MINUTES OF REGULAR MEETING OF THE  
STATE BOARD OF HIGHER EDUCATION HELD  
JUNE 19, 1987

MINUTES APPROVED  

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Technology Transfer Program  
Presentation on Centers of Excellence, UO  
Introduction of ASUO President  
Legislative Salary Report  

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STATE BOARD OF HIGHER EDUCATION
MINUTES OF REGULAR MEETING HELD IN THE
FIR ROOM, ERB MEMORIAL UNION, UNIVERSITY OF OREGON
EUGENE, OREGON

June 19, 1987

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

ROLL CALL

The meeting was called to order at 10:30 a.m., June 19, 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. Alt Tucker
- Mr. Gene Chao
- Mr. F. David Crowell
- Mr. Mark S. Dodson
- Mr. Richard F. Hensley
- Mr. Michael W. Hermens
- Mrs. Janet S. Nelson
- Mr. Louis B. Perry
- Mr. George E. Richardson, Jr.
- Mr. James C. Petersen

OTHERS PRESENT

Centralized Activities--Chancellor William E. Davis; Secretary Wilma L. Foster; Lawrence C. Pierce, Vice Chancellor, Academic 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; Virginia Boushey, Assistant to the Executive Vice Chancellor; R. S. Perry, Associate Vice Chancellor, Administration and Planning Services; Roger Olsen, Director, OCATE; H. Ray Hoops, Associate Vice Chancellor, Academic Affairs; Jerry Casby, Assistant Attorney General; Gary Christensen, Director, School Relations; James Payne, Assistant in Student Services, Academic Affairs; Susan Weeks, Director, Planning Studies and Analytic Services; Jim Sellers, Director of Communications, Public Affairs; Karen McCumsey, Secretary to the Chancellor; Kimberly Carnegie, Secretary, Public Affairs.

Oregon State University--President John V. Byrne; L. Edwin Coate, Vice President for Finance and Administration; Lynn Snyder, Director of Athletics; Kinsey B. Green, Dean, College of Home Economics; Robert Barr, Dean, OSU/WOSC School of Education; Perry Brown, Professor; D. S. Fullerton, Associate Vice President, Academic Affairs.
The Board dispensed with the reading of the minutes of the last regular meeting held on May 15, 1987, and the special meeting held on June 1, 1987, and approved them as previously distributed. The following voted in favor: Directors Adams, Alltucker, Crowell, Hensley, Hermens, Nelson, Perry, Richardson, and Petersen. Those voting no: None. Directors Chao and Dodson were absent from the meeting at this time.
At the request of the Chancellor, Dr. Richard Perry presented the following report on the Total Information System Project.

Staff Report to the Board

The first progress report on the Total Information System Project was presented to the Board at its May 15, 1987, meeting. It was pointed out that the Joint Legislative Committee on Data Processing requested that the Board, Legislative Committee, and Executive Department be informed of each major step, at least until contracts have been executed with selected vendors.

Communication Services

A contract has been signed with JTM Associates (Atlanta) for telecommunications consulting services. Work release authorizations for Phase I (data collection and analysis) and Phase II (conceptual system design) have been issued. Institutional telecommunications staff are currently locating and collecting the usage statistics according to formats developed by JTM Associates. Personnel from the consulting firm will tour the Oregon State System of Higher Education's campuses and meet key personnel during the week of July 13-17, 1987.

Information Systems Software

As reported on May 15, 1987, four companies responded to the Request for Proposal--Application Software for the Total Information System Project: (1) Control Data Corporation (proposed two alternatives); (2) Higher Education Systems Services/Moss Roscher Associates; (3) Information Associates (two alternatives); and (4) Systems and Computer Technology Corporation (two alternatives). Letters requesting clarifications to the responses were sent to each of these vendors on April 27, 1987. Written responses to those letters were received May 12, 1987. After reviewing the Interinstitutional Committee's findings with respect to the vendor proposals and subsequent responses, Associate Vice Chancellor Richard Perry requested that the Committee invite the four vendors to interview with the Interinstitutional Committee to discuss further mandatory specifications and the Committee's evaluation of the vendor proposals and responses received to date. Those interviews were held on June 2 and 3, 1987.
Three of the vendor proposals now appear to meet all mandatory requirements in the Request for Proposal:

Control Data Corporation (CDC) operating application software developed by The Wyngate Group, Ltd., presented two alternatives;

Systems and Computer Technology Corporation (SCT) presented one proposal operating on Honeywell/Bull data processing hardware.

