MINUTES OF REGULAR MEETING OF THE
STATE BOARD OF HIGHER EDUCATION HELD
DECEMBER 14, 1984

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

The meeting was called to order at 10:30 a.m., December 14, 1984, by the President of the Board, Mr. Louis B. Perry, and on roll call the following answered present:

Mr. John W. Alltucker  
Mr. Alvin R. Batiste  
Mr. Gene Chao  
Mr. Terrence A. Clark  
Mrs. Harriett J. Flanagan  
Mr. Edward C. Harms, Jr.  
Mr. Richard F. Hensley  
Mrs. Janet S. Nelson  
Mr. James C. Petersen  
Miss Linda L. Walling  
Mr. Louis B. Perry

OTHERS PRESENT

Centralized Activities--Chancellor William E. Davis; Secretary Wilma L. Foster; J. i. Hunderup, Vice Chancellor for Facilities Planning; Clarethel Kahananui, Acting Vice Chancellor for Academic Affairs; W. T. Lemman, Vice Chancellor for Administration; Wil Post, Vice Chancellor for Public Affairs; Clifford V. Smith, Jr., Director of CASEERI; Davis Quenzer, Associate Vice Chancellor for Budget and Fiscal Policies; R. S. Perry, Associate Vice Chancellor for Administration and Planning Services; Joe Sicotte, Associate Vice Chancellor for Personnel Services; J. Richard Pizzo, Assistant Vice Chancellor for Student Services; Larry Pierce, Executive Assistant to the Chancellor; James Payne, Assistant in Student Services; Jim Lockwood, Assistant to Vice Chancellor for Public Affairs; Tim Marsh, Information Director; Pat Wignes, Assistant Board Secretary.

Oregon State University--President John V. Byrne; T. D. Parsons, Vice President for Administration; Peter J. Copek, Director, Humanities Development Program; H. Ronald Cameron, Faculty Senate President-Elect; D. S. Fullerton, Faculty Senate President; John R. Davis, Institutional Athletic Representative; Pat Wells, Curriculum Coordinator; John P. Farrell, Associate Professor.

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

Oregon Health Sciences University--President Leonard Laster; J. T. McGill, Vice President; Ralph E. Tuomi, Assistant Vice President; Steve Harrison, Director of Development.

Portland State University--President J. C. Blumel; Margaret J. Dobson, Interim Vice President for Academic Affairs; Roger Edgington, Interim Vice President for Finance and Administration; Orcilia Forbes, Vice President for Student Affairs; Phil Bogue, Assistant to the President; J. K. Harris, Budget Director; John Ellis, Assistant Professor; Arthur Emlen, Director, Regional Research Institute for Human Services; Nancy Koroloff, Coordinator, Field Instruction.

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

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

Southern Oregon State College--President Natale A. Sicuro; Ernest E. Ettlich, Dean of Academic Affairs; Ronald Bolstad, Dean of Administration.
The Chancellor said there had been a great deal of interest in terms of eligibility and academic standards in intercollegiate athletics and in terms of the rules pertaining to progress toward a degree. He said Dr. John R. Davis, Secretary-Treasurer of the National Collegiate Athletic Association and a staff member at Oregon State University, was one of the national leaders in intercollegiate athletics. Dr. Davis has served as faculty advisor for intercollegiate athletics at Oregon State University for a number of years.

The Chancellor indicated that he had invited Dr. Davis to discuss with the Board the latest developments in the Pacific-10 Conference and the National Collegiate Athletic Association, also recognizing that there are institutions in the various divisions of the NCAA or in other governance associations.

Dr. Davis said the NCAA was an organization of approximately 900 institutions across the country and was established mainly to provide for championship competition among student athletes. The NCAA, through its legislative process, identifies academic standards for its participants. He said these standards would be the subject of his presentation. A summary was distributed of the NCAA legislation pertaining to academic requirements for eligibility in intercollegiate athletics. The summary appears as Supplement A to these minutes.

Dr. Davis explained that the NCAA is divided into three divisions. Division I consists of the larger institutions; Division II includes the middle-size schools; and Division III has a large number of smaller institutions. In Oregon, Oregon State University and the University of Oregon belong to Division I; Portland State University is in Division II; and Willamette University is a member of Division III.

Dr. Davis then presented the material in the written report. He described also the information included in reports to the NCAA which verify eligibility, academic progress, and financial aid. He indicated that legislation dealing with eligibility and academics can be adopted by divisions.

Dr. Davis said he could not predict the outcome of the proposed legislation set forth in the report because the NCAA is composed of 900 member institutions each with one vote. They do not always concur with the recommendations of the leadership.

Mr. Batiste said proposition 48 was viewed as being overly restrictive in many quarters and it appeared that there would be a move on the part of black members to appeal some of its provisions. Mr. Batiste said his main concern was with locking students into degree programs too early. He said it seemed to him that perhaps athletes would either elect the easier degree programs to be sure of their eligibility or they would feel that they could not change direction once they had declared a major.

Dr. Davis responded that a study commissioned last year by the NCAA showed that if students had to meet the requirements and the test scores in amendment 48, those test scores would not predict accurately academic success for black students. Therefore, the Council of the NCAA has
requested that application of test scores be deferred for two years. This request was based on the premise that if the core curriculum were in place, students would be able to meet the test scores in two years. He said the progress rule does not have to be applied until the student identifies the baccalaureate program as long as the student is taking the 36 credit hours, but these hours must be administered by the institution so that the student is making progress toward a degree program. A student would not be required to identify the educational goal prior to the seventh quarter or the fifth semester.

The Chancellor commented that there would be no problem if students wanted to change majors so long as they were not taking unrelated courses that were not leading toward a degree.

In response to a question concerning entrance requirements, Dr. Davis indicated that where there is a difference in the NCAA requirements and those of the institutions, the higher requirement has precedence. He also said students who drop below 12 hours during the term of competition would be ineligible, if they could be identified. There are systems in place to identify them. However, in the event of a failure to identify a student who is below 12 hours, and this fact is discovered at a later time, the student would be declared ineligible. The institution would forfeit all of the athletic contests in which that ineligible student had competed. Further, any income earned from a tournament would have to be returned.

There was some discussion of the grade point requirement and whether it must be maintained cumulatively. Dr. Davis indicated that a student in good academic standing according to the standards of the institution would be permitted to compete. It was stated that some of the governance organizations do require a cumulative grade point of 2.0, but this rule has been defeated when proposed in the NCAA.

The Chancellor said the guiding rule is that athletes should be treated in the same manner as other students with respect to participation in athletics as well as in other programs. As a national policy, the stipulation of a specific grade point average has been left as the prerogative of each institution to determine what is a student in good standing.

Dr. Davis explained that it is sometimes difficult to determine which students who are on academic probation should or should not compete in athletics. Some, particularly freshmen, are highly motivated by remaining in athletics. Others have their attention diverted from academics by remaining in athletics. For this reason most schools have a substantial support effort in the area of academic counselling.

With respect to perquisites which often are made available to athletes, Dr. Davis said there is an enforcement staff which does its best under the circumstances of not being able to get testimony under oath or to get evidence by subpoena. In many instances, the people involved are not even a part of the institutions. He noted that institutions which are found guilty of infractions in the future will receive penalties that are much greater than those assessed in the past. For example, member schools might agree to refuse to play a school which has been guilty of a serious infraction of the rules. However, if this is done in the major sports, it has a serious financial impact for the minor sports and reduces the opportunity for other student athletes to compete in those programs.

The Chancellor expressed his appreciation to Dr. Davis for serving with the NCAA as an extra duty in addition to his regular responsibilities as director of the agricultural research program at Oregon State University.

The Chancellor then requested Dr. Richard Perry, Associate Vice Chancellor for Administration and Planning Services, to present additional information on intercollegiate athletics in the State System.
Dr. Perry reviewed the actions taken by the Board with respect to athletic policy, academic standards for athletes, and the code of ethics. He said the Board had stated that student athletes should be making normal progress toward a degree, which usually would be obtained within five years of initial registration. This requires during the season of competition a minimum carrying load of 12 hours in the prescribed courses relating to the degree selected by the student athlete. This involves the development and use of continuing academic program monitoring systems which, when necessary, would activate appropriate corrective measures. Finally, the Board adopted a lengthy code of ethics.

Dr. Perry distributed and explained a comparison of the academic requirements of the Board and the athletic conferences to which the institutions belong. Further information may be available later.

Dr. Perry said it had been determined the base year would begin with the fall of 1983 and carry through the fall of 1984. Those students would be traced over the next few years to determine what happened to them. The report will show the total number of student athletes by sport and, over a five-year period, how many are in the first, second, third, fourth and fifth years. The grade point averages of the students in each year will be shown, as will the number in the fourth and fifth years who graduate.

Dr. Perry said Eastern Oregon State College, Oregon Institute of Technology, and Western Oregon State College had very detailed, excellent monitoring systems in place. Academic advising is very detailed.

He said only one very minor violation of the code of ethics has occurred and no sanctions were imposed by the NCAA when it was reported.

In general, the grade points of athletes average from 2.1 or 2.2 to a little above a 3.0. The average grade point average for all students, including athletes, tend to increase the longer they remain in school.

In response to a question concerning the best time for the Board to receive the annual report, Dr. Perry said September or October would be the best month. It was agreed that the Board would normally expect to receive the report in October.

Mr. Petersen indicated his appreciation for the report and said that he hoped it would become easier to collect the data from the institutions and that the Board would get more detail.
Staff Report to the Board

The Governor's 1985-1987 Biennial Budget recommendations were released on November 30, 1984. This staff report describes for the Board the Governor's budget recommendations and how they differ from the Board's request for 1985-1987. The changes to the budget are discussed in more detail below; however, the following summary compares the Board's General Fund request and the Governor's General Fund recommendations for the Department of Higher Education:

<table>
<thead>
<tr>
<th>General Fund</th>
<th>Board's Request</th>
<th>Governor's Recommendations</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Request</td>
<td>Recommendations</td>
<td></td>
</tr>
<tr>
<td>I. Operating Budget</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Base Budget (1984-85 Operating Level)</td>
<td>$433,298,130</td>
<td>$433,298,130</td>
<td>0-</td>
</tr>
<tr>
<td></td>
<td>Adjustments to Base:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Inflation</td>
<td>7,603,171</td>
<td>7,603,171</td>
</tr>
<tr>
<td></td>
<td>Hospital</td>
<td>-0-</td>
<td>49,848</td>
</tr>
<tr>
<td></td>
<td>Dental Clinics</td>
<td>-0-</td>
<td>(1,908)</td>
</tr>
<tr>
<td>B. Decision Packages for 1985-1987</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Unclassified Salary Adjustment</td>
<td>55,151,700</td>
<td>40,000,000</td>
<td>(15,151,700)</td>
</tr>
<tr>
<td>2. New Building O&amp;M</td>
<td>1,054,259</td>
<td>1,054,259</td>
<td>0-</td>
</tr>
<tr>
<td>3. Facilities Maintenance</td>
<td>14,500,000</td>
<td>6,000,000</td>
<td>(8,500,000)</td>
</tr>
<tr>
<td>4. High Tech. &amp; Economic Development</td>
<td>17,611,402</td>
<td>11,614,975</td>
<td>(5,996,427)</td>
</tr>
<tr>
<td>5. Instructional Equipment</td>
<td>10,000,000</td>
<td>4,000,000</td>
<td>(6,000,000)</td>
</tr>
<tr>
<td>6. Instructional Computing</td>
<td>10,000,000</td>
<td>-0-</td>
<td>(10,000,000)</td>
</tr>
<tr>
<td>7. Library Automation and Acquisition</td>
<td>8,500,000</td>
<td>6,000,000</td>
<td>(2,500,000)</td>
</tr>
<tr>
<td>8. Basic Research</td>
<td>1,200,000</td>
<td>-0-</td>
<td>(1,200,000)</td>
</tr>
<tr>
<td>9. Institution-Specific Improvements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Education &amp; Gen.</td>
<td>2,482,826</td>
<td>-0-</td>
<td>(2,482,826)</td>
</tr>
<tr>
<td>(b) SWPS-OSU</td>
<td>1,601,780</td>
<td>800,000</td>
<td>(801,780)</td>
</tr>
<tr>
<td>(c) Hospital-Extraordinary Costs</td>
<td>20,000,000</td>
<td>15,000,000</td>
<td>(5,000,000)</td>
</tr>
<tr>
<td>10. Freeze and Modify Instruction Fee Policy</td>
<td>6,176,457</td>
<td>-0-</td>
<td>(6,176,457)</td>
</tr>
<tr>
<td>Subtotal, Decision Packages</td>
<td>$148,278,424</td>
<td>$84,496,551</td>
<td>($63,781,873)</td>
</tr>
<tr>
<td>II. Student Loans</td>
<td>$95,666</td>
<td>$95,666</td>
<td>0-</td>
</tr>
<tr>
<td>III. Debt Service</td>
<td>$11,704,710</td>
<td>$11,704,710</td>
<td>0-</td>
</tr>
<tr>
<td>IV. Capital Construction</td>
<td>$41,032,500</td>
<td>$18,710,000</td>
<td>(22,322,500)</td>
</tr>
<tr>
<td>Grand Total, 1985-1987</td>
<td>$642,012,601</td>
<td>$555,956,168</td>
<td>($86,056,433)</td>
</tr>
</tbody>
</table>

Base Budget

The base budget along with adjustments for inflation was recommended by the Governor as requested in the Board's Budget Request for 1985-1987 except for a minor technical adjustment of $1,908 to the Dental Clinics'
budget and a more significant base budget change to the University Hospital. The staff requested and recommended to the Board in October a revised base budget for the University Hospital. That recommendation as reported to the Board in October was incorporated into the Governor's recommended 1985-1987 budget. In summary, that recommendation was to reduce the Other Funds base budget by $8,262,700 because the 1984-85 Other Funds budget had been overstated.

Decision Packages

Unclassified Salary Adjustments. The Unclassified Salary Adjustment of $40,000,000 as recommended by the Governor appears in two distinct sections of the Governor's printed budget. Twenty million is included in the section of the budget entitled "Salary Adjustments and Employee Benefits" and the remaining $20,000,000 is included directly in the Higher Education section of the budget and referred to as "Faculty Salary Enhancements."

According to the Governor's printed budget, the $20,000,000 included in the section entitled "Salary Adjustments and Employee Benefits" would finance approximately a three percent per year, across-the-board salary raise plus a July 1, 1985, two percent catch-up from last biennium's pay freeze. It would also cover expected inflation of about six percent per year in medical and dental insurance costs." The $20,000,000 included directly in the Higher Education budget is "to finance selective salary raises for faculty—depending upon merit, market conditions, and other factors to be determined by the Chancellor and the State Board of Higher Education."

The staff will be presenting to the Board in March or April of 1985 a more detailed plan for unclassified salary adjustments incorporating the recommendations of the Governor's budget.

New Building Operation and Maintenance. The Governor's recommendation is the same as the Board's request.

Facilities Maintenance. The $6,000,000 for Facilities Maintenance recommended by the Governor will finance the most critical maintenance needs as defined by the institutions. However, the $6,000,000 combined with the $3,252,000 provided in the base budget or $9,325,000 represents only .36% of the valuation of the $1.3 billion of education and general plant buildings. Therefore, the IMD (Internal Management Directive) as approved by the Board in September will need to be modified to reflect facilities maintenance expenditures of .36% of valuation per year rather than .75% as had been approved anticipating an increase of $14,500,000 in the budget for facilities maintenance.

