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ADJOURNMENT
Meeting #546

March 20, 1987

STATE BOARD OF HIGHER EDUCATION
MINUTES OF REGULAR MEETING HELD IN ROOM 338,
SMITH CENTER, PORTLAND STATE UNIVERSITY
PORTLAND, OREGON

March 20, 1987

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

ROLL CALL

The meeting was called to order at 10:30 a.m., March 20, 1987, 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. Gene Chao
- Mr. F. David Crowell
- Mr. Michael W. Hermens
- Mr. Louis B. Perry
- Mr. George E. Richardson, Jr.
- Mr. James C. Petersen

Absent: Mr. Dodson was out of the state; Mr. Hensley and Mrs. Nelson were on vacation.

OTHERS PRESENT

Centralized Activities--Chancellor William E. Davis; Secretary Wilma L. Foster; W. T. Lemman, Executive Vice Chancellor; Lawrence C. Pierce, Vice Chancellor for Academic Affairs; Wil Post, Vice Chancellor for Public Affairs; John Owen, Vice Chancellor, OCATE; Davis Quenzer, Associate Vice Chancellor, Fiscal Policies; Joe Sicotte, Associate Vice Chancellor, Personnel Administration; W. C. Neland, Associate Vice Chancellor, Facilities Division; Holly Zanville, Associate Vice Chancellor, Academic Affairs; Ray Hoops, Associate Vice Chancellor, Academic Affairs; R. S. Perry, Associate Vice Chancellor for Administration and Planning Services; James Mattis, Assistant Attorney General; Virginia Boushey, Assistant to Executive Vice Chancellor; Melinda Grier, Compliance Officer; Jim Sellers, Director of Communications.

Oregon State University--President John V. Byrne; L. Edwin Coate, Vice President for Finance and Administration; Graham Spanier, Vice President for Academic Affairs and Provost.

University of Oregon--President Paul Olum; Richard J. Hill, Provost; Dan Williams, Vice President for Administration; Robert Gilberts, Dean, College of Education.

Oregon Health Sciences University--James Walker, Interim Vice President, Finance and Administration; David Witter, Hospital Director.
Portland State University--President Natale A. Sicuro; Margaret J. Dobson, Executive Vice President; Roger Edgington, Vice President for Finance and Administration; Robert Everhart, Dean, School of Education; Joan Strouse, Director, Field Services; Stan Stanford, Head, Music Department; Whitney Bates, President, Oregon Conference, AAUP; R. C. Scruggs, Department Chairman, Physical Education; William A. Little, Associate Professor, Black Studies and Urban Studies; Michael Reardon, Associate Vice President, Academic Affairs.

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

Oregon Institute of Technology--President Larry J. Blake; Chris Eismann, Dean of Academic Affairs; John Smith, Dean of Administration.

Southern Oregon State College--Interim President Ernest E. Ettlich; Ronald Bolstad, Dean of Administration; Sheldon Rio, Interim Dean, Academic Affairs; Jim McFarland, Associate Dean, Academic Affairs; Susan Roper, Director, School of Education.

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

Others--House Speaker Vera Katz; Phil Keisling, Assistant to Speaker Katz; Monica Little, Portland; Jay Margulies, Director, OFT Local 3571; Georgia McFarland, Student, SOSC; Dea Cox, Superintendent, West Linn School District; C. Leonard Anderson, Vice President, Oregon Education Association.

MINUTES APPROVED

The Board dispensed with the reading of the minutes of the last regular meeting held on February 20, 1987. Mr. Hermens requested that the minutes be amended on page 35, paragraph 4, to include students among those thanked by Mr. Hensley for their support of the search committee during the search process for the president of Southern Oregon State College. He said students were on the search and screening committees.

The Board approved the minutes as previously distributed and amended to include students. The following voted in favor: Directors Adams, Alltucker, Chao, Crowell, Hermens, Richardson, and Petersen. Those voting no: None. Director Perry was absent from the meeting at this time.

D. Crowell, Completion of Degree

Mr. Petersen congratulated Mr. Crowell on the completion of his master's degree program.

Mr. Crowell said the master's degree had been less expensive than his baccalaureate degree and thanked the Chancellor and Dr. Byrne for signing his degree.

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Mr. Petersen called the Board's attention to an article in the March 18, 1987, issue of The Chronicle of Higher Education entitled, "Small College Sports, Big Time Athletics, and the Yawning Chasm Between the Two." The article was written by the president of Grinnell College in Iowa.

Mr. Petersen said in the spirit of that article he wanted to mention the following noteworthy achievements of athletes in the State System's smaller institutions:

The men's basketball team at Oregon Institute of Technology finished in the final 16 nationally. As conference and district champions, Oregon Institute of Technology went to the finals in Kansas City and participated as one of the 32 best small college teams in the country. They lost to the team that played in the championship game.

The women's basketball team at Western Oregon State College won the conference and district championships and won the playoff to the national finals in which 16 teams participate.

The ski team at Eastern Oregon State College placed tenth in the nation in the Intercollegiate National Skiing Finals which included colleges and universities of all sizes.

The Southern Oregon State College wrestling team finished third in the nation in NAIA competition.

Mr. Petersen congratulated all of the college athletes who participated. The Chancellor also congratulated the athletes on their outstanding achievements and excellence. He said the State System has one of the finest college sports programs in the country and he was very proud of the accomplishments each year at the various institutions.

The Chancellor said legislative business had been particularly intense since the first of the month with almost daily hearings before the subcommittee of Ways and Means in its consideration of the State System's budget and before the Senate and House Education committees.

The Chancellor said the subcommittee on higher education of Ways and Means had directed that a report be made to the committee on how the State System would achieve the proposed $10 million cut from the Governor's recommended budget. The subcommittee granted the Chancellor's request to present the report after there had been an opportunity for discussion at the Board meeting. The Chancellor indicated that he strongly supported the Governor's recommended budget for higher education which contained the adjustments which the Governor agreed to after the special meeting with him. The Chancellor then reviewed the budget discussions to date.
The 1987-1989 base budget, adhering to the Executive Department's guidelines, was $537.5 million, or an increase of $32.9 million in the General Fund budget. The Governor further recommended $6.3 million to fund the corridor of enrollment changes at Portland State University, the University of Oregon, and Western Oregon State College. The original recommendation had been for $2.9 million, which did not include the first year of change in the enrollment corridor for the University of Oregon and Western Oregon State College. In addition, the Governor recommended $1.9 million from the base budget decision packages for new building operation and maintenance.

With respect to program enhancement, it was requested that instead of the $3 million for the endowed chairs program and $1 million for faculty improvement, the $4 million which the Governor had recommended for program enhancement be identified with the Centers of Excellence to provide completion money for those centers. The Governor changed his recommendation to the subcommittee of Ways and Means and recommended the $4 million for the uncompleted Centers of Excellence, to be allocated on the following basis: $1.75 million each to the University of Oregon's Advanced Materials and Biotechnology and to Oregon State University's Engineering Upgrade and Biotechnology, and $500,000 to Portland State University for the International Business and Trade Center. The continued upgrading of engineering at Portland State University and the geriatrics program at the Oregon Health Sciences University would be deferred to the next biennium.

From these amounts, the chairman of the Ways and Means Subcommittee directed that reductions of $10 million be identified. The Chancellor asked that the Board reaffirm, change, or correct his interpretation of the Board's previous budget actions and priorities or provide him with new instructions.

The Chancellor said he understood the first priority of the Board in establishing the budget was maintenance of the base budget, represented by the $537.5 million adjusted figure. This recognizes that maintenance of the base is essential to continue the instruction function at its current level of quality, even though the general level of the institutions' support in comparison to other institutions elsewhere is only about 75% of that of their comparators.

He said he received substantial criticism for that position as representing the status quo and an unwillingness to reallocate or consider the priorities of other agencies in the state.
The Chancellor then indicated the second priority of the Board was the adjustment to the base for the increased workloads at $6.3 million and the new building operation at $1.9 million. The third priority was the uncompleted Centers of Excellence. The Chancellor stated that faculty salaries did not come before this subcommittee and would be addressed separately at a later time.

The Chancellor said he had indicated to the subcommittee that if the Board maintained its priorities, the first cut would be the $4 million for the uncompleted Centers of Excellence and after that the amount for the increased loads. This would then leave only the base budget remaining. He said he had the impression subcommittee members expected him to identify specific items, such as reductions in the amount of money spent on capital maintenance or the acquisition of equipment, or to identify major programs at the institutions for total elimination. He said he had been unsuccessful in convincing the subcommittee that elimination of programs does not save money if the same number of students simply enrolls in other courses at the institution or moves to another State System institution. Money is saved only when there is an opportunity to eliminate teaching faculty. The only way to make large budget reductions is to make adjustments in personnel, and to reduce personnel without freezing or decreasing the number of students reduces the quality of instruction.

The Chancellor said he was required to report back to the subcommittee with a little over $8 million in terms of base budget decision packages and that $4 million had been identified in the uncompleted Centers of Excellence. He said it was his supposition the Board would reaffirm its previous budget priorities in reverse order for reduction. He said he believed this should be a Board decision. If he had misinterpreted the Board's intent, then he should be so instructed. Further, if the Board wished to change its priorities, it should do so now.

Mr. Petersen indicated that unless there were Board members who wished to disavow the Board's previous budget priorities or make changes, the assumption would be that the Board and the Chancellor would stay with the previous priorities as just outlined by the Chancellor and continue to espouse those at the Legislative Session.

Mr. Alltucker asked if the Chancellor needed some guidance on whether the mandated cuts should come from the base program or from the enhancement program, such as the Centers of Excellence.
The Chancellor said this was his concern and also he believed it was the concern of the subcommittee. The subcommittee was impressed with the outstanding success of the Centers of Excellence and the fact that the program has already tripled the investment in it, and is expected to do even better. The subcommittee would like to spend the $4 million, or perhaps even more, on the Centers of Excellence and for the State System to find $10 million in the base budget to do this. This would eliminate all of the improvement factors for the enrollment adjustment and for buildings and go into the actual existing operating budgets of all of the institutions for $2 million to find some way to reallocate $8-10 million for the centers.

Mr. Alltucker inquired whether legislators were thinking that something in the day-to-day activities at the institutions perhaps was not as important as the Centers of Excellence and money should be shifted to them instead.

The Chancellor said the concern was that priorities had not been set for the institutions and money was allocated to maintain the status quo without consideration of whether there were programs that should be cut and the funds reallocated to the Centers of Excellence. The charge to the staff had been to find $10 million of existing expenditures within the institutions, to reallocate to the Centers of Excellence or other agencies.

Mr. Petersen stated that the issue was one of not really understanding what has been happening on the individual campuses. All of the presidents have been reallocating funds to emphasize stronger areas as part of the Board's objectives established several years ago. He said it seemed highly unproductive to him to develop Centers of Excellence at several campuses at the expense of other institutions which, through internal allocations of funds, have been working to improve their stronger areas. He said he would continue to support the concept expressed by the Chancellor that would leave the base budget intact as the Board's first priority. If there are to be Centers of Excellence, which were started by the previous Legislature and identified for a few campuses, then the Legislature itself should continue to support those programs. He said he would resist any attempt to take funds for that purpose from other institutions which were managing their resources very carefully.

Mr. Adams then asked whether there had been any question about the priorities for an institution scheduled to receive funds for a Center of Excellence as compared to receiving that amount in its base budget.
The Chancellor responded that a proposed reduction in the base budget to fund a Center of Excellence would be requiring an institution to find the funds within its existing budget when it approved the upgrading of a Center of Excellence. The presidents have scrutinized these budgets carefully and many have reallocated their available resources to strengthen departments and the identified Centers of Excellence.

