MINUTES OF REGULAR MEETING OF THE
STATE BOARD OF HIGHER EDUCATION HELD
DECEMBER 19, 1986

MINUTES APPROVED

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ADJOURNMENT
Meeting #543

Rolled Call

December 19, 1986

A regular meeting of the State Board of Higher Education was held in the Gumwood Room, Erb Memorial Union, University of Oregon, Eugene, Oregon.

The meeting was called to order at 10:30 a.m., December 19, 1986, by the President of the Board, Mr. James C. Petersen, and on roll call the following answered present:

Mr. Robert R. Adams
Mr. John W. Alltucker
Mr. F. David Crowell
Mr. Richard F. Hensley
Mr. Michael W. Hermens

Mrs. Janet S. Nelson
Mr. Louis B. Perry
Mr. George E. Richardson, Jr.
Mr. James C. Petersen

Absent: Director Chao was absent due to illness. Director Schwab was absent for business reasons.

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; W. Post, Vice Chancellor for Public Affairs; John Owen, Vice Chancellor, OCATE; R. S. Perry, Associate Vice Chancellor, Administration and Planning Services; Davis Quenzer, Associate Vice Chancellor, Fiscal Policies; Joe Sicotte, Associate Vice Chancellor, Personnel Administration; Kay Juran, Assistant Vice Chancellor, Public Affairs; Virginia Boushey, Assistant to the Executive Vice Chancellor; Jerry Casby, Assistant Attorney General; Jerry Lidz, Assistant Attorney General; James Mattis, Assistant Attorney General; James Payne, Assistant in Student Affairs, Academic Affairs; Ron Anderson, Assistant Vice Chancellor, Personnel Administration; W. C. Neland, Associate Vice Chancellor, Facilities Division; Roger Olsen, Director, OCATE; Dennis Carey, Director, Information System and Services; Jim Sellers, Director of Communications, Public Affairs; Kimberly Carnegie, Secretary, Public Affairs; Karen McCumsey, Secretary to the Chancellor; Barbara Barrie, Personnel Officer, Personnel Administration.

Oregon State University--President John Byrne; Stefan Bloomfield, Assistant to the President; Ed Coate, Vice President, Finance and Administration; Bob McMahon, President, Faculty Senate.
The Board dispensed with the reading of the minutes of the last regular meeting held on November 21, 1986, and approved them as previously distributed, with the following voting in favor: Directors Adams, Alltucker, Hensley, Hermens, Perry, Richardson, and Petersen. Those voting no: None. Directors Crowell and Nelson were absent from the meeting at this time.

The Chancellor announced that Mr. Jerry Lidz, Assistant Attorney General assigned to higher education, had been promoted to Chief Civil Attorney with the Appellate Division of the Department of Justice. He said Mr. Lidz had done an outstanding job in advising staff in the Chancellor's Office for the past five years. He thanked Mr. Lidz for his assistance and extended best wishes and congratulations on his new appointment.

The Chancellor then introduced Mr. James Mattis who would replace Mr. Lidz as an Assistant Attorney General assigned to higher education.
Renaming of Buildings, WOSC

The Chancellor indicated that President Meyers had made two requests to rename facilities at Western Oregon State College to coincide with the 130th anniversary activities of the institution.

The first request was a change in name for the Fine Arts Auditorium to the Leonard W. Rice Auditorium. Dr. Rice, who died earlier this year, was president of the institution from 1962 until 1977. The Chancellor recommended approval of the request.

The Board approved the recommendation, with the following voting in favor: Directors Adams, Alltucker, Hensley, Hermens, Perry, Richardson, and Petersen. Those voting no: None. Directors Crowell and Nelson were absent from the meeting at this time.

President Meyers said he had discussed with Mrs. Rice the proposals to name various buildings in honor of former President Rice, and she felt that there could not be a higher honor because he had worked so hard for the funding for this building.

The second request would change the name of the Music Hall to the Edgar H. Smith Music Hall. Dr. Smith joined the faculty of Oregon College of Education in 1954, became chairman of the music department in 1959, and then chairman of the creative arts department in 1977. He retired in 1978 and died in 1979. The Chancellor recommended approval of the request.

President Meyers said Dr. Smith had been called Mr. Music on campus and the faculty unanimously supported the recommendation.

The Board approved the recommendation as presented, with the following voting in favor: Directors Adams, Alltucker, Hensley, Hermens, Nelson, Perry, Richardson, and Petersen. Those voting no: None. Director Crowell was absent from the meeting at this time.

The Chancellor recommended approval of the appointment of Dr. Larry Large as Vice President for University Relations at the University of Oregon, as requested by President Olum.

The Board approved the recommendation as presented, with the following voting in favor: Directors Adams, Alltucker, Hensley, Hermens, Nelson, Perry, Richardson, and Petersen. Those voting no: None. Director Crowell was absent from the meeting at this time.
The Chancellor then asked President Olum to introduce Dr. Large. President Olum said Dr. Large had come to Oregon at an early age, received an undergraduate degree in psychology from Portland State University, and a masters in history and a doctorate in education from the University of Oregon. He held two vice presidencies at Willamette University and served as acting president for a year. He then went to Reed College where he was Vice President for Development and College Relations. He comes to the University of Oregon from that position.

Endowed Chair, PSU

The Chancellor announced that Portland State University had established its first endowed chair through the generosity of Mr. Herbert Retzlaff, a distinguished citizen of the City of Portland. The chair, to be known as the Herbert Retzlaff Endowed Chair in Management Accounting, brings with it a significant gift in six figures. He also commented that the Portland State University Foundation had raised $1.9 million in the three-month period since September 15 toward its $10 million five-year goal.

Affirmative Action Report

The Chancellor then requested Mr. Lemman to make introductory comments on the affirmative action report from the respective institutions.

Mr. Lemman indicated the Board had adopted both policies and rules regarding affirmative action with respect to employment and admission of students. He said annual reports were requested from the institutions and brief reports would be made by each of the institutions and the Board's Office. The presidents then presented their reports.

Portland State University--President Sicuro stated that in his first three months at Portland State University he had met with members of the minority factions in the community and attempted to get an assessment of the status of affirmative action at the institution. He said he had been impressed with Portland State's advancement in affirmative action and indicated that Dr. Margaret Dobson would describe the activities since the last report.

President Sicuro said Mr. Major Morris, the affirmative action officer had agreed to delay his planned retirement until next December to assist in the transition. He will remain as affirmative action officer until March and then go on a phased retirement during which he will be working in the office of the Vice President for Student Affairs as minority student affairs coordinator.

President Sicuro said he planned some reorganization with respect to the way affirmative action has been structured at Portland State University. It has been divided into three offices--one for academic, one for classified, and one for students. These would be combined under the new affirmative action officer.
Dr. Dobson indicated the proposed office of minority student affairs had not made the priority list for program improvements. However, it is intended to establish the foundation of that office under the Vice President for Student Affairs through the phased retirement of Mr. Morris. This action will bring together all of the recruitment, retention, tutorial, cultural heritage, educational sensitivity, and other activities which have increased the retention of minority students at Portland State.

She noted that female and minority utilization in classified positions compared very favorably with the demographic availability in the state and was in compliance with established goals. She mentioned the need to augment services that would generate the identification of potential minority applicants for statewide employment. She cited statistics on minority enrollments which showed modest increases in several categories. Black undergraduate enrollments have declined nationally but have remained steady and perhaps increased slightly at Portland State.

Dr. Dobson described two joint ventures with the Portland Public Schools—one in urban education and a second called career pathways. They are designed to encourage disadvantaged students to consider certain careers and to develop mentor programs. She also described other special programs for minorities and women.

Dr. Dobson said Portland State University was not doing as well as it should with respect to the unclassified group of faculty but recently has improved in its employment of females in full-time tenure track positions in some of the high market areas.

University of Oregon—President Olum reported that the University of Oregon was taking affirmative action by increasing the numbers of women and minorities on the faculty and the staff and the numbers of minorities among students. He noted that the director of the Department of Labor, George H. Fisher, had stated the policies and procedures which comprised the University of Oregon's affirmative action plan submission were accepted and to be commended for the commitment they encompassed.

President Olum said he had established a task force on minority recruitment and retention which had produced reports concerning the status of the institution in the areas of faculty and student recruitment. As a result of its recommendations, the University has promulgated two new policies concerning the selection of new faculty, has advocated a statement on diversity that has been included in the State System's mission, and has increased the effort to recruit and retain minority students at both the graduate and undergraduate levels. He then described some of
the efforts made for recruitment and retention and cited statistics on women and minority faculty recruitment and retention. Efforts with respect to women faculty have been more successful than with minority faculty.

Among full-time staff, some progress has been made in employing women in the management service and skilled crafts fields, and the institution has done better in the employment of minority group members in this sector.

President Olum said that in order to strengthen the affirmative action commitment in terms of staff recruiting, the director of the office of affirmative action now attends regularly the staff meetings of the office of personnel services to assist in developing policies and procedures aimed at increasing the number of women in less traditional roles and the number of minorities throughout the staff.

Minorities among the student body have increased, but the gain has come exclusively as a result of an increase in the numbers of Asian American students. The numbers of Blacks, Hispanics, and American Indian students have declined or stayed the same.

President Olum said special opportunities for financial aid and programs to encourage talented high school students to pursue college educations have been the focus of the institution's efforts to increase the diversity among its students. Efforts to simplify transfer from the community colleges have been aimed toward bringing in more of the minority students who begin their post-secondary educations in a community college.

President Olum said the University of Oregon continues to work at bringing more minorities and women to the institution and would do what was necessary to encourage qualified minorities and women to come to the University to work, teach, or study.

Western Oregon State College--President Meyers said he was pleased to report that Western had made excellent progress in searching successfully for qualified women and/or minority candidates, in appointing women to key administrative positions, in minority student recruitment, and in creating enthusiasm and sensitivity to affirmative action. He said this success was largely due to a unique procedure developed over the last three years. The affirmative action office is located in and directly responsible to the president's office. All major searches are nationwide in order to get adequate numbers of minority and women candidates, and the search committees consist of at least 50% women and/or minorities. In addition, all applications are reviewed by the provost, respective dean, department chairman, and affirmative action officer before candidates are interviewed. He then described specific recruiting efforts and employment of minorities and women in various key positions.
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President Meyers indicated that there would be additional opportunities for faculty appointments in the near future due to retirements and other personnel changes. Affirmative action has been stressed over the past three years, and it is anticipated these efforts will lead to appointments of minorities and women for many of these openings.