High Technology and Economic Development. The Governor's General Fund budget recommendation of $11,814,975 for High Technology and Economic Development for Higher Education is not included in the Higher Education section of the Governor's budget document. Instead, the funds are included by the Governor as part of a section on "Special Program on Economic Development" totaling $18,113,540 to be financed from the State General
The following is a comparison of the Board's request and the Governor's recommendation for High Technology and Economic Development:

<table>
<thead>
<tr>
<th></th>
<th>Board's Request</th>
<th>Governor's Recommendations</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>University of Oregon</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Materials, Optical, and Computer Science</td>
<td>$1,691,335</td>
<td>$1,657,675</td>
<td>($33,660)</td>
</tr>
<tr>
<td>2. Biotechnology</td>
<td>1,708,120</td>
<td>1,670,096</td>
<td>(38,024)</td>
</tr>
<tr>
<td>3. High Energy Physics</td>
<td>340,000</td>
<td>340,000</td>
<td>0</td>
</tr>
<tr>
<td>4. Polymer Science</td>
<td>274,840</td>
<td>274,840</td>
<td>0</td>
</tr>
<tr>
<td>5. Geothermal Research</td>
<td>161,474</td>
<td>161,474</td>
<td>0</td>
</tr>
<tr>
<td>6. Technology, Design, and Architecture</td>
<td>87,526</td>
<td>-0-</td>
<td>87,526</td>
</tr>
<tr>
<td>7. International Business</td>
<td>385,194</td>
<td>-0-</td>
<td>385,194</td>
</tr>
<tr>
<td></td>
<td>$4,648,489</td>
<td>$4,104,085</td>
<td>($544,404)</td>
</tr>
<tr>
<td><strong>Oregon State University</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Upgrade &amp; Expand Engineering</td>
<td>$3,877,000</td>
<td>$3,827,000</td>
<td>($50,000)</td>
</tr>
<tr>
<td>2. Advanced Materials Research</td>
<td>500,000</td>
<td>-0-</td>
<td>500,000</td>
</tr>
<tr>
<td>3. Gene Research and Biotech.</td>
<td>728,264</td>
<td>656,592</td>
<td>(71,672)</td>
</tr>
<tr>
<td>4. International Trade in Agriculture and Forestry</td>
<td>125,110</td>
<td>-0-</td>
<td>125,110</td>
</tr>
<tr>
<td>5. Sustain Coastal Forest Production</td>
<td>378,680</td>
<td>-0-</td>
<td>378,680</td>
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<tr>
<td>6. Agri-Business Degree OSU-EOSC</td>
<td>337,825</td>
<td>337,825</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>$5,946,879</td>
<td>$4,821,417</td>
<td>($1,125,462)</td>
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<tr>
<td><strong>Portland State University</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Upgrade Engineering</td>
<td>$2,024,998</td>
<td>$500,000</td>
<td>($1,524,998)</td>
</tr>
<tr>
<td>2. International Trade &amp; Commerce</td>
<td>314,120</td>
<td>314,120</td>
<td>0</td>
</tr>
<tr>
<td>3. B.S. in International Business</td>
<td>250,353</td>
<td>250,353</td>
<td>0</td>
</tr>
<tr>
<td>4. Expand Undergrad. Engineering</td>
<td>449,919</td>
<td>-0-</td>
<td>449,919</td>
</tr>
<tr>
<td></td>
<td>$3,039,390</td>
<td>$1,064,473</td>
<td>($1,974,917)</td>
</tr>
<tr>
<td><strong>Oregon Health Sciences University</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Center for Technology in Medicine</td>
<td>$2,785,207</td>
<td>$1,500,000</td>
<td>($1,285,207)</td>
</tr>
<tr>
<td><strong>Oregon Institute of Technology</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. OIT-Portland Center</td>
<td>$744,467</td>
<td>-0-</td>
<td>($744,467)</td>
</tr>
<tr>
<td><strong>High Technology Consortium Continuation Funding</strong></td>
<td>$446,970</td>
<td>-0-</td>
<td>($446,970)</td>
</tr>
<tr>
<td><strong>Forest Research Laboratory</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Riparian Zone Management*</td>
<td>-0-</td>
<td>$125,000</td>
<td>$125,000</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>$17,611,402</td>
<td>$11,614,975</td>
<td>($5,996,427)</td>
</tr>
</tbody>
</table>

* Included in Board's Request as an Institution-Specific request.

Instructional Equipment. The Governor's recommendation of $4,000,000 represents 40% of the Board's request for Instructional Equipment. The staff will be presenting for Board approval an institutional allocation plan for this reduced amount sometime in April or May 1985 after the completion of the equipment portion of the BAS Model.
Library Automation and Acquisition. The Governor's recommendation of $6,000,000 for libraries is earmarked to implement the library automation portion of the Board's request for libraries. It is the Governor's intent that no portion of the $6,000,000 be used for library acquisitions unless the automation can be completed for less than the estimated $6,000,000 included in the Board's request.

Freeze Instruction Fees. The Governor is not recommending the $6,176,457 of General Fund dollars to allow for a freeze in Instruction Fee rates for 1985-1987. Thus, a 3% per year increase in instruction fee rates for all students will be necessary in 1985-1987 to finance the Governor's recommended budget.

Veterinary Diagnostic Laboratory. The Governor is recommending an additional $27,317 in General Funds to finance a projected increase in the workload of the Veterinary Diagnostic Laboratory. Other Funds income is projected to increase $53,277 due to the increased workload.

Instructional Computing, Basic Research, and Education and General Institution-Specifics. The Governor recommended no General Fund moneys for these items.

Statewide Public Services. The following summarizes the Governor's General Fund recommendations for the statewide public services:

<table>
<thead>
<tr>
<th></th>
<th>Board's Request</th>
<th>Governor's Recommendations</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural Experiment Station</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Crop Production</td>
<td>$545,634</td>
<td>$440,000</td>
<td>($105,634)</td>
</tr>
<tr>
<td>2. Pest Management</td>
<td>324,824</td>
<td>-0-</td>
<td>(324,824)</td>
</tr>
<tr>
<td>Cooperative Extension Service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Meeting increased Demands</td>
<td>$448,206</td>
<td>$360,000</td>
<td>($88,206)</td>
</tr>
<tr>
<td>2. Agro-Forestry</td>
<td>158,116</td>
<td>-0-</td>
<td>(158,116)</td>
</tr>
<tr>
<td>Forest Research Laboratory</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Riparian Zone Management</td>
<td>$125,000</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>University Hospital</td>
<td>$20,000,000</td>
<td>$15,000,000</td>
<td>($5,000,000)</td>
</tr>
</tbody>
</table>

* Governor included $125,000 in the High Technology and Economic Development package.

Capital Construction. A comparison of the Board's request and the Governor's recommendation is contained in a separate item later in these minutes.

The Chancellor commented on the budget recommendations and described the next steps in the budget process. He noted that in the Governor's budget the State System had been invited to submit items identified with economic development. He emphasized that this did not mean a downgrading of the liberal arts or a lesser emphasis on other professional programs or fields. He said it was his personal opinion that the liberal arts were still the core for all of the institutions, with the exception of the Oregon Health Sciences University, where the students normally would have received their liberal arts courses prior to admission.

He indicated that a number of elements in the Governor's budget would upgrade every institution and every department. He cited the recommended salary adjustments, the maintenance of physical facilities, the automation of the libraries, and the purchase of equipment for instructional purposes. In addition, centers of excellence were identified as were some areas of badly-needed capital construction.
The Chancellor said he wanted to investigate and explore ways to support and fund the balance of the engineering funds to expand and enhance the programs at Portland State University and to expand and develop the Oregon Institute of Technology's program in the Portland area. If extra funds should be available, the Chancellor said the tuition freeze should be reconsidered. He said the Governor had indicated support for a tuition freeze and had recommended only a very modest increase.

The Chancellor said he appreciated the Governor's efforts and his leadership in these areas. The Governor has stated publicly on a number of occasions that he wants to make some breakthroughs on each of the campuses. He also wants to target some money for special priorities to develop some centers of excellence.

The Governor's budget, if approved, would mark a substantial change in direction and in the commitment of the state.

Mr. Perry commented that he would hope the physicians trained at the Health Sciences University would have a little more liberal arts in their backgrounds. President Laster concurred and said the liberal arts ideally must continue and flourish as students receive their professional training. He said one of the great dangers to the medical profession was the commercialization of health care, and he endorsed the Chancellor's thrust in strengthening the base of the liberal arts.

Mr. Perry said he had expressed on behalf of the Board its appreciation to the Governor for the substantial increase in his budget proposal for higher education beyond what the Board experienced as an outcome of the last legislative session, even though some progress was made then. He indicated the Legislature still had to address these budget recommendations. Mr. Perry commented on the concern of the electronics community in Portland with the need for enhancement in the undergraduate curriculum in engineering and in the desire of Oregon Institute of Technology to continue its program on a more effective basis in Portland. He said there would be opportunities for the Board, before and after the legislative session, to have some influence in the process in a constructive way to serve better the population of Oregon, and particularly to improve the state's economic interests.

Mr. Chao said he was pleased to hear the Chancellor's emphasis on engineering at Portland State University. He said that in terms of the high technology and economic development package, even the electronics industry in the Portland area has considered the state as the resource and has had a commitment to move development downstate, recognizing the centers of excellence already existing at Oregon State University and the University of Oregon. However, he said the Board does need to look at Portland State University a little more.

J. I. Hunderup, Certificate of Distinguished Service and Designation as Vice Chancellor Emeritus

Mr. Perry read the following Certificate of Distinguished Service honoring Mr. J. I. Hunderup, Vice Chancellor for Facilities Planning:

CERTIFICATE OF DISTINGUISHED SERVICE
HONORING
J. I. HUNDERUP

In recognition of his retirement on December 31, 1984, as Vice Chancellor for Facilities Planning of the Oregon State System of Higher Education, and in grateful appreciation of his unexcelled performance and unquestioned integrity over 37 years of dedication to public higher education in Oregon, the Oregon State Board of Higher Education presents to J. I. "Jack" Hunderup this Certificate of Distinguished Service.

Jack's involvement with development of capital improvements within the State System of Higher Education began in 1952 when he was named Assistant to the Controller. This involvement increased over the years when he was appointed Director of Facilities Planning in 1963 and Vice Chancellor in 1969.
During the "Hunderup years," many buildings were planned, constructed, and improved on the state's college and university campuses. Jack organized this demanding process with uncommon skill and professionalism, in part reflected by the following:

- Board adoption of numerous rules governing State System capital construction.
- The publication of two important documents. One is the Planning and Procedures Handbook for Campus and Building Development, which provides explicit guidelines to the institutions in their planning of physical improvements and includes procedures ranging from acquisition of real estate for campus growth to application of building space allocation standards. The other is the Construction Management Handbook, which contains a series of directives, guidelines, and documents for use by professional consultants as they prepare plans and specifications for construction.
- The keenly analytical intellect he brought to reviewing work accomplished by design professionals. Although without formal training in design, Jack's experience and sound judgments earned the respect of architects and engineers who served the State System.
- The quality of Jack's oral presentations to the State Board and legislative committees in support of capital improvements. His command of the English language was unerring. The Board will not soon forget the precision and clarity with which these presentations were made.

All of the Board's members and staff will miss you, Jack Hunderup, and we wish you well.

The Chancellor said that he and the Board's Office staff wished to join in the comments mentioned in the certificate. He then recommended that Mr. Hunderup be appointed Vice Chancellor Emeritus, effective January 1, 1985.

The Board adopted the Certificate of Distinguished Service and approved the Chancellor's recommendation that Mr. Hunderup be designated as Vice Chancellor Emeritus. The following voted in favor: Directors Alltucker, Batiste, Chao, Clark, Flanagan, Harms, Hensley, Nelson, Petersen, Walling, and Perry. Those voting no: None.

At the conclusion of the presentation, Mr. Hunderup thanked the Board and indicated that it had been a special privilege to work with the many fine Board members, the presidents and staff at the institutions, and the people in the Chancellor's Office over the years.

The Chancellor said advertisements had been placed seeking a successor to Mr. Hunderup with the goal of making an appointment early in 1985.

Pending the selection and appointment it was recommended that the duties of the Vice Chancellor for Facilities Planning outlined within the various subsections of Section 7.150 of the Board's Internal Management Directives be handled as follows after January 1, 1985:

A. By Dr. Richard S. Perry, Associate Vice Chancellor for Administration and Planning Services, following consultation with Vice Chancellor Lemman and Mr. A. E. Mancl, Director of Campus and Building Planning:

   (1) Negotiate and execute professional services agreements for architectural and engineering services, including supplements to such agreements.
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(5) Prepare and execute contracts for construction, rehabilitation, demolition, repair and maintenance, furnishings, etc., including change orders; provide notices of contract award or of the rejection of bids.

(7) Prepare and execute applications for federal grant assistance or loans relating to facilities planning, construction, land acquisition, etc., and submit payment requests and reports relating thereto.

(8) Acquire lands within the approved campus boundaries, including appraisals and other matters relating to acquisition of real property.

B. By Mr. A. E. Mancl, Director of Campus and Building Planning, following consultation with the Chancellor, Vice Chancellor Lemman, Controller Hall or other staff associates, including institutional officials, as appropriate:

(2) Review and approve subsequent phases of planning for projects for which the schematic design phase of planning has been approved by the Board.

(3) Approve or deny requests of construction contractors for prequalification for bidding.

(4) Solicit and open bids for construction, rehabilitation, demolition, repair, and maintenance, furnishings, etc.

(6) Inspect and accept the work of contractors for construction, rehabilitation, demolition, repair and maintenance, furnishings, etc.

(9) Perform such other services relating to acquisition of land and the planning and construction of facilities as may be required.

C. With respect to other activities and responsibilities of the Vice Chancellor for Facilities Planning, such as presentations to the Board, legislative committees and others, assignments will be handled directly by the Chancellor or will be delegated by him to others. Routine tasks, such as (but not limited to) the processing of invoices for professional services, fund transfers, approval of plant fund accounts, allocations of amounts from the Board's reserve for physical plant rehabilitation and minor capital outlay or from the Board's reserve for architectural/engineering planning would be assigned on an interim basis to Mr. Mancl or others on the staff of the Board's Office of Facilities Planning with such assistance as may be required from Vice Chancellor Lemman and his associates within the Office of Administration.

The Board approved the recommendations as presented, with the following voting in favor: Directors Alltucker, Batiste, Chao, Clark, Flanagan, Harms, Hensley, Nelson, Petersen, Walling, and Perry. Those voting no: None.

Allocation from Board's Rehabilitation Reserve for Alterations to Mary Phipps Center, SOSC

Staff Report to the Board

Under lease arrangements with the Southern Oregon College Foundation, the College has taken possession of the Girls' Community Club building at 229 North Bartlett Street, Medford, and has dedicated it as the Mary Phipps Center for use by the College for instructional and public service activities in the Medford community. Within the gross area of approximately 10,500 square feet, the two-story building will provide several classrooms, a computer laboratory and office space for credit courses, academic advising and related programs.
Because of the changed use of the building, formerly used as a dormitory residence for single working women, the building inspector for the City of Medford has identified a number of changes which need to be made to avoid code violations. Mostly, they relate to fire safety standards applicable to public use (such as replacing interior doors, removing kitchen equipment, modifying fire exits, etc.) and to improved accessibility for the handicapped. In addition, some minor remodeling needs to be accomplished for program requirements, such as to accommodate the computer laboratory and two general purpose classrooms.

To supplement institutional resources of approximately $47,000 which are being allocated for this remodeling, President Sicuro has requested that $25,000 be provided from the Board's reserve for physical plant rehabilitation and minor capital outlay. Exclusive of a small balance carried forward from the last fiscal year, the 1984-85 reserve for items of this nature is $89,985.

Staff Recommendation to the Board

It was recommended that the Vice Chancellor for Facilities Planning be authorized to allocate $25,000 from the Board's reserve for physical plant rehabilitation and minor capital outlay to assist Southern Oregon State College in meeting a portion of the expenditure requirements for alterations to the Mary Phipps Center at Medford.

Board Discussion and Action

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

Staff Report to the Board

On November 16, 1984, following review by the Committee of the Whole, the Board approved the staff recommendation to schedule a public hearing on December 14 concerning the proposed adoption of all of the Attorney General's Model Rules on Public Contracting which became effective October 1, 1984, except Rule 137-30-105, Negotiation with Bidders Prohibited. This action was taken with the understanding that the staff would prepare guidelines which might be used in connection with the possible negotiation of change order credits or charges to be executed simultaneously with a contract award for a public works project for the Department of Higher Education.

A draft of these guidelines is submitted for Board review and approval:

**Guidelines for Possible Negotiation with Bidders Prior to Contract Award for a Public Works Project**

Except as noted hereinafter, authority to enter into any negotiations with one or more bidders on a public works contract for the Department of Higher Education prior to a proposed contract award shall be obtained in advance from the Board or the Executive Committee of the Board. Exceptions to this requirement of prior approval for entering into negotiations for possible change order modifications to be executed simultaneously with a contract award shall be made only if:

1. The amount of the proposed contract adjustment is for a credit no greater than 5% of the amount of the lowest base bid, as adjusted for bid alternates which are to be exercised in making the contract award, if such proposed initial contract amount is less than $1,000,000, or a maximum of $50,000 or 3% of the lowest bid amount, whichever is greater, if the proposed initial contract amount is $1,000,000 or more; provided, however, that prior concurrence in the proposal to enter into negotiations with the lowest bidder for a change order credit simultaneously with the execution of the contract shall be obtained in writing from the
second and third lowest bidders (or of the second lowest bidder if quotations were received from only two contractors) unless the amount of the projected reduction in the contract is less than the difference between the lowest bid and the second lowest bid for the work of the project; or

(2) The amount of the proposed contract adjustment is for a charge, if any, applicable to an extension of time for the acceptance of the bid beyond the date specified in the bid documents. The amount of such adjustment by change order shall not exceed the contractor's documented requirements for additional compensation to subcontractors and/or material suppliers due to delays in making the contract award.