The Chancellor said he had been asked how the cuts would be made and had replied that if the base budget decision package were fully funded, the money would be distributed in accordance with the Budget Allocation System. The allocation has been determined according to the mission, level of instruction, workload, and other factors at the respective institutions. The base budget decision packages would accrue to the institutions specifically affected by the corridor of enrollment adjustments. If the funds for the uncompleted Centers of Excellence were received, those funds would be used for specific allocations to those institutions having the centers. If 98% of the base were received, each institution would get 98% of the original projected budget. The institutions would be requested, through the Finance Committee, to submit a revised budget balanced in accordance with anticipated funds.

The Chancellor said a great deal of dismay was expressed that the Board as a whole, or as a committee, did not review specifically the line item budget of each of the institutions at some time during the year. He said he had indicated these materials were available and the Finance Committee had looked at the institutional budgets. He said that one of the criticisms had been that the Board and the Chancellor's Office should tell the institutions where cuts should be made rather than seeking suggestions from the institutions and building upon that information.

Mr. Petersen said some of the legislators fail to realize that $50 million was removed from the higher education budget during the financial crisis a few years ago. Therefore, dollars are not readily available to extract from the base budget. The Board has been vigilant in program reduction and has addressed issues of which legislators have been critical over the years. The Board has worked very hard to make the institutions efficient and responsive to public needs and those of the students it serves.

Mr. Alltucker said he was very uncomfortable, at a time when it was extremely important to develop better relationships with the Legislature and the Governor's Office, to be in the position of warranting that everything done in the past needs doing and is done at maximum efficiency. This is particularly true when the amount is less than half of one percent of the total budget. He said he would be inclined to look at the issue very carefully, particularly when he considered the political consequences of not doing so.
Mr. Petersen said the individual recommended cuts at each institution represented a larger percentage. He said he did not disagree that any organization could be more efficient but efficiency comes from reallocation and not necessarily from budget cuts. He said he believed it was essential to continue to try to persuade the Legislature that the base budget was the most important thing to continue operating the enterprise.

Mr. Crowell proposed hearing from some of the presidents on this topic.

The Chancellor said perhaps there could be greater efficiencies but he needed to know the priorities in terms of how the budget should be reduced by this amount and whether this decision would be made as a body by analyzing the budgets of the institutions. He said the presidents who have major components in the $4 million recommended for enhancement of the Centers of Excellence should be asked whether it would be prudent for each of them to take those funds out of their base budgets for that purpose. He said he had asked that question and for that reason had decided to reaffirm the Board’s priorities, with the full confidence that each of the presidents would be examining the total institution every budgetary period to increase the efficiency and to reallocate internally resources to support emerging Centers of Excellence as identified by the institution.

President Olum said this was a crucial issue and urged the Board to maintain its previous position. He said the Centers of Excellence had been magnificent for the University of Oregon but it would be wrong to support new Centers of Excellence now because it would be wrong to charge the four-year colleges for the University of Oregon’s Center of Excellence. All of the institutions are severely under-funded in comparison to similar institutions throughout the country. It would also be unfair to ask institutions with Centers of Excellence to fund them by transferring money needed to teach students because that is the first priority. He said he did not think the State System of Higher Education could teach the number of students who plan to enroll if $10 million were taken from the base budget. The Centers of Excellence are important, but they are not as important as maintaining the base budget that supports the primary purpose of teaching students.

President Sicuro concurred. He said those who were in the State System between 1980 and 1985 recognized all the anxiety that occurred on the campuses when the institutions took repeated cuts. There would be an incredible morale problem if the process were to start again. The Legislature and the public
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should be informed that the institutions are planning and reallocating constantly in trying to meet the demands. He said Portland State University was a rapidly-growing institution with incredible program demands that cannot be met without the funds requested in this budget and more.

President Meyers also concurred and said the base budget was a very important issue for Western Oregon State College. He indicated that enrollment had grown 50% at the institution in the last four years and the College was finally receiving the money to get the staff, equipment, and support which it has needed. He stated that the entire State System, as led by the Chancellor, was worthy of the trust of the Legislature to provide the funds and opportunity for the institutions to govern themselves. The Board should support the Chancellor on this issue because it is the lifeblood of the institutions.

President Byrne said the comments would be supported by all of the presidents. The Centers of Excellence have been extremely important to those institutions that have had them, but each institution can point to areas that are also Centers of Excellence, even though they might not be designated as such. He said he found the allegation the institutions were not managing well to be unfounded. Reallocations have been made to develop new programs. The institutions are service institutions to provide educational, research, and direct services to the people of the state. If budgets were reduced, there would be less flexibility and opportunity to provide the best possible service. The citizens and children of the state would be the losers.

President Blake said the presidents were united in this because it was almost a survival issue. The budget now is fairly balanced on the quality side. Any cuts in that budget would be cuts either in quality or quantity. He emphasized that cuts should be in quantity rather than quality.

President Ettlich said the budget allocation system was a realistic way of measuring how well the base budget is funded. That system still only provides 75% of the average funding. Cutting further into the base budget affects everything from the most mundane to maintenance of the quality of the faculty. The Budget Allocation System is a very accurate system. It projects a very accurate picture of the base budget and should be reaffirmed.

President Gilbert said each institution had been requested by the Board to identify a Center of Excellence and teacher education had been selected at Eastern Oregon State College. Funds and positions have been reallocated whenever possible to support teacher education as a Center of Excellence. Cuts in the magnitude being proposed would be devastating and probably would make it very difficult to establish teacher education as a Center of Excellence.
The Chancellor said the subcommittee would be holding work sessions beginning on March 31 and he had invited as many presidents as possible to attend. He indicated Board members would be very welcome if they were able to attend.

Mr. Adams commented that he had understood the legislative subcommittee to be of the opinion that if these questions were referred to the presidents, they would recommend maintaining the status quo. He said from what he had heard during the discussions, this was not the question. There was a great deal of movement within the base budget that is allocated. Mr. Adams said many good points were raised in the discussion and suggested they be summarized so that the subcommittee members would have a better understanding of the considerations which the Board faces and the things that have applied. He said it was not a question of doing things the way they have been done in the past.

Mr. Crowell concurred and encouraged the presidents to make those comments either orally or in writing to the Legislature. The points were very valid. He said utilizing the corridor of enrollment funding for this purpose would be penalizing those institutions affected.

The Chancellor said the institutions would have to absorb the increased number of students either by diluting the educational experience in terms of class size, faculty loads, and other factors, or by freezing the enrollment to what it was before the increases in enrollment.

Mr. Crowell then asked whether institutions would still be overburdened for at least a year or two.

The Chancellor responded that they already were because Western Oregon State College had absorbed the costs for three years and the University of Oregon for two years. Portland State University has had some adjustment because its enrollment increased a year before the other two. He noted that the admissions were already under way for the fall of 1987 so it would be an injustice not to honor present commitments for 1987. At some point, it will be necessary to make an adjustment and redetermine the ceiling for each of the institutions.

The Board approved a motion by Mr. Alltucker to instruct the Chancellor to reaffirm the Board's position on the preservation of the base budget and further to express the Board's concern that the issue of the transfer of funds from the teaching of students and the providing of educational services to the Centers of Excellence would be bad policy at this time. Mr. Petersen
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Petition of Dr. William Little, PSU

said the sense of the motion was to reaffirm the Board’s budget policy developed over about a year of discussion. The following voted in favor: Directors Adams, Alltucker, Chao, Crowell, Hermens, Richardson, and Petersen. Those voting no: None. Director Perry was absent from the meeting at this time.

Staff Report to the Board

Dr. Little is an associate professor of Black Studies and Urban Studies at Portland State University.

On September 29, 1986, Dr. Little filed a grievance under the non-contractual grievance procedure. In his grievance, Dr. Little alleged that Dr. Darrell Millner, Head of the Department of Black Studies, had unreasonably denied Dr. Little adequate resource support for full performance in his job. He further alleged that Dr. Millner did so to retaliate for grievances Dr. Little had filed during the past three years. Specifically, Dr. Little alleged:

1. He was denied adequate support for on-going faculty research.
2. The department refused to pay for his business cards.
3. He had inadequate access to department long-distance telephone lines.
4. He was allocated inadequate resources for printing and copying materials.
5. Dr. Millner failed to communicate adequately with him regarding departmental affairs.

Dr. Little sought a reallocation of departmental funds to meet his needs more adequately and improved communication between Dr. Millner and the Black Studies faculty. A five-person faculty grievance committee conducted a hearing on November 25, giving all of the parties an opportunity to submit both oral and written evidence. The committee, after full consideration of the evidence, found:

1. Although the resources of the Black Studies Department are limited, resources provided Dr. Little approximated those for the other two faculty members in the department.
2. Although there has been disagreement between Dr. Little and Dr. Millner, as well as between Dr. Little and Dean Paudler, the committee found no pattern of retaliation against Dr. Little.
3. Lack of support for Dr. Little's research was due to a lack of budgeted resources available to the department. Similarly, failure to provide business cards and limited resources for printing and copying merely reflected the inadequacy of resources available to the department.
4. In order to stop unauthorized long-distance phone calls, the department instigated a cumbersome authorization procedure; even essential long-distance calls are difficult to make.

5. Finally, the problems between Dr. Millner and Dr. Little appear to result from differences in individual style and overall approach to the objectives of the Department of Black Studies.

The committee made recommendations to the Vice President for Academic Affairs:

1. That the department attempt to develop a better system for use of long-distance phone lines.
2. That Dr. Little and Dr. Millner increase their efforts to work together more harmoniously.
3. That the Black Studies Department develop specific requests for an increased budget allocation.

The committee also made general recommendations which they believe would improve the grievance procedure.

On December 17, 1986, Associate Vice President Michael Reardon concurred with the findings of the committee and "found no evidence to support Professor Little's contention that he was being unreasonably denied access, support, or communication." Professor Little's appeal to President Sicuro for further review was denied.

Dr. Little requests a review by the Board as provided by OAR 580-21-390, Discretionary Review of Non-disciplinary Personnel Decisions. Dr. Little disagrees with the findings of the committee, believing that they were "clearly erroneous and not supported by the weight of the evidence in the full record." Dr. Little requests that the Board ensure uniform and consistent allocation of university resources within his department, ensure that the professional activities are encouraged and supported, and ensure that faculty grievances are considered in an unbiased and fair manner.

The Board's staff has conducted an appropriate examination and has concluded that the institution conducted a full and fair investigation. Although there is substantial disagreement between Dr. Millner and Dr. Little regarding the allocation of resources, the Board's staff believes that this is appropriately an internal decision regarding day-to-day affairs of the institution and should not be subject to Board review. Therefore, staff recommends that no review be undertaken.
Staff Recommendation to the Board

It was recommended that the Board adopt the following motion:

In the matter of the appeal of Dr. William Little submitted by letter or document dated January 26, 1987, regarding the allocation of resources within the Black Studies Department at Portland State University, the Board finds that adequate review was conducted by the institution and that Board review of specific departmental allocations is inappropriate. Thus, the Board declines to review the matter under the provisions of OAR 580-21-390.

Board Discussion and Action

Mr. Petersen indicated that Dr. William A. Little, Associate Professor of Black Studies and Urban Studies at Portland State University, had requested an opportunity to appear before the Board in support of his request for a discretionary review by the Board of a nondisciplinary personnel decisions. Mr. Petersen indicated he had granted the request for the purpose of presenting the reasons why the Board should review the petition. He said the presentation was not a hearing on the issues but was a request from Dr. Little essentially to overturn the staff recommendation.

Dr. Little said the non-contractual grievance procedures stated that the final institutional review rests with the president of the institution. He said, to the best of his knowledge, the appeal was not reviewed by the University president, nor did the president review the determination of the Executive Vice President and adopt it as his final determination. This constituted a procedural error, review of which is within the Board's jurisdiction.