With respect to students, President Meyers said Western had made a commitment to serve the under-represented ethnic minorities in Oregon. The program maintains the dignity of each student by stressing multi-cultural involvement in all levels of the institution. The number of minority students has increased dramatically in just the first year. Recruiting women students has never been a problem at Western Oregon State College. Efforts to get more male students have been made and met with some success. The number of handicapped students has doubled at Western, and 125 disabled students are now being served. Western is the regional resource center for deafness in the Northwest.

President Meyers concluded by saying that personnel training sessions are offered regularly which include an in-depth affirmative action program. A special sexual harassment seminar has just been instituted with required attendance by all employees.

Oregon Health Sciences University--President Laster said the Health Sciences University, through the years, had had specific programs in place and made genuine efforts to meet not only the letter but the spirit of affirmative action and was continuing to do so. He indicated that the institution had been reviewed recently by federal and state agencies and found in full compliance. He commented that the entering class in the school of medicine this year included 47% women, much higher than the national average. Positions were offered to four under-represented minority students, and one individual accepted. It is believed the other three were attracted by offers of much larger financial aid from other institutions. He noted that the pool of minority applicants, especially black applicants, is diminishing nationally, and this is of national concern. He requested Mr. Peter Wollstein, Acting Vice President, to expand on the specifics and data.

Mr. Wollstein said his remarks would deal with the areas of employment and students. The responsibility for the recruitment of academic personnel rests with the affirmative action officer, and a number of steps and processes have been instituted to assure that the institution acts affirmatively in the recruitment of academic personnel through appropriate advertisement and recruitment efforts. The director of personnel performs similar duties for classified staff. In the latter category, minorities are fairly well represented except in the skilled trades where steps are being taken to improve that record.

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In connection with students, the University has three goals: (1) To identify and encourage minority students to consider a career in one of the health sciences; (2) to enroll qualified students in all of the training programs; and (3) to provide support services, including career counseling, tutoring, adjunct academic courses, and scholarships to under-represented minority students to the extent that institutional resources permit. The percentage representation from the under-represented minorities is somewhat above the average, and Mr. Wollstein said he thought the office of minority student affairs had been instrumental in achieving these results.

Mr. Wollstein said the institution's minority recruitment and retention committee had recommended that more faculty be encouraged to participate in the mentorships offered to minority high school students, that the availability of summer jobs on campus be publicized, that a panel of faculty be established to monitor and serve as guest lecturers at the high school biology classes, and that alumni and professional organizations take a more active role in minority student recruitment.

Eastern Oregon State College--President Gilbert said the institution's affirmative action policies were stated in the affirmative action plan and placed in the faculty-staff handbook. The director of personnel serves as the affirmative action and compliance officer and reports directly to the president for this portion of her assignment in the belief that this reporting location gives the necessary authority and visibility. He said there was a very carefully delineated search process which requires each search committee to explain why protected class candidates were not among the finalists for a position if that is the case. Serious and aggressive action is being taken to reach potential women and minority candidates, thereby increasing the applicant pool.

President Gilbert then referred to the computerized salary management formula devised in 1977 to guarantee that women and minority faculty members were treated fairly in terms of salary. It has worked extremely well.

President Gilbert said that, in spite of a very sensitive administration, faculty, and staff, coupled with excellent policies and procedures, there were important barriers. Salary was one, as it is throughout the State System. For Eastern, location was another. The local community is probably about 95% white, and La Grande is a rural community isolated from population centers. Minority individuals consequently may find themselves without a support group.
President Gilbert indicated the institution had made excellent progress. There is one serious deficiency in the number of women and minority individuals in senior administrative positions, but efforts are being made to address this issue aggressively and secure better representation.

Southern Oregon State College--Dr. Ettlich said Southern Oregon State College also had a deep and abiding commitment to affirmative action, not just because it was the law, but because the diverse human environment is vital to the development of a quality educational experience. He mentioned the search for the new president of Southern. Half of the 240 applicants remain as active candidates after the initial process. In seeking candidates, the normal list of affirmative action organizations and other organizations that cater to executive personnel were contacted. In addition, a number of minority presidents throughout the country were asked for their recommendations. As a result, a few Hispanics are in the pool but there are no black applicants. He said this situation deserved some study because of the extensive efforts made and the almost total lack of success in obtaining applicants. Dr. Ettlich said that the issue for Southern has always been in the area of recruiting professional personnel who are minorities although the institution has had good success in recruiting women personnel.

The frustration in finding professional personnel who are minorities has caused the institution to establish a visiting minority scholars program in order to have that representation on campus. He noted that candidates for faculty personnel positions at Southern who were minorities had, in most cases, accepted positions at salaries from $8,000 to $12,000 better than the maximum salary which could be offered at Southern.

Oregon State University--President Byrne cited statistics with respect to under-represented faculty and minorities at Oregon State University. He said that after 15 years of effort through affirmative action, the results were not significant. Too much attention has been paid to process and not enough attention to results. This spring, Oregon State University decided to change its orientation and focus on results. An assessment of the community led to the conclusion that it was necessary to make some changes in the environment in which minorities must operate and awareness seminars were presented for faculty and staff. Meetings were held with individual ethnic groups to seek their reactions to the institution's programs. The development of the strategic plan for Oregon State has focused on minority and affirmative action issues.
President Byrne said a special task force on minority affairs was established and a separate group was asked to look at the feasibility of abolishing the affirmative action office and creating an office of minority affairs. This office would do more than focus on numbers and attracting people, but rather, it would consider improving the environment.

President Byrne said a task force was established to explore the alternatives for increasing the number of minority students as part of the recruitment effort and a committee was created to research and develop activities which highlight particular issues related to affirmative action. A minority graduate internship program was established with selected businesses in the region in order to place minority students in internships in business and government positions. He also described briefly other activities to enhance the environment, including financial assistance and tuition waiver scholarships.

Oregon Institute of Technology--Dr. John Smith reported on behalf of President Blake. He said the major goals were to increase the number and percentages of minorities and women on campus, to encourage women to enroll in those programs that have been considered non-traditional for them, and to ensure that the institution's programs were accessible to all students. Dr. Smith said that shortly after Dr. Blake's arrival, a program was instituted to review all of the institutional policies to ensure that they were non-discriminatory on a regular basis. Efforts were made to expand affirmative action activities by searching for new ways of contacting minority and women candidates.

In the area of student recruitment, potential students have been encouraged to consider careers in science and technology, and publications have endeavored to point out the advantages of engineering technology. As part of this recruitment effort, contact has been made with young women at the junior high level.

There has been continued growth towards the affirmative action goals for the past eight years in both the faculty and student categories for minorities and women. There is a real concern to have more women in the area of engineering technology. He then cited specific positions in which minorities and women have been employed and which would be beneficial to the desired goals.

Centralized Activities--Ms. Barbara Barrie reported on the State System's affirmative action activities. She said the central office was committed to maintaining and continuing an on-going rapport with each of the affirmative action officers on the various campuses and to encourage their ideas and the exchange of information.
During the past year, work has been done on developing a national resource for recruiting minorities and women candidates to administrative positions. This material has been used in some of the searches. These efforts will continue.

The central office has encouraged the institutions to promote information and education on awareness of sexual harassment issues on the campuses, and all of them have presented this information to staff.

She said she and others had participated in the orientation of new deans, department chairs, and directors by providing information on affirmative action recruiting issues and encouraging information and education on sexual harassment.

Ms. Barrie mentioned that the Governor's task force to develop recruiting resources outside the Salem area for the Executive Department had been started at the request of the State System to expand recruiting and information sources.

Mr. Petersen said the purpose of the presentations had been to provide an overview. He asked that any comments or questions be directed individually to the institutions.

Mr. Petersen announced that an executive session of the Board would be held during the luncheon recess as permitted by ORS 192.660(1)(h) to consult with counsel concerning current litigation.

Addendum to Staff Report

Western Oregon State College's request for authorization to offer a BA/BS degree in Public Policy and Administration was initially presented to the Board's Committee on Instruction at the October 10, 1986, meeting of the Board. The Committee deferred action on this request in order to provide additional time for staff review of the supplementary documents which were submitted in support of the request and to allow time for Western Oregon State College to conduct a survey of needs in the Salem area.

The Committee requested that the Board's staff review the "Western Oregon State College Five-Year Plan Leading to AACSB Accreditation of the BA/BS Degree in Business" (pp.33-44), and the "Western Oregon State College Computer Science Program" status report (pp.45-51). The staff was asked to determine how the implementation of the requested Public Policy and Administration program would impact the development of the business and computer science programs. The staff was also directed to obtain additional information on the need for the requested program.
The staff reviewed the "Western Oregon State College Five-Year Plan Leading to AACSB Accreditation of the BA/BS Degree in Business" and found the plan to be sound and reasonable. The addition of new faculty will lead to the necessary broadening and strengthening of the curriculum in business. Those actions will facilitate accreditation of the business program and complement the BA/BS in Public Policy and Administration.

The "Western Oregon State College Computer Science Program" report provides an overview of the computer science curriculum at Western Oregon State College. Staff review of that document and discussion with Western Oregon State College staff indicated that the institution will be adding one FTE faculty with a PhD in computer science in 1987. Nationally, the hiring of new faculty with a PhD in computer science has been very difficult and is expected to continue to be difficult.

Although the computer science program is not accredited at the present, the guidelines as presented by the Association for Computing Machinery Education Board, gives guidance and direction to Western Oregon State College in seeking to build a quality undergraduate program. Western Oregon State College faculty have structured their computer science program on those guidelines. Strengthening the computer science program will also support the proposed Public Policy and Administration degree program.

In order to address the Committee's concerns on program need, the Board's staff requested that Western Oregon State College conduct a survey to ascertain the level of interest and need for the proposed program (pp. 25-31).