It may be of interest to members of the Board to know that the Director of the Department of General Services, Salem, provided notice that "On December 1, 1984 the Department of General Services proposes to adopt, by reference, the 1984 Attorney General's Model Public Contracting rules, OAR 137-30-000 through 137-40-045. The rules cover bid procedures, advertisements, the wording of bids, retainage, claims, liens, bid security, payment and performance bonds and other matters involving public contracts including sample forms."

Staff Recommendation to the Board

It was recommended that the Board adopt (by a roll call vote), following a public hearing, the Attorney General's Model Rules on Public Contracting except Rule 137-30-105, Negotiation with Bidders Prohibited, and in response to an oral request of an Assistant Attorney General assigned to the Department of Transportation, defer action on the approval of the guidelines outlined above for the possible negotiation of change order credits or charges to be executed simultaneously with a contract award for a public works project pending further legal review.

The wording of the Board's Rule would be as follows:

Public Contracting Rules

580-50-031 Except for OAR 137-30-105, Negotiation with Bidders Prohibited, the Model Public Contracting Rules adopted by the Oregon Attorney General as of October 1, 1984, shall be applicable to the bidding, awarding and administration of public contracts of the Department of Higher Education.

Board Discussion and Action

Mr. Perry declared that the time set for the public hearing on the proposed adoption of public contracting rules had arrived and asked if anyone wished to be heard for or against the proposed action. There being no response to his inquiry, Mr. Perry declared the public hearing closed.

Mr. Hunderup referred to the request from the Attorney General's Office that action be deferred on the adoption of the guidelines to provide an opportunity for further legal review. He said, however, that he personally felt very strongly that if a public agency has a right to amend a contract immediately after the awarding of the contract, the agency would be in an even better position to negotiate things just prior to the time that the contract award is made, particularly when it is done in consultation with the other low bidders. He said it would be helpful if Board members would indicate any changes they might wish to have made in the guidelines. No changes were proposed.
The Board approved the staff recommendation as presented and upon roll call vote adopted OAR 580-50-031, Public Contracting Rules. The following voted in favor: Directors Alltucker, Batiste, Chao, Clark, Flanagan, Harms, Hensley, Nelson, Petersen, Walling, and Perry. Those voting no: None.

Mr. Perry announced that an Executive Session of the Board would be held during the Board's luncheon recess as permitted by ORS 192.660(1)(h), for the purpose of consulting with counsel concerning current litigation.

Staff Report to the Board

Fall term fourth week enrollments indicate a slightly higher three-term enrollment for 1984-85 than had previously been projected. Total System three-term enrollments are now estimated to be 46,615, which is 462 or 1.0% higher than had been projected for 1984-85. The original and revised forecasts of three-term enrollments by institution for 1984-85 are compared below:

<table>
<thead>
<tr>
<th>Institution</th>
<th>1984-85 Original</th>
<th>1984-85 Revised</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Oregon</td>
<td>12,759</td>
<td>13,583</td>
<td>824</td>
</tr>
<tr>
<td>Oregon State University</td>
<td>13,904</td>
<td>14,002</td>
<td>98</td>
</tr>
<tr>
<td>Portland State University</td>
<td>8,478</td>
<td>8,505</td>
<td>27</td>
</tr>
<tr>
<td>Western Oregon State College</td>
<td>2,182</td>
<td>2,342</td>
<td>160</td>
</tr>
<tr>
<td>Southern Oregon State College</td>
<td>3,569</td>
<td>3,471</td>
<td>(98)</td>
</tr>
<tr>
<td>Eastern Oregon State College</td>
<td>1,494</td>
<td>1,301</td>
<td>(193)</td>
</tr>
<tr>
<td>Oregon Institute of Technology</td>
<td>2,620</td>
<td>2,256</td>
<td>(364)</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>45,006</strong></td>
<td><strong>45,460</strong></td>
<td><strong>454</strong></td>
</tr>
<tr>
<td>Oregon Health Sciences University</td>
<td>1,147</td>
<td>1,155</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>46,153</strong></td>
<td><strong>46,615</strong></td>
<td><strong>462</strong></td>
</tr>
</tbody>
</table>

Based upon these revised enrollment projections for 1984-85, it is estimated that instruction fee income will be overrealized approximately $1,600,000. The staff recommends that $900,000 of this overrealized fee income be applied toward the extraordinary legal costs anticipated for 1984-85 and the remaining $700,000 be allocated to the University of Oregon and Western Oregon State College because of the significant enrollment gains experienced by these two institutions over the original estimates for 1984-85.

In recommending budget adjustments due to enrollment change, the staff proposes that the budgets of Southern Oregon State College, Eastern Oregon State College, and Oregon Institute of Technology not be reduced because of projected enrollment losses. Oregon Institute of Technology was not funded for its higher enrollment projections in 1983-84 or 1984-85; therefore, it would be inappropriate to reduce its budget for enrollments below those earlier projected. It has been the Board's policy to fund Eastern Oregon State College at a base program level of 1,500 FTE, regardless of actual enrollments. Southern Oregon State College is experiencing a moderate decline in its enrollments; however, the BAS Model and other indicators show that Southern Oregon State College is underfunded more than other institutions in the System in relative terms, and a budget reduction would only exaggerate that relative underfunding. The projected enrollment gains at Oregon State University and Portland State University are so small (substantially less than 1%) that no change in their budgets is recommended.
The University of Oregon and Western Oregon State College are experiencing enrollment gains over the budgeted enrollment levels for 1984-85 of 6.5% and 7.3%, respectively. These two institutions have a combined overrealization of 984 three-term FTE students. The University of Oregon is projected to overrealize 824 students or 84% of this 984 student overrealization, and Western Oregon State College 160 students or 16% of the overrealization. Because all overrealized fee income is not available for allocation to the institutions, the staff recommends that the University of Oregon and Western Oregon State College share in the available overrealized income proportionately. The University of Oregon would receive 84% of the available income, or $588,000, because it has 84% of the combined UO-WOSC overrealized students, and Western Oregon State College would receive 16%, or $112,000.

**Staff Recommendation to the Board**

It was recommended that the Board increase the 1984-85 operating budget for the University of Oregon by $588,000 and that of Western Oregon State College by $112,000 on a non-recurring basis to assist in covering additional expenses related to enrollments in excess of those budgeted for 1984-85. It was further recommended that the Board increase the budget of Centralized Activities by $900,000 to be applied to the extraordinary legal expenses anticipated in 1984-85. Both expenditure increases are to be financed from $1.6 million in estimated overrealized instruction fee revenue.

**Discussion and Recommendation by the Committee**

Mr. Petersen asked whether the recommendation would mean that there would not be an assessment made against the State System institutions in the future for these extraordinary legal costs. Mr. Lemman indicated that was correct. He said this amount would take care of all of the legal expenses but did not include any damages which might be assessed.

Mr. Petersen said he had asked the question to offset potential criticism that the Board had used student fee income to pay other costs. The fact was, that without this action, those costs would be assessed to the institutions and would have to be taken from the operating budget.

Mr. Lemman agreed and said it was a mistake to say the instruction fee was paying for some non-instructional purposes because the instruction fees received are merged with state appropriations for the purpose of financing all of the activities of the institutions.

Mr. Petersen said this money represented general fund dollars which could be assessed against each institution.

Mr. Batiste asked why the Board could not seek relief from the Emergency Board for these extraordinary costs. Mr. Lemman said a substantial amount of the money proposed for use was overrealized as a result of having more nonresident students than were anticipated. When resources are available to pay the costs, there is no emergency and, therefore, no basis for a request to the Emergency Board. He stated also that the matter had been discussed with the Executive Department and it would not support the request to the Emergency Board if the Department of Higher Education had the resources to pay the costs.

Mr. Hensley asked whether provision should be made in the next budget for additional legal fees in the event there is an appeal. Mr. Lemman said that question is faced every time there is a lawsuit. If there is an appeal, it is possible the Board could amend its budget request during the legislative session. In addition, appellate costs are usually small in comparison to the costs of a trial.
Mr. Clark said the institutions which had additional funds were only going to be reimbursed partially for the costs of those added students. In essence, those institutions will be assessed the costs while the others will not be asked to give back any money to offset the legal costs. Mr. Lemman said that point had been considered and the staff was recommending the contrary position.

Mr. Petersen stated that reallocation of funds based on enrollments had not been a pleasant experience in the past for either the Board members or the institutional executives. He said the recommendation to take the legal costs off the top and allocate the remainder probably was a good one.

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

Board Discussion and Action

Mr. Perry inquired whether the funds distributed to the two institutions would be a lump sum allocation or whether there was any monitoring of the use of the money.

Mr. Lemman said the allocation was a lump sum but Dr. Richard Hill, Vice President for Academic Affairs and Provost at the University of Oregon, had indicated the University would expend at least half of the money on new sections.

Dr. Hill said the University of Oregon had spent or budgeted a total of $397,000 for direct costs to meet high demand areas. In addition, at the request of the students, it is planned to extend the library hours.

The Board approved the recommendation of the Committee, with the following voting in favor: Directors Alltucker, Batiste, Chao, Clark, Flanagan, Harms, Hensley, Nelson, Walling, and Perry. Those voting no: None. Director Petersen was absent from the meeting at this time.

Final Approval, Budget Allocation System (BAS) Model

The need for new budget allocation and acquisition systems was evident as criticism of the systems in use was beginning to intensify. Institution presidents were critical of the budget allocation process among institutions because they believed institution mission and uniqueness were not being considered in the allocation process. In addition, criticism was levied against the budget system because it was not successful in persuading the Governor and Legislature for the need of additional resources for Higher Education. In turn, the Governor and Legislature were critical of the budget system because they perceived it as being too complex and difficult to understand. The Legislature in its review process sought to identify and make judgments concerning the programs of Higher Education, but the budget system made it very difficult to identify those programs. The net effect of this criticism was to make it evident that the budget process needed a major review and that changes were necessary.

In the initial stages of developing a new budget system, 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 urban characteristics; one for the regional colleges; and one for Oregon Institute of Technology. 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 were of similar quality, or 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 new Budget Allocation System (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, area 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 related to 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 represents 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, officials in some twenty-one states and organizations were contacted, 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 to the University of Kansas and Kansas State University to study the Kansas Model.

In addition, two outside consultants were hired to review the BAS Model. After their review, the consultants (Dr. William Lasher, University of Texas, and Dr. Larry Leslie, University of Arizona) stated that they believe "...the general financial strategy envisioned by the leadership of the Oregon State System of Higher Education is clearly defensible, and that the overall approaches of the formula (BAS Model) are sound." In addition, they stated that "We found a model that is conceptually sound, is generally accepted, and which—with a few modifications—could be put into use as soon as possible."

Goals of the Budget Allocation System (BAS Model)

In their report, the consultants suggested that a "framework of goals" be added. The goals would at once help to explain the purpose of the model and provide a basis for identifying the priorities of the model and a basis for evaluating its success.

The goals for the Budget Allocation System in its acquisition and allocation of resources are to (1) identify and help to achieve that level of funding which will insure the desired quality in Oregon Higher Education; (2) recognize the diversity of the institutions within the Oregon State System of Higher Education; (3) provide the basis of the equitable allocation of resources to institutions based upon institutional size, mission, and other relevant characteristics; and (4) maintain a resource allocation system which will provide to institution presidents and faculties incentives for good management.

Quality

The first goal of the BAS Model is to serve as a tool to provide information to the Board, the Governor, and the Legislature concerning the necessary level of funding for each institution to provide programs of desired quality, using peer group review as the principal standard of measurement.

For each institution there exists some level of resources that will enable it to operate at a minimally acceptable level of quality. Resources
applied above that minimum level will result, directly or indirectly, in "value added"—an increase in quality. The relationship between added resources is often most apparent when superior research faculty attract millions of research dollars, or when superior teachers product superior students. The BAS Model as a financing system seeks to enhance quality by serving as a tool to measure the level of resources needed to operate each institution at the needed and desired level of quality.

Diversity

The second goal of the BAS Model is to identify and recognize in the allocation system the diversity that exists among the institutions in the State System.

The costs of different programs and services at different institutions will not be the same because the nature of the educational process used in the programs differs, as do the desired outcomes of the services. A basic objective of the Oregon State System of Higher Education is to avoid unnecessary duplication in the programs offered at the various institutions. The avoiding of unnecessary duplication results in disparate institutional costs, which may appear not to promote the goal of equity.

Costs of similarly labeled outcomes or products (programs) may vary among institutions when the aggregation of institutional outcomes or purposes (mission) differ. For example, the cost of educating an undergraduate student in a particular discipline at a college will differ from the cost at a research university because, among other things, faculty of each institution are selected from different labor-market pools which have different supply/demand characteristics.

The BAS Model seeks to recognize the diversity among the institutions in the State System by recognizing differentials in the funding elements used in constructing the various formulas and factors of the Model.

Equity

The third goal of the BAS Model is to measure the relative equity of resources allocated among institutions which vary greatly in size and mission.

Equity does not require that each institution must be funded equally, nor does it mean that each student must be funded equally. The equitable or appropriate amount of funding for each institution will be a function of the sum total of all the public purposes it serves, in particular the courses of study, the levels of instruction, and the specific academic disciplines offered.

Management Incentives

The fourth goal of the BAS Model is to provide the presidents and faculties with incentives for optimizing effectiveness and efficiency.

The BAS Model is not to be considered as an intra-institution allocation model. If all resources accrue to the various departments and disciplines of an institution automatically and must be used in a standardized fashion, managers are unnecessary. The president of each institution must be given opportunities to employ available resources in a manner that takes advantage of the infinite array of human and material variations, as well as those special local strengths that exist at any institution.

Uses of the BAS Model

The Model is primarily a tool for formulating budget and program policy. In this regard, the Model can be used to identify areas which appear to be substantially over or under the Model expenditure level, leading to decisions concerning that program. Alternatively, costs related to new programs or
program improvement can be determined quickly and easily by using the Budget Model program. The Model thus allows those who formulate policy and make decisions to understand better the individual elements and components of the institution's operation both for allocating adequate resources and for considering change.

The BAS Model is not to be considered as a budget tool to determine intra-institution allocations. Institution presidents and their faculties must be allowed to develop their own mechanisms for determining the various allocations among departments and colleges within the institution. If an institution desires to place more emphasis and thus greater resources into a discipline than the standard established by the BAS Model, it should have the freedom to do so, with the understanding that resources to finance such a decision will come from some other discipline or activity. This flexibility in intra-institution allocation of resources will insure participation of all essential parties, so that resources are allocated to areas that will best serve the institution and the state.

More particularly, the Model may be used as follows:

- To quantify the cost of a program proposal relating to a specific discipline (e.g., adding a doctoral program in psychology).
- To quantify budgetarily the modification of an institution's mission (e.g., offering graduate programs in the liberal arts).
- To identify the change in relative funding level among institutions if specific program enhancements are provided only to some institutions (e.g., budget increases to computer science, cell biology).
- To identify the cost of changes in policy related to specific categories of expense (e.g., policies regarding library acquisitions and equipment).
- To examine the difference between current and desired expenditure levels (e.g., building repair and rehabilitation) and to assist in identifying decision packages and establishing priorities.
- To identify areas where policy constraints on institution discretion and budgeting may be desired (e.g., establishing a line item control over plant maintenance expenditures).
- As cost accounting systems are improved, to reflect more correctly discipline costs by level.
- As a benchmark, to identify program areas which may lack sufficient resources to finance a program of acceptable quality (e.g., if an institution is allocating resources at only 25% of that required for a master's program in mathematics, questions could be raised concerning the ability to offer that program at an acceptable level of quality).
- To identify and quantify the general level of underfunding in the State System. The Model will not only identify underfunding in the aggregate, but by function and category of expense.
- To quantify the cost of enlarging enrollments in professional programs (doubling enrollment in electrical engineering).
- To identify the cost of establishing salients of excellence in particular programs or activities.
- To allocate resources among the institutions. The Model has highlighted the fact that each institution is funded at a different level of adequacy as measured by the Model. Several policy options are available to bring institutions into relative equity or equilibrium (another option...
being to maintain the present differences in budget adequacy). One option is to bring each institution to a common percentage of what the Model would provide. Another option would be to establish a hierarchy of funding levels, giving preference to some institutions on the basis of role or mission.

The Factors and Formulas Comprising the BAS Model

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, Masters, 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 masters 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 masters 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 masters 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 of the BAS Model as displayed in this report 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 represent 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 percent of the large school ratio. The basis for selecting the disciplines and the 80 percent 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.

In the BAS Model review process, the principle of using one set of comparator institutions in formulating faculty productivity ratios was questioned. It was suggested by the consultants hired to review the BAS Model that two or perhaps three sets of comparator institutions be identified to reflect more closely the differences that exist in Oregon among the comprehensive research universities and colleges. The Chancellor's staff is currently in the process of identifying a set of institutions as comparators for the colleges and is also reviewing and gathering updated information on faculty productivity ratios to be used for the universities.

