MINUTES OF REGULAR MEETING OF THE
STATE BOARD OF HIGHER EDUCATION HELD
MAY 16, 1986

MINUTES APPROVED

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   Evaluation of Presidents
   Personal Leave
   Tax Withholding for Graduate Students
   Report on Strategic Plan
   Report on Callahan Center
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ADJOURNMENT

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May 16, 1986

STATE BOARD OF HIGHER EDUCATION
MINUTES OF REGULAR MEETING HELD IN SHASTA COMPLEX,
COLLEGE UNION, OREGON INSTITUTE OF TECHNOLOGY
KLAMATH FALLS, OREGON

May 16, 1986

A regular meeting of the State Board of Higher Education was held in the Shasta Complex, College Union, Oregon Institute of Technology, Klamath Falls, Oregon.

ROLL CALL

The meeting was called to order at 11:15 a.m., May 16, 1986, by the President of the Board, Mr. Alvin R. Batiste, and on roll call the following answered present:

Mr. Robert R. Adams  
Mr. John W. Alltucker  
Mr. Gene Chao  
Mr. Terrence Clark  
Mr. F. David Crowell  
Mr. Richard F. Hensley  
Mrs. Janet S. Nelson  
Mr. James C. Petersen  
Mr. Alvin R. Batiste

Absent: Miss Schwab was absent for business reasons.

Mr. Louis B. Perry was in attendance. He was recently reappointed to fill the unexpired term of Mrs. Harriett Flanagan.

OTHERS PRESENT

Centralized Activities--Chancellor William E. Davis; Secretary Wilma L. Foster; W. T. Lemman, Executive Vice Chancellor; Lawrence C. Pierce, Vice Chancellor for Academic Affairs; Wil Post, Vice Chancellor for Public Affairs; John Owen, Vice Chancellor for OCATE; Davis Quenzer, Associate Vice Chancellor, Fiscal Policies; Joe Scitto, Associate Vice Chancellor, Personnel Administration; Virginia Boushey, Assistant to Executive Vice Chancellor; Holly Zanville, Assistant Vice Chancellor, Academic Affairs; Kay Juran, Assistant Vice Chancellor, Public Affairs; Barbara Barrie, Personnel Officer; Debbie Cherry, Secretary, Public Affairs; Wayne Kurlinski, Special Assistant to the Chancellor; Pat Wignes, Assistant Board Secretary.

Oregon State University--T. D. Parsons, Vice President, Finance and Administration; Bill Wilkins, Acting Vice President, Academic Affairs; Bob McMahon, President, Faculty Senate.

University of Oregon--President Paul Olum; Richard J. Hill, Provost.
Meeting #537

May 16, 1986

Oregon Health Sciences University--Peter Wollstein, Interim Vice President, Finance and Administration; Steve Bauer, Executive Assistant to the President.

Portland State University--President J. C. Blumel; Roger Edgington, Vice President, Finance and Administration.

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

Oregon Institute of Technology--President Larry Blake; William W. Smith, Dean of Academic Affairs; John H. Smith, Dean of Administration; Edward R. Stuedli, Head, Dental Department.

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

Western Oregon State College--President Richard Meyers; Bill Cowart, Provost; Bill Neifert, Dean of Administration.

Others--Sherry Oeser, Executive Director, Oregon Student Lobby.

The Board dispensed with the reading of the minutes of the last regular meeting held on April 18, 1986, and approved them as previously distributed. The following voted in favor: Directors Adams, Alltucker, Chao, Clark, Crowell, Hensley, Nelson, Petersen, and Batiste. Those voting no: None.

Appreciation to OIT

Mr. Batiste and the Chancellor thanked President Blake and his staff for the hospitality and courtesies extended to the Board during the visitation and meeting. Mr. Batiste indicated the Board had had an opportunity to view several senior projects and had toured the facilities.

CHANCELLOR'S REPORT

The Chancellor reported that he had completed his evaluation of President Blake and that he was doing a great job. The Chancellor said the evaluation was outstanding, and he recommended that the Board accept the report.