Dr. Little then commented in the substantive issue of full and fair consideration of the facts raised in his appeal. He noted that the staff report stated that an appropriate examination was conducted and, on the basis of that examination, it was concluded that the University had conducted a full and fair investigation. He said it was his belief the staff recommendation failed to address the issues raised in his appeal to the Board. The crux of that appeal was that the internal institutional reviews did not address several of the vital issues raised in the appeal because the institutional reviews did not involve any meaningful and comprehensive investigation of the factual issues raised. Consequently, the conclusions reached during the institutional review process were flawed and not supported by the weight of evidence in the full record. If a decision or conclusion is not based on an analysis or review of all of the factual issues and contentions, it cannot be characterized as the product of a fair
and unbiased review process. He then cited factual allegations to illustrate his point, indicating that the internal review process did not address or investigate the disparity between the conclusion regarding a lack of funds and the relationship of unspent funds or his request to contribute personal funds for additional work-study support. He charged that the conclusion reached during the internal review process was not consistent with the facts in the record. It did not even acknowledge the inconsistencies, let alone address or resolve them. He then commented on the questions raised with respect to business cards and long-distance telephone access.

Dr. Little said the final issue dealt with the conclusion reached during the institutional review process that he and the department head could not communicate effectively because of a mere difference in style. Dr. Little said the issue here was not ineffective communication but a complete lack of communication. That concern was not addressed.

Dr. Little said his request for review was based on the belief that Board policy required fair and equitable treatment of all faculty members and that withholding of available resource support for retaliatory purposes was inconsistent with Board policy. He said that since the justifications given for the resource allocation decisions, which were the subject of his appeal, were inconsistent with the factual record, a review of the institutional conclusions was clearly within the Board's jurisdiction. If the Board is sincere in its desire to provide a timely and fair process for resolving grievances, the Board must carry out its obligation to monitor institutional reviews to insure they meet the standards of fairness.

Dr. Little said for the reasons which he had articulated, he requested the Board to reject the staff recommendation and refer the matter back to the university for comprehensive investigation and review of the factual issues raised or to direct the Board's staff to undertake a thorough, unbiased investigation of the matter.

Mr. Alltucker asked whether during this same period of time there were similar denials of the use of funds and services taking place in either Dr. Little's department or other departments. Dr. Little said he did not know.

Mr. Petersen then requested the staff to present the staff report, and Ms. Melinda Grier summarized the information and recommendation in the staff report. In response to a question from Mr. Crowell, she also explained that there were two grievance
procedures. One is under the collective bargaining contract. The other is a noncontractual grievance procedure which the faculty can use and then appeal to the Board and request Board review. This is the same type of review at all of the institutions.

Mr. Crowell inquired whether the non-contractual review process indicated the president had the ability to delegate the authority to make the final review. Mr. Mattis responded that unless there was something within the rule itself that would suggest the inability to make that delegation, it would be perfectly appropriate through specific delegation to delegate that responsibility. It would be very rare for a rule to prohibit such delegation. Ms. Grier said there was specific delegation by the president in this instance and that was not an issue.

Mr. Richardson asked whether the staff, in reviewing the circumstances, felt there was sufficient evidence to support the fact that the procedures had been followed and that there had been a fair consideration of all the facts.

Ms. Grier responded that she did. The faculty grievance committee dealt with the grievance, understanding that it was a very difficult issue and that the parties on each side had very strongly held beliefs. The grievance committee tried to deal with it in a thorough manner and to solicit information. She said the file was very thick with the information that the faculty considered.

Mr. Petersen asked what remedies Dr. Little would have if the Board were to adopt the staff recommendation. Ms. Grier indicated there were no further internal remedies and external remedies probably would be very limited.

There was a brief discussion of the number of grievances filed under the non-contractual procedure, and it was indicated they have all followed basically the same type of procedure.

Mrs. Monica Little said there were a number of clear factual discrepancies which were not addressed during the institutional review process and which would serve as a basis for the Board to entertain jurisdiction of these matters. The Board could either return the grievance to the institution for further full institutional investigation and review, or it could direct the staff to undertake a full and fair investigation to resolve the clear discrepancies of factual items that were never resolved during any of the review processes.
Dr. Michael Reardon, Associate Vice President for Academic Affairs, said he believed that the faculty hearing committee did in fact address the factual issues of the grievance and provided Dr. Little with all of the data he requested, including a great deal of information on the long-distance telephone calls.

Mr. Crowell moved that the grievance be returned to the institution for further full review. Mr. Richardson seconded the motion.

Mr. Alltucker said previously there had been three steps of review and the Board was being asked to make a fourth step. He asked whether there was any evidence in the first three steps that would support Dr. Little's position.

Mr. Petersen said he was not sure that was the issue, but rather whether a fair and equitable review had been accomplished.

Mr. Chao said he would not be opposed to referring the matter back to the institution in light of the small number of instances. However, he said he thought it should be referred with the comment that the Board had seen no evidence that any of the procedures had been abused nor had it seen any evidence that it should be referred or that Dr. Little was correct.

Mr. Lemman then inquired whether the intent was to return the grievance for a de novo hearing or merely for the president or vice president to review in more detail the factual records and, in effect, reconsider the decision after the record has been established.

Mr. Crowell said at least one element should be a requirement that President Sicuro review the grievance.

Mr. Lemman said there was a substantial record in the review that had already taken place. If any part of the record is lacking, the additional material can be obtained.

Mrs. Little indicated Dr. Little was not asking for a de novo review but there should be a more thorough investigation, either on the part of the Board's staff or through the internal institutional review process to look more closely, and perhaps resolve, the factual discrepancies.

Mr. Richardson said he agreed the issue was probably one that should fall under the University's day-to-day affairs and be handled by the president.

Mr. Crowell and Mr. Richardson clarified the intent of their motion that the matter be returned to the institution for further review of the factual discrepancies that are claimed to exist and that this would be done by the president's office. Furthermore, there would be a review of the process.
Mr. Petersen said that Mr. Chao's statements were very appropriate. The Board was not making a judgment one way or another on the process because it had very little evidence.

Mr. Lemman asked whether the motion intended that the matter be handled within the institution and not returned to the Board. Mr. Petersen responded that Dr. Little would have the right to make a further appeal if he did not agree with what happened internally.

The Board approved the motion to remand the matter to Dr. Sicuro for further disposition as indicated during the discussion. The following voted in favor: Directors Adams, Alltucker, Chao, Crowell, Hermens, Richardson, and Petersen. Those voting no: None. Director Perry was absent from the meeting at this time.

Staff Report to the Board

The Board's administrative rules relating to conditions of service for academic staff restrict sabbatical leave privileges to faculty who hold full-time appointments. It is recommended that the Board take action to make consideration for sabbatical leave available to faculty who are appointed at half-time or more.

The purpose of sabbatical leave is to enable a member of the faculty to undertake research, writing, study, travel, advanced degree work, or other creative endeavors which would not be possible while performing regular institutional responsibilities. The understanding and experience is that the practice of granting sabbatical leaves increases the usefulness, the effectiveness, and the productivity of faculty.

Other privileges associated with faculty appointments, such as consideration for tenure, staff fee rates, and membership on faculty boards and committees are available to faculty who are appointed at half-time or more. The potential for benefit to the institution, and to higher education generally, that results from sabbatical leave is not uniquely tied to faculty whose appointments are full-time. Part-time faculty, particularly those who serve on a continuing basis, make significant and substantial contributions to the education, research, and public service functions of the institutions; and their inclusion in the sabbatical process would benefit the institutions by further strengthening the faculty.

These amendments are proposed at the urging of the institution presidents and the Academic Council. Drafts of the proposed language have been circulated to the institutions and the response has been favorable.
At the request of the Finance Committee, the institutions were asked to provide information regarding the number of part-time faculty who would be eligible to request a sabbatical leave if the proposed rule changes were adopted. Systemwide, the number of part-time faculty that would be eligible for sabbatical leave is 95. However, if eligible part-time faculty were to request sabbatical leaves at the same rate as eligible full-time faculty, the number of requests among the 95 eligible would be in the neighborhood of 5 to 10.

It is generally assumed that part-time faculty will request sabbatical leaves at a lesser rate than do full-time faculty because of financial constraints associated with a part-time salary.

The fiscal impact of the proposed rule change would be negligible, partly because of the small number of part-time faculty that would be eligible for sabbatical leave under the proposed rule change, but primarily because sabbatical leaves are not granted unless the institution can identify existing salary savings to cover the replacement costs that result from a sabbatical leave. In some instances, through changes in course scheduling no additional costs are incurred as a result of a sabbatical leave and, therefore, the leave generates savings.

A public hearing on the proposed rule change was held on Tuesday, February 17, 1987. Virginia Boushey was the Board's designated hearing officer. The hearing was opened at 10:00 a.m. Dr. Joseph Hynes, vice provost for academic affairs of the University of Oregon, testified in support of the proposed rule change. No other testimony was received at the hearing.

**Staff Recommendation to the Board**

It was recommended that the Board adopt the following proposed amendments to OAR 580-21-205, Eligibility for Sabbatical Leave, to become effective July 1, 1987:

**Eligibility for Sabbatical Leave**

580-21-205 (1) An academic staff member may be considered for sabbatical leave only after having been continuously employed in the Department of Higher Education [full-time] at half-time or more [in-the-continuous-service-of-the-Department] for six academic or fiscal years [with] at the rank of instructor or above. A series of annual appointments shall be considered continuous whether or not interrupted by one or more authorized leaves of absence. However, an authorized leave of absence does not count as a year of service for purposes of the six-year requirement for sabbatical eligibility, nor does it prejudice the staff member's right to consideration for sabbatical leave. [Academic staff members employed on successive academic-year-
Academic staff members employed [full-time] on academic year appointments may be considered for subsequent [full-time] sabbatical leaves after completing six years of [full-time] continuous service following return from the last sabbatical leave. Academic staff members employed on twelve-month appointments may be considered for a second or subsequent sabbatical leave limited to four months after four-and-one-half years of continuous service following return from the last sabbatical leave; or, in the alternative, may be considered for any one of the three types of sabbatical leave listed in rule 580-21-230 after six years of continuous service following return from the last sabbatical leave; or, they may be considered for any one of the three types of sabbatical leaves listed in rule 580-21-230.

Cases involving mixed terms of service, or other irregular conditions, may be adjusted by administrative officers in accordance with the principles set forth in this chapter.

(2) Sabbatical leave privileges may be granted to staff members in special positions of responsibility and trust, even though those staff members do not hold academic classification as to rank. Recommendations for sabbatical leave for persons not otherwise qualified may be made in exceptional cases at the discretion of individual presidents.

(3) For purposes of determining eligibility for sabbatical leave, time spent by a staff member on an authorized military leave from a Department institution shall be considered as institutional service, with the understanding that during the military leave the staff member is considered to have the same academic rank held at the commencement of the leave.

(4) Salary received by an academic staff member during sabbatical leave will be a percentage (determined by OAR 580-21-225 or 230) of the staff member’s annual rate multiplied by the average FTE at which the staff member was appointed during the eligibility years immediately preceding the sabbatical leave. For purposes of this rule, eligibility years are the years of continuous employment that result in the staff member’s eligibility for sabbatical leave.

Board Discussion and Action

Mr. Lemman summarized the proposal and requested Ms. Virginia Boushey to present the factual information obtained in response to the request of the Finance Committee.

Ms. Boushey said the Finance Committee had asked for information with respect to the fiscal impact and the number of other institutions granting sabbatical leaves to part-time faculty. She indicated that many of the institutions contacted did not grant sabbatical leaves to part-time faculty appointed at half time or more but a significant number did. The University of California
system, the University of Washington, and Stanford University grant sabbatical leaves to part-time faculty hired at half time or more. She referred to the information in the report on the number of leaves which might be expected to be granted if the proposal were approved.

Dr. Whitney Bates, president of the Oregon AAUP Conference spoke in support of the proposal and expressed appreciation to those who had brought it to the Board.

Mr. Chao thanked the staff for providing the requested information and moved that the Board approve the staff recommendation with the added constraint that should the number of leaves exceed ten per year, the staff would return to the Finance Committee so that there would be an opportunity for the Committee to put some restraints on the leaves. He said if the requests for part-time faculty exceeded the proportionate amount of full-time faculty, then perhaps the rule would need to be changed.