Demonstrations of these vendors' software and other capabilities are scheduled for July 6-10 (SCT) and July 13-17 (CDC). These demonstrations will allow some 250 Oregon State System of Higher Education institutional reviewers and Board's staff to evaluate how well each company provides the desirable features identified in the Request for Proposal.

Data Processing Hardware

Invitation for Bids (IFB) for the data processing hardware to support the application software demonstrated on July 8-10 and July 13-17 should be released the week of June 22, 1987. The hardware identified by CDC and SCT as part of their application software proposals will be included in the IFB. In addition, the IFB will be sent to the general data processing vendor community. Vendors will have approximately one month to respond.

Technology Transfer Program

Dr. Perry commented that in line with the Governor's state program for economic development, Mr. Kim Smith had been employed in the Office of Management and Planning Services. Mr. Smith has significant background in technology transfer in private industry and at Oregon State University. The intent is to encourage faculty members to be alert for inventions, known as intellectual property, which would attract industry and give the State System more money for research. The State System would enter into a research contract with an industry to provide money for research. The industry would have first option to receive exclusive license to develop it further and pay royalties to the State System.

Presentation on Centers of Excellence, UO

Mr. Petersen announced that the Chancellor had requested Dr. John Moseley, Vice President for Research at the University of Oregon, and his colleagues to continue the series of presentations to the Board on Centers of Excellence.

Dr. Moseley said the accomplishments of these centers had gone far beyond even his optimistic expectations for the program. He distributed copies of Inquiry, the research magazine published by the University of Oregon. It included a brief description of the faculty members and the research to be discussed.
Dr. Moseley said the Centers of Excellence proposal submitted by the University of Oregon and partially funded by the Legislature was developed from long-range plans in the science departments at the University. These long-range plans are continually undergoing renewal and redevelopment. In this process, consideration is given to the educational needs of the graduate and undergraduate students in the departments, the importance of the research that is done through various kinds of key technologies and which has implications for economic development, and the areas of existing strength upon which to build. When all of these factors were considered, a proposal was prepared for Centers of Excellence in the fields of biotechnology, materials science, optical science, computer science, and high energy physics, with the primary purpose of fostering research and education in these rapidly-growing areas. The original proposal was for $5 million, and $1.6 million was finally allocated.

The continuing state funds have been used for twelve new faculty, with one position still open, two laboratory directors, a computer technician, and a research scientist. The positions were filled with exceptionally talented people, a key element in a program of this type. Dr. Moseley then described the background and accomplishments of several of these faculty members and the types of research in which they are engaged. He then introduced Dr. Vicki Chandler, a recipient of the Presidential Young Investigator's Award and an Assistant Professor of Biology, to explain her research.

Dr. Chandler said the primary interest is in the fundamental question of how genes develop and how they are regulated during the development of an organism. All the cells in the body contain the same sets of genetic information, but different cells make different protein. The question is how a particular cell knows that it is that type of cell and can turn on substantive genes that are specifics for that cell.

Dr. Chandler said this was a fundamental question to all biology and had applications ranging from disease in man to applying biotechnology to agriculture.

She said that in her laboratory they were studying the corn plant and a set of genes that are necessary for making the purple pigments. The purple Indian corn is an excellent model system for trying to understand how genes are regulated during development by understanding how this particular regulatory gene in corn regulates this particular pathway. It is possible to learn the general principles that are applicable to many other systems that are frequently much more difficult to study. These gene principles then may be applicable to a whole series of biological questions ranging from disease in man to applying biotechnology to agriculture.
Dr. Moseley said materials science was a second area in which the University or Oregon had placed major resources. This is a field of importance to the state, not only to the electronics industry, but to other areas as well. Five outstanding new faculty members have been added in this department. He introduced Dr. David Johnson, an assistant professor in the materials science program and in the chemistry division. Dr. Johnson has won an award through the Office of Naval Research.

Dr. Johnson said he was engaged in an effort to develop rational ways of making solid materials by determining the need for a particular material and being able to control the reactions that occur along the way to form that material. He indicated the basic questions of how solids react is still one that is being pursued actively and is ultimately important to many industries. He described procedures for studying the problem of controlling the reactivity that occurs between very thin layers of materials. It is also possible, by controlling the way in which the composites are put together, to control the material which results. This has many important implications, because lots of materials are extremely interesting commercially and it is often desirable to make related derivatives. This cannot be accomplished through the traditional methods. The method of using very, very thin layers that react at much lower temperatures enables researchers to explore new materials that have not been explored before.

Dr. Moseley said two other areas that had been developed were computer science and optical science. Faculty has not been added yet to high energy physics because it was not possible to get the first choice in that field.