The Board accepted the report as presented.

The Chancellor said he wished to commend the institution on the morale of the faculty, the deep sense of mission, and the understanding of and commitment to the mission by students, faculty, and staff and their commitment also to the enhancement of the prestige and reputation of the school. The Chancellor said he was particularly impressed with the advisory programs for all of
the professional disciplines. This has provided tremendous flexibility and an immediate response to changing market needs in terms of the curriculum adaptations viewed during the visitation. In addition, the advisory groups are extremely helpful in the placement of graduates and the donation of equipment.

The Chancellor indicated that the evaluation of President Meyers had been completed and a report would be made at the next Board meeting. The evaluations of the Vice Chancellors also will be presented at that time.

**Personal Leave**

The Chancellor reported that he would be out of the state on personal business and would be taking personal leave through the following Thursday. During that period, Vice Chancellor Wil Post will be acting in the event of any emergencies and will be in touch with the Chancellor.

**Tax Withholding for Graduate Students**

The Chancellor said there had been considerable discussion about the withholding of funds from graduate students by virtue of the tax revision which stipulated that waivers of tuition received by graduate students were considered to be stipends or pay and were, therefore, taxable.

The Chancellor indicated he was very proud of the response from Oregon's senators. Senator Packwood particularly responded immediately at the height of a very busy schedule in getting the total tax proposal together. The tax exemption for waivers of tuition is part of the new tax proposal. It is hoped that the exemption will be made permanent so that this uncertainty does not occur every year.

The Chancellor said the institutions have established loan funds to assist students during this crisis. The Chancellor recommended that the Board affirm the action of its Executive Committee on May 6, 1986, which approved the Chancellor's request to authorize the use of incidental fee reserves, housing reserves, or other auxiliary fund balances to provide resources on an interest-free basis to institutional loan funds so that funds will be available to students who have a financial problem resulting from the necessity to institute tax withholding on the value of tuition waivers.

The Board approved the recommendation as presented, with the following voting in favor: Directors Adams, Alltucker, Chao, Clark, Crowell, Hensley, Nelson, Petersen, and Batiste. Those voting no: None.
| Report on Strategic Plan | The Chancellor reported that the Strategic Plan had been submitted to the Oregon Educational Coordinating Commission and Dr. Olson has indicated that portions of the plan will be included in the Commission's document along with those from the Department of Education and the private institutions.

Dr. Pierce said a draft of the comprehensive plan had been received from the Commission and would be reviewed for consistency with the Board's Strategic Plan. He stated that most of the items were included, although two or three items were not. An effort will be made to have them added to the report of the Commission.

| Report on Callahan Center | The Chancellor said a number of items had been presented to the Emergency Board, including the request pertaining to the Callahan Center which resulted in an extended hearing on the matter. Mr. Chao was the Board's representative as Chairman of the OCATE Committee. The Emergency Board did not fund the request to unschedule $575,000 or to provide the additional $240,000 for the remodelling and equipment to initiate the program this fall. The facility was turned over to the Department of General Services with the possibility that the Department of Higher Education could return to the July 12 meeting of the Emergency Board with a further proposal.

Mr. Lemman said the purpose in transferring the facility to the Department of General Services was to permit that agency to mothball the facility until such time as the Legislature reached a decision. The principal concerns appeared to be: (1) whether the Emergency Board should take this step, which many of the members viewed as a major step in terms of locating a program in the facility, rather than having that matter come before the full Legislative Assembly; and (2) that in approving the operation as the Board had indicated in the materials submitted to the Emergency Board, the Legislature, in essence, would be committed to a program which would require General Fund dollars to sustain it during the next biennium. He said several members of the Emergency Board were concerned about its authority to locate a program in the facility, much less the wisdom of doing it, even if the Emergency Board had the authority.

Mr. Chao said the Board had authorized looking at the acquisition of the Callahan Center, but not to the extent that existing programs would be compromised. He said he took that position in representing the Board at the meeting and argued the benefits of the center, both in terms of the immediate use for Oregon Institute of Technology and the OCATE thrust. Since there was no intention of making a commitment to the restructuring of priorities, the result was probably the best that could have been achieved when the funds were not forthcoming.