Western sent out 355 survey questionnaires to various governmental agencies and offices and 65% of the questionnaires were returned. Of the persons responding, 92% (212) indicated an interest in pursuing the proposed BA/BS degree program:

- 87 persons indicated that they were "very interested" in the program;
- 125 indicated that they were "somewhat interested" in the proposed program;
- only 17 of those responding indicated "no interest" in the program.

The staff concurs with Western Oregon State College that the survey indicates that there is sufficient interest in the program to generate the 30 FTE projected within the program request.
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(Page numbers refer to the full report on file in the Board's Office.)

Staff Recommendation to the Committee

The Board's staff recommended that the Board authorize Western Oregon State College to initiate a new instructional program leading to a BA/BS degree in Public Policy and Administration beginning with the fall term 1987.

Discussion and Recommendation by the Committee

Mr. Perry referred to a statement in the October staff report which indicated that the program "also aims to offer a broad liberal arts preparation to those persons currently employed in administrative positions in the Salem area who need knowledge and training in public policy and administration." He said that, in reviewing the curriculum, he assumed that statement meant the students would be exposed to some liberal arts courses as an ancillary factor to the majors.

President Meyers stated the program was a direct result of serving the Salem/Keizer area and was extremely crucial to the mission of Western Oregon State College. He then requested Dr. John Minahan, Dean of Liberal Arts and Sciences, to respond to the question concerning liberal arts.

Dr. Minahan said the liberal arts requirement was not ancillary or coincidental to the degree. There was 24 hours of concentration in the liberal arts, and the intent is to meld professional concerns in a variety of management fields with communications skills, knowledge of government, history, and some liberal arts areas that will allow a person to move through perhaps a number of career changes in government or in an agency of state government. The liberal arts component is central to the degree.

In response to a question concerning the location of the classes, Dr. Minahan said the survey results indicated the delivery system would have to be provided after working hours and primarily on or near the work site in Salem. He also stated that meetings had been held with the dean of the graduate school at Willamette University and the dean did not view the proposed program as duplicative of the Willamette offering in the Atkinson School of Management. In fact, he said the proposed undergraduate program at Western probably would complement the Willamette program.

Mr. Perry then inquired about the relationship to Oregon State University, and Dr. Minahan responded that Oregon State University did not have a master's in public administration.
However, some of the students graduating from the proposed program at Western might be interested in the MBA program at Oregon State. He also emphasized that the individuals who would enroll in the proposed program were largely placebound persons who would be unable to travel from Salem to obtain programs at other university sites.

Mr. Ted Coonfield, Program Manager in Management Training and Development in the Personnel Division of the Executive Department, cited several examples of state employees who either had, or could have, advanced in positions in government service with further appropriate education of this type. The examples were representative of bright, talented individuals who entered state service immediately after graduation from high school, started families, found they could not advance because of their limited educational preparation, but because of family responsibilities were unable to commute to Eugene, Corvallis, or Portland to gain additional education.

Mr. Coonfield said that nationally $183 billion was spent on workplace training and the university system has a role in this type of education. He said the proposed program was a traditional program that was meeting the needs of a selected market of people in state government in Salem. Available education in public policy and administration for state government employees will ensure the credibility of state service as a viable profession in the future and again assure public trust in the persons who serve as government officials. He urged the Committee and the Board to support and approve the recommendation.

Mr. Perry asked whether it was anticipated the demand for this program would continue. Mr. Coonfield said the state was the largest employer in Oregon. There are 14,000 people in the Salem area, and the turnover in the lower ranks who would benefit from this program is expected to assure an adequate continued demand for the program.

Mr. Adams inquired about the plan to raise 20% of the cost of accreditation through the Business Advisory Council and was informed that a commitment had been received from the council to help the institution raise at least $60,000 over the next five years, which is about 20% of the accreditation costs.

Mr. Perry asked about the reality of the institution's being able to recruit the appropriate faculty in today's market at available salaries. He said he believed it was better to get the faculty before the program was offered. Dr. Minahan said the President and Provost had made a commitment to fund the positions at marketplace salaries and there would be a national search at
competitive salary ranges. It is recognized this will result in a salary differential between the business program and other disciplines. It is also important to keep the commitment to the students to offer the best possible education for each degree program at Western. There was some discussion of salary and ranks for the faculty positions. Dr. Minahan said he believed it was safer when starting a new program to employ fully credentialed assistant professors because they have seven years to build and grow with the program and be evaluated by the institution.

Mr. Hensley explored further the possibility of hiring faculty first and then building the program in public administration. Dr. Minahan said this would not be the optimal situation because the institution is committing itself to a program at the time of hiring a faculty member and is more competitive if an approved program is in place. With respect to the timing of the recruitment and employment, Dr. Minahan said the first person would be hired now and the second person in the second year. The first class would be in the fall of 1988, with both faculty members in place at that time. The Committee also discussed the distribution of courses among new and existing faculty members. Dr. Minahan commented that the people enrolling in this program would not be taking a full load because they would be employed full time. For that reason, the courses would be easier to schedule.

Mr. Perry said he would vote for the proposed program because he realized it was necessary in order to recruit faculty. However, he said he would want the program to move ahead only after the appropriate faculty person had been hired, and also eventually the second person.

Mr. Perry then questioned President Meyers about the impact on morale of other faculty members because of the salary differential in order to be competitive in the marketplace for faculty in this field. President Meyers said morale was high and he did not think there would be a problem because there was a sense that the college is moving ahead and that it is not moving too fast. He said the proposed program was in line with other public service areas at the institution and he believed it had tremendous support. The Faculty Senate is on record as supporting the program.

Mr. Hensley asked President Meyers if he would find it acceptable to incorporate language in the recommendation that would require a periodic report to the Board on the progress of the development of the program. This would give the Board an opportunity to be certain the guidelines within the proposal were followed and would indicate to future Boards how this particular plan had developed.
President Meyers said it was very important that the Board approve the program at the December meeting and indicated he would have no problem with the suggestion to require a report to the Board on a periodic basis.

Dr. Pierce commented that the Committee presumably was asking for a later report not only on the staffing of the proposed public administration program but also on the progress of meeting the requirements of accreditation for business administration. He said there had been reluctance to add a new program at the time the institution was attempting to staff a much larger program in business administration.

The Committee recommended that the Board approve the staff recommendation with the added requirement that a report on the program be made in one year.

**Board Discussion and Action**

Mr. Perry presented the Committee report and recommendation. He said two concerns had been discussed. The first related to the fact that the plan should include the provision for having a minimum of two doctorates in public administration and policy on campus before starting the new program. A plan was also requested concerning the accreditation requirements for the undergraduate program in business administration and when these requirements would be met. The members of the Committee had two other concerns based on questioning at the October meeting. One was the demand for the new program, and the other was the possible duplication of the programs at nearby institutions. These concerns were answered during the Committee meeting, and the Committee recommended approval, subject to various progress reports.

Mr. Alltucker said he would be interested in knowing if anyone testified against the program and what their problems or concerns were.

Mr. Perry said the Committee had the four concerns mentioned above at the time of the October meeting and the Committee members were satisfied that these concerns had been answered. The survey of potential demand indicated a relatively high demand, particularly among state government employees. With respect to faculty, it is important to have approval of the program to recruit the faculty; however, the program will not go into effect until the faculty to cover the essential courses has been employed. Conversations were held with those involved in nearby institutions, particularly Willamette University, to make certain the proposed program would be supportive rather than competitive, and that appears to be the case.
Mr. Hensley indicated the Committee also heard testimony from a representative from the Executive Department with respect to the need for such a program and explored with him the fact that there would be a continuing demand.

Dr. Pierce said a further concern at the October meeting had been that the initiation of this program would not detract from efforts to build quality into the business administration and computer science program approved by the Board two years ago. As part of the presentation on the public policy and administration program, Western Oregon State College presented a plan for the full accreditation of its business program and the hiring of additional staff in that area and for staffing its computer science program. Both of these documents met with the approval of the Committee members.

The Board approved the Committee recommendation, with the following voting in favor: Directors Adams, Alltucker, Crowell, Hensley, Hermens, Nelson, Perry, Richardson, and Petersen. Those voting no: None.

Staff Report to the Committee

The 1985 Legislature created a Center for Occupational Disease Research at the Oregon Health Sciences University. A copy of the statute creating this center was attached to the staff report.

According to the statute, the State Board, acting through the Oregon Health Sciences University, shall administer the center. The purpose of the center is to conduct research that will reduce the incidence of occupational disease. This is to be accomplished by basic and applied research, epidemiology and other data collection, programs for clinical management of occupational disease, and education and training. The center is not expected to provide physical rehabilitation services.

The legislation creating the center set forth a procedure for establishing the center. It directed the president of the Oregon Health Sciences University to prepare a plan describing the mission of the center, its operational design, the facilities and equipment needed by the center, and the proposed budget. This plan was to be presented to an advisory committee established in the legislation. Following the review by the advisory committee, the completed plan was to be presented to the State Board of Higher Education for approval. Once the plan was approved by the Board it could be presented to the Emergency Board or the Legislative Assembly for funding. The plan had to be presented to the Board no later than January 1, 1987.
Funds for the expenses of the center would be transferred to and appropriated continuously to the Department of Higher Education from the Workers' Compensation Department. Initially, $250,000 was provided in 1985 for the development of the attached plan. Once the plan is approved by the Board and the Emergency Board (or Legislative Assembly), the center will receive monies from the Workers' Reemployment Reserve and a portion of the money deducted from workers' wages for workers' compensation. The budget analyst in the Workers' Compensation Department has estimated that $4,554,534 will be transferred from that department to the Department of Higher Education for the center in 1987-1989. The legislation clearly states that the $4.5 million can be used only for paying the expenses of the Center for Occupational Disease Research.