Mr. Alltucker said he was not sure whether sabbatical leaves were a fringe benefit that was a vested right or whether they were primarily a device by which otherwise busy people could increase their knowledge and remain current in their fields. He questioned why part-time people should be paid to find more part time to stay abreast of their disciplines. If sabbaticals are a fringe benefit and there is a concern about the fairness of offering this fringe benefit to part-time employees, that would be a different issue.

President Byrne said sabbaticals are granted for the benefit of the institution, even though the individual also will benefit. Mr. Lemman quoted the Board's Administrative Rule which stated that sabbatical leaves are a privilege and not a right and are to be granted only when it can be shown that the applicant is capable of using the period in a manner which provides greater service to the institution and the state.

The Board approved the staff recommendation as modified by Mr. Chao in his motion. On roll call vote, the following voted in favor: Directors Adams, Chao, Crowell, Hermens, Richardson, and Petersen. Those voting no: Director Alltucker. Director Perry was absent from the meeting at this time.

The Chancellor reported that Governor Goldschmidt had proposed in his initial 1987-1989 budget that $3 million of General Fund dollars be appropriated as a match for his pledge to raise an additional $3 million from business and industry leaders in Oregon. He challenged the state's public colleges and universities to match the $6 million to provide for a total of $12 million for endowed
professorships. The earnings from the endowment would provide continuing salary supplements needed to attract and retain the most outstanding faculty at Oregon's public colleges and universities.

Members of the Board and the Chancellor's staff met with the Governor and expressed appreciation for his leadership and strong support for the eminent professors program. The Chancellor said the proposal was an excellent one and the State System was ready to accept the Governor's challenge. Because it will take time for the colleges and universities to raise the private money, however, the State System and the Governor have agreed to postpone the request for a legislative appropriation until the 1989 Legislative Session.

The Chancellor recommended that the Board authorize the institutions to raise the $6 million first against the Governor's pledge that he would raise the $3 million and then recommend to the next Legislature the $3 million of matching funds. The endowment would provide for ongoing special supplements to salaries of eminent professors as identified by the respective institutions and the Board.

The Chancellor indicated that more specific details would be provided after meeting with the presidents. Some preliminary information was available to the Board and is on file in the Board's Office.

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

The Chancellor reported that legislative hearings have started with the Oregon Scholarship Commission. One of the proposals being heard at present is a bill supported by the Governor which would redirect the funding that currently goes into the Oregon Scholars Program. This is a small merit program, based on need, recognizing the outstanding scholarship and scholastic achievement by Oregon students. Many, however, qualify for no need and simply receive a certificate of recognition. The Oregon Scholarship Commission has been requested to present a program.

The Chancellor said the State System staff had worked with the Scholarship Commission and strongly supported its recommendations to establish 120-125 merit scholarships to be awarded on the basis of high achievement through the Oregon Scholarship Commission. These would be renewable throughout the four years of undergraduate instruction on the part of the students. This would put approximately $500,000 into merit scholarships each year as contrasted with the $160-170 million annually in financial aid from state and
government sources based on need. He indicated that even though financial aid based on need far outweighed the financial aid based on merit, there was still opposition to the merit-based awards program. At the same time, it has been recommended that the $1 million originally identified for merit aid be utilized for increasing the need-based grants provided by the state.

Staff Report to the Committee

The information presented below comprises a progress report to the Board of Higher Education on the reform of teacher preparation in the Oregon State System of Higher Education and recommendations for a fifth year, professional master's degree program in teacher education.

Background

The improvement of teacher education has been a high priority of the Board of Higher Education during the recent period of intense local and national scrutiny on teacher education. In July 1986, the Board of Higher Education approved its Strategic Plan, 1987-1993. Among its recommendations were a number of new initiatives in teacher education, specifically that the System's colleges and universities should:

- Develop cooperative programs to recruit highly qualified students to the teaching profession (Recommendation #15).
- Raise standards for admission to teacher preparation programs -- raise grade point average to 2.75, require students to pass CBEST (Recommendation #16).
- Redesign their teacher preparation programs to a five-year program sequence that would emphasize improved recruitment, raised admission standards, extended field work, redesigned education courses, more subject matter preparation, improved accountability, and financial incentives to students (Recommendation #17).

While some guidelines were provided regarding how these recommendations were to be implemented (see attached description from Strategic Plan included in the full report), the campuses were asked to develop the details about their implementation plans and return to the Board with them in the coming year. This was done with the understanding that the Interim Legislative Committee on Teacher Education, chaired by President Kitzhaber and Speaker Vera Katz, would complete its work within the year. Their committee's intensive examination into teacher
preparation would provide additional input that the campuses should take into consideration in planning the redesign of their programs. A copy of the full report, entitled "Teacher Education Proposal," is on file in the Board's Office.

Progress Report

State System campuses began implementing many of the Board's recommendations from the Strategic Plan during this past year.

1. Recruitment of Highly Qualified Students. Each campus has improved its efforts to recruit highly qualified students to teacher preparation programs. At some campuses this has involved sending letters to high school students and college freshmen with high grade point averages, asking them to consider careers in teaching. Some campuses have extended their visits to high schools to inform students about careers in teaching, using newly prepared video presentations to showcase programs that are available to prepare teachers. Campuses are continuing to seek funds to expand scholarships for teacher education students.

2. Higher Admissions Standards. Each campus has, or is in the process of instituting, the raised grade point average of 2.75 in college-level work for admission to teacher education programs. Each campus requires that students pass the CBEST before they are permitted to undertake student teaching.

3. Subject Matter Testing. In preparation for the use of subject matter tests as an exit requirement from System campuses, each campus has participated in reviews of Educational Testing Service's National Teacher Examination. Campuses are having teams of faculty and students take the NTE subject matter and pedagogy tests to assess the extent to which the campus curricula covers items included on the test, and to identify which courses are most useful for students to have taken to pass the test successfully. This work is mandatory to implementation of subject matter and pedagogy in Oregon.

4. Fifth Year Programs. Considerable discussion on fifth-year teacher preparation programs has been held among campus groups, school districts, and educational agencies both within and outside Oregon this year. A major portion of the Interim Legislative Committee's
discussions have, in fact, centered on fifth-year programs. Within the last several months, the Holmes Group (a consortium of more than 100 research universities working on the reform of teacher education) has completed its recommendations, including a call for fifth-year, graduate-level programs in teacher education. The Carnegie Commission has already called for similar reforms. The deans of State System schools and colleges of education have reviewed these many reports, and conclude that the State System should continue its move to fifth-year programs. The details of the fifth-year are described in the following proposal.

Proposal for Fifth-Year Programs

The preparation of teachers is undergoing significant changes nationwide; we cannot be immune to these changes in Oregon. The four-year teacher preparation program culminating in certification and a baccalaureate degree is no longer the entry-level requirement in some states. Some states (e.g., California and Colorado) are requiring a fifth-year program completed after the candidate has completed the baccalaureate degree. Many states have added to the fourth- or fifth-year graduate a year of apprenticeship within the employing school district that provides the path for a provisional or initial teacher to move to a fully-certified teacher.

These changes are being made as the profession recognizes the growing demands placed on teachers -- demands for academic excellence in increasingly challenging school environments. National data on high attrition from the profession within the first five years of teaching, school dropout rates for children, and lack of rigor in the school curriculum compared to our nation's economic competitors in the world market are fueling many of these changes. Teachers prepared under yesterday's teacher education programs will find it more difficult to face the challenges of tomorrow.

The State System's teacher preparation programs can be improved. This is an excellent time to make changes. We are not facing a shortage of teachers in the current or near future in Oregon, and we have considerable interest in improving our programs from both our campuses, local school districts, and the Legislature.
A number of major changes, therefore, are proposed to improve State System teacher education programs:

1. **Elimination of Undergraduate Major.** The undergraduate major in education should be eliminated. Freshmen beginning in State System institutions after fall 1988 would no longer be able to major in education. Students would be required to major in an academic area related to school district curricula and/or subject matter endorsement(s) and receive a baccalaureate degree from an accredited college or university for admission to a teacher preparation program. Students interested in becoming an elementary teacher would be encouraged to major in a liberal studies or interdisciplinary studies major.

2. **Testing.** State System institutions should institute academic testing using the National Teachers Examination. Beginning fall 1988, all graduates of teacher education programs in State System institutions must have taken and passed the NTE subject matter test at the TSPC-approved cut off score. During 1987, institutions should have faculty and student teams take the test to identify which courses are most useful for students to have taken to successfully pass the test.

3. **Shift to Graduate Emphasis.** Teacher education should take place in a graduate environment, culminating in a master's degree and an initial or provisionary teaching certificate.

4. **Undergraduate Prerequisites.** There should be some undergraduate prerequisites to teacher education as there are for other professional, graduate-level programs. These should include no more than 12-15 hours. State System institutions should cooperatively plan prerequisites to expedite transfers between campuses. It is anticipated that the undergraduate sequence will include courses that provide for early school experiences, psychology of learning and human development, and the foundations of education.

5. **The Fifth Year.** State System institutions should develop a graduate-level teacher preparation program of approximately 12 months in duration, culminating in a master's degree. The specific title of the degree should be determined by each campus. The typical 12-month program would include a summer and an academic year following completion of undergraduate prerequisites.
Under the current quarter system, the minimum number of hours typically required of a master's program is 48 hours. Under a semester system (expected to be implemented in 1990, also the proposed initiation date of the new master's program), the number of hours will be fewer. Each campus should determine the number of hours required for its semester-system master's degree in keeping with the needs of the program planned by faculty in the schools and colleges of education and the standards of the campus and appropriate accreditation bodies.

A benefit of the proposed program is the expectation that many students will be able to start and complete their programs together. Campuses will attempt to plan programs under this "cohort" method to effectively move students through planned activities throughout the duration of their programs.

Another benefit of the fifth-year program will be its ability to serve diverse populations. Teacher education has traditionally served non-traditional populations, with increasing numbers of older, post-baccalaureate students seeking careers in teaching. It is expected that the new master's program will serve this group particularly well. Campuses should develop their master's programs in keeping with their missions to serve diverse populations of the state.

Students should be required to pass the National Teacher Examination in subject matter prior to completion of the master's program.

The master's program should contain extended field experiences in cooperation with public schools. Field experiences should provide opportunities for the teacher-in-training to move from classroom observations, to serving as a teacher aide, to providing unit/lesson teaching, culminating in full-time teaching responsibilities. A major benefit of the new master's program is the lengthier time period for planned field experiences. For example, campuses could provide almost 30 weeks of field experience in the graduate program.

6. **Standard Certification.** The master's program should contain coursework required for the Standard Certificate in Oregon. It is the expectation that the Standard Certificate would not be received, however, until the teacher had completed additional years of successful teaching beyond the Basic Certificate in a school district (rules governing the granting of the Standard Certificate are determined by the Teacher Standards and Practices Commission).
7. **Enrollment Declines and Resources.** As the campuses move from four-year undergraduate programs to five-year master's programs, increased admissions requirements and raised standards in the new programs will result in declining enrollments. The schools of education, typically funded on student credit hours generated, should not be penalized because of declining enrollment at the very time they are upgrading their programs. A commitment should be made to the schools of education to provide adequate resources as they move through this five-year period.

8. **Beginning Teacher Year.** A bill is currently before the Legislature to require that all teachers in their beginning year teach under an Initial Certificate. School districts could apply for a grant from the state to provide a special induction-year program for these teachers; for example, supervision under a mentor teacher, release time to observe other classrooms, and induction-year seminars with nearby college programs. If districts determine that beginning teachers have completed a year of successful teaching, these teachers would be granted the Basic Certificate. The State System should support this sixth year of close teacher supervision to complete the teacher reform program.

9. **Areas of Special Problems.** A number of special problems have to be addressed in implementing the proposed teacher preparation reforms. Two have been identified in planning activities to date:

- **Additional endorsements.** How will students add endorsements, for example in special education, reading, and media, within the master's program? Will additional endorsements be completed only after the master's is completed, requiring teachers to complete additional coursework after they are employed in public schools?