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Mr. Lemman added that the facility should either be mothballed or operated fully because it is so large that it would require at least the major part of the estimated operating expenses to use only a portion of the facility.

Mr. Batiste commented that a number of things were very tentative with respect to the Callahan Center at this point and that some action might be required before the next Board meeting. In the absence of any objections from the Board, he authorized the Executive Committee and Mr. Chao to take any necessary action if an opportunity should arise for a decision on future proposals concerning the center.

The Chancellor indicated that the preliminary draft of the report from the consultant for the total information system had been received. The staff had an opportunity only to comment on whether the report is factual. The next meeting of the Legislative Data Processing Committee is scheduled for May 27, 1986, at which time the consultant will submit the report and there will be a hearing. A request will be made for a postponement or delay of the report until a later date because some of the key people involved will not be able to be present at that time.

The Chancellor requested all of the presidents personally to attend the meeting of the Legislative Data Processing Committee.

Dr. B. Odo, Appointment as Assistant to the President, OIT

The Chancellor invited President Blake to announce a new appointment to the staff at Oregon Institute of Technology.

President Blake said the position of Assistant to the President had been vacant since his arrival because he had wanted to be certain of the responsibilities which should be assigned to the position. The position was advertised several months ago and about 130 applications were received. The search committee reached a unanimous choice in recommending the appointment of Dr. Blair Odo, and she accepted the position. Dr. Odo received her doctorate from the University of Oregon and she was Assistant to the Chancellor of the University of Hawaii at Manoa. She also speaks fluent Japanese.

Dr. John Owen reported that he had just returned from a meeting in Washington, D.C., sponsored by the National Governors' Association and would be issuing a report to the Chancellor and the Board on some of the information received at that meeting. He said the meeting had reinforced his view that Oregon's visions west were highly important because Oregon has a strategic position that much of the rest of the nation does not have in that it is closer to Japan and China than many of the other states.
Dr. Owen said he also had attended one of the first OCATE workshops, an international workshop on electroluminescence. There was good international representation with excellent attendance from Japan. Working relationships between OCATE and several of the Japanese people who attended have been established. He said OCATE was doing very well and the Board's future support was anticipated.

Staff Report to the Committee

The 1985-1987 Salary Adjustment plan for unclassified academic staff was the first step in restoring Oregon faculty salaries to a competitive position with comparator institutions. Oregon institutions received no unclassified salary adjustment funds in 1983-84 and 1984-85. The result was that Oregon State University ranked 101st out of 107 doctoral-granting institutions in 1984-85. In 1985-86, Oregon State University ranked 95th out of 108 doctoral-granting institutions. This rather modest gain in ranking resulted from a 9.8% increase over the institution's 1984-85 average salary, while the average increase for all doctoral-granting institutions was approximately 6.9%. If we assume that the national average will increase by 6.5% in 1986-87, Oregon State University should move up in rank to nearly 80th out of 108. This result assumes the application of the 1986-87 salary plan adopted by the Board which provides a 7.75% increase on July 1, 1986, with a further adjustment of 3.25% on May 1, 1987.

In 1985-1987, the Board in its Unclassified Salary Adjustment Plan utilized nearly $20 million of the $40 million salary increase funds to provide merit and market adjustments to address the eroding competitive position of our institutions in relation to their peers and specific disciplines (Law, Engineering, Computer Science, and Business).

The special market adjustment for the several disciplines was granted only in 1985-86 while an institutional peer group adjustment was made in both years (1985-86 and 1986-87). The Unclassified Salary Adjustment Plan proposed for 1987-1989 does not contain either a special market adjustment for disciplines or a differential institutional peer group adjustment (except for Oregon Institute of Technology), inasmuch as the adjustments given in the current biennium will have apparently accomplished the Board's objectives.
The 1987-1989 Unclassified Salary Plan

The draft "A Strategic Plan for the Oregon State System of Higher Education 1987-1993" states the following concerning faculty salaries:

"The State System will seek funds to provide competitive faculty salaries, benefits, and research funds to attract and retain outstanding faculty, with a goal of placing in the top one-third of peer group comparators for faculty salaries in all disciplines to remain in a competitive position."