The BAS Model in later iterations will use two sets of comparator institutions for faculty productivity ratios--one set for the University of Oregon, Oregon State University, and Portland State University; and one set for Western Oregon State College, Southern Oregon State College, Eastern Oregon State College, and Oregon Institute of Technology. These updated faculty productivity ratios will be provided as enhancements to the BAS Model as presently configured.

The BAS Model faculty productivity ratios applied to the actual or projected Oregon institution credit hours by level of instruction generate a number of FTE faculty required for each discipline. The credit hour data for each discipline represents 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 indicates that approximately 12 percent 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 percent ranked staff and 12 percent 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 seventy 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 seventy plus institutions in the salary survey. The BAS Model adjusts these national averages by six percent to reflect the State of Oregon policy of paying the employees' share of the state retirement program.

National salary data indicates that college salaries are approximately 87 percent of university salaries. The BAS Model introduces a salary differential by applying this 87 percent 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 institutionwide 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 percent 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 percent 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 percent of instructional faculty salaries at the universities and 2.25 percent 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 a university allocation equal to 4 percent of instructional faculty salaries including the payroll expenses. The colleges and Oregon Institute of Technology allocation represents 1 percent of salaries plus other payroll expenses. The 4 percent factor selected for the universities is representative of the state-funded research dollars in comparable institutions. The 1 percent for the colleges and OIT represents a minimum amount of 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 percent factor to the total instructional faculty salaries generated in the instruction function. The 8 percent 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 programs @ 10,000
Volumes per masters with doctoral program @ 3,750
Volumes per doctoral program @ 312,500.

The yearly acquisitions rate is five percent 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 percent of the acquisition budget, and the other services and supplies costs are budgeted at 10 percent 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>1,000-4,999</td>
<td>3.4%</td>
</tr>
<tr>
<td>5,000-9,999</td>
<td>2.7%</td>
</tr>
<tr>
<td>10,000+</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**

<table>
<thead>
<tr>
<th>Headcount</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,500</td>
<td>$700,000</td>
</tr>
<tr>
<td>Next 1,500 headcount @ 300</td>
<td>$450,000</td>
</tr>
<tr>
<td>Next 1,500 headcount @ 250</td>
<td>$375,000</td>
</tr>
<tr>
<td>Next 1,500 headcount @ 230</td>
<td>$345,000</td>
</tr>
<tr>
<td>6,000 headcount</td>
<td>$1,870,000</td>
</tr>
</tbody>
</table>

**Large School Formula**

<table>
<thead>
<tr>
<th>Headcount</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,000</td>
<td>$1,870,000</td>
</tr>
<tr>
<td>Next 6,000 headcount @ 280</td>
<td></td>
</tr>
<tr>
<td>Next 12,000 headcount @ 230</td>
<td></td>
</tr>
</tbody>
</table>

**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:

- Woodframe valuation x .0135.
- Masonry-wood valuation x .0100.
- Masonry valuation x .0085.

The allowance for air conditioning is .0100 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 percent of the valuation of all Education and General buildings. An allowance for utility distribution system maintenance is provided at 10 percent 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 1.00 FTE janitor per 25,000 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 four 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 supplies allowance is budgeted at $1,000 per janitor and $2,900 for each groundskeeper.
The allowance for physical plant administration is budgeted at 15 percent 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 percent of the total BAS Model (excluding the institution support function).

**Equipment**

The equipment portion of the BAS Model determines the appropriate levels of equipment funding for various institutional units based on an understanding of the various types of equipment and various uses.

The BAS Model recognizes the following equipment types:

- Furniture and Fixtures
- Office Machinery
- Computer and Data Processing
- Instructional Classroom
- General Laboratory
- Specialized Laboratory
- Machinery and Tools
- Automotive and Other Vehicles.

Each equipment type has an estimated useful life which will provide a mechanism for developing necessary replacement schedules. Because each discipline and program of an institution has a different mix of the various types of equipment, each discipline will have different equipment replacement needs.

The Chancellor's staff and institution representatives are currently developing the components and factors for the equipment model. Oregon State University has recently completed a detailed review and analysis of equipment needs by department and discipline. In focusing on equipment needs, Oregon State University first identified existing equipment inventories by the equipment type and then measured the relative adequacy of this inventory in terms of the level necessary to achieve or maintain a quality program. OSU then took this analysis one step further by identifying how equipment needs change in relation to changes in the numbers of students and faculty.
This very time-consuming and detailed analysis by OSU is currently being reviewed and tested at the University of Oregon, Portland State University, Southern Oregon State College, and Oregon Institute of Technology. These institutions are applying the data-gathering methods used at OSU to their departments and disciplines to validate the OSU findings. Upon completion of the validation process, the equipment component will be incorporated into the BAS Model. The end result will be to identify an amount of money per faculty member for each discipline which represents the equipment needs for that discipline that will provide for a quality program. The model will not be based solely upon providing a replacement cost for existing equipment.

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, Oregon State University

The College of Veterinary Medicine has been recently created 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 the Oregon Health Sciences University.

4. Institution-Specific Resources

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. Self-Support Activities

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 Board

It was recommended that the Board of Higher Education adopt the BAS Model as one of several tools it will use in the formulation of its budget policy decisions. The Board of Higher Education in adopting the BAS Model is adopting the concepts and principles upon which the BAS Model is built. Those concepts and principles are:

1. The Model will be divided into functions to determine budget requirements. Those functions are: Instruction, Research, Academic Support, Student Services, Physical Plant, and Institution Support.

2. The Instruction function formula components will be based upon faculty productivity ratios and four levels of instruction within educational disciplines. Furthermore, the productivity ratios will consist of two sets of productivity ratios—one set for the University of Oregon, Oregon State University, and Portland State University; and one set for Western Oregon State College, Southern Oregon State College, Eastern Oregon State College, and Oregon Institute of Technology.

3. There will be a faculty salary differential between universities and colleges, as well as salary differentials by discipline.

4. The Research function will be heavily weighted toward the universities to recognize their research and graduate education missions.

5. Library support within the Academic Support function will be based upon the numbers of program offerings as determined by the Vice Chancellor for Academic Affairs in consultation with the institutions.

6. Student Services funding will be based upon the number of headcount students as well as a core level of support.

7. Physical Plant funding will represent the requirements to maintain a physical plant recognizing the existing type of facilities and size of campus.

8. Institution Support will recognize the need for a core level of support as well as the size and complexity of the institution.

9. Equipment funding will recognize needed new acquisitions as well as replacement in its formula components.

10. The goals of the BAS Model are to recognize and assist in achieving: quality, diversity, equity, and management incentives.

In adopting the BAS Model, the Board is not approving indefinitely every factor or formula which comprises the BAS Model. Those formulas and factors are expected to be under continuing review and change as the staff works with institution presidents and their staffs in the evolutionary process of fine-tuning and enhancing the BAS Model. Additional data presented to the Board appears as Supplement B to these minutes.

Discussion and Recommendation by the Committee

At the request of Mr. Lemman, Mr. Davis Quenzer presented the report. He indicated that the intent was to summarize all of the discussions and actions taken to date regarding the Budget Allocation System Model.

Mr. Quenzer said there had been three changes to the model. A formal statement of goals was prepared, two sets of comparators were developed for the productivity ratios, and there is now a much more specific outline for the equipment portion of the model. The consultants also recommended that the research component be looked at somewhat differently than it was in the earlier presentations, particularly in terms of a greater emphasis to the universities in the research component. The library component is also receiving further review.
Mr. Quenzer said one of the recommendations made by the consultants referred to the institution-support component of the model. They were critical of the use of a 5% factor for administration. However, the staff did not recommend a change because it was believed that the rationale for the use of a percentage factor was sound.

Mr. Quenzer explained the first goal with respect to quality. Mr. Batiste asked for a further clarification of what this would mean for the two research universities.

Mr. Quenzer explained that a research university could operate with a minimal level of resources that would provide a minimal level of quality. The BAS Model compares the resources available in the State System with others recognized as quality institutions. If the State System institutions are funded at only 70% of the level of funding at those other institutions, the State System institutions are not receiving the necessary dollars to achieve more than a minimum level of quality. Mr. Lemman added that one could determine from the model the institution's location in terms of the level of funding and then model the level of funding for the desired level of quality. That level could be either above or below 100% of the average.

Mr. Quenzer said that even though the institutions were not presently at the level of funding indicated in the model, it did not mean that there was not quality in those institutions because it has been determined by peer group review that the State System institutions are in fact a part of this group. However, they are not being provided with the resources to maintain, continue, or enhance that level of quality.

Mr. Hensley said the objectives state that the model is not to be an intra-institutional allocation model when it refers to quality for the institution. At the same time, disciplines are assigned a weight on a university level versus the college level.

Mr. Quenzer explained that the model would allow the Board to designate salients of excellence by discipline. The model is not to be used as an intra-institutional model whereby all disciplines are put at the same percentages. The purpose is to maintain the management incentive to have varying levels of support by discipline. The Board, in its policy-making, may also identify one or more disciplines within an institution as centers of excellence.

Mr. Hensley said he was concerned, if at some future time the Board were to specify that a new program would operate at 100% of the model, that this would then make the budget plan an intra-institutional allocation model. This could throw the whole model out of balance by making, in effect, a line-item recommendation attached to the program.

Mr. Lemman said the intent was to avoid a complete overlay of a model on an institution. If one were to model an institution discipline by discipline, it would be possible to construct a budget department by department and activity by activity through the use of the model. This would be an inappropriate use of the model to say that this is the way the budget must be distributed within the institution. That is not to say, however, that the Board could not and should not identify particular programs which it wished to emphasize, either new or existing, and direct the institution to budget at a certain level. This would not nullify the use of the model or the policy aspect of not having the model as an intra-institutional instrument for allocation of funds department by department or function by function.

Mr. Hensley said if he were a president presenting a new program to the Board for approval, he would be concerned that the Board might take a different view than the president and attach a specific role to the new program. For example, in engineering, the Board might make a specific recommendation, but the institution might wish to assign a different weight to that program.
Mr. Quenzer said that was an excellent example. In the work that the Board has done regarding engineering and the funding required to upgrade engineering, one of the factors used was the level of funding the model would indicate for engineering. With the approval of those resources through the Board, the Governor, and the Legislature, the administration of those funds would, in fact, go to engineering and create a discipline within an institution that would be funded at a level greater than the average, or greater than other disciplines, because of the policy decisions that have been made with respect to that program. Engineering would be a good example where public policy has created a center of excellence so that the institution would be required to fund that discipline at a level of 80%, 90%, or 100%.

Mr. Petersen said the budget system is designed to allocate funds to an institution but the president would have the discretion to use those funds within the system for the particular units under his jurisdiction.

Mr. Lemman commented that in administering an institution there would be changes in faculty all of the time which would influence the average salary, not because of the model, but because of the change in faculty mix. An institution must have the flexibility to shift resources in accordance with those needs and not to emulate the model in every respect, even though the institution may be directed to do so in particular instances.

Mr. Hensley said he would be concerned that the Board in future policy take a position in funding new programs that the Board would start attaching certain percentages with respect to the quality of the program.

Mr. Quenzer referred to the fourth goal pertaining to the management incentive and said this would prevent removal of the management incentive which results from institutional flexibility, even though an occasional center of excellence might be developed.

Mr. Lemman said the model would provide a basis for arriving at the desired level of funding for a particular program. If the Board wished to upgrade a program, it could direct funds into that program but still not limit the president indefinitely with specific decisions that would have to correspond precisely with the model or the directed amount.

Mr. Quenzer continued with the presentation of the goals. He indicated the consultants had been concerned with the use of a single set of comparators for the productivity ratios used in instruction. This recommendation has been accepted and a set of comparators is being developed for the three colleges and Oregon Institute of Technology.

Mr. Batiste said the school of law was also unique and should be treated somewhat differently with respect to comparators.

Mr. Quenzer said the staff recommended that the Board adopt the ten basic premises in the report, with the understanding that the various factors and formulae would continue to be reviewed as the model was improved and enhanced.

Mr. Hensley requested a more specific explanation of Recommendation 5 in terms of how this particular wording would apply toward the final dollar allotment for libraries.

Mr. Quenzer said the largest factor in the library formula was the number of programs within an institution and the types of degrees that those programs offered. By tying the library model directly to the program, it will be necessary to reach agreement and to determine the nature and number of programs.

Mr. Clark commended the staff for its summary of a very complex system into four simple goals. He proposed that a specific date be set for the Board's continuing review.
Mr. Quenzer stated that a good time for this review would be when the allocations were made with the 1985-86 budget.

Mr. Batiste proposed that the goals mentioned in item 10 be placed earlier in the list.

Mr. Lemman said when the Board adopted the model, a document would be prepared that described the model and any suggested changes could be incorporated in that summary document.

In response to a question from Mr. Hensley, it was indicated that the Board would have an opportunity to see the work sheets related to the base for each institution when the Board considered the review process and analyzed the new budget.

Mr. Alltucker said he supported the development of the model to be used as a tool to aid in management. He proposed that a recommendation be added to specify that the cost of maintaining and modifying the model appear as a line item in the Chancellor's budget so that the Board could tell what it was costing to develop the information.

Mr. Hensley emphasized the use of the model as one of several tools because he said he would dislike using the model as the ultimate tool until it had been finely tuned and developed and there had been some experience in its use.

The Committee recommended that the Board adopt the staff recommendations with the addition of Mr. Alltucker's motion with respect to identifying the cost.

Board Discussion and Action

Mr. Hensley presented the report of the Committee.

Mr. Alltucker's addition to the recommendations included the cost of developing and maintaining the model.

It was indicated in response to a question that the Oregon Educational Coordinating Commission had been generally supportive of what the State System was attempting to do in the BAS Model. While there has been no public policy statement, there have been some discussions of the model with the staff.

Mr. Quenzer said the accusation has been made that the model is still enrollment-driven, which encourages institutions to be overly-zealous in seeking enrollments. He agreed the model is to a degree sensitive to fluctuations in enrollment. However, one of the strengths of the model is to distinguish between those things which generate instructional dollars and those things which are needed to maintain the total student population, such as student services. As experience is gained, with the model, it is expected it will become sensitive to other things which will arise.

The plan is subject to review and should be flexible to meet the various budgetary needs of the institutions and at the same time have some common basis to achieve some equity and fairness among the institutions.

The Board approved the Committee recommendation as presented, with the following voting in favor: Directors Alltucker, Batiste, Chao, Clark, Flanagan, Harms, Hensley, Nelson, Walling, and Perry. Those voting no: None. Director Petersen was absent from the meeting at this time.
Request for Authorization
To Establish rehabilitation and Research Training Center, PSU

Meeting #519

Staff Report to the Committee

Portland State University requests authorization to establish a Rehabilitation and Research Training Center. The center will be administered as an activity of the Regional Research Institute for Human Services, a facility for applied research in human services developed by the University's school of social work. The Portland State request is found on p. 2 of the full agenda for the Committee. A copy is on file in the Board's Office.

The new center will be part of a national five-year program to improve services to seriously emotionally disturbed children and youth. Funding for the center will come from a five-year federal grant which will provide $200,000 per year for research, training, and technical assistance related to the role of parents and the family in services for disturbed children.

The center will be housed in facilities being vacated by the Regional Rehabilitation Research Institute, an activity of the Regional Research Institute for Human Services which came to an end October 1, 1984, after ten years of funding.

Staff Recommendation to the Committee

It was recommended that the Board authorize Portland State University to establish a Rehabilitation and Research Training Center, as described in the Portland State request.

Discussion and Recommendation by the Committee

Following the presentation of the report, it was indicated that Dr. Arthur Emlen, Director of the Regional Research Institute in the School of Social Work, was available to respond to questions relative to the project. The proposal is the equivalent of the program which has been in place for ten years, but is a new focus for the handicapped, primarily for emotionally and mentally disturbed children.

Miss Walling inquired how the program would complement the statewide parent training program of the Teaching Research Division. Dr. Emlen said the center was part of a national effort funded by grants to improve the coordination of services. The role of the center will be to provide research, backup, and training to assist the resources already available in each state. The center will not provide direct services but will facilitate the work of others.

In response to a further question concerning the kind of research involved, Dr. Emlen said the focus of the center would be to look at the role of parents as allies and advocates and was a developmental kind of research.

Mr. Harms commented that it was his understanding the purpose was to treat the whole family situation for emotionally disturbed children. Dr. Emlen said this was correct.

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

Board Discussion and Action

In presenting the Committee report, Miss Walling indicated the center would have three major projects; (1) a model for dealing with services of emotionally disturbed children and others; (2) training and assistance for those interested in the program; and (3) a communication center to dispense information about emotionally disturbed children. The funding will come from a five-year federal grant which will provide $200,000 annually for research, training, and technical assistance.
Mr. Perry inquired what would happen at the expiration of the five-year grant period. Mrs. Kahananui indicated that very often continuations are requested for long-term grants. At other times, a program is closed because the objectives have been achieved. It would be impossible to predict what would occur in this particular grant.

