------</td>
</tr>
<tr>
<td>UO Summer Headcount</td>
<td>7,105</td>
</tr>
<tr>
<td>% of Fall</td>
<td>45.9%</td>
</tr>
<tr>
<td>OSU Summer Headcount</td>
<td>4,807</td>
</tr>
<tr>
<td>% of Fall</td>
<td>31.6%</td>
</tr>
<tr>
<td>PSU Summer Headcount</td>
<td>6,716</td>
</tr>
<tr>
<td>% of Fall</td>
<td>49.4%</td>
</tr>
<tr>
<td>WOSC Summer Headcount</td>
<td>1,811</td>
</tr>
<tr>
<td>% of Fall</td>
<td>50.2%</td>
</tr>
<tr>
<td>SOSC Summer Headcount</td>
<td>1,589</td>
</tr>
<tr>
<td>% of Fall</td>
<td>35.2%</td>
</tr>
<tr>
<td>EOSC Summer Headcount</td>
<td>628</td>
</tr>
<tr>
<td>% of Fall</td>
<td>40.1%</td>
</tr>
<tr>
<td>OIT Summer Headcount</td>
<td>292*</td>
</tr>
<tr>
<td>% of Fall</td>
<td>16.4%</td>
</tr>
<tr>
<td>Total Summer Headcount</td>
<td>22,948</td>
</tr>
</tbody>
</table>

*Summer program development year at OIT. DCE operation through 1971. By 1975 OIT summer stabilized near 500 headcount.
Student Credit Hours of Instruction
Summer Session - Selected Years for Comparison, 1973-1983

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>UO</td>
<td>71,826</td>
<td>66,500</td>
<td>59,880</td>
<td>59,813</td>
<td>49,106</td>
<td>44,100</td>
<td>-38.6%</td>
<td>-26.3%</td>
</tr>
<tr>
<td>OSU</td>
<td>41,964</td>
<td>46,138</td>
<td>42,503</td>
<td>47,975</td>
<td>38,605</td>
<td>36,105</td>
<td>-14.0%</td>
<td>-24.7%</td>
</tr>
<tr>
<td>PSU</td>
<td>53,655</td>
<td>62,202</td>
<td>58,772</td>
<td>60,756</td>
<td>56,808</td>
<td>54,645</td>
<td>+1.8%</td>
<td>-10.1%</td>
</tr>
<tr>
<td>WOSC</td>
<td>17,674</td>
<td>17,000</td>
<td>15,437</td>
<td>13,351</td>
<td>10,570</td>
<td>11,715</td>
<td>-33.7%</td>
<td>-12.2%</td>
</tr>
<tr>
<td>SOSC</td>
<td>14,662</td>
<td>16,831</td>
<td>14,982</td>
<td>13,583</td>
<td>12,205</td>
<td>11,655</td>
<td>-20.5%</td>
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### TABLE IV

March 30, 1984

#### Resident Rates for Full-Time Students

**Comparison of Spring Term and Summer Session Tuition**

**Selected Years of General Fund Assisted and Years of Self-Support: 1976-1983**

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<th>Year</th>
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<th>Graduate</th>
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<td>Summer Session</td>
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<td>1982 (Self-Support: Full-Time Fee Plateau Eliminated for Summer)</td>
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<td>9 SCH-Gr</td>
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**Note:** Use of 12 and 9 SCH rates for 1982 and 1983 summer are illustrative only. Significantly different relationships occur if different carry loads and per credit hour fees are compared.
Exhibit 2

Examples of Summer Tuition--Other States

Maine - Graduate and undergraduate student differential. Graduate courses for students not registered as a graduate are assessed at the undergraduate rate.

Minnesota - Through 1982 a single rate applied to all summer tuition. They have now adopted a tuition schedule for academic year which charges by collegiate units, based on costs of educating students in those units. Planned for adoption in 1983 summer fee structure. Exception--all lower-division students pay the same tuition.

Boston University - Starting with 1980, a varying tuition set lower rates for undergraduates than for graduates.

Lehigh - Summer tuition uniform for graduate and undergraduate courses but lower than for academic year. Summer 1982 rates were $155 per credit, academic year rates were $300 per credit.

Indiana - Charges nonresident tuition but has authority to waive it under certain circumstances, including special programs developed for summer offerings.

Denver - Tuition differential adopted via a pseudo-scholarship program. Full tuition charged all students but social workers, teachers, librarians, government employees, etc. can apply for assistance and pay 1/2 or 1/3 less.

Washington University (Missouri) - Charges in summer session are lower than academic year (apparently this is a common practice among private institutions).

Residency requirements appear to be applied infrequently for summer sessions. It should be noted, however, that states have differences in residence requirements ranging from 60 days living in-state to that of status at registration being retained through graduation. Even if nonresident charges were applied, many states would allow resident summer rates following a year of enrollment.

NOTE: At the 1982 annual meeting of the Association of University Summer Session, 18 of the represented institutions indicated that summer rates were based on an undergraduate/graduate differential.