The Unclassified Salary Adjustment Plan proposed for 1987-1989 is based on achieving the Strategic Plan's stated goal of the top one-third by the end of the planning period, 1992-93. In 1985-86, the 35th institution of the 108 doctoral-granting institutions had a salary average of $36,500. This is compared with an average of $31,900 at the University of Oregon and $31,400 at Oregon State University.

To achieve the stated goal of the upper one-third by 1992-93, it is necessary to project what the increase in the national average is expected to be during the planning period. The following table displays the average increase in average salaries for the doctoral-granting institution, and for comparative purposes, the increases in the national Consumer Price Index:

<table>
<thead>
<tr>
<th></th>
<th>Average Salary Increase</th>
<th>Change in CPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981-82</td>
<td>9.1%</td>
<td>8.7%</td>
</tr>
<tr>
<td>1982-83</td>
<td>6.1</td>
<td>4.3</td>
</tr>
<tr>
<td>1983-84</td>
<td>3.9</td>
<td>3.7</td>
</tr>
<tr>
<td>1984-85</td>
<td>6.6</td>
<td>3.9</td>
</tr>
<tr>
<td>1985-86</td>
<td>6.9</td>
<td>3.5 (Estimated)</td>
</tr>
</tbody>
</table>

The data from this five-year analysis reveals that average salary increases have been above the CPI in each year with significant differences in the most recent two years. It is important to note that for the five-year period preceding 1981-82, faculty salaries lagged seriously behind the Consumer Price Index and other measures of inflation and also lagged behind the growth in salaries of professionals outside of colleges and universities. Therefore, it is assumed that faculty salary increases nationally will continue over the six-year planning period to catch up with their previous relationship with non-university employees and in terms of real income. Accordingly, the 1987-1989 Unclassified Salary Plan assumes an average salary increase for the comparator institutions of 6.5% per year through 1992-93.
The following additional assumptions are included in the 1987-1989 Unclassified Salary Plan:

1. The University of Oregon/Oregon State University average will be used to compare with the average salary of the 35th among the 108 comparator institutions.

2. The average salary at all other institutions, with the exception of Oregon Institute of Technology (Portland State University, Oregon Health Sciences University, Western Oregon State College, Southern Oregon State College, and Eastern Oregon State College) will be increased by the same percentage required for the University of Oregon/Oregon State University average to achieve the desired goal.

3. The average salary at Oregon Institute of Technology is to be increased at the rate of .75% per year more than other institutions in order to achieve parity with other institutions having a large portion of its faculties in the engineering technologies.

For 1987-1989, the Unclassified Salary Plan will have the following features:

1. The unclassified salary dollars for all institutions will be increased by 6.5% per year to insure that Oregon salaries will keep pace with comparator institutions.

2. All institutions will receive an additional increase of 1.85% per year (2.6% at Oregon Institute of Technology) to permit achievement of parity with the lowest institution in the upper one-third of comparator groups by 1992-93.

3. No Board action is recommended at this time regarding the distribution of salary adjustment funds.

The 1987-1989 Unclassified Salary Plan will require a General Fund appropriation of approximately $47.7 million.

Staff Recommendation to the Committee

It was recommended that the Board authorize the staff to include in the 1987-1989 Biennial Budget request a General Fund amount approximating $47.7 million to implement the Unclassified Salary Plan as detailed above.
Discussion and Recommendation by the Committee

The Committee concurred in a modification to the language in Paragraph 3 immediately above the staff recommendation. The change has been incorporated in the paragraph. It deleted the language referring to distribution of salary increases because that decision has not been made by the Board.

In presenting the recommendation to the Committee, Mr. Lemman and Mr. Quenzer indicated that faculty representatives had been informed of the proposed salary adjustment plan.

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

Board Discussion and Action

At the request of Mr. Petersen, Mr. Lemman briefly reviewed the staff report and stated the Committee recommendation.