Staff Analysis

As directed by the legislation, the president of the Oregon Health Sciences University is submitting a plan for the Center for Occupational Disease Research to the Board of Higher Education for its approval. To assist in preparing this plan, President Laster appointed an Occupational Disease Research Center Task Force. A copy of the Task Force report, dated December 5, 1986, was attached to the full plan submitted to the Committee and is on file in the Board's Office. The appendices to the Task Force report were available at the Board meeting, and are on file in the Board's Office. The University has also worked closely with the Advisory Committee on Occupational Disease which was established in accordance with section 14 of the enabling legislation. The Advisory Committee consists of Jerry Turnbaugh (chairman), Steven Socotch, Kathleen Wood, Representatives Eldon Johnson and Bob Shiprack, and Senators Joyce Cohen and Jeannette Hamby. The committee has met five times, and again on December 10, 1986, to review the proposed plan. Their comments on the plan were available by the time the Board met on December 19.

The proposed plan is very general at this time. It presents an approach to research in occupational disease that is similar to, or at least highly complementary to, the research program of the Institute for Advanced Biomedical Research. The plan calls for using the techniques of molecular biology to study the effects of toxic substances on human tissues and the intervening effects of an individual's genetic structure on an individual's susceptibility to foreign agents encountered in the work place. There is little in the plan that addresses the statute's reference to applied research into the incidence of occupational disease, epidemiology, clinical management of occupational disease, or education and training programs.
The organizational structure, the need for facilities and equipment, and the proposed budget are also outlined in very general terms. The plan proposes that the University hire a director with an interest in molecular biology, preferably in neuroscience, then let that person organize the center. There is only a mention of the future facility requirements. In the short run, space will be rented or borrowed from the Institute for Advanced Biomedical Research. If the center is successful, it will need a minimum of 20,000 to 30,000 square feet of new laboratory space. Estimates of the cost of these new facilities range from $6 to $10 million. It is not known at this time whether the funds from the Workers' Compensation Department can be used for facilities and equipment. In any case, use of those funds would have to be approved by the Legislature. Private donations or general funds appropriated to the State System for construction are also possible sources of funds. A facility for the center has not appeared on the State System's capital construction priority list.

In summary, there are a number of questions that are not addressed in detail in the proposed plan for a Center on Occupational Disease Research:

1. Is the proposed research program compatible with the research objectives outlined in the legislation?
2. Does the Advisory Committee support the research plan?
3. How would the estimated $4.5 million actually be spent in 1987-1989?
4. How would the center be organized at the Oregon Health Sciences University?
5. What are the facility and equipment requirements of the center and how will they be financed?

President Laster was available at the Board meeting to address these and other questions about the plan for a Center on Occupational Disease Research.

Staff Recommendation to the Committee

Because the plan for a Center on Occupational Disease Research arrived too late for the normal review by staff, other institutions, and the Academic Council; because many questions remain unanswered; and because the advice of the Advisory Committee has not been received as required by the statute, the staff forwarded this plan to the Board without recommendation.
Discussion and Recommendation by the Committee

Dr. Pierce reviewed the staff report, particularly the questions which the Committee and the Board needed to address with respect to the proposal. He indicated President Laster was present to respond to the questions stated in the report.

Mr. Petersen said he had a procedural question in that he was very uncomfortable dealing with a proposal when there had not been an opportunity for staff review and which had many unanswered questions. He asked why the program could not be reviewed through the normal procedure.

Dr. Pierce said the statute required that the plan be presented to the Board for approval by January 1, 1987.

Mr. Petersen then asked why the proposal had not been made in a timely manner since the requirement for Board approval had been known since the last Legislative Session. Mr. Petersen said the Board was being pressured to make a decision when it was not ready to do so.

Dr. Pierce said he had inquired of the Executive Department what would happen if the Board deferred a decision on this program and was advised that nothing would happen if the statutory requirement were met by presenting the proposal to the Board in December. The Board could take action at any time it was appropriate and then ask for the release of funds. He indicated that President Laster could respond to the question concerning the lateness of the presentation.

Mr. Petersen said all of the institutions are required to follow the established procedures for reviewing programs and pointed out that Western Oregon State College had returned with its proposal and responded with definitive answers to some of the Board's questions at an earlier meeting. He said the expectations should be the same for all institutions.

Dr. Pierce commented that this center was a slightly different situation than other requests in that the Legislature already had created the center and the Board was being asked to approve a plan for its operation.

President Laster said the center was an opportunity of almost unprecedented dimension in the current economic status of the state and one that should be considered very seriously. It is an entity created by the Legislature without any intended or actual obligation to be incurred by the State System. He said
there was a precedent in the Institute for Advanced Biomedical Research and there would be a commitment for the center to be self-sustaining. He said the institute has attracted exceptionally outstanding scientists to the State of Oregon and he believed the center could do the same. He then described the legislative history.

President Laster said this type of program was a high-risk activity because everyone has a different goal to be achieved. He then explained the purpose of the proposed center. It is intended for research. Within that a list of choices was given. The center would be managed by the Board at Oregon Health Sciences University. Money was reserved, and the Oregon Health Sciences University was assigned the task of preparing a plan. A Governor's Advisory Board was appointed to guide the institution through the process, and the completed plan was to be brought to the Board of Higher Education. Dr. Arthur Brown, Chairman of the Faculty Committee, and Mr. Jerry Turnbaugh, Chairman of the Governor's Advisory Committee were present to respond to questions.

President Laster then mentioned the individuals he had consulted and the potential directions considered for the center in developing the plan. President Laster said that out of his personal explorations he had come to the conclusion that the most outstanding use that could be made of this opportunity would be to establish a center for research on molecular biology of toxic effects produced by substances in the workplace. He said some faculty members cautioned against getting involved because programs in occupational disease would be political and full of grief. President Laster said this might be true but he was convinced that without risk, nothing can be accomplished. Research in this field needs upgrading, and the people in it need upgrading. Young people should become involved in this field because there is a shortage of people in it. He then mentioned the dividends, beyond the immediate ones, which would result from this center, including additional grant money, an improved capability to provide care for the workers in Oregon, and the attraction to the center of outstanding individuals who will benefit all programs.

President Laster indicated with respect to the looseness of the proposal that it had followed the process used in developing the Molecular Biology Institute by defining an area, providing the initial startup resources, and recruiting the most outstanding person possible. The attraction for that person is to define the program on the concept that it is related to occupation disease but is basic research on mechanisms that produce injury in the workplace. The person would be expected to develop a program of national stature with the $2 million a year provided, plus any additional funds coming from grant money. He said the institution was proposing a research organization for the basic studies in a
laboratory complex. The research would involve exploration at the molecular level of the issues mentioned. The program at the center would help to train additional scientists in this field, and the information gained would be shared with others concerned with these problems. The center would stimulate an interest in the clinical field, enhance capability in that area, and communicate with other researchers. He suggested several possible organizational arrangements but stressed the importance of maintaining the center as a separate entity. He indicated the director would be recruited and then appropriate space would be found to house the center.

Mr. Petersen said it was important to talk about the program itself. President Laster said he would have preferred not to go to the Emergency Board in January but had been advised that since the program had already been approved by the Legislature, it would be advantageous to see Emergency Board approval in January to facilitate funding and getting the program underway. The other issue is the recruitment of a person to start the program since legislative appropriations only occur every two years and the center will need to solicit outside grants. He said he had no illusions the Board would underwrite continuation of this activity. It would need to stand on its own merit.

Mr. Perry said the legislation appeared to require that the plan being submitted now should include a proposed budget, facilities, and equipment. He asked how much detail was required by the legislation because President Laster had expressed a preference for leaving those details to the director.

President Laster said it would be possible to provide the Legislature with an entire program but the plan would be less flexible and thus less attractive to potential directors. He said he would be pleased to report periodically with the director to the Board on what was occurring in the development of the center.

Dr. Pierce said the Board had approved a center for neuroscience at the University of Oregon and asked whether President Laster had discussed the relationship of the programs in neuroscience at the two institutions.

President Laster said there was constant and frequent communication but this would not be duplication. The center would look at the industrial aspect of neuroscience and would enhance the strength of the entire State System in a field that is in the forefront of biology.
Mr. Petersen explained that his opening remarks had been made because he was concerned at committing the Board essentially to writing a blank check with specific expenditures to be identified later. This is a highly-charged issue politically, and the Board is dealing with a new political atmosphere which is expected to emphasize economic development. In order to make this center popular politically, the plan should have greater focus in its approach and state exactly how the money will be spent within the confines of the statute. He suggested a review by the Academic Council with a view, for instance, to exploring toxicity in the marketplace in terms of agriculture as a response to the legislative charge to have more cooperative institutional programs. He said he was very reluctant to try to defend this program in the Legislature in terms of the Board's agenda for economic development.

President Laster said the proposal had been discussed with President Byrne at Oregon State University and the intent would be to hire a director interested in collaboration and to be part of a total network in this field throughout the state. He said he was requesting an opportunity for the director to bring creativity to the program.

Dr. Pierce said one of the issues was the long-term funding of this center by the Legislature with money coming from the tax on workers. He commented that there was a great deal of pressure to reduce the workers' compensation and he was concerned that the program have the best possible chance of continued support from labor and various communities in the state that are paying for the program. Dr. Pierce asked why the workers of Oregon should pay for a basic research program, the benefits of which would accrue to the world rather than to the workers of Oregon, without some attempt to address their specific problems.

President Laster said there were specific problems in Oregon that would relate to this work but the fundamental issue of supporting basic research, as opposed to what is perceived to be an immediate payoff, has been argued in this country and in corporations for some time.

President Byrne said there had been discussions between Oregon State University and the Oregon Health Sciences University with respect to centers at the two institutions working with toxicological materials. He said, in his opinion, the two centers would complement each other in that the Oregon Health Sciences University provides the medical aspect of the program which is not available at Oregon State University. He said it would be difficult to forecast what the Legislature might do with respect
to funding. The program at Oregon State University is operated totally on federal funds, and there presumably could be some competition. However, President Byrne said that through cooperation both programs would be strengthened. He emphasized that there has been considerable discussion between people at the working levels with regard to how the two programs would fit and also about the competition that might result. The overwhelming feeling is that through cooperation both institutions would have stronger programs.

Dr. Arthur Brown said he was chairman of the committee that advised the president on the establishment of a center for occupational disease research and that committee perhaps was primarily responsible for the fact the report was so late in coming to the Board. He described the consultations of the committee.

Dr. Brown said one of the real advantages to the workers in Oregon was that the communities would get a supply of competent physicians to treat occupational disease or injuries. There would be a diffusion of clinical competence as a result of this program.