- **Counseling certification.** Entry to certification as a school counselor, currently a shortage area in Oregon, now requires some years as a full-time teacher followed by completion of the counselor preparation program. Will the additional fifth-year program make it more difficult to train school counselors?
10. **Implementation.** No later than fall 1990, State System institutions should move to a semester system, master's program in teacher education at the five campuses: Southern Oregon State College, University of Oregon, Oregon State University/Western Oregon State College, Portland State University, and Eastern Oregon State College. Each institution should submit its new master's program to the Board of Higher Education for approval no later than May 1989.

11. **Benefits to School Districts.** The proposed master's program has been planned with the assumption that our institutions will be able to contract with local school districts to provide vital field opportunities for teachers-in-training. We believe that school districts will benefit from these cooperative activities in a number of ways:

- We will be able to bring mature, highly-qualified, graduate-level teachers-in-training to school districts to provide additional staff resources to schools.
- Local districts will be able to play a different role in staff development, receiving training in supervising graduate interns, and serving as mentor teachers to graduate interns.
- We will be preparing better trained teachers, benefiting schools throughout Oregon.

**Staff Recommendation to the Committee**

The staff recommended that State System campuses authorized to provide teacher preparation programs implement major reforms in the preparation of teachers. Because these reforms will require significant curriculum redesign, these curricular changes should be conducted in tandem with the State System's move from the quarter to the semester system calendar. Because of the implications of these major changes for school districts, students, professional teacher groups, and other educational organizations in Oregon, the staff further recommended that the Board conditionally adopt the recommendations listed below with the stipulation that copies of the Board's action be sent to various educational groups in the state for a one-month period of review. The Board's final action should take place at its April meeting, taking into consideration feedback obtained on the teacher education reform proposal.
1. Each campus authorized to provide teacher preparation programs should immediately institute a planning process to implement the reform package. Campuses should ensure widespread involvement in the redesign of programs with representation from teachers and administrators from local school districts as well as faculty from arts and sciences colleges.

2. The undergraduate major in education for freshmen beginning after fall 1988 should be eliminated. Each campus should review its current interdisciplinary and liberal studies majors to make a determination regarding the appropriate degree for students seeking training as elementary teachers, and in some cases, secondary (for example, industrial arts). Each campus should make information available to students regarding appropriate majors no later than January 1988.

3. Beginning fall 1988, all graduates of State System teacher education programs must have taken and passed the NTE subject matter test at the TSPC-approved cut off score. During 1987, institutions should have faculty and student teams take the test to identify which courses are most useful for students to have taken to pass the test successfully.

4. State System campuses should cooperatively plan undergraduate-level prerequisites needed to enter the fifth-year master's programs in teacher education to expedite transfers between campuses. Information about prerequisites should be available to students no later than January 1988.

5. State System campuses should move immediately to plan a semester-calendar, graduate-level program of teacher preparation of approximately 12 months in duration culminating in a master's degree and Initial Certification. Each campus should submit its new master's program to the Board of Higher Education for approval no later than May 1989. The first class of students should be admitted to the new master's programs no later than fall 1990.

6. State System campuses should anticipate declining enrollments in teacher education in line with raised admission and program standards. Adequate funding levels should be provided to implement the transition from the four-year to five-year master's programs.
Discussion and Recommendation to the Committee

Dr. Pierce said the preparation of elementary and secondary teachers had been one of the most important obligations of higher education since its inception. Many of the colleges and universities began as teacher training institutions, and most of them have continued to have a responsibility in this field. Dr. Pierce stated that the preparation of teachers has not always had the level of interest and commitment that it deserves and the proposal before the Board was an unprecedented opportunity to review teacher education programs and move them forward. He then cited the current state and national interest and attention to teacher education. There is now an unusual opportunity to review these programs and make major improvements in the State System's teacher education programs.

Dr. Pierce introduced House Speaker Vera Katz, who chaired the Joint Interim Education Committee. Speaker Katz was present to discuss her interests in teacher education, both as a member of the Carnegie Commission and as the Speaker of the House and a member of the Joint Interim Committee on Education. Mrs. Katz was accompanied by her assistant, Mr. Phil Keisling.

Mrs. Katz expressed appreciation for the opportunity to comment on the exciting proposal before the Committee to improve the training for Oregon's next generation of teachers. The proposal to create a graduate-level degree program for teacher training is the result of many years of work and discussion by many parties. Most recently, a special citizens' advisory committee to the Legislature's Joint Interim Committee on Education looked at teacher education and recommended an approach similar to the one before the Committee. This approach is also reflected in proposals made by the Holmes Commission and by the Carnegie Task Force on the Teaching Profession.

Mrs. Katz said she was not prepared to discuss the details of the proposal before the Committee because many of those details still need to be worked out. She said it was important for the Governor's Office and legislators to be active in that process. She said she would address instead the general approach as a vital part of efforts to upgrade the status of teaching and make it the profession that it deserves to be. The proposal is a bold change that goes far beyond nibbling at the edges of teacher education. It is also controversial, but in future years, it will be viewed as a vital ingredient in an essential and broad-based effort to upgrade the status of the teaching profession in Oregon.
In considering the teaching profession in the year 1997, it is clear it should be characterized by higher status and appreciation for the vital job that teachers perform. The profession should be characterized by rigorous standards of entry, based on demonstrable skills and knowledge. The profession should provide career opportunities to encourage the best and most dedicated to remain in the classroom teaching Oregon's children. Mrs. Katz said teacher training programs must be characterized by the kind of rigor and high expectations that merit the respect of the public and meet the actual needs of Oregon's teachers. In comparison to most of the other states in the country, Oregon is doing a better job in training teachers, in paying them, and in giving them the respect they deserve, but it could do much better.

She said this particular approach of a graduate-level master's degree program of 12-months' duration, with built-in flexibility to meet the diverse needs of many different kinds of teachers, recognizes that some important changes have occurred in those who choose to enter teaching. Many already possess the baccalaureate degree. The plan recognizes the need to attract to teaching a fair share of the most talented and dedicated young people. Part of that incentive involves better pay and working conditions, but another important part is to give teacher training the kind of rigor and reputation that will attract those students. The plan recognizes that much of teacher education is good but there is substantial room for improvement. This need for improvement has been evidenced by comments from the teachers themselves concerning their training.

Mrs. Katz said the challenge for this nation in an increasingly competitive world was not to under-bid its competition but to out-think it. She said that Oregon could not afford to pass up an opportunity to focus its energies and resources on earning a national reputation, not as the state that closes its schools, but as the state whose schools are second to none. The proposal before the Committee represents an important step in that direction. Mrs. Katz said she applauded the deans of the schools of education and the State System for taking this initiative and urged the Board to give it the attention and consideration it deserved.

Mrs. Katz concluded by asking the Board to demand flexibility within the State System and to allow the individual universities and colleges to be flexible in making proposals that would make everyone proud. It is critical for the Board to allow that flexibility and to make sure the programs are formulated in a different manner than they are formulated now. The intent is to shake up the curriculum and begin to meet the needs of the teachers, which presently are not being met as well as they should be.
She encouraged the Board to move as quickly as possible, but to move thoughtfully and carefully. She suggested the Board might want to provide some incentive for one or two of the institutions which were ready to move now on this proposal to begin to do so. This would provide an opportunity to assess the merits of the proposal and determine that it was going to work well.

Mr. Petersen said the recommendations were embodied in the long-range plan for the State System. He agreed the proposal was controversial and would take courage. He pledged the support of the Board to accomplish the implementation of the excellent proposal for the improvement of teacher education in Oregon. He thanked Mrs. Katz for coming with her enthusiasm to begin the Board's discussion of this very important issue in Oregon.

Mrs. Katz congratulated everyone who was involved in developing the System plan. She indicated the Legislature would make a commitment to begin implementing the pre-school piece. Commitments have been made to make sure no Oregon school closes and to make changes in the teaching profession. Later, it may be possible to make a commitment on basic school support.

Mr. Petersen emphasized that the proposal before the Committee was the State System's plan and said he thought it would be more successful and have a better opportunity if it were kept in that context.

Mr. Alltucker commented that it was the Board's intention to encourage individual campuses to be innovative and to experiment, recognizing there would be some failures.

At the invitation of Mr. Petersen, Mr. Keisling commended the extraordinarily good job done by the committees and individuals who participated in the preparation of the report and the plan which was before Committee.

The Chancellor thanked Speaker Katz for her leadership in the development of the proposals for the improvement of teacher training. He said Oregon would be moving ahead of the nation in doing things that have never been done before in higher education as a total state. The long-range impact on the teaching profession will be an increase in the professionalism of teaching, an enhancement of their salaries, and a greater sense of respect and esteem in society. Teachers have a tremendous impact on their society and are under-recognized for the contribution they make. This is a step toward correcting that situation.
Mr. Richardson requested Mrs. Katz to comment on the issue of improving teacher education and linking that to compensation.

Mrs. Katz explained that the system of financing K-12 is based on a distribution formula which allocates basic school support dollars directly to the districts. These funds are used primarily to pay salaries. Oregon will have to make a commitment to improving teachers' salaries. At present, that can only be done by increasing the basic school support formula. She said she had opened the politically unpopular issue of the "2% kicker" and the expenditure limitation in order to deal with money not only for basic school support, but for higher education excellence, community colleges, and job training for employment, particularly for welfare recipients. She said that the state should be obligated to make a commitment through the basic school support fund if the move were made to a fifth-year program. If teachers are expected to have much more rigorous preparation, it should be recognized and compensated. She said she was committed to doing that and would, in fact, provide the incentive for the Legislature to deal with it.

Mr. Petersen said the Board members would not disagree with Mrs. Katz on the 2% concept but indicated they recognized its sensitivity.

Mr. Adams asked Speaker Katz to comment on the concerns that not enough teacher training could be involved in the first four years if students were concentrating on a particular subject matter, especially for those students in elementary teacher training.

Mrs. Katz said nothing in the proposal would preclude baccalaureate work in the fourth year of the undergraduate program. The issue is what kind of preparatory work and how much. She said she did not have the expertise to determine that but the presidents and the deans should address that question as the curriculum is developed at each institution. She said there were some real questions as to how much pedagogical work needs to be done as opposed to subject matter training in the actual fields they will be teaching. There also seems to be a need for going from the university or college to the classroom, flowing in and out, which seems to be very critical to teachers and their training. She said she was not convinced that six years was essential for a master's degree in education but she was convinced there should be four solid years of undergraduate training and a 12-months' program for field-based training, with a very concentrated effort on pedagogy.
Several groups have debated the issue of subject matter training for elementary school teachers, but it appears important to structure a liberal arts program that meets the needs for dealing with a whole scope and range of programs. She said restructuring the programs for elementary school teachers might be the Board's greatest challenge.

Dr. Pierce indicated that Mr. Dea Cox, Superintendent of the West Linn School District, would comment on how the proposed program fitted into the recommendation of the Joint Education Committee. Mr. Cox is a member of the Citizens' Advisory Committee of the Joint Interim Committee on Education. He has had a leadership role on that committee and in the Confederation of Oregon School Administrators (COSA).

Mr. Cox said the teacher education proposal before the Committee was excellent and precisely in the right direction. The members of the teacher preparation committee of COSA are delighted even though they might not support every element in it wholeheartedly.

He said society was changing and the schools would be changing to reflect that changing society. He said he was concerned that the children of today receive a first-rate education to prepare them to make a living and a contribution in an enormously competitive world. Many have received a first-rate education for an industrial society, but very few are receiving a first-rate education for the kind of world they will be living in in 2020 or 2030. The very foundation for building the kind of school needed for that era is the teacher education program.

Mr. Cox commented that teacher education programs have been held in relatively low esteem. This is tragic because it makes it difficult for the brightest and best young people to want to be identified with teacher education. It is essential to do some things about teacher education programs to raise their esteem and provide better training for students in order to attract the finest young people to the profession.