The Board approved the Committee recommendation as presented, with the following voting in favor: Directors Adams, Alltucker, Chao, Clark, Crowell, Hensley, Nelson, Petersen, and Batiste. Those voting no: None.

Staff Report to the Committee

Following the approach taken in their request to the Board in April to move medical imaging technology to a separate degree program, Oregon Institute of Technology now seeks to restructure and rename the dental hygiene option of the BS degree in Allied Health Technology. The dental hygiene program will remain a 1+2+1 program awarding an Associate of Applied Science in Dental Hygiene degree with a Bachelor of Science degree option. The BS in Dental Hygiene degree more precisely fits the proposed new curriculum, which is being modified to reflect current trends and advanced technology. A copy of the full document presenting the request is on file in the Board's Office.

The new curriculum focus is on the advancement of dental hygiene clinical skills and the provision of alternative career options in the profession, such as dental hygiene education, public health, practice management, and research. The changes will involve the deletion of ten courses and the addition of ten courses, six of which are new to the program. Changes in the associate degree program are more limited.
Resources to Offer the Program. With the exception of an increase of a faculty position from .75 FTE to 1.0 FTE and anticipated expenses of $300 for each of eight new students, the institution expects to begin the program utilizing existing resources.

Staff Recommendation to the Committee

It was recommended that the Board authorize Oregon Institute of Technology to offer a program leading to a BS in Dental Hygiene effective Fall term 1986-87.

Discussion and Recommendation by the Committee

Mr. Adams asked whether the 15% student retention during the senior year was a correct figure and whether it was anticipated the retention rate would change.

Dr. William Smith, Dean of Academic Affairs, said the figure was correct and was expected to increase slightly as a result of the program change. He explained that the Bachelor of Science in Allied Health was not a degree that was understood well in the professions. It is expected that a higher percentage of the students will remain to obtain the Bachelor of Science in Dental Hygiene because it is a more meaningful degree to both students and employers.

Mr. Perry asked whether there was a shortage of people in this field. Dr. Edward Stuedli, Head of the Dental Department, replied that there had been no problem in placing graduates in positions. Dr. Smith added that very few of the students came from or went to the Portland area. The dental hygiene and other medical technology programs at Oregon Institute of Technology tend to serve the rural areas throughout the state.

Mr. Perry commented that he had discussed with Mr. Bauer at the Oregon Health Sciences University the issues of duplication with respect to this program and those at the Health Sciences University. He said he was satisfied concerning the matter of duplication.

Mr. Clark inquired about the attitude of the dental profession toward expanded duties for dental hygienists or other auxiliary help, particularly if they were to be working independently with only indirect supervision from a dentist.

Dr. Stuedli said there was both direct and indirect supervision. For example, all anesthesia must be given under direct supervision, but other activities may be done independently. Cost would limit independent practice. The primary purpose of the proposal is to maintain and expand the clinical techniques. He indicated
the proposal had been discussed with the dental society and the advisory committee and it had received their support.

Dr. Smith explained that each of the programs at Oregon Institute of Technology has an advisory committee. Before any curricular changes are made, they must receive the endorsement of the appropriate advisory committee. This program does have that endorsement. It was also indicated the Oregon Dental Hygiene Association had no objections to the request.

In response to questions concerning the degree, it was stated that both the associate degree and the bachelor's degree graduates would be qualified to practice after passing the state examination in dental hygiene. The bachelor's degree graduates would have more clinical work and would take a more rigorous program.

Mr. Clark asked about the comparison between the bachelor of science degrees in dental hygiene at Oregon Institute of Technology and Oregon Health Sciences University. Dr. Stuedli said the Health Sciences University requires two years of pre-dental and then two additional years for the bachelor's degree in dental hygiene. At Oregon Institute of Technology, there is one year of pre-dental followed by two years of work. Students then can leave with the associate degree or stay for an additional year and receive the bachelor's degree.