Mr. Jerry Turnbaugh, chairman of the Governor's Advisory Committee, indicated the committee had endorsed the proposal from the Oregon Health Sciences University for the establishment of this center and, in addition, recommended the appointment or continuation of some kind of advisory committee composed of representatives of labor, employers, and occupational safety and health practitioners. There are a number of sectors interested in the proposal, but from the beginning, there has been a desire on the part of everyone for the center to develop and create a standing image of its own that has an identity, purpose, and recognition and that it not be buried in some other existing academic program. There is always an ongoing difference of opinion as to the advantages and disadvantages of basic research, and that was one of the reasons the advisory committee was suggested. He commented that the risk of basic research is high but the results might be very rewarding.

Mr. Turnbaugh said it would be important to transmit the results from basic research to practitioners and health professionals so that the results would benefit the workers. In response to the advisory committee's concern, President Laster quickly pledged the clinical resources of the Oregon Health Sciences University in addressing the occupational disease needs of Oregon as it has done in the past.

Mr. Turnbaugh said the advisory committee endorsed the plan in concept and had considerable hopes of seeing the center in Oregon develop into a center of excellence for occupational disease in the nation.
Mr. Turnbaugh said that, in his opinion, research was necessary for an understanding of occupational disease because it has been very poorly understood. The only way to change that is through significant research efforts to an understanding of the basic premises of the interaction of toxic materials within the body. There is presently no basis for identifying adequately the exposure to chemicals which equates to disease or adverse effect. For that reason, much of the money spent from Workers' Compensation funds goes for the treatment of symptoms of unspecified conditions. Oregon has an opportunity to bring the study of occupational disease out of the dark ages.

Mr. Adams asked whether it was the opinion of the advisory committee that the breadth of the proposed program would fulfill the statutory requirements. Mr. Turnbaugh said the statute stated the center might have a variety of activities, one of them being basic research. There was some concern on the part of labor, and there still may be a lingering concern, but he said he believed labor people also held the opinion, and admitted publicly, that long-term research directed at an understanding of the mechanism ultimately is the only thing that will benefit everyone.

Mr. Hensley said both candidates for Governor emphasized the need to do something about the high cost of Workers' Compensation. Since these funds were created by the Legislature, they could be taken away. He asked Mr. Turnbaugh for his advice to the Committee with respect to the funding issue.

Mr. Turnbaugh responded that the availability of legislative funding would have to be taken session by session. He said the advisory committee had attempted to convey to President Laster that the more cooperation he builds into the center and the more visibility he gives it as an Oregon center, the greater the chances of keeping the confidence of the Legislature.

There was a brief discussion of the funding distribution and legislative strategy. Mr. Turnbaugh said it was his understanding that the center had been established by the Legislature and the present procedure of going through the Emergency Board for the release of funds was the only necessary process. No further Ways and Means Committee or legislative review would be required.

Dr. Pierce said the Board was approving the plan and requesting release of funds from the Emergency Board.

Mrs. Nelson said it appeared that a completed plan was to be submitted to the Emergency Board and she did not consider the proposal before the Board as a completed plan. For that reason, she said she was uncomfortable with endorsing it for presentation to the Emergency Board.
Mr. Petersen moved that the Committee recommend that the Board receive the plan and endorse it in concept, but instruct the institution to return to the Board at the February meeting with a specific plan that had been approved through the regular program approval process. The motion was seconded by Mr. Adams and subsequently modified with respect to the specific time element. Mr. Petersen said he also was uncomfortable in taking the plan to the Emergency Board when some of the members would be asking very specific questions which have not been answered at this point. He said the legislative program stated specific things for the Board to do.

Mr. Petersen then asked several questions with respect to the organization of the center and the details pertaining to facilities, equipment, financing, and expenditures.

President Laster indicated that the center would be a separate unit of the Oregon Health Sciences University with a director reporting to the president. In most programs, 80% of the budget goes for personnel costs, and the center would be no exception. Rental monies would be required, but the amount cannot be determined at this time. The equipment needs will depend on the program and the nature of the work to be undertaken once the personnel for the center is employed.

Mr. Petersen concurred in a modification to his motion which would require that the specific plan be presented for Board approval of the operational plan, budgeting, and overall management as the details are developed and that the presentation to the Emergency Board indicate that the Board has approved the proposal in concept only.

Dr. Pierce said he was concerned that the constituencies of the state who would be providing the money for the center would be involved in the development of the program for it because otherwise he believed the long-term stability of that funding would be questionable.

Mr. Turnbaugh pointed out that the legislative process had already occurred and all parties were represented at the time the center was created.

Mr. Robert Williams, Executive Assistant to the President, said he had conferred with Mr. Irv Fletcher representing the AFL-CIO. Mr. Fletcher authorized Mr. Williams to report that the labor organization supported the proposal. There were some reservations, but they were satisfied those would be resolved.
There was further discussion with respect to planning details, and President Laster asked whether the Committee was instructing him to prepare the plan before the director was employed or whether he could return to the Committee and propose approving someone and developing a plan before the money was spent.

It was agreed the intent of the motion was that the staff and the Board would review the detailed plan prior to the implementation of the center.

The Committee recommended that the Board accept in concept the plan presented by President Laster for the establishment of a center on occupational disease research at the Oregon Health Sciences University for presentation to the Emergency Board at its January 1987 meeting and that a more detailed plan be presented at a later date for review and continued monitoring by staff and the Board.

Board Discussion and Action

Mr. Hensley presented the Committee report and recommendation.

The Board approved the Committee recommendation, with the following voting in favor: Directors Adams, Alltucker, Crowell, Hensley, Hermens, Nelson, Perry, Richardson, and Petersen. Those voting no: None.

Staff Report to the Committee

The Education and General Services activities of the State System of Higher Education are financed from the State General Fund and fees for services. The fees for services are mainly generated from students through their tuition and fee payments and from agencies of the federal government through reimbursement of costs associated with administering federal grants and contracts.

During the 1985-1987 biennium, institutions have experienced substantial increases in their enrollment, as well as significant increases in the size and number of grants and contracts awarded to faculty. This increased enrollment and grant activity was not anticipated in the 1985-1987 Biennial Budget as approved by the 1985 Legislature. Therefore, the State System must seek approval of an increase in its Other Funds Expenditure Limitation from the State Emergency Board to expend the revenue generated by the additional students and grants. Because institutions have had to meet the costs associated with additional students and grants, it is essential they be given authority to expend the additional revenue. If not authorized, institutions will be forced to cut budgets and programs during the remainder of this biennium.
Enrollment/Equity Adjustments

The following table displays the increase in enrollment experienced by the State System in 1985-1987. In addition, it summarizes the changes recommended in the Other Funds Expenditure Limitation:

<table>
<thead>
<tr>
<th></th>
<th>Enrollment</th>
<th>Other Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Headcount</td>
<td>FTE</td>
</tr>
<tr>
<td>Budgeted 1985-86</td>
<td>57,798</td>
<td>46,167</td>
</tr>
<tr>
<td>Actual 1985-86</td>
<td>58,360</td>
<td>46,671</td>
</tr>
<tr>
<td>Increase</td>
<td>562</td>
<td>504</td>
</tr>
<tr>
<td>Budgeted 1986-87</td>
<td>57,798</td>
<td>46,167</td>
</tr>
<tr>
<td>Actual 1986-87</td>
<td>60,559</td>
<td>47,847</td>
</tr>
<tr>
<td>Increase</td>
<td>2,761</td>
<td>1,680</td>
</tr>
<tr>
<td>1985-1987 Increase</td>
<td>3,323</td>
<td>2,184</td>
</tr>
</tbody>
</table>

The Board of Higher Education at the February 21, 1986, Board meeting allocated $2,199,023 to the institutions based on actual Fall 1985 enrollment. The allocation of an additional $3,950,000 is recommended at this time based on Fall 1986 enrollment experience.

These allocations are recommended in anticipation of approval of an increase in the Other Funds Expenditure Limitation from the Emergency Board at its January 9, 1987, meeting. It is essential that institutions be authorized to expend these additional funds in order to meet the increased workload resulting from the additional students. If the Other Funds Expenditure Limitation increase is not granted, institutions will experience the equivalent of a $6,149,023 budget reduction in 1985-1987.

In making the allocations to the institutions, it is recommended that the Board of Higher Education use the Budget Allocation System Model (BAS). Thus, the allocations would be based on enrollment as well as the relative funding equity of the various institutions as measured by the BAS Model.

The table below summarizes the institutional allocations and the percent that each institution's 1986-87 funding is of the BAS Model (funding equity). For each institution, the percent of BAS Model is displayed before and after the recommended allocations.

The percent of BAS Model for each institution is calculated at the midpoint of its Corridor of Enrollment.
Portland State University, in Fall 1986, was outside its Corridor of Enrollment for the second successive year. Therefore, a new Corridor Midpoint was calculated using the most recent three years of actual enrollment. Portland State University's new Corridor Midpoint is 8,987 three term FTE up from 8,370. The Fall 1986 enrollment at Western Oregon State College exceeded the upper range of its Corridor by 5%. Therefore, a new Corridor Midpoint was calculated using the two most recent years of actual and the projected 1987-88 enrollment. Western Oregon State College's new Corridor Midpoint is 2,860 three term FTE up from 2,579.

For each institution the mix of enrollment by student level reflects actual Fall 1986 data.

<table>
<thead>
<tr>
<th>Institution</th>
<th>BAS Before Adj.</th>
<th>Recommended Enrollment/ Equity Adjust.</th>
<th>BAS After Adj.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Orig. Enrol.</td>
<td></td>
<td>Revised Enrol.</td>
</tr>
<tr>
<td>UO</td>
<td>70.5%</td>
<td>$1,500,000</td>
<td>72.3%</td>
</tr>
<tr>
<td>OSU</td>
<td>73.6%</td>
<td>0</td>
<td>72.9%</td>
</tr>
<tr>
<td>PSU</td>
<td>74.9%</td>
<td>1,150,000</td>
<td>72.9%</td>
</tr>
<tr>
<td>WOSC</td>
<td>69.5%</td>
<td>800,000</td>
<td>70.1%</td>
</tr>
<tr>
<td>SOSC</td>
<td>71.4%</td>
<td>200,000</td>
<td>71.3%</td>
</tr>
<tr>
<td>EOSC</td>
<td>73.5%</td>
<td>150,000</td>
<td>74.0%</td>
</tr>
<tr>
<td>OIT</td>
<td>71.9%</td>
<td>150,000</td>
<td>72.0%</td>
</tr>
<tr>
<td></td>
<td>72.5%</td>
<td>$3,950,000</td>
<td>72.5%</td>
</tr>
</tbody>
</table>

The 1986-87 budget adjustments are intended to be ongoing in the 1987-1989 Biennium and will continue to be funded from Other Funds.