In describing the differences between this center and the institute being discontinued in a subsequent item, it was stated the proposed center would be a more focused activity emphasizing the needs of emotionally and mentally disturbed children and their parents. She stated also that no institutional funding was included in this activity. The outcome from the work of the center will be training manuals, trained people, and widespread knowledge in Oregon and other states in the region with respect to working with children and their parents in this particular format. The information will be distributed through publications, manuals, and working with various agencies and groups.

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

Staff Report to the Committee

Portland State University requests authorization to discontinue the Regional Rehabilitation Research Institute, a federally sponsored research and training program of the school of social work which came to an end October 1, 1984, after ten years of funding.

Staff Recommendation to the Committee

It was recommended that Portland State University be authorized to discontinue the Regional Rehabilitation Research Institute, as requested.

Discussion and Recommendation by the Committee

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

Board Discussion and Action

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

Staff Report to the Committee

Oregon State University requests authorization to establish a Center for the Humanities. The new center would replace the humanities development program, which has been in existence since 1977.

The entire proposal is described in some detail in the Oregon State request on pp. 4-7 of the full Committee agenda. A copy is on file in the Board's Office. Briefly, the humanities development program was designed to foster improvement of teaching of the humanities at Oregon State University through development of interdisciplinary programs involving humanists with other liberal arts faculty and faculty from science and professional schools. Original funding for the program was provided by a five-year, $799,000 grant from the National Endowment for the Humanities. Under the project more than 50 faculty members developed and taught some 65 courses in what became three interdisciplinary undergraduate certificate programs, namely northwest studies, marine and maritime studies, and twentieth-century studies. The courses, once developed, are taught by participating departments utilizing existing faculty within the regular departmental budget. Continuing base funding for the program, to maintain an office, .33 FTE director, and 1.00 FTE secretary, for a total of $35,000 per annum, is provided by Oregon State University.
Under the program's aegis, the faculty have developed new research interests, invigorating to faculty and students alike. Papers, articles, and continuing research projects have generated a number of small grants. In addition, the program regularly sponsors symposia and other activities contributing to the cultural richness of the campus.

As a center, the program will continue to administer the three curricular programs, as well as seek non-state funds to (1) advance humanities research at Oregon State University, (2) coordinate special activities in the humanities such as conferences, workshops, and film series, and (3) encourage faculty development in the humanities.

The OSU Foundation has identified support for the proposed center as one of four major goals for its $2.8 million five-year "Current Effort" campaign.

It should be noted that the entire effort of the humanities development program has been directed toward the improvement of undergraduate instruction in the humanities at Oregon State University. Oregon State University is committed to this effort and believes it can best be continued with the formal recognition of the activity as a Center for the Humanities.

Staff Recommendation to the Committee

It was recommended that Oregon State University be authorized to establish a Center for the Humanities, replacing the humanities development program, effective 1984-85.

Discussion and Recommendation by the Committee

Following the presentation of the report, it was indicated that Dr. Pat Wells, Curriculum Coordinator, and Dr. Peter Copek, Director of the Humanities Department, were present to respond to questions.

Dr. Copek said Senator Packwood had announced that Oregon State University had been successful in its formal application to the National Endowment for the Humanities for a second award, this time not from the education programs division, but from the even rarer program of challenge grants. The institution was successful in accepting a challenge grant for $700,000 from the National Endowment for the Humanities, which on a three to one fund-raising basis will be met with private matching contributions for a total fund of $2.8 million. The endowment will fund the proposed center and the income from the endowment will be used to support the center. The award is extremely rare, particularly for a land-grant institution.

Dr. Copek indicated the number of students completing the whole program was a very small percent of the students actually taking the courses. Four students completed the first certificate program. However, the effect will be broader and more profound. The funds will permit the addition of some research dimension and opportunities into the center and will make possible the retention and recruitment of high quality humanities professors. Research is expected to be centered around an annual theme. A faculty committee is considering several suggested themes. The committee expects to select a focus which will have broad-based appeal across disciplines, will be appropriate to the institution and its faculty and student composition, and will be capable of successful completion in approximately a year.

In response to a question from Mr. Harms, Dr. Copek indicated that the financial support of $35,000 from the institution would be maintained but would not increase. All of the revenue for new activities would come from interest income.

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

In presenting the Committee report, Mr. Harms recalled that the development of the humanities program began in 1974 in response to the concern in the College of Liberal Arts about their importance in a land-grant university. As a result, a developmental grant was implemented and has been very successful. Mr. Harms then referred to the new grant described in the Committee discussion.

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

Staff Report to the Committee

Oregon State University requests authorization to offer an undergraduate certificate in Russian studies, effective fall term, 1985-86. The program would replace the BA degree program in Russian studies, which would be discontinued.

The Russian studies baccalaureate degree program was suspended in 1978-79 in order to permit the faculty to study how best to serve the needs of students who, because of their own interest or employment objectives, were enrolling in courses in Russian language and culture but who were not pursuing the undergraduate major program.

The certificate program is expected to be more attractive to these students than a free-standing major because it can be combined with studies in a professional field or traditional discipline without the commitment of a double major.

The proposed program is described in detail in the Oregon State University request, pp. 11-20 of the full Committee agenda. A copy is on file in the Board's Office.

Program of Study. Oregon State University offers its students an array of certificate programs designed to complement a student's major program with a planned program of studies providing special competence in an area of interest. Certificate programs currently available are: human services, gerontology, Latin American affairs, marine and maritime studies, Northwest studies, twentieth-century studies, and women studies. Requirements for the programs range from 24 to 37 credit hours, with most of the course work (except in programs involving study of foreign language) completed at the upper-division level.

The proposed certificate in Russian studies is typical, requiring a minimum of 30 credit hours of work, 21 hours in required core courses, and 9 hours in appropriate electives.

<table>
<thead>
<tr>
<th>Core courses:</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rus 340, 341, 342. Russian Culture and Civilization</td>
<td>9</td>
</tr>
<tr>
<td>Rus 101, 102, 103. First-Year Russian</td>
<td>12</td>
</tr>
<tr>
<td>Total credit hours, core courses</td>
<td>21</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Elective courses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total credit hours required for certificate</td>
<td>30</td>
</tr>
</tbody>
</table>

-623-
Courses presently taught at Oregon State University which would be available as electives are:

<table>
<thead>
<tr>
<th>Course</th>
<th>Title</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rus 201, 202</td>
<td>Second-Year Russian</td>
<td>8</td>
</tr>
<tr>
<td>Rus 203</td>
<td>Intermediate Russian</td>
<td>4</td>
</tr>
<tr>
<td>Hst 440, 441</td>
<td>History of Russia</td>
<td>8</td>
</tr>
<tr>
<td>Hst 442</td>
<td>History of Soviet Political and Economic Institutions</td>
<td>4</td>
</tr>
<tr>
<td>Ec 450</td>
<td>Comparative Economic Systems</td>
<td>3</td>
</tr>
<tr>
<td>Ec 453</td>
<td>Soviet Economics</td>
<td>3</td>
</tr>
<tr>
<td>PS 346</td>
<td>The Soviet Political System</td>
<td>5</td>
</tr>
<tr>
<td>PS 438</td>
<td>Soviet Foreign Policy</td>
<td>3</td>
</tr>
</tbody>
</table>

No new courses are proposed.

Other Programs in State. The BA in Russian studies offered by Oregon State University and a program in Soviet Studies at Willamette University were the only area studies degree programs in the state, up to the decision to suspend the Oregon State program, although several schools (University of Oregon, Portland State University, and Reed College) offer and continue to offer baccalaureate degree programs in Russian language. The University of Oregon also offers a certificate program in Russian and East European area studies which requires three years of college language study or equivalent of an East European language, usually Russian. None of these programs have been productive in terms of numbers of graduates, however, enrollment and interest in Russian language and Soviet affairs has increased in recent years. It is these enrollments at Oregon State that the institution expects to serve with a certificate program.

Budgetary Impact. Oregon State regularly offers all the courses applicable to the certificate program. With the exception of second-year Russian, class sizes range from 14-15 to over 40. Two sections are offered in first-year Russian, but enrollment drops to one section of ten or fewer students at the second-year level. It is expected that availability of the certificate program and the increased interest in Russian studies nationally, will encourage students to continue their study of this difficult and important language into the second year. Hence, the budgetary impact of the program, if any, will be to make instruction applicable to the certificate more economical in terms of students served.

Staff Recommendation to the Committee

It was recommended that the Board (1) authorize Oregon State University to discontinue its program leading to the BA in Russian studies, and (2) to inaugurate a certificate program in Russian studies, effective 1985-86.

Discussion and Recommendation by the Committee

Following the presentation of the report, Mrs. Kahananui indicated that Dr. John Farrell, Associate Professor of Economics, was available to respond to questions. She said the certificate program has proved to be a good way to offer this kind of instruction.

Mrs. Nelson inquired about the fluency and literacy a student could acquire by taking one or two years of such a difficult language as Russian. Dr. Farrell responded that a student would not get much fluency but there is justification in terms of a broad education. Students wishing to become Soviet or Russian specialists would need to go further with the language. This program differs from the one at the University of Oregon in that it is strictly an undergraduate minor equivalent while the one at the University of Oregon amounts to a major with a focus in the graduate area.

The Committee recommended that the Board approve the staff recommendations as presented.
Board Discussion and Action

In presenting the Committee report, Mrs. Nelson indicated that the Committee believed from the evidence in the report that the certificate program would meet the needs of more students as a strong minor than had the baccalaureate program which preceded it.

Mr. Perry asked about possible duplication with other programs in either the Russian language or area studies and whether there were any inter-relationships with other institutions having these programs.

Mrs. Kahananui said the proposed program was not an advanced program specializing in Russian students but was a strong minor for persons who wished some background and understanding of this important part of the world as part of a liberal arts education. The resources and expertise are available at Oregon State University, and the courses are being offered at the present time.

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

Staff Report to the Committee

The Oregon Board of Higher Education has expressed its commitment and support for both access and excellence in programs of higher education. This commitment is found in the Board's admissions policies beginning with open admissions to all high school graduates during the early years of the System, the adoption of modestly selective admissions differentiated by institution in 1958, and, as these requirements were raised, implementation in 1968 of a policy permitting admission of students with potential for success who did not meet the formal admissions requirements.

The 3% admissions policy promulgated by the Board stated explicitly that institutions wishing to participate in the program were (1) to identify for each student admitted under the program those characteristics which led them to believe the student could be successful in college and (2) to provide students the assistance needed to foster student success. In action October 26, 1979, following a report showing that students admitted under the 3% policy who were given special help had a better retention record than students in the lowest bracket of regularly admitted students, the Board raised the 3% quota to 5%.

In approving the new quota, the Board emphasized the responsibility of the institutions to develop criteria for admission under the policy. Institutions were directed to establish reasonable criteria, based on experience in the program, to guide admissions committees in determining who should or should not be admissible under this policy. The basis on which students were admitted, as well as their progress once enrolled, was to be maintained by the institutions and reported to the Board's Office at the end of each academic year, with periodic reports to the Board.

The report on utilization of the 5% admissions policy during the years 1982-83 and 1983-84, was presented. A copy of the full report is on file in the Board's Office.

Staff Recommendation to the Committee

The 5% admissions policy has provided opportunity to succeed in higher education for the more determined and persistent students who seek such an option.
It was recommended by the Board's staff, therefore, that:

1. The Board's 5% admissions policy be continued without modification in definition or percentage quota at this time.

2. Solutions be sought for persistent problem areas, of concern to the institutions and Board's staff:
   - Repeated budget reductions and policies in respect to remedial instruction have depleted funds necessary to provide the academic support services needed by most of the 5% policy students.
   - High school counselors have not fully utilized the policy provisions to identify and encourage minority and educationally disadvantaged students to seek admission to State System colleges and universities.
   - It does not appear the policy has been fully utilized to assist students from underserved populations in Oregon, including recruitment, orientation, academic remediation, and evaluation of retention and progress towards a degree.

3. The following factors be considered in future evaluations of the administration of the Board's 5% admissions policy:
   - The impact of the revised admissions requirements effective fall term 1985.
   - Changes in populations needing special consideration in admissions, e.g., older students, minorities, and academically underserved students.
   - Procedures used in administering the policy and serving students which are effective and may be utilized at other institutions.

Discussion and Recommendation by the Committee

Mrs. Kahananui said the nursing education report previously scheduled for the December Committee meeting had been deferred pending further analysis of issues which had emerged in the preparation of the report. It is expected the report will be ready for a subsequent meeting. She indicated that Mr. Richard Pizzo and Dr. James Payne of the Office of Academic Affairs were prepared to present the report on the 5% admissions policy and that Mr. Pizzo would provide background information. Dr. Payne would then present some of the highlights from the report.

Mr. Pizzo reviewed the history of the development of the 5% admissions policy as set forth in the full report. He said the explicit purpose of the policy is to provide an alternative to enable the institutions to admit as exceptions to the regular admissions requirements students who do not meet fully the regular requirements. Some of these students just miss meeting the regular requirements, but in all instances, there is something that would indicate to the institutions the students should be able to succeed in college and should be given a chance to prove themselves in the institutions.

The students admitted under the policy generally fall into two categories—those who can be expected to proceed on their own with no difficulty and those who will need special attention in order to succeed. This latter classification enables the institution to assist non-traditional, minority, and economically-disadvantaged students.
Dr. Payne then reviewed the statistics in the report. He commented that about one-third of the students admitted in 1982-83 had completed adequately six terms and were still in the institutions. There appeared to be some differences in the success of students on the basis of the type of recommendation for admission. Students who petitioned the undergraduate admissions committees tended to do better work and to have completed a larger number of hours in a given time period with a higher grade point average than those admitted through some of the other avenues.

Dr. Payne noted that students who happened to be athletes and who were admitted under this policy did as well on the average as other students admitted under this policy. They also completed more hours. Only about 13% of the students admitted through the 5% policy were athletes.

Dr. Payne explained that the majority of students were recommended for admission by undergraduate admissions committees after a thorough evaluation of their preparation and the type of support they would require once they arrived on the campus.

Ms. Kay Conrad, Associate Director of Admissions at Oregon State University, said members of the undergraduate admissions committee believed firmly in the need for the 5% policy because it has been evident that there were students who would not have had access to the institution without this special program, and they have been successful. The program at Oregon State University has evolved out of a concern that students admitted by exception might not have the extensive support available to those entering through the Educational Opportunity Program. She then described the process for admission and the subsequent advising for this program.

Dr. Larry Griggs, Acting Director of the Educational Opportunity Program, explained that program, which deals with non-traditional students, about half of whom are admitted under the 5% policy. He indicated the considerations used in determining admissions into that program. An important element in the program is an internship at the junior or senior level and assistance in obtaining employment upon graduation.

Miss Walling inquired what action was expected from the Committee on the report. Mrs. Kahananui responded that there were recommendations for consideration by the Committee. She indicated there was some question about what would happen when the course requirements were implemented and whether there would be an increasing number of students requesting consideration under the 5% admissions policy. At the moment, it is expected that students will be meeting the course requirements. No change is recommended in the percentage of students admitted under the program because it seems to be an appropriate number and the institutions do not have sufficient resources to undertake this kind of special service for additional students. In response to a question, it was stated that students who are unable to meet the course requirements for admission in the fall of 1985 would not be entering under the 5% policy. By special arrangement, the course requirements would be waived for those students who are certified as being unable to meet them through no fault of their own. Students entering after 1985 who have not met the course requirements would be eligible for consideration under the 5% policy.

Mr. Harms asked whether the 5% would be available to waive course requirements. Mr. Pizzo said the special policy was available for the next two years and it was not expected any students would seek the 5% route to enter. However, the phrase "academically under-served students" was used in the third recommendation because of a concern that some of the small schools might never be able to get the necessary courses for their students. Once the two-year waiver on course requirements expires, it will be necessary to decide whether to extend that as a regular exception policy or to consider such students under the 5% policy. In the immediate future, it is not expected the 5% program will be used to admit students who do not meet the course requirements.
Mrs. Flanagan requested Mr. Pizzo to comment on the utilization of the 5% admissions and on the variations among the institutions in the consideration of admissions under the program.

Mr. Pizzo said the institutions usually will admit a larger number of students than the quota for the institution because many of the students do not enroll. In both years covered in the report, the institutions as a whole under-utilized the quota. Some institutions over-utilized their quotas because the students actually did enroll. This was not anticipated.

Relative to the differences in the way the institutions assess the students, the flexibility has been built into the policy over a period of years, and each institution has found various things that have been most beneficial in determining which students had the greatest chance of success.

Mr. Harms said there seemed to be some conflict with System policy against applying money to remedial courses. The Legislature has said in the last two sessions that remedial courses should be left to the community colleges. He asked how this could be resolved.