There was a brief discussion of the need for a Board motion to eliminate the baccalaureate degree in allied health. It was agreed that in making a substitution, it would be implicit in the substitution that the previous degree was eliminated.

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

Board Discussion and Action

Mr. Hensley presented the Committee report and recommendation.

Mr. Alltucker inquired about the faculty-student ratio. Dr. Stuedli said the American Dental Association recommended that the ratio be one to six, and Dr. Blake indicated that in terms of the total program this would be one of the lowest ratios and would be equivalent to nursing.

The Board approved the Committee recommendation as presented, with the following voting in favor: Directors Adams, Alltucker, Chao, Clark, Crowell, Hensley, Nelson, Petersen, and Batiste. Those voting no: None.
Eastern Oregon State College requests authorization to reorganize its School of Professional Studies. Eastern Oregon State College presently has two major instructional units, a School of Arts and Sciences and a School of Professional Studies. Each of the schools has a dean but no other administrative positions. It is proposed that the School of Professional Studies be divided into two separate instructional units, a School of Education and a School of Administrative Studies. This reorganization will permit the institution to better focus and strengthen the management of three critical programs: (1) teacher education; (2) business/economics; and (3) community service.

Policy and procedures adopted by the Board at its November 25, 1975, meeting, and amended at the March 15, 1985, meeting of the Board, authorized institutions of the State System to establish or rename a school, college, department, division, center, institute, and similar agencies when prior approval had been secured from the Board. Eastern Oregon State College's presentation of the requests was included in the full document entitled, "Request To Reorganize Academic Units, EOSC." A copy is on file in the Board's Office.

Staff Recommendation to the Committee

It was recommended that the Board authorize Eastern Oregon State College to reorganize its School of Professional Studies into a School of Education and a School of Administrative Studies effective Fall term 1986-87.

Discussion and Recommendation by the Committee

Dean Hottois said the proposal was to divide the School of Professional Studies into two units. There then would be three academic administrative units at the institution, each responsible for approximately one-third of the student body. He said the reorganization would create some administrative efficiencies by dividing two very disparate operations. It will provide administrative time to arrange contacts and develop field placement experiences for the students in conjunction with the Regional Services Institute.

Dr. Pierce stated that the reorganization of the School of Professional Studies would assist in describing to the public more clearly the actual programs at the institution.
Mr. Perry said the plan was good. However, he said Board members and the institution should make certain that a complex administrative organization would not develop from one that ought to be kept relatively simple.

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

Board Discussion and Action

Mrs. Nelson presented the Committee report and recommendation. She noted that there had been some concern expressed about any increase in administrative personnel in a general sense throughout the State System. Dr. Hottois had assured the Committee that at present Eastern Oregon State College was somewhat understaffed administratively in that only two administrators were available for the three different fields which are represented.

The Board approved the Committee recommendation as presented, with the following voting in favor: Directors Adams, Alltucker, Chao, Clark, Crowell, Hensley, Nelson, Petersen, and Batiste. Those voting no: None.

Staff Report to the Committee

The Board's Office of Academic Affairs is forwarding two requests from Oregon State University for authorization to change the names of the departments listed below for the consideration of the Committee on Instruction, Research, and Public Service Programs and the Board:

1. Change the name of the Department of Science and Mathematics Education to the Department of Science, Mathematics, and Computer Science Education, College of Science and OSU/WOSC School of Education.

2. Change the name of the Department of Finance to the Department of Finance, Insurance, and International Business, College of Business.

Policy and procedures adopted by the Board at its November 25, 1975, meeting, and amended at the March 15, 1985, meeting, require Board approval prior to the renaming of a department. The institution's request for these authorizations was included in the full document entitled, "Request To Rename Two Departments, OSU." A copy is on file in the Board's Office.
Staff Recommendation to the Committee

It was recommended that the Board authorize Oregon State University to rename the Department of Science and Mathematics Education to the Department of Science, Mathematics, and Computer Science Education and the Department of Finance to the Department of Finance, Insurance, and International Business, effective Fall term 1986-87.