Indirect Cost Recovery Increases

The 1985 Legislature provided General Fund dollars to enhance centers of excellence associated with high technology and economic development. As anticipated, these General Fund dollars have generated additional millions ($13.5 million) in federal grant funds for the three universities that received the enhancement funds (University of Oregon, Oregon State University, and Portland State University). In addition, the Institute for Advanced Biomedical Research Facility at Oregon Health Sciences University began operation this biennium and is receiving several millions of dollars in research grants.

Because institutions incur costs associated with the administration of research grants, the federal government provides each grant with funds to reimburse the institutions for these costs. These
cost recovery funds are a part of the Other Funds Expenditure Limitation in Education and General Services. It is projected that the institutions will receive an additional $1,180,000 in cost recovery funds in 1985-1987. These additional funds will require an increase in the 1985-1987 Other Funds Expenditure Limitation.

The allocations for increased indirect cost recoveries are made to the institutions experiencing the additional recoveries.

Staff Recommendation to the Committee

The staff recommended that the Board of Higher Education approve the allocation of $3,950,000 of enrollment/equity funds as displayed in the above table. In addition, the staff requested authority to seek from the State Emergency Board an increase of $7,329,023 in its Other Funds Expenditure Limitation as described in Section 2 (1), Chapter 482 Oregon Laws 1985.

Discussion and Recommendation by the Committee

In response to a question from Mr. Richardson concerning the drop in the percentage of the BAS Model for Oregon State University after adjustment and revised enrollments, Mr. Quenzer indicated that the BAS Model measures the type of enrollment within the institution in terms of the level of students and the disciplines in which they are enrolled. At Oregon State University, the percentage of upper-division and graduate students as a percent of the total enrollment has increased, and those enrollments are more expensive than lower-division enrollments.

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

Board Discussion and Action

The Board approved the Committee recommendation, with the following voting in favor: Directors Adams, Alltucker, Crowell, Hensley, Hermens, Nelson, Perry, Richardson, and Petersen. Those voting no: None.

Staff Report to the Committee

At its October 10, 1986, meeting in La Grande, the Board, in approving a request of the Oregon Health Sciences University for various project elements under the description of "University Hospital and Clinics Rehabilitation and Alterations," accepted a financing plan which included the use of quasi-endowment funds for Project Element 3: Remodel 13B for Pediatric Intensive Care Unit (PICU) and Project Element 7: Remodel ENT (Ear, Nose and Throat) Clinic.
The PICU remodel involves $1,250,000 of gift funds, as follows: $750,000 to come from the Doernbecher Children's Guild; $250,000 of unrestricted gift funds residing in various OHSU accounts; and $250,000 in a quasi-endowment fund (DBH Qend D. McBride, 76-432-1223) contributed without restriction for support of the Doernbecher Children's Hospital. It is necessary for the Board to approve the change of this $250,000 from its quasi-endowment status to Current Restricted Funds to permit the approved remodeling to proceed.

The ENT Clinic Remodel requires $135,000 of gift funds, of which $108,497.29 resides in two quasi-endowment funds. It is the recommendation of President Laster that $54,248.65 from OPC Qend Harsh Tumor Clinic, 76-432-1207, and $54,248.64 from OPC Qend Harsh ENT Clinic be changed to Current Restricted Funds to permit the approved remodel of the ENT Clinic to proceed.

Staff Recommendation to the Committee

It was recommended that the Committee and the Board authorize the change of quasi-endowment funds to current restricted funds, as described in the staff report, to finance the approved remodeling of the Pediatric Intensive Care Unit, Doernbecher Children's Hospital, University Hospital South; and the ENT Clinic Remodel in the Outpatient Clinic for the Oregon Health Sciences University.

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, with the following voting in favor: Directors Adams, Alltucker, Crowell, Hensley, Hermens, Nelson, Perry, Richardson, and Petersen. Those voting no: None.
At the October 10, 1986, meeting of the Board, amendments to the Administrative Rules relating to residence classification of students were adopted. Those amendments responded to the opinion of the Court of Appeals in Baillie v. State Board of Higher Education.

During the Board's discussion, concern was expressed over two provisions in the residence rules that were not addressed by the amendments. One related to a redundancy in the rules on changes in residence classification, and the other related to the use of intent as an element in defining Oregon residence. A general concern was also expressed over the lack of clarity and precision in the wording of the rules and for the importance of expressing Board policy in language that can be understood by the ordinary person.

The Board's staff was directed to review the rules further in light of the concerns expressed and return with proposed amendments to address those concerns.

The proposed amendments were prepared with the assistance of the Department of Justice and have been circulated to the institutions for review and comment. These amendments remove the subjective concept of intent from the definition of Oregon residence, making analysis of objective facts the basis for residence classification decisions. In addition, section (4) of the rule on Changes in Residence Classification is deleted. Circumstances described in section (4) are adequately covered by section (3). The proposed amendments also make organizational and language corrections intended to make the rule easier to understand and implement.

The sequence of sections in OAR 580-10-030, Determination of Residence, has been rearranged to provide a more orderly progression of ideas. Section (1) presents the general classification requirement. Section (2) gives the definition of Oregon residence and lists the objective factors to be used in determining residence classification. Current sections (5) and (6), which are supplemental to section (2), have been renumbered and moved up to immediately follow the definition section so that the reader may discover the full extent of the residence requirements without having to skip over intermediate sections. The proposed section (5) is the current section (3) which establishes the rules for determining when non-Oregon residence has been established. The proposed section (6) is the current section (4) which establishes the burden of proof when persons with an out-of-state address apply for Oregon resident status.
The remaining changes are proposed to improve the rule language by stating Board intent in clear, simple, direct sentences.

Institution response to the proposed amendments was favorable.

Written comment was received from Lucille Kaplan, Director of the Office of Student Advocacy at the University of Oregon, objecting to the use of source of support in determining whether a student is a bona fide resident. Ms. Kaplan requests that the words "...sources of financial support, including location of source of support and amounts of support..." be deleted from the second sentence of 580-10-030(2). Ms. Kaplan presented this same objection prior to the October Board action on this rule. The request has been reviewed by staff and counsel who have again concluded that the objection is not warranted. In the case of Baille v. State Board of Higher Education, the Court of Appeals stated: "We emphasize that source of support may be considered along with other factors in determining whether a student is a bona fide resident." 79 Or App 705, 709 at footnote 2. In the opinion of Assistant Attorney General Jerry Lidz, the use of source of support as one element in the determination of residence is legitimate and consistent with the requirements of the Baille decision.

A public hearing was held on December 3, 1986, with Virginia Boushey serving as the Board's designated hearing officer. Ms. Boushey opened the hearing at 9:00 a.m. and called for comments. No one was in attendance and after fifteen minutes, Ms. Boushey declared the public hearing closed.

Staff Recommendation to the Board

It was recommended that the Board adopt the following amendments to OAR 580-10-030, Determination of Residence; and 580-10-041, Changes in Residence Classification:

**Determination of Residence**

580-10-030 (1) [All-students—shall—be—classified—by—the—several-institutions—for—admission—and—instruction—fee—purposes—as—resident—or—nonresident—students—except—students—attending—a—summer—session—of—an—institution—under—the—Board's—control—] For purposes of admission and instruction fee assessment, Department institutions shall classify all students (except students attending a summer session) as resident or nonresident.

(2) For purposes of this Division of the Administrative Rules, Oregon residence means a bona fide fixed and permanent physical presence established and maintained in Oregon[,;—with—no—intention—of—changing—residence—to—outside—the—state—after—completing—attendance—at—a—Department—institution]. Determination of residence shall be based on consideration of all relevant objective factors, including but not limited to: abandonment of
prior out-of-state residence; history, duration and nature of noneducational activities in Oregon; sources of financial support, including location of source of support and amounts of support; location of family; ownership of real property; presence of household goods; filing of Oregon income tax return; and place of vehicle and voter registration. Residence is not established by mere attendance at an institution of higher education and physical presence in the state while attending such an institution.

(3) The same criteria will be used to determine whether a resident who has moved has established a non-Oregon residence.

(4) If institutional records show that the residence of a student or the student's legal custodian is outside of Oregon, the student shall continue to be classified as a nonresident until entitlement to resident classification is shown. The burden of proof will be upon the student to show that the classification should be changed.

(5) A student who resided continuously in Oregon for at least six consecutive months immediately prior to the time of initial registration and who also qualifies as an Oregon resident under the other requirements of section (2) of this rule, shall be considered a resident for purposes of the instruction fee if the student has not attended an Oregon public or independent institution of higher education in Oregon during any part of the six-month period immediately prior to the term for which residence status is requested and who also qualifies as an Oregon resident under the other requirements of section (2) of this rule.

(6) A student who resided continuously in Oregon for twelve consecutive months immediately prior to the term for which residence status is requested and who also qualifies as an Oregon resident under the other requirements of section (2) of this rule shall be considered a resident for purposes of the instruction fee even if the student attended an institution of higher education in Oregon during the twelve-month period.

(5) The objective factors described in section (2) of this rule will also be used to determine whether a resident who has moved from the state has established a non-Oregon residence.

(6) If institution records show that the residence of a student or the student's legal custodian is outside of Oregon, the student shall continue to be classified as a nonresident until entitlement to resident classification is shown. The burden of proof will be upon the student to show that the classification should be changed.
Changes in Residence Classification

580-10-041 (1) An entering freshman who enrolls in a Department institution within one year after graduating from an Oregon high school shall be considered a resident student provided the student attended the Oregon High School one school year immediately prior to graduation. If the Oregon resident student transfers to an institution outside of Oregon and later seeks to re-enroll in an institution Department institution, the residence classification of that student shall be re-examined and determined on the same basis as for any other student.