Dr. Payne said all of the institutions want to have some consideration given to permitting them to do those types of things. Some institutions are utilizing continuing education programs, and students who need remediation usually must pay an extra fee for those courses.

Miss Walling said it would be more appropriate to word the statements in the second recommendation as objectives. She said she was very supportive of the 5% admissions policy.

Mrs. Kahananui said the statements in Recommendation 2 were intended to call attention to the problems which existed and efforts would be devoted to resolving them. However, if the Committee preferred, Recommendation 2 could be eliminated.

Mr. Harms said Recommendations 2 and 3 said basically the same thing. While the program is not aimed at the disadvantaged and minority students, individuals from those groups are in the program. It is making it more difficult for them to qualify and succeed in the program and this is emphasized in the Board's recommendation.

Miss Walling said the opportunity is basically an exception to admission. Even though the students might be financially disadvantaged and unable to pay for the remedial work, the opportunity for admission is there and financial aid can assist with the remedial expenses.

Suggestions were made for rewording the recommendations to make them more positive and to eliminate certain portions.

In commenting further on the report, it was stated that the report indicated the 5% admissions policy was not a loophole for athletics. It was noted also that only 13% of all minority students admitted in 1983 were under the 5% policy. The remaining 87% were admitted as regular students.

There was some discussion of the success rate. Of the students admitted under the 5% policy, about 66-67% completed the first three terms, which compares to 78% for the regularly-admitted students. In the second year, about one-third of the students under the 5% program completed the second year compared with 56% of those admitted as regular students. This is partly due to the economic situation in Oregon which has made it necessary for a number of these students to drop out after the first year. Dr. Payne said an effort would be made to tabulate any available information on the students who left.

Ms. Conrad said students in the 5% program at Oregon State University would not be picked up as 5% students if they left for a period of time and returned. For that reason, the percentage completing the second year might not be entirely accurate.
The Committee then discussed briefly the recommendations as rewritten by staff in accordance with suggestions. The Committee recommended that the four recommendations be forwarded to the Board for approval.

Board Discussion and Action

Mrs. Flanagan presented the report and the Committee discussion. She said the 5% admissions policy has provided an opportunity to succeed in higher education for the students who are more determined and persistent and who seek this option.

She said the Committee recommended that the Board approve the staff recommendations which were revised from the staff recommendations to the Committee shown above. The revised recommendations follow:

1. The Board's 5% admissions policy be continued in its present form.

2. The Board encourage the continued development of innovative opportunities to provide academic support services, in cooperation with other educational institutions.

3. The institutions improve utilization of the policy to assist students from underserved populations in Oregon, including recruitment, orientation, academic remediation, and evaluation of retention and progress towards a degree.

4. The following factors be considered in future evaluations of the administration of the Board's 5% admissions policy:
   
   . The impact of the revised admissions requirements effective fall term 1985.
   
   . Changes in populations needing special consideration in admissions, e.g., older students, minorities, and academically underserved students.
   
   . Procedures used in administering the policy and serving students which are effective and may be utilized at other institutions.

In response to a question from Mr. Perry, Mrs. Kahananui indicated that she anticipated similar information would be collected and further progress reports presented to the Board periodically.

Mr. Batiste inquired about the variations in the SAT scores reported in each of the two years for both the 5% admissions and the regularly-admitted students. Mr. Pizzo said these scores were probably reflective of the nature of the group admitted in any particular year.

Mr. Batiste then asked about the impact of the new admission requirements, and Mr. Pizzo said there was a high correlation between the type of courses which students take in high school and their performance on the SAT. The more academic type of courses that are taken by students, the higher their SAT scores will be, because these are the qualities measured by the test. The abilities are acquired more through the core subjects. As more students take the required courses, the scores will be better when those students enter college.

Mr. Batiste expressed interest in having future evaluations include information on the impact of the new NCAA requirements.

Mr. Chao commended the utilization of the quotas. He asked whether it was intended that each institution would stay within its quota, since the utilization varied widely.
Dr. Payne said the institutions over-admitted students because historically many of the admitted students did not arrive and the actual enrollment remained under the quota. In two instances, this did not happen. The students actually came and the institutions exceeded their quotas. In some instances, under-utilization is due to the type of assessment made by the institution with respect to having the resources to meet the needs of the students. If the needs cannot be met, the institutions prefer not to utilize the quota but to admit fewer students and serve them adequately.

Mr. Harms said a great deal of concern was expressed about this program at the time of its inception at the 3% level. When it was reviewed in 1979, a great deal of concern again was expressed that even the 3% was being used as a loophole to admit athletes. However, the Board found that at the 3% level there was more success with the people admitted under the special program than with the general population and that the program was not being used as a device to admit athletes. The low percentage of athletes admitted under the program, as shown in this report, again indicates the program is not being used as a device to admit athletes who would not otherwise qualify for admission to State System institutions.

Mr. Perry added that the program also represented part of the answer to access.

Mr. Clark inquired about what happened to those students who fell below a 2.0 grade point average. Dr. Payne said information was not available on all of them. Generally speaking, students who did not make satisfactory progress or meet the requirements of the institutions were treated just like other students were. They might be referred to the community colleges, or it might be suggested they defer further college work until they had acquired the necessary skills to be successful. In some cases, students might be recommended for special programs on the campuses, and their participation in these programs would permit them to remain at the institutions.

Mr. Clark then asked whether these students should perhaps be going to community colleges in the first place. Dr. Payne said there was a very rigorous evaluation of each of these students and the record indicated that many of them did very well. Their needs would not necessarily be met at a community college.

Mr. Harms commented that the people in the programs are utilizing the community colleges for the special assistance that is needed, since the State System essentially is not engaged in offering remedial courses. The report and recommendations encourage that continued innovative use of other educational institutions.

Mr. Batiste said the 5% policy has shown that access has been increased as a result and that the students do perform quite well. He asked whether there was any effort toward providing access into professional programs by evaluating individual qualities rather than adhering to rigid criteria for admission to these programs.

Mrs. Kahananui said that was another problem. Particularly those schools with a large number of highly-qualified applicants had a very difficult job in the evaluation of students under the criteria for admission.

Mr. Pizzo said the report to the Board was on the 5% policy but it was anticipated there would be a subsequent report on the needs of minorities or economically-disadvantaged students which would address some of those questions.

The Board approved the revised staff recommendations as recommended by the Committee, with the following voting in favor: Directors Alltucker, Batiste, Chao, Clark, Flanagan, Harms, Hensley, Nelson, Walling, and Perry. Those voting no: None. Director Petersen was absent from the meeting at this time.
Staff Report to the Committee

Portland State University negotiated with the City of Portland the leasing of the former Water Bureau Building, anticipating later acquisition of the structure to house the Portland Center for Advanced Technology. The 1983 Legislative Assembly appropriated $60,000 to cover the costs of utilities, janitorial, and related expenses for the period July 1, 1983, through January 31, 1984. There was an additional $172,192 placed in a special emergency fund reserve to cover such operating costs for the period February 1, 1984, through June 30, 1985 "...in the event that PSU can acquire the building. The Emergency Board may release the funds for the indicated purpose if they are needed."

Although Portland State University has not yet acquired the building, it continues to use the facility under terms which have been worked out between the University and the City. The University has received a matching grant for $825,000, estimated to be approximately one-fourth of the acquisition price, and is actively seeking additional funds to permit it to purchase the building outright. In the meanwhile, the institution continues to bear the operating costs of the facility for which no funds have been provided in its budget.

Staff Recommendation to the Committee

President Blumel, with the concurrence of the Chancellor, recommended that the Board authorize the staff to request that the Emergency Board release $172,192 being held in a special reserve for the purpose of funding utility, janitorial, and related expenses for the period February 1, 1984, through June 30, 1985.

Discussion and Recommendation by the Committee

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

Board Discussion and Action

Mr. Hensley presented the report and recommendation from the Committee.

Mr. Perry requested President Blumel to comment on the funding situation with respect to the resources to purchase this property.

President Blumel said private funds still were being sought and proposals were out at a number of places. In reviewing the funding of that facility in terms of its utilization, it has been determined that a significant portion of the space is parking space which could and should be funded by Article XI-F(1) bonds to be serviced by parking revenue. Approximately $1.1 million of the purchase price could and should be funded in that way. Of the remaining $2.2 million required for the purchase of the property, $825,000 is available. President Blumel said if the state were to authorize Article XI-G bonds for Educational and General space to cover half of the remainder, the institution would be within about $250,000 of acquiring the necessary funding. Either by this method or with additional private funding, the institution would be easily within reach of a permanent acquisition of the facility.

There was a general discussion of the timeframe remaining for acquisition of the building, the feasibility of possible solutions to the funding situation, the need to reach a decision in order to maintain the facility properly, and the need for legislative approval for the potential funding solutions.
The Chancellor and President Blume emphasized the value of the facility in accelerating program development in engineering and computer science. President Blume said the institution was indebted to the City of Portland for its willingness to cooperate with the institution on the acquisition of this facility.

It was agreed that the Chancellor and President Blume would develop a recommendation to the Committee on Finance.

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

Staff Report to the Board

A review of the Internal Management Directives of the Board of Higher Education reveals a need for a general statement on interinstitutional committees to provide direction concerning the functions of these committees and the advisory relationship between institutional personnel of the committees and the Board's staff. Adoption of a general directive would preclude the necessity of preparing individual statements for each of the existing interinstitutional committees.

The Board's Internal Management Directives now include, as IMD 1.021 in Section 1, Administrative Organization and Procedures, a directive giving the Chancellor authority to appoint interinstitutional councils and committees and to determine their jurisdiction. It is proposed that this directive be revised and expanded to define more fully the functions and relationships of interinstitutional advisory committees and the responsibilities of the Board's staff, and that the revised directive be renumbered and located in a new subsection of Section 1 titled "Interinstitutional Advisory Committees."

The separate IMD setting up an interinstitutional committee to oversee coordination of libraries (IMD 5.020 Coordination of Libraries) should be repealed. The directive is seriously out-of-date and, with the adoption of an expanded general directive as proposed, would be unnecessary.

The proposed revision of IMD 1.021 as IMD 1.025, 1.026, and 1.027 is provided below. The wording was developed by the Board's staff in consultation with the Academic Council, the Deans and Vice Presidents of Administration, and the Library Council. It is felt the wording will provide interinstitutional councils and committees with guidance concerning their functions and advisory relationships which will be helpful to committee members, the institutions, and the Board's staff.

Staff Recommendation to the Board

It was recommended that the Board:

1. Adopt subsection heading and revisions of IMD 1.021, as shown on the following page.

2. Repeal IMD 5.020 in its entirety.
Interinstitutional Advisory Committees

1.02[1]5 - Authority to Appoint Committees and Determine Jurisdiction

The Chancellor and Vice Chancellors may appoint interinstitutional councils and committees to formulate policy proposals, to advise on matters pertinent to Department operation, and, when appropriate, to administer Board policies. When establishing interinstitutional advisory committees and in making appointments, the Chancellor and Vice Chancellors shall consult with the administrative officers of the institutions and divisions to be represented. Members of such councils, committees, or other advisory bodies shall serve without additional compensation. The Chancellor and Vice Chancellors shall decide all questions of jurisdiction, not otherwise specifically defined by Board action, of the several councils, faculties, and officers. The advisory and coordinative activities of the various committees do not supplant the responsibilities of the institution presidents as described in IMD 1.110 nor do they abrogate the ordinary reporting relationships within each institution.

1.026 - Functions of Interinstitutional Advisory Committees

The primary functions of the interinstitutional advisory committees include:

(1) Exchanging information in order to promote consistency of interpretation and implementation of Board policies among the institutions.

(2) Stimulating the coordination of planning and programs among the institutions.

(3) In selected instances, guiding interinstitutional instructional or administrative programs and projects, approved by the institutions, subject to review of the institutions and the oversight of the Chancellor's staff.

1.027 - Staffing of Interinstitutional Advisory Committees

The staff person designated by the Chancellor and Vice Chancellor to convene or work with each interinstitutional advisory committee shall be responsible, among other things, for:

(1) Overseeing the resources allocated in the Board's Office budget in support of the activities or functions of the committee.

(2) Assisting the Chancellor or the appropriate Vice Chancellor in preparing all planning and budget reports which require presentation before the Board.

(3) Providing liaison with institutional administration.

(4) Providing staff work for the committee including the call to meeting, preparing and distributing materials for committee review, and preparing and distributing committee minutes.
Meeting #519
December 14, 1984

Board Discussion and Action

The Board approved the staff recommendations as presented, adopted IMD 1.021, and repealed IMD 5.020. On roll call vote the following voted in favor: Directors Alltucker, Batiste, Chao, Clark, Flanagan, Harms, Hensley, Nelson, Walling, and Perry. Those voting no: None. Director Petersen was absent from the meeting at this time.

Staff Report to the Board

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

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

Staff Recommendation to the Board

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

Resolution

At a meeting of the Oregon State Board of Higher Education on December 14, 1984, with a quorum present, it was voted:

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

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

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

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

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Louis B. Perry</td>
<td>President</td>
</tr>
<tr>
<td>Alvin R. Batiste</td>
<td>Vice President</td>
</tr>
<tr>
<td>Edward C. Harms, Jr.</td>
<td>Member, Executive Committee</td>
</tr>
<tr>
<td>James C. Petersen</td>
<td>Member, Executive Committee</td>
</tr>
<tr>
<td>John Alltucker</td>
<td>Board Member</td>
</tr>
<tr>
<td>Richard F. Hensley</td>
<td>Board Member</td>
</tr>
<tr>
<td>Harriett J. Flanagan</td>
<td>Board Member</td>
</tr>
<tr>
<td>Linda L. Walling</td>
<td>Board Member</td>
</tr>
<tr>
<td>Janet S. Nelson</td>
<td>Board Member</td>
</tr>
<tr>
<td>Gene Chao</td>
<td>Board Member</td>
</tr>
<tr>
<td>Terrence A. Clark</td>
<td>Board Member</td>
</tr>
<tr>
<td>William E. Davis</td>
<td>Board Member</td>
</tr>
<tr>
<td>Wilma L. Foster</td>
<td>Board Member</td>
</tr>
<tr>
<td></td>
<td>Chancellor</td>
</tr>
<tr>
<td></td>
<td>Secretary</td>
</tr>
</tbody>
</table>

Board Discussion and Action

The Board approved the staff recommendation as presented, and adopted the above resolution on roll call vote. The following voted in favor: Directors Alltucker, Batiste, Chao, Clark, Flanagan, Harms, Hensley, Nelson, Walling, and Perry. Those voting no: None. Director Petersen was absent from the meeting at this time.

Staff Report to the Board

As reported elsewhere in the Board's docket, there are expected to be a substantial number of changes to the Board's Administrative Rules which will be proposed as a result of the review just completed. Many changes will genuinely be of a housekeeping nature and the time of the Board should not be taken in hearing testimony on the changes, indeed if any is offered. There will be other changes proposed where either the Board or the affected constituencies will wish to have the hearing (or at least a partial hearing) at a Board meeting.

The Administrative Procedures Act contemplates that someone other than the agency head or its governing body may conduct hearings regarding the adoption, amendment, or repeal of Administrative Rules. The Attorney General's Model Rules provide at 137-01-030(1): "The hearings shall be conducted by and shall be under the control of the presiding officer. The presiding officer may be the chief administrative officer of the agency, its governing body or a member thereof or any other person designated by the agency." In order that a presiding officer may be designated to conduct a hearing on behalf of the Board, it is necessary for the Board to authorize such appointments.

Staff Recommendation to the Board

It was recommended that the Board adopt the following statement as its policy:

Should the President of the Board or the Chancellor believe that the interest of the Board would be served by having a hearing concerning the adoption, amendment, or repeal of an Administrative Rule conducted by a presiding officer instead of by the full Board, the one shall consult the other. If the President so authorizes, either of them may appoint a presiding officer to conduct the hearing. The presiding officer so designated shall conduct the hearing in accordance with the Attorney General's Model Rules of Procedure, Section 137-01-030. A report of the testimony and exhibits presented at the hearing shall be made to the Board at the time the matter is presented to the Board for action.
Board Discussion and Action

Mr. Perry said he supported the recommendation because frequently the concerns expressed during the hearings could be settled before the proposals were considered by the Board.

Mr. Batiste inquired as to the necessity for the proposal, and Mr. Lemman explained that as a result of the review of the Administrative Rules, just completed, there might be a number of recommendations coming to the Board during the next several months which would have some interest on the part of faculty members, students, and others. This procedure would be used when it was appropriate to do so in order to reduce the redundancy of testimony and to synthesize the testimony and exhibits presented during the hearing so that they would be available to the Board in advance of its action. The Board would not be precluded from holding a hearing in the event it wished to do so.