Mr. Cox said the proposal presented by the staff was in line with the reforms in teacher education discussed in the interim committee and in the teacher preparation and certification committees. It is designed to provide a training that is closer to the actual work in the schools and to provide a better foundation for that pedagogical training. Giving prospective teachers the training and the opportunity to use it in an intern or practicum situation is very important. He indicated that the proposal may be controversial but it would be best for the children and the schools in the decades ahead.
Dr. Pierce said the proposal had been developed over the last two years to provide a set of guidelines for the improvement of teaching in the light of the attention given to teacher education and a renewed commitment to improve teacher education. The proposal represents a general sketch or set of principles upon which the reform of teacher education should take place and to make the discipline of teacher education more professional.

Dr. Pierce indicated there were really three parts to upgrading teacher training. The first is to strengthen the subject matter training the teacher candidates receive by having them major in liberal arts disciplines at the undergraduate level. The second is to intensify the professional training through a highly rigorous professional program at the graduate level. The third element of this invigorated program is a stronger clinical element in which future teachers spend considerable time in the school districts working with mentor teachers and putting into practice what they have learned in this rigorous professional program. Another component is that of making programs available to a wider range of the better students.

Dr. Pierce said it was important to remember that the proposal is intended as a set of guidelines. Each institution would be expected to develop teacher education programs within those guidelines in cooperation with faculty, communities, and school districts in their areas. He cited some of the differences among the various teacher education programs.

Dr. Pierce said hearings were scheduled in several locations in early April to give teachers, administrators, and the public an opportunity to state what they think should be included in a stronger teacher education program. He noted that the proposal is to be adopted no later than 1990 but institutions would be encouraged to move more quickly than that if possible.

Dr. Pierce mentioned some of the problems to be overcome. First, for the program to be successful, it will require a much closer relationship between the schools of education and the school districts in the state. It will be necessary to decide how to finance and organize the internships. He indicated the State System supported the mentor teacher bill to provide money to assist school districts in establishing mentor teachers for new teachers and for the interns in teacher education programs.

There are problems in connection with training special education teachers. One is the training of regular teachers to handle the learning disabled students in regular classrooms. The second is how to train specialists when so much course work is required just to get the basic certificate. There are problems for rural districts in their need for multiple endorsements so that teachers can teach more than one subject.
Dr. Pierce indicated the schools of education were concerned about the effects of this program on the internal allocation of resources within the institutions. For example, if the length of time in teacher education is reduced, will it be possible to retain sufficient staff to provide the field experience on the clinical side of the program. At the same time, additional faculty will be required in other areas of the institutions to support the more vigorous teacher training activity.

Dr. Pierce said the staff was requesting the Board's authorization and encouragement to proceed with the proposal and reaffirmation of the State System's commitment to work with the public schools in providing the best possible teachers for the State of Oregon. He then asked Dr. Holly Zanville and the deans of the schools of education to discuss several of the specific issues that have been raised.

Dr. Zanville said the first element of the proposal was the elimination of the undergraduate major in education. This has been a very controversial element because the elementary teacher would be majoring in something other than education. Secondary teachers usually are already majoring in their academic areas. After reviewing briefly various elements in the proposal, Dr. Zanville requested Dean Robert Everhart of Portland State University to comment on ideas under consideration at that institution for the preparation of elementary education students.

Dr. Everhart said elementary school teachers are responsible for a wide range of subject matter for all students each day. One proposal discussed at Portland State University would be a general studies major which provides a range of course work across several subject areas. Another possibility that has had preliminary discussion is the creation of an interdisciplinary major specifically designed for people in human services and education. For example, such a major might focus upon thinking and inquiry skills in four possible clusters. The clusters would consist of subject matter courses and a core course to integrate the other courses.

Dr. Robert Barr, Dean of the OSU-WOSC School of Education, addressed the recommendation for undergraduate prerequisites. He said prerequisites could be inserted at the undergraduate level so that students interested in teaching as a career would have some practica and professional education at the undergraduate level. It is important for students to have some introduction to the field of education before they enter the master's degree program. Students majoring in a particular academic area also should understand how it relates to the subjects they will be teaching at a later time. He indicated these proposals were controversial and a great deal of work still must be done.
Dr. Robert Gilber, Dean of the School of Education at the University of Oregon, discussed what might be done in the fifth year to improve and expand on the cooperative relationships with the school districts as a result of the major emphases in the new program to expand the opportunities for field experiences. He said most people would agree that the field component of the professional training program was the most important component in undergraduate instruction so that with practice student teachers can implement what they have learned in an effective way. He said the primary responsibility of the public schools was not to train teachers but to see that the children in their communities were well educated. He said he believed it would be possible to design the entire professional program in order to take advantage of a better field-based clinical operation and lead to the preparation of better teachers.

Dr. Zanville said one of the concerns raised during the discussions had been whether all of the campuses should move to the fifth year model and whether there would be special problems for campuses which serve rural districts particularly. This is further complicated by the change from the quarter to the semester system. She requested Dr. Jens Robinson to speak to the issues of readiness to plan and move ahead as well as to whether Eastern Oregon State College would be adversely affected by needing to train people through the rural districts.

Dr. Robinson said the education of teachers was the Center of Excellence program at Eastern Oregon State College. He said the proposal before the Committee was a bold beginning but it needed refinement, cooperation, and a chance to grow, evolve, and mature. It is controversial, and not all the questions are answered. He indicated that the faculty at Eastern Oregon State College, if given approval, would pilot a modest program based on the proposal, beginning in the fall of 1987. The faculty would move to greater implementation by 1988. He said Eastern Oregon State College was aggressively seeking to move forward and would be able to do so.

Dr. Zanville then requested Dean Barr to discuss special endorsements. He indicated they represented a real problem. For special education in particular, students typically would major in elementary education and add an endorsement to that elementary education in special education. At this point, the issue of special education has not been resolved. Several statewide associations are concerned and are currently exploring a number of possibilities. Proposals about these issues will be developed and presented to the Board, but special endorsements are very difficult areas to conceptualize in an extended fifth-year program.
Dr. Susan Roper, Director of the School of Education-Psychology at Southern Oregon State College, said there was considerable concern among all of the faculty about the quality of the master's program. While there is considerable support for the experience program, liberal arts courses, and extended academic requirements, there is a concern about the amount of time available for preparation in teaching and for graduate level courses in subject matter areas. There is also the whole issue of resources and the fact that students will be paying graduate fees before they have had an opportunity to earn a living as a teacher. It will be important to mobilize support for legislation to provide some financial support for these students.

She indicated the public schools will need some support because the extended teacher field experience training will require more from the public schools as they collaborate with the colleges and universities in a much longer and more intense period of student teaching or internship. The education faculty also will be spending a larger proportion of time in the public schools supervising student teachers.

Dr. Roper said it would be essential to listen very carefully at the hearings to get some sense of the willingness of the school districts in each area to collaborate. This is truly a collaborative proposal.

Dr. Zanville said the State System had been criticized for producing too many teachers. It is anticipated this proposal will result in a declining enrollment due to the combination of a number of factors.

Mr. Petersen referred to the continued allocation of resources at the institutions during the transition period and asked whether that question had been discussed with those responsible for the allocation of funds.

Dean Gilberts said it would be difficult to respond to that question until the planning had progressed further, but this issue obviously would be a very critical part of the process.

Dean Barr said a commission on teacher education, composed of a number of the deans who would be most heavily involved, had been created by Vice President Spanier at Oregon State University. Data and information in terms of the impact of the changes on the school of education in the arts and sciences areas will be developed. He commented that Oregon State University probably was large enough it would be able to absorb the education students who will leave education and major in an academic area. The situation may be entirely different at Western Oregon State College where elementary education students will leave education and major in the academic areas of arts and sciences.
There will be a profound impact on the arts and sciences curriculum in staffing. The change, coupled with enrollment growth at Western, could have major financial implications at that institution.

Dr. Pierce cautioned against the conclusion there would be a decline in enrollment in these programs. That may depend upon the status of the job market in education. If the status and quality of the program is improved, it will be more attractive to students. He said he thought it would be premature to conclude that the addition of a fifth year would automatically reduce the number of people entering the teaching field.

Mr. Adams inquired whether the change would result in a year without any students graduating from teacher education programs. Dr. Zanville said there would be an overlap because students entering under the existing calendar would have the option of graduating from the four-year program. Dean Barr added that both Washington and California were moving toward a fifth-year teacher education program, so it was unlikely students from Oregon would be leaving the state to graduate from a four-year program in a neighboring state.

Mr. Hermens asked whether there had been any discussion of the master's program and its impact with respect to paying teachers at a master's degree level when resources only permit paying at the baccalaureate level.

Dean Barr said this had been a concern of the Oregon Education Association. It was questioned whether the beginning level would be the most appropriate place to raise teachers' salaries. There is also a concern that people would enter the classroom with a master's degree without ever having been in a classroom to teach. Most of the deans would favor an opportunity for students to teach a good deal before they would complete the master's degree.

Mr. Petersen indicated that Mr. Leonard Anderson, Vice President of the Oregon Education Association, had requested an opportunity to address the Board concerning the teacher education proposal.

Mr. Anderson described his educational and professional background as a preface to his remarks. He was speaking on behalf of the 27,000-member Association.
He commented that most of the members of the Association had been trained in the State System institutions and they found that the institutions had done a very fine job of preparing teachers. He urged the Board to weigh very cautiously its self-indictment of the State System and the quality of the professors preparing educators for Oregon.

He said the Association was interested in working with the institutions to evolve the present programs into even stronger teacher education programs. There is good instruction in those institutions, there are quality professors, and the teachers of the state have received quality training. He said the proposal before the Committee and the bills in the Legislature should be examined carefully to see whether they represented significant improvement.

Mr. Anderson said the timing and number of public hearings were unrealistic in terms of receiving genuine, broad-based input. He suggested the hearings be set closer to the middle of April and that the sites be expanded and hearings held in the early evening. He also requested that members of the Board be present at the hearings so that they receive the direct comments from those attending.

The Committee then discussed other sites for the hearings and set additional hearings later in the month.

In response to a question from Mr. Richardson concerning any possible teacher shortage over the next few years, Dr. Pierce indicated there was presently a surplus of teachers in Oregon. He said he believed there could be a decline in enrollment in Oregon without creating a shortage in Oregon for the foreseeable future. The proposal also is expected to be more responsive to the market.

Mr. Alltucker asked whether the teacher education program should incorporate ways to develop an appreciation of the need for personal and collective values. Dr. Pierce said there have been several recent books on moral education and values education and the deans could consider this issue and have an answer when they design their programs.

Mr. Petersen asked that the general public be made aware of the hearings to be held throughout the state.

Mr. Crowell moved that the Committee recommend to the Board approval of the staff recommendation. Mr. Adams then moved to amend that motion to allow an additional month to provide the time and opportunity for adequate hearings. It was understood that if the amendment were adopted, the report to the Board would be delayed until the May meeting. The Committee approved
the amendment and then approved the main motion as amended. It was also understood the proposal was conceptual only and would give the staff direction in formulating the final proposal.

Board Discussion and Action

Mr. Petersen presented the Committee report and recommendation, noting that the staff recommendation had been modified to allow a two-month period for the hearings with the report to be made to the Board in May rather than in April. Additional hearings were to be added to those presented to the Committee of the Whole, and the hearings were to begin at least one week later than the original schedule.

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

Staff Report to the Board

A recommendation has been received from Western Oregon State College to amend the 1987-1989 Capital Construction Request for authorization to construct a 300-bed dormitory for an expenditure of $6,120,000 from Article XI-F(1) bond proceeds.

Construct 300-bed dormitory addition, WOSC: Western Oregon State College is an institution experiencing substantial enrollment growth to a level exceeding 4,400 headcount students into the 1990s. To meet the immediate problem, the College has acquired 21 mobile housing units from the brokers of the holdings of Rajneeshpuram in central Oregon and is in the process of installing these units in Monmouth. Each unit will house 14 residents, for an interim capacity of 294 persons.