(2) A student whose nonresident legal custodian establishes a permanent Oregon residence during a school term shall be entitled to register as a resident student at the beginning of the next term.

(3) Once established, classification as a resident continues so long as the student remains in continuous academic-year enrollment in the classifying institution.

(4) A student enrolled in a Department institution, who remains in this state after Oregon residence parents or legal guardian move from the state, shall retain resident classification so long as attendance (except summer sessions) at an institution in Oregon is continuous.

(5) A student who seeks classification as a resident under these rules may be required to complete and submit a notarized Residence Information Affidavit. If the affidavit is required, it must be submitted by the last day to register for the term in which resident status is sought.

Board Discussion and Action

The Board approved the staff recommendation as presented and adopted the proposed amendments on roll call vote. The following voted in favor: Directors Adams, Alltucker, Crowell, Hensley, Hermens, Nelson, Perry, Richardson, and Petersen. Those voting no: None.

Staff Report to the Board

Lee Dewey Miller died leaving a will, the residuary beneficiary of which is the "Oregon University Medical School Cancer Fund." The estate included real property in the form of a residence located in Multnomah County. Pursuant to power vested in him by the will, the testator's personal representative sold the property to Ozro A. Miller and Rose H. Miller by means of a contract of sale, the purchase price payable in installments.
The purchase price has been paid in full to the Oregon Health Sciences University. The contract of sale now requires that a deed be executed in favor of the buyers, Ozro and Rose Miller. By virtue of assignments from the personal representative, title now resides in the Board of Higher Education. In order to meet its obligation under the contract of sale, the Board should now execute a deed transferring title to the buyers.

Staff Recommendation to the Board

It was recommended that the Board authorize the President and Secretary of the Board to execute a bargain and sale deed conveying title of the following described real property to Ozro A. Miller and Rose H. Miller:

South one-half of Lot 19, ORAVILLE, except the east 10 feet thereof, in the City of Portland, County of Multnomah and State of Oregon.

Board Discussion and Action

The Board approved the staff recommendation as presented, with the following voting in favor: Directors Adams, Alltucker, Crowell, Hensley, Hermens, Nelson, Perry, Richardson, and Petersen. Those voting no: None.

Staff Report to the Board

At the November 21, 1986, Board meeting, Vice Chancellor Lemman reported that the Oregon Health Sciences University and Dr. Martha Thompson were conducting on-going negotiations in an attempt to resolve Dr. Thompson's grievance. The parties have been unable to reach an agreement. Because the offers made by the Oregon Health Sciences University, but rejected by Dr. Thompson, exceed the staff's proposed recommendation, and since Dr. Margaret Dobson, as well as the institution's grievance committee, found no evidence of prohibited discrimination or any other basis for Dr. Thompson's grievance, the staff now recommends that the Board take no action. Dr. Thompson has filed a complaint with the Equal Employment Opportunity Commission. Because of the potential for litigation, staff proposes to further brief the Board in Executive Session prior to Board action.
Staff Recommendation to the Board

The staff recommended that the Board adopt the following motion:

The Board of Higher Education adopts Dr. Margaret Dobson's finding that Dr. Martha Thompson was not discriminated against on the basis of sex in award of her salary, now or in the past. The Board further concurs with Dr. Dobson that no back pay should be awarded. Because the parties were unable to resolve the matter and because the Board believes that Oregon Health Sciences University's offers for settlement, based on the facts, were quite appropriate, the Board will take no further action.

Board Discussion and Action

The Board approved the staff recommendation as presented, with the following voting in favor: Directors Adams, Alltucker, Crowell, Hensley, Hermens, Nelson, Perry, and Petersen. Those voting no: Director Richardson.

Staff Report to the Committee

The University of Oregon, after a prolonged period of analysis and evaluation, has chosen to approach improvements to Autzen Stadium in phases, with Phase I, which has two parts, dependent on gift funds and new revenues for financing.

The work of the first element of Phase I involves the relocation of the existing press box from the north to the south side of the field, and construction of 22 sky suites on the north rim of the stadium. This work also involves some minor renovation to the concession areas.

The second element of work involves the construction of an 88,000-square foot building at the east end of the Stadium to house offices, locker and training facilities, and other related spaces for the relocation of the Department of Intercollegiate Athletics to the Autzen site. The Department would continue to maintain reduced facilities in MacArthur Court, Esslinger, and Gerlinger Halls on the main campus.

Subsequently, the University intends to proceed with construction of a dome over the stadium and further site improvements. A firm timetable for this major element of work has not been established at this time.
The 22 skysuites, which will each provide seating for up to 21 persons, will be presold, with subscribers providing the cost of construction and outfitting (currently estimated at $75,000) and the first year's maintenance assessment of $25,000. The contract will call for annual maintenance and upkeep assessments for an ensuing 13 years. Thereafter, subscribers will continue the annual assessment, but with lesser contracted time durations. Total cost of the skysuite portion of the work is estimated at $1,500,000. Subscription to a skysuite does not include event tickets.

The relocated pressbox, including provisions for access by the physically impaired, will cost approximately $615,000, funds for which have been pledged to the University by a single donor. Relocating the pressbox under the south canopy is expected to substantially improve over the north side location filming of events on the field. The facility will provide, in addition to the press, facilities for public address announcers, scoreboard operators, coaches, scouts and other related groups.

The skysuites and the pressbox project elements have been designed by The Amundson Associates of Eugene and have anticipated installation of a dome basically of the design evolved during the earlier Geiger Group studies funded through the University of Oregon Foundation.

The schedule for these first element improvements contemplates bid and award of contract in March 1987 and completion in September 1987 at a total project cost of $2,365,000, all from gift funds.

The Athletic Department facilities are estimated to require total project funding of $6,060,000. The schedule of these improvements contemplates bid and award of construction contracts in the fall of 1987 and completion in about one year following contract award. Funding for the departmental facilities will come from increased revenues generated by the skysuites and from gifts to the Athletic Department. However, inasmuch as the revenues from the skysuites accrues over time, it is anticipated that a major portion ($5,000,000) of the initial financing will come from Article XI-F(1) bond proceeds, with the debt service derived from these additional revenues.

Staff believes sufficient expenditure limitation for the total Phase I activity exists within a 1981 statute which reserved $19,000,000 of Other Funds limitation for an "All-purpose Arena." While that limitation anticipated a separate facility on the Autzen site, the evolution of the concept of doming the stadium accomplishes the purpose of changing the Stadium into an all-purpose facility.
eliminating the need for a separate arena. It is our expectation that the State Emergency Board at its January meeting will be supportive of releasing a portion of the established limitation to permit proceeding with the improvements described herein. It will be necessary, however, to seek additional Legislative authorization to proceed with construction of the dome when that project is appropriate. The 1981 statute, however, included only gift funds as a resource. Therefore, it will be necessary to amend the Board's 1987-1989 bond limitation forecast to include the Athletic Department improvements financed from Article XI-F(1) bonds of $5,000,000.

Staff Recommendation to the Committee

It was recommended to the Committee and the Board that staff be directed to acknowledge acceptance to the schematic phase of design of the Phase I projects for improvements to Autzen Stadium for the University of Oregon, and to direct project architects to proceed to completion of construction documents, bid and award of contracts for construction of these improvements, subject to the confirmation by the University that sufficient gift monies are on hand to fund the anticipated improvements; and that staff be authorized to seek the approval of the State Emergency Board at its January meeting to expend $8,425,000, or as much thereof as shall be necessary, within the limitation contained within Section 1(2)(a), Chapter 539, Oregon Laws 1981; and to seek the concurrence of the 1987 Legislative Assembly to amend the Article XI-F(1) bond requirements for 1987-1989 to include $5,000,000 for the Athletic Department portion of the Phase I work.

Discussion and Recommendation by the Committee

Mr. Crowell said he had some reservations about approving the first phase of a project because this almost automatically led to approval of subsequent phases. He also inquired about any increased costs from doing the phases separately.

Mr. Neland responded that the elements for the total project were capable of standing alone and would meet the objectives of the institution even if the dome were never constructed. He said there might be some minor margin of savings through a larger volume project, but they would be small because the dome is an art form that is different from those under consideration.

The Committee was assured that verbal requests and commitments for the skysuites exceeded the number available and that construction contracts would not be awarded nor bonds issued until there are written commitments in hand. The verbal commitments referred to were firm since the new tax laws were passed.
In response to a question concerning the necessity for moving the pressbox, Mr. Dan Williams said the pressbox was undersized for the demands of the media. It is also essential to move the pressbox in order to accommodate the number of skysuites required to amortize the debt incurred for the other improvements.

Mr. Alltucker asked whether the 1981 authorization of $19 million anticipated expenditures for new athletic administration facilities. Mr. Neland said it had been anticipated the $19 million would come entirely from gift funds but everything in the present proposal was contemplated in the 1981 authorization. The skysuites probably were not as big a factor at that time because the intent was to dome Autzen and build a replacement for McArthur Court.

Mr. Alltucker said he believed the replacement of McArthur Court had included new administrative facilities for the athletic department but those funds were treated separately in the recommendation because it is appropriate to use state funds for administrative facilities in some instances.

Mr. Neland said this was correct but, as a practical matter, it probably would be several years in coming, even within the priorities of the University of Oregon, if the project were put in the General Fund needs list for Education and General. He said intercollegiate athletics is an auxiliary activity in the context of the University of Oregon. The institution has devised a way to accomplish improvements to their administrative facilities for the athletic department by using Other Funds and not involving state funds to any extent.

Mr. Williams said that even if some parts of the project were eligible for state funds, that portion would not be requested because the need for state dollars in academic areas is far too great. He said this was an excellent opportunity to utilize the interest of the institution's supporters for improving the football facility. These improvements will not only provide a better facility for student athletes and fans, but may put the institution in a position to be even more competitive in the PAC-10 Conference.