Mr. Harms said he definitely would support the recommendation which was optional on the part of the Board. At any time, the Board could hear an item of particular interest, concern, or significance.

The Board approved the staff recommendation and, on roll call vote, adopted the policy statement as presented. The following voted in favor: Directors Altucker, Batiste, Chao, Clark, Flanagan, Harms, Hensley, Nelson, and Perry. Those voting no: Director Walling. Director Petersen was absent from the meeting at this time.

Staff Report to the Board

Board OAR 580-42-010(1) authorizes institutions to apply for and accept, on behalf of the Board, gifts or grants and to negotiate contracts. OAR 580-42-015(3) requires that the institution budget accompanying a request for grant or contract funds include provision for recovery of indirect costs associated with the performance of services of institutional personnel or use of its property.

In order to assure that institutions have the authority to maximize whenever possible the recovery of both direct and indirect institution costs incurred while performing services required under the terms of the contract, institution officials have requested that the Board establish appropriate written policy. The recommended amendment has been reviewed and approved by the appropriate executives at each institution.

Staff Recommendation to the Board

It was recommended that the Board's Internal Management Directive pertaining to Gift, Grant, and Contract Management 6.100 be amended to require institutions to maximize the recovery of direct and indirect costs associated with research, services, and facilities provided by the institution while carrying out the terms of the grant or contract. The recommended wording is presented below and is underlined to indicate amended material:

IMD 6.100 Grants and Contracts

(1) The Vice Chancellor for Administration or a designee is authorized to enter into contractual agreements not required by statute to be acted on by the Board. Except for grants and contracts or other agreements for which the Vice Chancellor for Facilities Planning is responsible, the Vice Chancellor for Administration or a designee may authorize institutional personnel to enter into grants, contracts, or agreements not involving unresolved policy questions.

(2) Contracts involving policy questions shall be reviewed with or reported to the Board.
(3) It is the policy of the Board to seek reimbursement of all direct and full indirect costs associated with every grant or contract; therefore, every institution's request for grant or contract funds shall include a budget which covers all recoverable direct costs as well as the institution's full indirect cost rate. In exceptional circumstances, less than full indirect cost rates may be approved by the institution's president or designee. The institution shall submit annually to the Vice Chancellor for Administration or designee a report of all grants and contracts for which the institution received less than the full indirect cost rate or the maximum allowed by the granting or contracting agency. The report shall include a statement of the indirect cost rate recovered and an explanation of the basis for each exception.

Board Discussion and Action

The Board approved the staff recommendation as presented, and adopted the amendments on roll call vote. The following voted in favor: Directors Alltucker, Batiste, Chao, Clark, Flanagan, Harms, Hensley, Nelson, Walling, and Perry. Those voting no: None. Director Petersen was absent from the meeting at this time.

OAR Review Completed

Staff Report to the Board

The staff has completed the required review of the Oregon Administrative Rules, Chapter 580; which pertain to the Board of Higher Education. The review began in early 1984 and was completed this month. During the review, suggestions were solicited from the institutions and various faculty and public groups. Suggested modifications of the rules were submitted and are in various stages of review. Proposed rule modifications resulting from the review will be brought to the Board through the regular rule modification process.

The review is a regular process required by ORS 183.545 and 183.550. Both of those statutes, which were used as guidelines during the review, are quoted below.

183.545 Review of rules to minimize economic effect on businesses. Each agency periodically, but not less than every three years, shall review all rules that have been issued by the agency. The review shall include an analysis to determine whether such rules should be continued without change or should be amended or rescinded, consistent with the stated objectives of applicable statutes, to minimize the economic effect on businesses and the effect due to size and type of business.

183.550 Public comment; factors to be considered in review. (1) As part of the review required by ORS 183.545, the agency shall invite public comment upon the rules.

(2) In reviewing the rules described in subsection (1) of this section, the agency shall consider:

(a) The continued need for the rule;

(b) The nature of complaints or comments received concerning the rule from the public;

(c) The complexity of the rule;

(d) The extent to which the rule overlaps, duplicates or conflicts with other state rules or federal regulations and, to the extent feasible, with local governmental regulations;
The degree to which technology, economic conditions or other factors have changed in the subject area affected by the rule; and

The statutory citation or legal basis for each rule.

The statutory requirements have been met in completing the review.

**Board Discussion and Action**

The Board accepted the report as presented.

**ITEMS FROM BOARD MEMBERS**

Mr. Hensley reported that Mr. Petersen would be establishing the agenda for the Finance Committee for the balance of the year. He invited Board members to submit any suggested topics to Mr. Petersen.

Mr. Alltucker advised the Board members they would be approached soon by the Board's legislative committee.

Mr. Perry expressed the Board's appreciation to the Chancellor and his staff, and the institutional staffs, for the careful and thoughtful work that had been done on the budget. He emphasized the importance of having the cooperation of everyone in connection with the budgetary process. He said it was very confusing to legislators, particularly if they are inexperienced, to find themselves subject to judgments from within the same sector that are quite diverse. He said these things should be worked out among the sections in education so that a rational program is presented which has been clarified with respect to differences among the institutions and the three principal boards in education.

Mr. Perry reported that he had received communications from faculty members who were the recipients of the teaching and research awards. In each case, they were appreciative of the additional stipend but stated there were others who were equally, or more, deserving.

**Staff Report to the Board**

Upon the recommendation of institutional officials, the work of the prime contractor for the first phase of remodeling of spaces within Weniger Hall for the Environmental Health Sciences Center on the Oregon State University campus was accepted on behalf of the Board as of November 1, 1984.

A revised seminal project budget is shown below in comparison with the budget reported to the Board on June 22, 1984:

<table>
<thead>
<tr>
<th></th>
<th>Revised Budget 11/1/84</th>
<th>Original Budget 6/22/84</th>
<th>Increase or (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct construction costs - Dale Ramsay Construction Co., Corvallis</td>
<td>$48,848</td>
<td>$44,000</td>
<td>$ 4,848(1)</td>
</tr>
<tr>
<td>Professional services fees</td>
<td>5,000</td>
<td>5,000</td>
<td>-</td>
</tr>
<tr>
<td>Construction supervision and miscellaneous costs</td>
<td>4,312</td>
<td>4,660</td>
<td>(348)</td>
</tr>
<tr>
<td>Works of art</td>
<td>440</td>
<td>440</td>
<td>-</td>
</tr>
<tr>
<td>Contingencies</td>
<td>-</td>
<td>4,500</td>
<td>(4,500)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$58,600</strong></td>
<td><strong>$58,600</strong></td>
<td><strong>$ -</strong></td>
</tr>
</tbody>
</table>

(1) Includes a change in the specified filter, plumbing revisions, and other minor modifications within three approved change orders.
The work of the contract included remodeling portions of the second and third floors within Weniger Hall, including certain demolition, constructing new partitions, doorways, cabinet work, floor covering, suspended ceiling, painting, air conditioning, and miscellaneous other items to provide laboratory facilities for the Environmental Health Sciences Center.

The initial phase of work is part of a larger project for which an expenditure limitation of $205,000 was authorized by the Emergency Board on May 25, 1984. All of the expenditures for this project were financed from resources available to the institution from a combination of gifts, building use credits and operating budget balances (including indirect cost allowances from instructional and research contracts and grants).

RECAPITULATION UPON ACCEPTANCE

Project - OSU Weniger Hall Remodeling for Environmental Health Sciences Center

Planners - Physical Plant Department

Board's priority - Not applicable

Legislative authorization - Emergency Board action on May 25, 1984

Estimated total project costs (this portion only) $58,600

Estimated total direct construction costs (this portion only) $48,848

Financing plan:

Gifts and grants (through OSU Foundation) $34,550
Agricultural Chemistry Research funds 6,094
Institutional operating funds:
Environmental Health Center $ 5,708
Physical Plant Special Repairs and Remodeling 12,248
Total 17,956

$58,600

Board Discussion and Action

The Board accepted the report as presented.

Staff Report to the Board

Upon the recommendation of institutional officials and MFIA, INC., project engineers, Portland, the work of the prime contractor for the upgrading of the primary electrical distribution system on the Eastern Oregon State College campus was accepted on behalf of the Board as of July 18, 1984. Formal notice of acceptance was provided to the contractor by letter dated November 15 following receipt of the recommendation from College officials.

A revised semifinal project budget is shown below in comparison with the budget reported to the Board on September 23, 1983:

<table>
<thead>
<tr>
<th></th>
<th>Revised Budget 7/18/84</th>
<th>Original Budget 9/23/83</th>
<th>Increase or (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct construction costs -</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clarke Electric, Inc., Eugene</td>
<td>$ 83,000</td>
<td>$ 83,000</td>
<td>$ -</td>
</tr>
<tr>
<td>Professional services fees</td>
<td>8,300</td>
<td>8,300</td>
<td>-</td>
</tr>
<tr>
<td>Construction supervision and miscellaneous costs</td>
<td>14,567</td>
<td>4,000</td>
<td>10,567 *</td>
</tr>
<tr>
<td>Contingencies</td>
<td>-</td>
<td>10,567</td>
<td>(10,567)</td>
</tr>
<tr>
<td>Total</td>
<td>$105,867</td>
<td>$105,867</td>
<td>$ -</td>
</tr>
</tbody>
</table>
The work of the contract included installing a bank of outdoor metal-enclosed switchgear at the west side of the Library, and the installing of a duct-bank and cable along the west of the Library between the new switchgear and the sidewalk vault serving the Science Building. New cable was provided and spliced so that each building feeder (Science, Library and Administration) would be switched and fused at the new switchgear. Oil switches and sectionalizer were removed from the sidewalk vaults. The transformer on the east end of the Library was abandoned and the panel subfed from the switchgear at the west end. The existing lead line was abandoned. The transformers at Hunt Hall were refed from existing switchgear at the Heating Plant switchbank with supplemental switchgear on a padmount at Hunt Hall. Provisions were made for the future expansion of the new switchgear and the extension of the "K" Avenue system to permit completion of a loop to permit feeding electricity from either direction thus isolating ground faults and minimizing electrical service disruptions.

The expenditures for this project were charged against resources allocated from the Board's 1982-83 reserve for physical plant rehabilitation and minor capital outlay, and from excess sinking fund reserves from commingled student building fees.

RECAPITULATION UPON ACCEPTANCE

Project - EOSC Electrical Distribution System Upgrading

Engineers - MFIA, INC., Portland

Board's priority - Not applicable

Legislative authorization - Not applicable

Estimated total project costs $105,867

Estimated total direct construction costs $ 83,000

Financing plan:

- Resources from Board's 1982-83 reserve for physical plant rehabilitation and minor capital outlay $90,867
- Excess sinking fund reserves from commingled student building fees 15,000

Total $105,867

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 SRG Partnership, P.C., Architects, Portland, for professional services relating to the planning, constructing and remodeling of facilities for the Oregon Institute of Marine Biology at Charleston, Oregon.

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 $236,000.
The planning costs of the proposed construction, rehabilitation and remodeling are being provided by the U. S. Department of Commerce, through the National Oceanic and Atmospheric Administration, from the federal appropriation of $3.1 million for the phased improvement of the instructional, research, administrative, housing and food service facilities at the Oregon Institute for Marine Biology reported to the Board on July 27, 1984.

Board Discussion and Action

The Board accepted the report as presented.

Staff Report to the Board

The following tabulation reflects a comparison of the Board's requests for capital construction, including land acquisition, and the Governor's budget recommendations for 1985-1987. It will be noted that only $1,900,000 has been indicated from the General Fund (for one-half of the recommended amounts for Priorities 1 and 2 in the listing for the educational and general plant), but $16,810,000 would be appropriated from projected revenues from the state lottery program and these amounts would be matched with Article XI-G bond proceeds of $18,710,000. Thus the total of state funds to be made available for capital construction in the next biennium would be $37,420,000 if the Governor's budget is approved by the 1985 Legislature. (During 1981-1983 and 1983-1985, no state funds were authorized for capital construction for the Department of Higher Education.)

From all sources of funds, the program recommended by the Governor for projects and land purchases for our institutions totals $109,300,000, excluding $2,300,000 for additional equipment replacement at the hospitals and clinics of the Oregon Health Sciences University to be financed from self-liquidating bond borrowings under Article XI-F(1) of the Oregon Constitution:

<table>
<thead>
<tr>
<th></th>
<th>Board's Requests</th>
<th>Governor's Recommendations</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Educational and General Plant:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Funds:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Fund:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct appropriations</td>
<td>$41,032,500</td>
<td>$1,900,000</td>
<td>$22,322,500</td>
</tr>
<tr>
<td>Lottery revenues</td>
<td>$41,032,500</td>
<td>$18,710,000</td>
<td>$22,322,500</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$82,065,000</td>
<td>$37,420,000</td>
<td>$44,645,000</td>
</tr>
<tr>
<td>Article XI-G bonds</td>
<td>$41,032,500</td>
<td>$18,710,000</td>
<td>$22,322,500</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$82,065,000</td>
<td>$37,420,000</td>
<td>$44,645,000</td>
</tr>
<tr>
<td>Gifts and Grants</td>
<td>$46,175,000</td>
<td>$46,175,000</td>
<td>0</td>
</tr>
<tr>
<td>Total - Educational and General Plant</td>
<td>$128,240,000</td>
<td>$83,595,000</td>
<td>$44,645,000</td>
</tr>
<tr>
<td><strong>Auxiliary Enterprises:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Article XI-F(1) bonds and/or balances from auxiliary enterprises, including gifts and grants</td>
<td>$22,445,000</td>
<td>$25,705,000</td>
<td>$(3,260,000)</td>
</tr>
<tr>
<td><strong>Grand Totals</strong></td>
<td>$150,685,000</td>
<td>$109,300,000</td>
<td>$41,385,000</td>
</tr>
</tbody>
</table>

Board Discussion and Action

The Board accepted the report as presented.
OREGON STATE BOARD

CAPITAL CONSTRUCTION AND LAND ACQUISITION PROGRAM FOR 1985-1987

COMPARISON OF BOARD'S REQUESTS AND GOVERNOR'S BUDGET RECOMMENDATIONS

<table>
<thead>
<tr>
<th>Priority</th>
<th>Institution</th>
<th>Project Description</th>
<th>Board's Requests</th>
<th>Governor's Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Various</td>
<td>Modifications to Remove Access Barriers for Handicapped</td>
<td>$6,095,000</td>
<td>$1,600,000</td>
</tr>
<tr>
<td></td>
<td>EOSC</td>
<td></td>
<td>$830,000</td>
<td>$300,000</td>
</tr>
<tr>
<td></td>
<td>OSU</td>
<td></td>
<td>$2,280,000</td>
<td>$510,000</td>
</tr>
<tr>
<td></td>
<td>UO</td>
<td></td>
<td>$1,950,000</td>
<td>$470,000</td>
</tr>
<tr>
<td></td>
<td>OIT</td>
<td></td>
<td>$1,035,000</td>
<td>$320,000</td>
</tr>
<tr>
<td>2</td>
<td>Various</td>
<td>Rehabilitation, Remodeling and Renovation</td>
<td>$6,000,000</td>
<td>$2,200,000</td>
</tr>
<tr>
<td>3</td>
<td>OSU</td>
<td>Electrical and Computer Engineering Building (Phase I) and Related Alterations</td>
<td>$8,620,000</td>
<td>$8,620,000</td>
</tr>
<tr>
<td>4</td>
<td>PSU</td>
<td>Engineering and Computer Science Laboratories</td>
<td>$1,000,000</td>
<td>-</td>
</tr>
<tr>
<td>5</td>
<td>UO</td>
<td>Biological and Advanced Science Building</td>
<td>$12,000,000</td>
<td>$12,000,000</td>
</tr>
<tr>
<td>6</td>
<td>OIT</td>
<td>Classroom-Laboratory Building</td>
<td>$6,000,000</td>
<td>$6,000,000</td>
</tr>
<tr>
<td>7</td>
<td>PSU</td>
<td>Professional Schools Building (Business and International Trade)</td>
<td>$7,000,000</td>
<td>$7,000,000</td>
</tr>
<tr>
<td>8</td>
<td>WOSC</td>
<td>Conversion of Campus Elementary School into Instructional Technology Resources Center</td>
<td>$1,105,000</td>
<td>-</td>
</tr>
<tr>
<td>9</td>
<td>OSU</td>
<td>Western Boulevard Improvements - Oak Creek West (City)</td>
<td>$185,000</td>
<td>-</td>
</tr>
<tr>
<td>10</td>
<td>OSU</td>
<td>Safety Deficiency Correction Program A</td>
<td>$145,000</td>
<td>-</td>
</tr>
<tr>
<td>11</td>
<td>UO</td>
<td>Architecture and Allied Arts Additions and Alterations (Phase I)</td>
<td>$7,845,000</td>
<td>Incl. above</td>
</tr>
<tr>
<td></td>
<td>Various</td>
<td>Land Acquisition</td>
<td>$500,000*</td>
<td>-</td>
</tr>
<tr>
<td>12</td>
<td>OIT</td>
<td>Campus Master Planning</td>
<td>$250,000*</td>
<td>-</td>
</tr>
<tr>
<td>13</td>
<td>OIT</td>
<td>Basic Science Building Addition (Planning only)</td>
<td>$245,000</td>
<td>-</td>
</tr>
<tr>
<td>14</td>
<td>OIT</td>
<td>Dental School First Floor Roof Enclosure</td>
<td>$805,000</td>
<td>-</td>
</tr>
<tr>
<td>15</td>
<td>OIT</td>
<td>Utility Systems Upgrade (Phase I)</td>
<td>$1,850,000*</td>
<td>-</td>
</tr>
<tr>
<td>16</td>
<td>OIT</td>
<td>Utility Improvement (Chilling)</td>
<td>$455,000*</td>
<td>-</td>
</tr>
<tr>
<td>17</td>
<td>WOSC</td>
<td>Moore Hall Remodel</td>
<td>$410,000</td>
<td>-</td>
</tr>
<tr>
<td>18</td>
<td>PSU</td>
<td>Lincoln Hall Rehabilitation</td>
<td>$3,885,000</td>
<td>-</td>
</tr>
<tr>
<td>19</td>
<td>PSU</td>
<td>Millar Library Addition</td>
<td>$10,100,000</td>
<td>-</td>
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<tr>
<td>20</td>
<td>UO</td>
<td>Main Library Addition and Alterations (Planning)</td>
<td>$435,000</td>
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<tr>
<td>21</td>
<td>EOSC</td>
<td>Library Mezzanine Addition</td>
<td>$515,000</td>
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<tr>
<td>22</td>
<td>OIT</td>
<td>Computer Science Building Rehabilitation</td>
<td>$380,000</td>
<td>-</td>
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<tr>
<td>23</td>
<td>OIT</td>
<td>Utility Improvements (Tunnel Extensions and Heat Exchangers)</td>
<td>$1,205,000*</td>
<td>-</td>
</tr>
<tr>
<td>24</td>
<td>WOSC</td>
<td>Churchill Hall Remodel</td>
<td>$3,450,000</td>
<td>-</td>
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<tr>
<td>25</td>
<td>UO</td>
<td>Condon School Acquisition and Alterations</td>
<td>$1,430,000</td>
<td>-</td>
</tr>
<tr>
<td>26</td>
<td>OIT</td>
<td>School of Nursing Building (Planning only)</td>
<td>$155,000</td>
<td>-</td>
</tr>
</tbody>
</table>