Discussion and Recommendation by the Committee

Dr. Bill Wilkins, Acting Vice President for Academic Affairs at Oregon State University, explained that the name changes were requested so that the names would more closely reflect what was actually being done in the departments. The first change would recognize the increase of computer science education in the OSU/WOSC School of Education. The second change would give greater recognition to the fact that there has been a long-standing international business program within the College of Business.

Mr. Perry said Portland State University had a certain amount of priority in the field of international business and international finance. He asked whether the proposed name change would have any implications regarding the development of a strong and separate unit in international business at Portland State University.

Dr. Wilkins said technically there were no implications with the name change for any additional development of the international business program at Oregon State University. The change recognizes the long-standing concentration in international business at Oregon State. It should be understood that very few businesses do not have an international component, so every college of business will need to strengthen the knowledge its students have of the way business is done in the international arena.

In response to a question, it was indicated that students in this program probably would have the necessary requirements to enter the master's program in international business at the University of Oregon if they planned their programs at Oregon State University accordingly.

Mr. Adams expressed a concern about including too many courses in the title in order to give additional visibility because the titles become somewhat complicated.

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

Mr. Adams presented the Committee report and recommendation.

Mr. Chao commented that he assumed there was enough ongoing course work to justify the change, particularly with respect to international business. He said this again raised the issue of focus and coordination and urged the department to coordinate with other activities, especially in international business, being particularly mindful of the center of excellence at Portland State University.

Mr. Batiste noted that there would be an advisory committee dealing with this issue which would provide an opportunity for further discussion. He requested that there be close coordination with Dr. Pierce and President Blume! in the discussion of the structure of the Board's international trade and commerce programs.

The Board approved the Committee recommendation as presented, with the following voting in favor: Directors Adams, Alltucker, Chao, Clark, Crowell, Hensley, Nelson, Petersen, and Batiste. Those voting no: None.

Staff Report to the Board

A summary of activities within the Office of Administration's Facilities Division is presented below:

Award of Construction Contract

On March 31, 1986, Pioneer Waterproofing Co., Inc., was awarded a contract for this project in the amount of $185,930. Financing will come from Parking Operations balances and/or building reserves attributable to parking.

On April 11, 1986, Meza Construction, Inc., was awarded a contract for this project in the amount of $77,600. Financing will be provided by institutional funds and Housing Excess Sinking Funds.

Douglass Hall, Conference Planning Office Remodel, UO

College Union Bookstore & Food Service Remodel, OIT
On April 16, 1986, Jimco Electrical Contracting, Inc., was awarded a contract for this project in the amount of $9,398. Financing will be provided by funds available to the institution and reimbursement from Bonneville Power Administration.

On April 16, 1986, Jimco Electrical Contracting, Inc., was awarded a contract for this project in the amount of $30,755. Financing will be provided by funds available to the institution and reimbursement from Bonneville Power Administration.

On April 11, 1986, SACO General Contractors was awarded a contract for this project in the amount of $16,766. Financing will be provided from hospital funds.

On April 16, 1986, Dale Ramsay Construction, Inc., was awarded a contract for this project in the amount of $64,323. Financing is from funds available to the institution.

On April 28, 1986, L. R. Brabham, Inc., was awarded a contract for this project in the amount of $17,563. Financing will be provided by funds available to the institution and reimbursement from Bonneville Power Administration.

On April 30, 1986, West Coast Mechanical, Inc., was awarded a contract for this project in the amount of $71,417. Financing is from funds available to the institution.

This project is complete and was accepted on March 14, 1986. The estimated total project cost remains at $289,307. Financing was provided from a U.S. Department of Energy grant.

This project is complete and was accepted on March 10, 1986. The estimated total project cost remains at $79,789. Financing was provided from Parking Operations balances and/or building reserves attributable to Parking.
This project is complete and was accepted on March 6, 1986. The estimated total project cost remains at $8,406. Financing was provided from hospital funds.

Board Discussion and Action

The Board accepted the report as presented.

ITEMS FROM BOARD MEMBERS

Mr. Chao reported that the Special Committee on OCATE was beginning the assignments for Committee members to cover the various centers with a view to presenting reports at subsequent meetings.