However, these units are permitted on the campus through a conditional use permit granted by the City of Monmouth and cannot be considered permanent fixtures. The units have provided Western Oregon State College with time in which to prepare for a permanent solution. In order to have permanent facilities in place by the fall of 1990, when the enrollment is expected to reach 4,400 head count students, it will be necessary to seek legislative authorization during the 1987-1989 session.

In addition, pending legislation may substantially increase the market for enforcement personnel requiring training through the Oregon Police Academy. These trainees require housing during the period of their attendance, which would most likely lead to
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the leasing of Maaske Hall to the Oregon Police Academy for housing and classrooms. From Western Oregon's perspective, such a result would further enhance the probability of maintaining Western Oregon State College's dormitories at or near capacity.

The actual bonded amount would be increased beyond the $6,120,000 to $6,695,000 to provide one-year's debt service reserve from the proceeds.

The following is a recapitulation of the 1987-1989 Capital Construction Request, as it may be amended:

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Board's Request</th>
<th>Governor's Recommendation</th>
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<tr>
<td>Education and General Projects</td>
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<tr>
<td>WOSC Dormitory Addition</td>
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<tr>
<td>Amended Request</td>
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</table>

*Governor's Recommendation pending

**Staff Recommendation to the Board**

The staff recommended the Committee and the Board approve the amendment of the 1987-1989 Capital Construction Request for Auxiliary Enterprise projects to add "Dormitory Addition, WOSC" for $6,120,000; and that staff be directed to seek the approval of the Executive Department to include this amendment in its 1987-1989 Capital Construction Request when it is considered by the 1987 Legislative Assembly, including an adjustment of $6,695,000 (to assure the required debt service reserve) in Senate Bill 5539 to establish 1987-1989 XI-F(1) bonding limitations.
Board Discussion and Action

In response to questions concerning the enrollment projections, it was stated they appear adequate to justify the proposed addition, particularly since the existing food service can accommodate the residents in the addition.

The Board approved the staff recommendations as presented, with the following voting in favor: Directors Adams, Crowell, Hermens, Perry, Richardson, and Petersen. Those voting no: None. Directors Alltucker and Chao were absent from the meeting at this time.

Staff Report to the Board

As cited during presentation of a related request at the January 1987 Committee and Board meetings, the Facilities Division has received an additional recommendation for a project to be added to the Education and General from the Other Funds category of the 1987-1989 Capital Construction Request.

A recommendation has come from Oregon State University for authorization to enter into a State Energy Loan through the State Department of Energy for energy conservation improvements to a maximum value of $5 million. Because this project primarily involves education and general facilities, it is properly categorized as Education and General - Other Funds.

Authorize acceptance of a SELP loan from ODOE at a maximum value of $5,000,000, OSU:

As with all of the State System institutions, Oregon State University has accomplished those energy conservation measures which could be addressed from operating budgets or from grants from the federal government or utility providers. The next steps in achieving additional conservation requires major investments, particularly in a physical plant of the size of Oregon State.

Through a study funded by Pacific Power and Light, and conducted by Brown and Caldwell, a national engineering firm, the University has sought ways by which it could secure its central heating plant during the summer period, essentially from mid-June to the end of September. There are two requirements which make this difficult: the need for domestic hot water service and reliance on the aging steam absorption chillers which are the major source of chilled water. Absorption chillers have an estimated useful life in the range of 20 years, and those in use at Oregon State University are well beyond that range. Currently, domestic hot water service and chilled water require operation of the central steam boilers to some capacity.
The study indicated Oregon State University could solve both problems by developing an independent chilling plant, equipped with electrically-driven centrifugal chillers; and by providing point-of-use hot water generation, either through hot water heaters or small gas-fired hot water boilers, depending on usage demands in individual buildings.

The solution provides for the construction, near 26th Street, of a building to house a number of 600-ton chillers initially four; to improve and extend the walk-through utility tunnel system; and install point-of-use hot water generators. The cost is estimated at $5 million and would be financed by a State Energy Loan provided through the Oregon Department of Energy. Legislation passed in 1985 permitted such loans to state agencies, and Southern Oregon State College was the first of the Oregon State System of Higher Education institutions to avail itself of the SELP program. Repayments of the loan are made from savings accruing in institutional utility budgets. These savings are frozen in the budget until the loan is repaid, which would be in the range of 20 years.

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*Governor's Recommendation pending
Staff Recommendation to the Board

The staff recommended the Committee and the Board approve the amendment of the 1987-1989 Capital Construction Request for Education and General projects from Other Funds by $5,000,000 for energy conservation improvements at Oregon State University from SELP funds and that staff be directed to seek the approval of the Executive Department to include this amendment in its 1987-1989 Capital Construction Request when it is considered by the 1987 Legislative Assembly.

Board Discussion and Action

The Board approved the staff recommendation as presented, with the following voting in favor: Directors Adams, Crowell, Hermens, Richardson, and Petersen. Those voting no: None. Director Perry abstained due to a potential conflict of interest. Directors Alltucker and Chao were absent from the meeting at this time.

Staff Report to the Board

Authorization is requested to transfer $50,000 from the Board's Reserve for Plant Rehabilitation and Minor Capital Outlay to Western Oregon State College to assist the institution in the acquisition of modular units to provide temporary classrooms because of enrollment increases.

Western Oregon State College anticipates a need for five units, plus a restroom unit, and would site these facilities east of the Instructional Technology Center. The presently identified combination of institutional resources and this requested transfer will total approximately $86,000 and will permit the acquisition of three units at this time.

The Board's Reserve for Plant Rehabilitation and Minor Capital Outlay had a total resource of $182,857 for the 1986-87 fiscal year and has a current balance of $75,804, which must be expended or obligated by June 30, 1987. The emergence of the Capital Repair program has substantially reduced the traditional demands on these funds, and the staff believes the transfer requested herein is appropriate at this time.

Staff Recommendation to the Board

The staff recommended the Board authorize the transfer of $50,000 from the Reserve for Plant Rehabilitation and Minor Capital Outlay to Western Oregon State College to assist the College in acquiring temporary modular classroom units.
Board Discussion and Action

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

Amendment to 1987-1989 Article XI-F(1) Bond Limitation

The Oregon Health Sciences University forecasts a requirement for acquisition of equipment during 1987-1989 for the hospitals and clinics in an amount of $6 million. Equipment purchases of this magnitude are typically bonded with Article XI-F(1) bonds over a seven-year bond period.

The expenditure authorizations for the equipment purchases are included in the operating budgets for the hospitals and clinics. However, it is necessary to include the bonding limitation within separate legislation. This request seeks approval to amend the bonding limitation (SB 5539) during 1987-1989 by $6 million.

Staff Recommendation to the Board

The staff recommended that the Board authorize seeking concurrence of the Executive Department and Legislature to amend Senate Bill 5539 to include authorization for $6,000,000 of Article XI-F(1) bonding for hospitals and clinics equipment for the Oregon Health Sciences University during 1987-1989.

Board Discussion and Action

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

Request To Establish Two Positions of Vice President, OHSU

President Laster requests approval to establish at the Oregon Health Sciences University the positions of Vice President for Institutional Administration and Vice President for Academic Administration. The establishment of the second position would relieve some of the responsibility formerly assigned to Dr. James T. McGill, who previously held the only position of Vice President at the institution. The recommendation is in accordance with those in a document entitled, "Management Recommendations for the Oregon Health Sciences University," prepared by Mr. Robert Foulks. In his transmittal letter, Mr. Foulks stated, "Upon close review it became apparent that the chief operating officer concept was too
big for one person. Therefore, the breaking into two separate positions became appropriate." The request has been discussed with members of the Executive Staff and the Faculty Senate at the Oregon Health Sciences University, and President Laster has indicated he believes the recommendation has their support.

The Vice President for Institutional Administration would be primarily responsible for day-to-day administration of the institution. These responsibilities would include financial, management services, facilities and capital improvement functions and responsibility for the hospital and crippled children's division. This person would provide current operating plans for these areas of responsibility. The incumbent in this position also would provide special project support at the pleasure of the President and would represent the institution as needed by the President. The incumbent would have full power and authority to act in behalf of the President.

The Vice President for Academic Administration would be primarily responsible for providing administrative support for the medical, nursing, and dental schools and would serve as the institutional coordinator for allied health programs. The incumbent would be responsible for administrative support of all research activities but would not be expected to control or otherwise affect the activities of the schools and research organizations. The administrative services and research support services would be the direct responsibility of the incumbent. The incumbent has a major coordinating responsibility in curricula, academic operating plans, strategic planning, and research operating plans. The incumbent would represent the institution as directed by the President and specifically with the Council of Academic Affairs and Faculty Senate. The incumbent has full power and authority to act on behalf of the President.

The incumbents in the two positions are peers and together function as a chief operating officer.

Staff Recommendation to the Board

It was recommended that the Board approve the request to establish the positions as described above. The request was discussed with members of the Executive Committee and received their concurrence pending Board action. It was understood the doctoral degree, or appropriate equivalent, would be required for the academic position but not for the administrative position. President Laster was authorized to proceed with advertising the positions prior to Board approval in order to expedite the hiring process.
Board Discussion and Action

Mr. Perry inquired how the position would be funded, and Mr. Petersen said it was his understanding it would be funded through an internal reallocation of funds. Mr. Perry said over the last year he had had informal conversations with President Laster on some of these ideas and also with Mr. Foulkes, who is a retired employee of Standard Insurance Company.

Mr. Perry questioned the indication on the organizational chart with respect to the lines which led from the vice presidents for institutional administration and academic administration to the day-to-day operations and budgets.

Mr. Lemman said it was his understanding the lines were intended to be limited to policy, strategy, planning, and evaluation.

Mr. Perry said that considering the staff difficulties during the past year at the Oregon Health Sciences University, the delegation implied by the chart should be very clear. In order to acquire the people desired in those positions, there must be a delegation of responsibility. There should not be interference by these individuals at the top below the policy area.

Mr. Lemman said this had been discussed specifically with Dr. Laster and Mr. Lemman believed the chart was in error. The narrative material is clearer. He said he would review the matter again with Dr. Laster to make certain everyone had the same understanding.

It was further agreed the organizational chart should be modified to move the descriptive material listed right under the president to a position below the next horizontal line.

In response to concerns of Mr. Alltucker about the definition of external relationships, Mr. Dave Witter, Director of the Hospital, said the intention with respect to external relations had to do with relationships to the Foundation, the Board, and the Legislature.

Mr. Perry said that was also his understanding and President Laster had done an excellent job in the community.

The Board approved the recommendation as presented, with the following voting in favor: Directors Adams, Alltucker, Crowell, Hermens, Perry, Robertson, and Petersen. Those voting no: None. Director Chao was absent from the meeting at this time.
Mr. Lemman reported that Representative Hugo, Chairman of the House Education Committee, had requested the Board's reaction to HB 2350, although he realized the Board could not review a matter of such complexity and importance in a brief period and state a position. Mr. Lemman said the Bill creates a trust which permits parents to deposit a sum of money upon the birth of their child, or shortly thereafter, or to make periodic payments for a period, not to exceed seven years. Those payments, by virtue of their investment, will grow to a point they will pay for the tuition of the child as a resident undergraduate student eighteen years later.

The advantages outlined by the sponsors are that it guarantees future tuition and takes advantage of tax-exempt earnings and future dollars of investment. It also allows the parents to pay for the tuition over time.

The disadvantages are that the child's future educational opportunities are limited to state institutions. There is the risk of the loss of the principle if the parents default on their payments and the risk of the loss of earnings if the child is not going to one of the state institutions.

From the state's point of view, the risk is that the earnings on the investments are not equal to what tuition is eighteen years later.