Subtotal - State Funds | $82,065,000 | $37,420,000 |
### Oregon State Board of Higher Education

#### Capital Construction and Land Acquisition Program for 1985-1987

Comparison of Board's Requests and Governor's Budget Recommendations

---

#### II. Educational and General Plant - Gifts and Grants

<table>
<thead>
<tr>
<th>Priority</th>
<th>Institution</th>
<th>Project</th>
<th>Board's Requests</th>
<th>Governor's Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>27</td>
<td>UO</td>
<td>Institute of Marine Biology Improvements</td>
<td>$1,675,000*</td>
<td>$1,675,000</td>
</tr>
<tr>
<td>28</td>
<td>OSU</td>
<td>Biomedical Information and Communication Center</td>
<td>14,500,000</td>
<td>14,500,000</td>
</tr>
<tr>
<td>29</td>
<td>UO</td>
<td>Science Facilities Additions and Alterations</td>
<td>$30,000,000</td>
<td>$30,000,000</td>
</tr>
</tbody>
</table>

Subtotal - Gifts and Grants: $46,175,000

Subtotal - Educational and General Plant: $128,240,000

#### III. Auxiliary Enterprises

<table>
<thead>
<tr>
<th>Priority</th>
<th>Institution</th>
<th>Project</th>
<th>Board's Requests</th>
<th>Governor's Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>UO</td>
<td>Architecture and Allied Arts Additions and Alterations (Phase I)</td>
<td>$270,000*</td>
<td>$ -</td>
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<tr>
<td>2</td>
<td>Various</td>
<td>Land Acquisition</td>
<td>$500,000*</td>
<td>$500,000*</td>
</tr>
<tr>
<td>3</td>
<td>OSU</td>
<td>Campus Master Planning</td>
<td>50,000*</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>OSU</td>
<td>Utility System Upgrade (Phase I)</td>
<td>$1,610,000*</td>
<td>$ -</td>
</tr>
<tr>
<td>5</td>
<td>SOSC</td>
<td>Utility Improvement (Chilling)</td>
<td>195,000*</td>
<td>-</td>
</tr>
<tr>
<td>6</td>
<td>OSU</td>
<td>Utility Improvements (Tunnel Extensions and Heat Exchangers)</td>
<td>1,205,000*</td>
<td>-</td>
</tr>
<tr>
<td>7</td>
<td>WOSC</td>
<td>College Center Remodel</td>
<td>275,000</td>
<td>275,000</td>
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<tr>
<td>8</td>
<td>OSU</td>
<td>North Campus Recreation and Site Improvements - Phase I</td>
<td>280,000</td>
<td>280,000</td>
</tr>
<tr>
<td>9</td>
<td>OSU</td>
<td>Institute of Marine Biology Improvements</td>
<td>1,425,000*</td>
<td>1,425,000*</td>
</tr>
<tr>
<td>10</td>
<td>OSU</td>
<td>Hatfield Marine Science Center Housing</td>
<td>280,000</td>
<td>280,000</td>
</tr>
<tr>
<td>11</td>
<td>OSU</td>
<td>Eye Center</td>
<td>10,795,000</td>
<td>10,795,000</td>
</tr>
<tr>
<td>12</td>
<td>OSU</td>
<td>University Hospital and Clinics Rehabilitation and Alterations Projects</td>
<td>3,460,000</td>
<td>10,050,000!</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pedestrian Bridge</td>
<td>2,100,000</td>
<td>2,100,000</td>
</tr>
</tbody>
</table>

Subtotal - Auxiliary Enterprises: $22,445,000

Total: $150,685,000

---

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

@ General Fund portion to be financed from lottery receipts for economic development; matched with Article XI-G bond proceeds

© Including land acquisition

Includes re-authorization for OSU Hospital and Clinics Rehabilitation and Alterations Projects approved in prior biennia, but excludes $2,300,000 for additional authorization for equipment replacement to be financed from Article XI-F(1) bond proceeds

Office of Facilities Planning
December 3, 1984
I. To be eligible for athletically-related financial aid, regular-season competition, and practices during the first academic year in residence, an entering freshman must:

Current rule: Be a high school graduate and at the time of graduation present an accumulative six, seven, or eight semesters minimum grade point average of 2.000. (Div. I)

Effective August 1, 1986: Be a high school graduate and at the time of graduation present an accumulative minimum grade point average of 2.000 in a core curriculum of at least 11 academic courses (at least 3 years in English, 2 years in Mathematics, 2 years in Social Science, and 2 years in Natural or Physical Science) and present at least a 700 combined score on the SAT verbal and math sections or a 15 composite score on the ACT. (Div. I)

A student who presents an accumulated 2.000 gpa but who fails to achieve a 2.000 in the core curriculum and the required test score may receive financial aid, but will be charged with one season of athletic eligibility.
II. At the time of competition, a student-athlete shall be registered for at least a minimum full-time program of studies, which shall not be less than 12 credits per term. If completion takes place between terms, the student-athlete shall have been so registered in the term immediately preceding the competition. (Div. I, II, III)

III. Eligibility for regular season competition subsequent to the student-athlete's first academic year in residence or after the student has certified one season of eligibility in a sport shall be based upon (for Divs. I and II):

A. Satisfactory completion of an accumulated total of academic credits acceptable toward a baccalaureate degree in a designated program of studies equivalent to an average of 12 credits during each of the previous academic terms in academic years in which the student-athlete has been enrolled.

or B. Satisfactory completion of 36 quarter hours of degree credit acceptable toward a baccalaureate degree in a designated program of studies, since the beginning of the student-athlete's last season of competition.

Note: The student-athlete must designate a program of studies leading toward a specific baccalaureate degree by the beginning of the third year of enrollment (fifth semester or seventh quarter). This applies also to all transfer students.

IV. Transfer students to Div. I institutions must also meet requirements of the above progress rule. A transfer student from a junior college who was a 2.000 qualifier must:
A. Graduate from the junior college, or
B. Present a minimum of 36 credits of transferable degree credit with a GPA of at least 2.000, and have spent at least three quarters in residence at the junior college.

A junior college transfer who was a 2.000 non-qualifier must:
A. Graduate from the junior college and
B. Satisfactorily completed a minimum of 72 quarter hours of transferable degree credit.

V. Eligibility reporting:
A. To be eligible for competition, all student-athletes must be certified as eligible by the Faculty Athletic Representative prior to each season of competition. Such certification is submitted to the Pacific-10 Conference Office, where it is reviewed by staff and is available for review by other member institutions.

B. The NCAA has requested a study of special admissions in intercollegiate athletics in Division I. This study would determine the relation of special admittees to entering freshmen for all recruited athletes and for all students at each institution.

C. The NCAA has also requested a study of graduation rates for student-athletes aid for all students. The study will determine definitions, format, publishing policy, and factors to be considered, such as sex, race, and sport.
VI. Financial Aid changes proposed, for actions at NCAA Convention:

A. Increase Pell Grant allowance from $900 to $1400 per year, in addition to a full athletic grant-in-aid.

B. Permit awarding of aid to student-athletes, even after athletic eligibility has been exhausted.

C. Allow financial aid for an incoming student-athlete during the summertime prior to the student's freshman year.

D. Allow for need-based governmental grants to be awarded in addition to a full athletic grant-in-aid, up to $1400 per year, including Pell Grants.

VII. Changes Proposed in Five-Year Rule, Div. I Institutions

Currently, a student has four years of eligibility, which must be completed within five calendar years from the beginning of the quarter in which the student first registered as a full-time student (exceptions for military service, church missions, or foreign aid services of the U.S. Government).

Proposed change would require completion of eligibility during the first 10 semesters or 15 quarters of full-time enrollment at the institution. This would permit a student to drop out of school and return later without losing any opportunity for eligibility.

Div. I Institutions include the University of Oregon, Oregon State University, University of Portland, and Portland State University in Men's Baseball and Women's Basketball

Div. II Institutions include Portland State University

Div. III Institutions include Willamette University
### 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 1</th>
<th>Doctoral 1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Coll.</td>
<td>Univ.</td>
<td>OIT</td>
<td>Coll.</td>
</tr>
<tr>
<td>Agriculture</td>
<td>190</td>
<td>190</td>
<td>190</td>
<td>170</td>
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<tr>
<td>Architecture</td>
<td>210</td>
<td>210</td>
<td>210</td>
<td>160</td>
</tr>
<tr>
<td>Biology*</td>
<td>260</td>
<td>320</td>
<td>260</td>
<td>160</td>
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<tr>
<td>Business</td>
<td>370</td>
<td>370</td>
<td>370</td>
<td>280</td>
</tr>
<tr>
<td>Communication*</td>
<td>260</td>
<td>320</td>
<td>260</td>
<td>180</td>
</tr>
<tr>
<td>Computer Science*</td>
<td>300</td>
<td>370</td>
<td>300</td>
<td>230</td>
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<tr>
<td>Education*</td>
<td>240</td>
<td>240</td>
<td>190</td>
<td>220</td>
</tr>
<tr>
<td>Engineering/Engr. Tech.</td>
<td>230</td>
<td>230</td>
<td>160</td>
<td>130</td>
</tr>
<tr>
<td>Fine Arts/Applied Arts</td>
<td>180</td>
<td>230</td>
<td>180</td>
<td>110</td>
</tr>
<tr>
<td>Foreign Languages</td>
<td>260</td>
<td>260</td>
<td>260</td>
<td>150</td>
</tr>
<tr>
<td>Health Professions</td>
<td>140</td>
<td>140</td>
<td>140</td>
<td>140</td>
</tr>
<tr>
<td>Home Economics</td>
<td>330</td>
<td>330</td>
<td>330</td>
<td>160</td>
</tr>
<tr>
<td>Law</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Letters</td>
<td>290</td>
<td>290</td>
<td>290</td>
<td>200</td>
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<tr>
<td>Library Science</td>
<td>230</td>
<td>230</td>
<td>230</td>
<td>120</td>
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<tr>
<td>Mathematics*</td>
<td>300</td>
<td>370</td>
<td>300</td>
<td>180</td>
</tr>
<tr>
<td>Military Science</td>
<td>360</td>
<td>360</td>
<td>360</td>
<td>200</td>
</tr>
<tr>
<td>Physical Science*</td>
<td>240</td>
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<td>240</td>
<td>100</td>
</tr>
<tr>
<td>Psychology*</td>
<td>360</td>
<td>450</td>
<td>360</td>
<td>230</td>
</tr>
<tr>
<td>Public Affairs</td>
<td>320</td>
<td>320</td>
<td>320</td>
<td>230</td>
</tr>
<tr>
<td>Social Science*</td>
<td>320</td>
<td>400</td>
<td>320</td>
<td>230</td>
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<tr>
<td>Interdisciplinary</td>
<td>430</td>
<td>430</td>
<td>430</td>
<td>190</td>
</tr>
<tr>
<td>Business Comm. Tech.</td>
<td>--</td>
<td>--</td>
<td>200</td>
<td>--</td>
</tr>
<tr>
<td>Health Paramed. Tech.</td>
<td>--</td>
<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.

Note: The productivity ratios for the colleges and Oregon Institute of Technology will be replaced upon completion of the current effort to identify a set of comparator institutions for the colleges and OIT.
2) Discipline Salary Average

<table>
<thead>
<tr>
<th>Discipline</th>
<th>1982-83 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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<tr>
<td>Architecture</td>
<td>29,329</td>
<td>27,669</td>
<td>24,072</td>
</tr>
<tr>
<td>Biology</td>
<td>31,658</td>
<td>29,866</td>
<td>25,983</td>
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<tr>
<td>Business</td>
<td>33,841</td>
<td>31,925</td>
<td>27,775</td>
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<tr>
<td>Communication</td>
<td>27,127</td>
<td>25,592</td>
<td>22,265</td>
</tr>
<tr>
<td>Computer Science</td>
<td>32,834</td>
<td>30,975</td>
<td>26,949</td>
</tr>
<tr>
<td>Education</td>
<td>27,998</td>
<td>26,413</td>
<td>22,979</td>
</tr>
<tr>
<td>Engineering/Engr. Tech.*</td>
<td>34,827</td>
<td>32,856</td>
<td>28,584</td>
</tr>
<tr>
<td>Fine Arts/Applied Arts</td>
<td>26,203</td>
<td>24,720</td>
<td>21,506</td>
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<tr>
<td>Foreign Languages</td>
<td>27,288</td>
<td>25,743</td>
<td>22,397</td>
</tr>
<tr>
<td>Health Professions</td>
<td>31,401</td>
<td>29,624</td>
<td>25,773</td>
</tr>
<tr>
<td>Home Economics</td>
<td>25,990</td>
<td>24,519</td>
<td>21,331</td>
</tr>
<tr>
<td>Law</td>
<td>45,123</td>
<td>42,569</td>
<td>37,035</td>
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<tr>
<td>Letters</td>
<td>27,020</td>
<td>25,491</td>
<td>22,177</td>
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<tr>
<td>Library Science</td>
<td>30,309</td>
<td>28,593</td>
<td>24,876</td>
</tr>
<tr>
<td>Mathematics</td>
<td>30,757</td>
<td>29,016</td>
<td>25,244</td>
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<td>Military Science</td>
<td>26,000</td>
<td>24,528</td>
<td>21,340</td>
</tr>
<tr>
<td>Physical Science</td>
<td>33,442</td>
<td>31,549</td>
<td>27,448</td>
</tr>
<tr>
<td>Psychology</td>
<td>30,505</td>
<td>28,778</td>
<td>25,037</td>
</tr>
<tr>
<td>Public Affairs</td>
<td>29,856</td>
<td>28,166</td>
<td>24,504</td>
</tr>
<tr>
<td>Social Science</td>
<td>30,070</td>
<td>28,368</td>
<td>24,680</td>
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<tr>
<td>Interdisciplinary</td>
<td>27,890</td>
<td>26,311</td>
<td>22,891</td>
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<tr>
<td>Business Comm. Tech.</td>
<td>25,221</td>
<td>23,793</td>
<td>20,700</td>
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<td>Health Paramed. Tech.</td>
<td>25,221</td>
<td>23,793</td>
<td>20,700</td>
</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.

** These averages will be updated annually as national data becomes available.
Meeting #519

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)
Academic Support Function

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.

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>
<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>

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 groundskeepers.
   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

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
      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.