In response to a question concerning the use of state funds for maintenance and repair of the facilities, Mr. Williams said there would be no state funds used if the use of the facilities were restricted solely to athletic events. If there were a mixed use for instructional and athletic purposes, it would be quite legitimate to fund those costs in proportion to the instructional use.

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

Mr. Alltucker presented the report and recommendation of the Committee.

The Board approved the Committee recommendation, with the following voting in favor: Directors Adams, Alltucker, Crowell, Hensley, Hermens, Nelson, Perry, Richardson, and Petersen. Those voting no: None.

Staff Report to the Board

Officials at Oregon State University have forwarded to the Board's Office an option for the sale of a parcel of land in the northwest portion of the main campus. The property is owned by William T. and Dorothy M. Eddy and the option price of $27,000 is equal to the average of two independent appraisals obtained by the University. The property is a rectangular shaped parcel containing approximately 5,500 square feet of land, or about .126 acres. The property is designated for parking, being situated between two existing parking lots.

The property has located on it a house which has been converted into three apartments which are no longer habitable, and the University plans to demolish the building after acquisition.

Funds required for the purchase of the property and related costs are to be provided from balances available at the institution from the Traffic Excess Sinking Fund. The land would be purchased under authorization of Chapter 640, Oregon Laws 1985-87.

Staff Recommendation to the Board

It was recommended that the Office of Administration be authorized to purchase the William T. and Dorothy M. Eddy property at 2824 Orchard Street on the Oregon State University campus at the option price of $27,000.

Board Discussion and Action

The Board approved the staff recommendation as presented, with the following voting in favor: Directors Adams, Alltucker, Crowell, Hensley, Hermens, Nelson, Perry, Richardson, and Petersen. Those voting no: None.
Meeting #543
December 19, 1986

Lease of Land to the U. S. Fish & Wildlife Service, SOSC

Staff Report to the Board
At the June 20, 1986, Board meeting, the Board's staff was authorized to lease fifteen acres of land on the Southern Oregon State College campus to the Northwest Raptor Rehabilitation Corporation to permit construction of a museum. The lease would also enable the Corporation to sublease some of the property to other agencies which might construct complementary facilities. One of the agencies was the U. S. Department of Interior which was desirous of constructing a forensics laboratory on four or five of the acres.

At the September 12, 1986, Board meeting, the Board's staff reported that Federal Government requirements permit leasing only with the property owner. Therefore, the Board's staff reported that it was preparing a lease with the U. S. Department of Interior, Fish and Wildlife Service.

On November 18, 1986, the Board Contract Officer executed a lease with the U. S. Fish and Wildlife Service for about four acres of land in the northern section of the campus for "construction and operation of a forensics laboratory, wildlife depository, and related uses not otherwise contrary to the interests of the State of Oregon, State Board of Higher Education or Southern Oregon State College." Groundbreaking for the laboratory is expected during the summer of 1987, with completion scheduled for mid-1988. The lease was reviewed and approved for legal sufficiency by the Board's legal counsel.

Negotiations are continuing with the Pacific Northwest Raptor Rehabilitation Corporation for the proposed natural history museum to be constructed on acreage adjacent to the forensics laboratory.

Board Discussion and Action
The Board accepted the report as presented.

SUMMARY OF FACILITIES DIVISION ACTIVITIES, OFFICE OF ADMINISTRATION

Recreation Facilities (All-Weather Track & Field Renovation), WOSC

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

Contracts for Professional Consulting Services
An Agreement was awarded to Arena Sports & Recreation Consultants, LTD., North Vancouver, British Columbia, Canada, for consulting services at a cost not to exceed $12,400. Funding will be provided from Article XI-F(1) bonds.

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<table>
<thead>
<tr>
<th>Project Description</th>
<th>Funding Source</th>
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<tbody>
<tr>
<td>Hayward Field (Parking Relocation), UO</td>
<td>Gift Funds</td>
</tr>
<tr>
<td>An Agreement was awarded to Stafford Architects, Eugene, for architectural services</td>
<td>at a cost not to exceed $1,500. Funding will be provided from Gift Funds.</td>
</tr>
<tr>
<td>Outpatient Clinic Registration Remodel, OHSU</td>
<td>Hospital and Clinics Rehabilitation &amp; Alterations</td>
</tr>
<tr>
<td>An Agreement was awarded to McCarter Boczkaj, Portland, for consulting services</td>
<td>Project at a cost not to exceed $6,755. Funding will be provided from funds available to the hospital.</td>
</tr>
<tr>
<td>Parking/Office Structure, OHSU</td>
<td>Hospital and Clinics Rehabilitation &amp; Alterations</td>
</tr>
<tr>
<td>An Agreement was awarded to Chase, Jones &amp; Associates Inc., Portland, for</td>
<td>Project at a cost not to exceed $3,600. Funding will be provided from funds available to the hospital.</td>
</tr>
<tr>
<td>Student Housing Expansion Phase II, (Trash Enclosures), PSU</td>
<td>Bond funds</td>
</tr>
<tr>
<td>An Agreement was awarded to David R. McMillen, Architect, Portland, for</td>
<td>Architectural services at a cost not to exceed</td>
</tr>
<tr>
<td>Rogers Hall Insulate Heating &amp; Chilled Water Piping, OSU</td>
<td>$1,785. Funding will be provided from Article XI-F(1) bonds.</td>
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<tr>
<td>Organ Recital Room, Music Hall 011, SOSC</td>
<td>SOSC Foundation and Gift Funds</td>
</tr>
<tr>
<td>On November 12, 1986, AC and S, Inc. was awarded a contract for this project</td>
<td>Financing will be from funds made available by the</td>
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<tr>
<td>Law Center BPA/IBP, ECM's, UO</td>
<td>institution.</td>
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<tr>
<td>On November 10, 1986, L. R. Brabham, Inc. was awarded a contract for this project</td>
<td>Bond funds</td>
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<tr>
<td>Law Center USDOE/ICP, ECM's, UO</td>
<td>Financing will be provided from funds available to</td>
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<tr>
<td>On October 31, 1986, Robertshaw Controls Company was awarded a contract for this</td>
<td>the institution and a matching grant from the U. S.</td>
</tr>
<tr>
<td>Award of Construction Contracts</td>
<td>Department of Energy.</td>
</tr>
<tr>
<td>Rogers Hall Insulate Heating &amp; Chilled Water Piping, OSU</td>
<td>SOSC Foundation and Gift Funds</td>
</tr>
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<td>Department of Energy.</td>
</tr>
</tbody>
</table>
December 19, 1986

Meeting #543

Science I
BPA/IBP, ECM's, UO

On November 17, 1986, J. K. Guckenberger Electric, Inc., was awarded a contract for this project in the amount of $49,200. Financing will be provided from funds made available by the institution and reimbursement from Bonneville Power Administration.

UHS, 11-A1, Ultrasound Remodel Project, OHSU

On November 24, 1986, Ron Construction (Oregon), Inc., was awarded a contract for this project in the amount of $35,880. Financing will be provided from state funds.

Acceptance of Projects

Animal Physiology Surgery, OSU

This project is complete and was accepted on November 21, 1986. The estimated total project cost remains at $56,840.25. Financing was provided by a Restoration Fund Insurance.

Lawrence Hall
USDOE/ICP, ECM's, UO

This project is complete and was accepted on November 12, 1986. The estimated total project cost remains at $37,510. Financing was provided by funds available to the institution and a matching grant from U. S. Department of Energy.

Bid Package I, Institute of Marine Biology, Charleston, UO

This project is complete and was accepted on October 31, 1986. The estimated total project cost remains at $1,210,609. Financing was provided by NOAA funds.

Science East Reroofing, UO

This project is complete and was accepted on November 4, 1986. The estimated total project cost remains at $61,076. Financing was provided by funds made available to the institution.

Westmoreland Family Housing Exterior Stair Renovation, UO

This project is complete and was accepted on October 10, 1986. The estimated total project cost remains at $171,591. Financing was provided by the Housing Department.

UHS, 10B Ophthalmology Overpass Renovations - Cornea, OHSU

The Hospital and Clinics Rehabilitation & Alterations (UHS, 10B Ophthalmology Overpass Renovations - Cornea) Project is complete and was accepted on October 3, 1986. The estimated total project cost remains at $17,968. Financing was provided by hospital funds.

Medical Research Building Laboratory 433 & 435 Renovations, OHSU

This project is complete and was accepted on May 9, 1986. The estimated total project cost remains at $32,514. Financing was provided by funds made available to the institution.

Board Discussion and Action

The Board accepted the report as presented.
Mr. Alltucker reported that two other items had been presented to the Finance Committee for information. The first report was to advise the Committee that the University of Oregon would be consolidating staff facilities now domiciled regularly in Portland. This was done with the approval of President Sicuro. The second item was a report of a small addition to the computer facility at Oregon State University which requires authorization from the Emergency Board.

Mr. Hensley reported that no firm information was available yet with respect to decisions by the transition team. Speculation does not appear to suggest decisions favorable to higher education. Excellent support and assistance was received from the Chancellor and his staff, the Oregon Scholarship Commission, the Oregon Student Lobby, and others as the task force on higher education prepared its recommendations to submit to the incoming Governor.

Mrs. Nelson reported that the Joint Committee on Teacher Education had met in November. The committee heard a report on the legislative interim committee on education and possible legislation resulting from its recommendations.

Mr. Hensley reported that the Instruction Committee would be completing the remainder of its December agenda at the January meeting.

Mr. Hensley indicated the search committee for Southern Oregon State College had narrowed the list of candidates for the presidency to 90 and expected to identify the semifinalists by January 5. He said there were some outstanding candidates. He thanked Mr. Adams and Mrs. Nelson for their efforts on the committee.

Mr. Hensley said he and Mr. Alltucker would be meeting early in January with the joint Boards planning committee to review the planning process prior to the legislative session.

Mr. Petersen announced that the next regular meeting of the Board would be held on the campus of Oregon State University on January 16, 1987. It will be preceded by a visitation to the institution.
Appreciation to UO  Mr. Petersen thanked President Olum and his staff for a fine visit to the University of Oregon, commenting particularly on the tour of the Chiles Center.

ADJOURNMENT  The Board meeting was adjourned at 2:00 p.m.

James C. Petersen, President  Wilma L. Foster, Secretary