Mr. Lemman then cited various percentages earned on investments to yield specific amounts at the end of the eighteen-year period. He said if there were insufficient funds in the trust to pay for the tuition of that individual, there would be two alternatives. The Bill permits the trust to make any arrangements that are necessary or appropriate with state institutions of higher education in order to fulfill its obligations under advance tuition payment contracts. That would suggest the trust could negotiate with the State System to take a discounted tuition for people under this plan. The other alternative would be for the state's General Fund to make good on the trust.

Mr. Lemman said Michigan had just adopted a plan which is virtually identical to the Oregon proposal and another twenty states are actively considering this type of an arrangement. There is no experience in the public sector, although a number of private institutions have such plans.

Mr. Lemman said he would like to have the Board's reaction as to whether this proposal would be advantageous to the institutions or would be too risky.
Mr. Alltucker said his preliminary reaction was that the Bill put the state at risk in forecasting not only the cost of education but the value of an investment over a long period of time. He said the state was ill-prepared to handle these kinds of forecasts. The same purpose could be accomplished through a bill that would encourage interested parents to invest in a private annuity and make the gains tax-free if they were used to pay educational costs in eighteen years. If the funds were used for something else, then taxes should be paid on the earnings just as they would be on any other investment. If the forecasts were improper, the plan potentially could work to the disadvantage of the Board of Higher Education because the money has to come from some place. There is a third problem in that the plan may be an implied contract that the child will be admitted. He said he recognized there was specific language on this point but questioned whether it would be sufficient to relieve the Board of responsibility when it was a party to this particular transaction.

Mr. Crowell said he approved of the concept but he shared the concerns expressed by Mr. Lemman and Mr. Alltucker. He suggested that the Board advise the staff to prepare some comments, to indicate to the Legislature that the Board favored the Bill conceptually, and to develop some recommendations based on Mr. Lemman's concerns and by that input to the Legislature solve some problems and make the Bill a better one.

Mr. Petersen said he was not certain everyone on the Board would agree it was a good bill in concept.

President Sicuro said he was on the National Challengers Commission, which is an American Council on Education group that is preparing the platforms for both the Republican and Democratic parties for the 1988 election. The group is dealing with higher education matters, including funding of the student aid. Several proposals are before the group now. One would be a college savings bond program. A second would be a revision of the IRA law that would permit a tax deduction of IRA dollars if they were used for educational purposes. A third plan would be similar to the one described by Mr. Lemman. President Sicuro suggested that the State System wait until it is learned how some of these things develop because there could be serious complications unless great care is used. The Commission probably will have a report ready by the end of summer, and this would provide more information to the Board.

Mr. Petersen requested Board members to advise Mr. Lemman of their opinions as soon as possible.
Sale of Perrault Estate Property, OHSU

Staff Report to the Board

In July 1967, the Board received on behalf of the Oregon Health Sciences University a 1/7th undivided interest in and to approximately 3,598 acres of farmland located in Morrow County, Oregon, approximately 6.5 miles from the City of Heppner. At the time, the total property had an allowed value of $350,000, thus the Board's undivided interest would have been worth $50,000. Of the total acreage, 2,163 acres were useful for dry agricultural purposes, and 1,433 acres for dry grazing. The property contains a house, barn, and machine shed, all in various stages of rapid deterioration. The property was subject to an existing lease to Mr. and Mrs. Robert G. Bafus which did not expire until November 1, 1985.

The Bafus lease provided a payment of 33 1/3% of the grain crops raised to the landlords. Profits from the sale of the grain and pasture rental, less operating expenses, was shared by the landlords in proportion to their interests. Income to Oregon Health Sciences University has varied based on crop yields which have been low due to poor farming practices, condition of land, and crop prices. Income between 1981 and 1983 varied from $5,738 to $1,362. In 1985, the income was only $285 for pasture rental. No income has been received since 1985.

In December of 1975, while the land was still leased to Mr. Bafus, the H & I Operating Company purchased on contract the 6/7th undivided interest owned by Mrs. Perrault and managed the property for both parties.

On November 4, 1983, the Board's staff was notified by Douglas Peters, a Selah, Washington, attorney for the personal representative of the estate, Ms. Paula Fast, that the 6/7th undivided interest was being reacquired from the H & I Operating Company. At the time, the Oregon Health Sciences University recommended that the Board's staff join Ms. Fast in selling the property when fully reacquired. Inasmuch as it is virtually impossible to sell an undivided 1/7th interest, the Board's staff agreed to join Ms. Fast in an effort to dispose of the property. However, Ms. Fast was notified that an appraisal would have to be obtained before the staff could make any recommendation to the Board to sell its undivided 1/7th interest. In June 1984, the property was appraised at $760,000. This figure would place the value of the Board's undivided interest at $108,571. The Board's staff notified the Department of General Services, Morrow County, and the City of Heppner, Oregon, of the Board's intention to sell the property, all as required by ORS 273.201(1) and ORS 271.005. None of these agencies expressed an interest in acquiring the property. Thereafter, the Board's staff entered into agreements with Ms. Fast and real estate brokers to sell all
of the property. The advertised listing for the Oregon Health Sciences University's undivided interest was $110,000 on contract, with 20% down and the balance to be paid over 25 years at 10% interest. The Board would retain all mineral and geothermal rights, as defined in ORS 273.114. The advertisements did not bring forth any interested buyers.

In June 1985, a new appraiser was selected. He pointed out that the June 1984 appraisal should have been only $690,000, making the Board's interest $98,571. He also determined the market value on June 8, 1985, to be $621,000, thus giving the Board's undivided interest a value of $88,714. Another attempt was made to sell the property in late December and early January of 1986, with the Board's portion being listed at $88,800. Again, there appeared to be no interest among buyers in purchasing the property.

Subsequently, Ms. Paula Fast, represented by Attorney Chris Lillegard, applied to the Circuit Court of Marion County for the authority to sell the 6/7th undivided interest in the property for $400,000 in order to pay the costs and expenses of administration of the Esther Perrault estate. Court Order 1889 authorizing the sale of the property to Marvin Fast was issued May 23, 1986. On January 16, 1987, the Oregon Health Sciences University received an offer from Marvin Fast's attorney, Chris Lillegard, to purchase the Oregon Health Sciences University's 1/7th undivided interest for $66,666. Oregon Health Sciences University executives strongly recommended that the property be sold. The market value of the property has decreased significantly for two primary reasons: (1) Poor farming practices which have resulted in serious infestation of morning glory and ryegrass; and (2) a general major decrease in the value of all farmland throughout the United States.

The entire matter was reviewed with the Board's counsel, Mr. James Mattis, to be sure that there was ample rationale for selling the property for the proposed cash price.

Staff Recommendation to the Board

It was recommended that the Board's staff be authorized to sell the Board's 1/7th undivided interest in the property for the cash offer of $66,666, retaining, of course, all of the mineral and geothermal rights as required by the statutes. Such retention has been approved by Mr. Marvin Fast. If this recommended action is approved by the Board, the Board's counsel will draw up the necessary deed for execution by the Board's president and secretary.
Board Discussion and Action

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

SUMMARY OF FACILITIES DIVISION ACTIVITIES, OFFICE OF ADMINISTRATION

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

Consulting Services, WOSC

An Agreement was negotiated with Settecasse Smith Doss Architects, Salem, for architectural services at a cost not to exceed $3,000. Funding will be provided from funds available to the Athletic Department.

Autzen Stadium Improvements, UO

An Agreement was negotiated with The Amundson Associates, P.C., Springfield, for architectural services at a cost not to exceed $175,114. Funding will be provided from funds available to the Athletic Department.

Silva Parking, UO

An Agreement was negotiated between Saul and Associates, Consultant, and the State of Oregon, for consulting services at a cost not to exceed $1,795. Funding will be provided from the University of Oregon Parking Program.

Temporary Modular Office Space, OHSU

An Agreement was negotiated with Chase, Jones & Associates, Inc., Portland, for Surveyor/Engineering services for the Hospital and Clinics Rehabilitation & Alterations (Temporary Modular Office Space) Project, at a cost not to exceed $2,700. Funding will be provided from funds available to the hospital.

Consulting Services, OHSU

An Agreement was negotiated with Garfield Hacker Architects, P.C., Portland, for architectural services for University Hospital Projects. Funding will be provided from funds available to the institution.

Consulting Services, OHSU

An Agreement was negotiated with Giffin Bolte Jurgens, P.C., Portland, for architectural services for University Hospital Projects. Funding will be provided from funds available to the institution.

Consulting Services, OHSU

An Agreement was negotiated with Petersen Kolberg & Associates, P.C., Wilsonville, for architectural services for University Hospital Projects. Funding will be provided from funds available to the institution.
Consulting Services, OHSU | An Agreement was negotiated with Zimmer Gunsul Frasca Partnership, Portland, for architectural services for University Hospital Projects. Funding will be provided from funds available to the

Cramer Hall Lounge Furnishings, PSU | An Agreement was negotiated with Yost/Grube/Hall/P.C., Portland, for architectural services at a cost not to exceed $1,000. Funding will be provided from funds available to the institution.

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<th><strong>Award of Construction Contracts</strong></th>
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<td><strong>Lawrence Hall ECMs BPA/IBP, UO</strong></td>
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<td><strong>Dept. of Psychiatry Consolidation, UHN, OHSU</strong></td>
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<td><strong>Modular Office Building System #1, OHSU</strong></td>
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<th><strong>Acceptance of Projects</strong></th>
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<td><strong>OSU Crew Building Improvements Project, OSU</strong></td>
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March 20, 1987

Sewerline Project 1986 --Phase VI, OSU

This project is complete and was accepted on January 30, 1987. The estimated total project cost remains at $60,792. Financing was provided from State Funds.

Accessibility for Handicapped Improvements (Allen Hall), UO

This project is complete and was accepted on December 10, 1986. The estimated total project cost remains at $134,416. Financing was provided from State Funds (General).

Erb Memorial Union Ballroom Improvements, UO

This project is complete and was accepted on January 15, 1987. The estimated total project cost remains at $1,283,345. Financing was provided from Auxiliary Enterprise balances and/or Article XI-F(1) Bonds.

Walton Hall Housing Department Office Remodel, UO

This project is complete and was accepted on February 2, 1987. The estimated total project cost remains at $80,164. Financing was provided from reserve balances available to the Housing Department.

Outpatient Clinic Medical Records Dept. Renovation, OHSU

The Hospital and Clinics Rehabilitation and Alterations (Outpatient Clinic Medical Records Department Renovation) Project is complete and was accepted on December 15, 1986. The estimated total project cost remains at $181,024. Financing was provided from 1981-1983 XI-F(1) Bonds.

UHS, 10B Ophthalmology Overpass Renovation--Glaucoma, OHSU

The Hospital and Clinics Rehabilitation and Alterations (UHS, 10B Ophthalmology Overpass Renovation--Glaucoma) Project is complete and was accepted on December 23, 1986. The estimated total project cost remains at $75,840. Financing was provided from hospital funds.

UHS, 7C Cardiac Recovery Room Expansion, OHSU

This project is complete and was accepted on December 16, 1986. The estimated total project cost remains at $58,446. Financing was provided from hospital funds.

Board Discussion and Action

The Board accepted the report as presented.
ITEMS FROM BOARD MEMBERS

Mr. Alltucker reported there would be a joint planning committee meeting during April.

PRESIDENT'S REPORT

Mr. Petersen said the September Board meeting would be held at Charleston. He indicated that Board members had received a questionnaire concerning room reservations and suggested they be returned to the Secretary as soon as possible.

Meeting Dates

The next regular Board meeting will be held on April 17, 1987, at Portland State University.

Nominating Committee

Mr. Petersen said officers for the coming year would be elected at the June Board meeting. He appointed the following Nominating Committee to recommend a slate of officers for 1987-88: Mr. Perry, Chairman; Mr. Crowell, and Mr. Richardson. The committee will meet at the call of the chairman.

Commencement

Mr. Petersen requested Board members to return their indicated Representatives preferences for Commencement assignments as soon as possible.

ADJOURNMENT

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

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