Committee Reports

Mr. Chao said the Presidential Search Committee at Portland State University was meeting the schedule outlined at a previous Board meeting. About 130 applications were received, and the first group of applicants has been reduced to about 35. A second group, primarily of nominees, should produce another 15 applicants, once the paperwork process has been completed.

Mr. Chao said the committee was still hopeful of reporting to the Board three or four finalists at either the June or July Board meeting, or reporting that there are not sufficiently qualified people. At the moment, there are some very good candidates if they all remain in the pool.

Records Management

Mr. Perry inquired concerning the status of a response to the Audit Division on the matter of records and management.

Mr. Lemman said the staff was aware of the problem and would be giving it some attention in the next fiscal year. He said he could not say whether sufficient resources would be available to follow the express recommendation of the Audit Division. Oregon State University and the University of Oregon have been generous in making the professional archivists on their staffs available to the central office to help in addressing this problem.

Report of Planning Committee

Mr. Alltucker said the preliminary planning reports had been completed and submitted to the Oregon Educational Coordinating Commission by the various educational segments. The draft of the Commission's report will be available shortly. The planning to date has involved a great deal of effort. However, Mr. Alltucker cautioned that if anything significant is to result from the planning, the
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really hard work and pain is still ahead. There will be a very short period of time to assemble a lot of information into an understandable format which can be sold to the public and the Legislature. There are major unanswered questions that need to be addressed, and it would be nice to get them included in the final plan that is submitted to the Legislature. Mr. Alltucker said he was not sure there was time do do that. It might be necessary to advise the Legislature that there are vital issues that must be addressed in the plan and that there has not been time yet to make final recommendations.

Mr. Alltucker said these include a determination of the proper role of the educational system in helping prepare future adults for their roles as citizens and parents; the appropriate levels for access, excellence, diversity, and equity, and a definition of those terms; the grade level for specific courses; and the role of the private institutions and how to work with them to serve the constituency of the citizens of Oregon.

Dr. Pierce asked Mr. Alltucker whether he was suggesting that these items should be addressed in the State System plan or were they on the agenda for the joint boards committee in their comprehensive planning activity.

Mr. Alltucker responded that at some point, the Board would have to reach some policy decisions on each of these issues and make some recommendations. He said they were fundamental to the direction the delivery of educational services would go in the state of Oregon. He said they were all mentioned in the Board's Strategic Plan and eventually would be resolved. In the meantime, the coordinating group must attempt to have some recommendations ready for the next Legislature. If this is not done, the Legislature will be making decisions without the benefit of the three or four years of study that the individuals working on the plan have had.

Mr. Clark asked what decision had been reached in the protest of Pen-Nor, Inc., concerning the contract award for the Professional Schools Building at Portland State University.

Mr. Lemman said that after the previous Board meeting, he and Mr. Neland had reviewed the testimony with Mr. Lidz and determined that there was no basis for not awarding the contract to Hyland & Sons. Therefore, the contract award was made to Hyland & Sons.

He indicated in response to a question that Pen-Nor has filed notice of a tort claim alleging that they should be awarded $55,000 for lost profit on their bid and $5,000 of wasted money in preparing a bid.
Mr. Hensley said that Dr. Clifford Smith, formerly Director of CASEERI for the State System, had recently been appointed as Chancellor of the University of Wisconsin-Milwaukee.

Mr. Hensley asked that the Chancellor convey the Board's appreciation for his excellent work in Oregon and its congratulations on his new appointment. He said he was delighted that Dr. Smith had been given this opportunity to lead that particular operation in Wisconsin.

PRESIDENT'S REPORT

Mr. Batiste appointed Mr. Chao, Mr. Perry, and Mr. Alltucker to represent the Board on the Advisory Committee on International Trade and Commerce. Mr. Chao will serve as chairman of the group.

Next Meeting Dates

Mr. Batiste announced that the next Board meeting would be held at the University of Oregon on June 20, 1986.

ADJOURNMENT

The Board meeting was adjourned at 12:15 p.m.