In computer science, Dr. Moseley said the University had been requested to assist in the effort to attract U. S. West to Oregon. Of the 27 key technologies identified by U. S. West as important, the University of Oregon and Oregon State University had active research under way in 18 of them. Just three years ago before the Centers of Excellence program, only five or six of the areas would have been covered.

Dr. Moseley said people were the most important component in this program. The research dollars that they bring are a measure of the kind of people that it has been possible to attract. The people in this group already have received guaranteed grant funding exceeding $8 million, some of which is forward funding for grants extending over three to five years. However, about $3 million will come into Oregon because of a program in which the state has invested $1.5 million. Over time, that program will grow, both within the University and perhaps more importantly through economic development of the state outside the University as it supports high technology activity throughout Oregon.
Mr. Petersen said the Board was very appreciative of the work the young scientists were doing and thanked Dr. Moseley for the presentation. The Chancellor also complimented Dr. Moseley on the extraordinary performance in terms of the development of the Centers of Excellence and the acceleration of the program.

The Chancellor introduced Miss Kasey Brooks, the new president of the Associated Students of the University of Oregon.

The Chancellor said the legislative subcommittee on salaries apparently had approved the Van Vliet salary distribution plan. He said the Governor's recommendation on salaries was for a 2% increase each year of the biennium. In recognition of his desire for the institutions to be as competitive as possible in the academic market with limited funds, the Governor recommended an additional $10 million with directives that all of this amount would be based on merit. The Van Vliet plan proposes an equal distribution among all faculty members in flat rates and does away almost entirely with the merit concept. The plan was supported by spokesmen representing faculty and students, various union organizations, and the graduate student lobby in presentations to the salary committee. In the first year of the plan, the flat average salary of all institutions, excluding the Oregon Health Sciences University and including the 2% across-the-board base adjustment. In addition to that, in the first year, the $10 million, is tied to be distributed in flat amounts of $699 for each professor; $475 each for associate professors, and assistant professors, and instructors; and $125 and $175 for Graduate teaching fellows.

In the second year of the biennium, the 2% amount would increase on the first amount in increments of $775 for professors, $612 for associate professors, $530 for assistant professors, $408 for instructors, and $125 and $175 for Graduate teaching fellows. The cost of the plan would be $8.5 million, leaving $1.5 million available for merit for all eight institutions.

The Chancellor said other guidelines in the plan specified the same amounts for 9-months' and 12-months' contracts. Those institutions with a lot of 12-months' employees would receive the same amount regardless of the months involved. The flat amount would only be for those with fully satisfactory service. Funds would be allocated to the institutions on the basis of the salary base of the institution. Institutions would have discretion to change the flat amount distribution in the union negotiations within the same amount of money allocated to the institutions. Administrators making $60,000 or more per year would not receive any of the flat amount increases, but the definition of who those people were would be left to the Board.
If the settlement with the Oregon Public Employees Union is for more than 2+2%, a report is to be made to the Emergency Board on the consequences of implementing the increased amount, both with and without additional funding. If the Emergency Board did not provide funding for increases above 2+2%, the money would have to come from within the budgets and would necessitate budget reallocations from current programs and cutbacks in programs to fund the settlement.

The Chancellor commented that, in one sense, the proposal would remove from the institutions any discretionary judgment as to the allocation of salaries on the part of the department chairmen, deans, presidents, central administration, or the Board. It is a flat amount. He said it was his opinion, on first analysis, that this would have the most adverse impact upon those disciplines where there is high turnover and extreme competitiveness within the various salary levels. On many levels, it will compress the salaries, removing the distinctions between the universities and colleges, and will compress the salaries within the ranks and within new hires.

He said these directives probably would be in Budget Notes, although the funding will be in the statute. In administering the salary package, it will be possible to go to the Emergency Board to discuss possibilities.

Mr. Quenzer said the plan was very, very far removed from any precedent that had been set in the past. He indicated the average amounts used were not accurate. As a result, in calculating the percentage of increase, those institutions with the highest salaries will receive the smallest percentage of increase, and those with the smallest salaries will receive the highest percentage of increase. In relation to the comparator institutions, the three universities will be depressed further under this plan than under a plan with merit distribution.

Mr. Petersen said if the Board's goal were to reward excellence and to recruit and retain outstanding faculty by paying merit, this plan would appear to fly directly in the face of that goal.

Mr. Quenzer responded that it would and that he could not see why the faculty, student lobby, and others would support this if they were also in favor of excellence.

Mr. Petersen said this made absolutely no sense. The stated goals of the Legislature were to provide for excellence, and the program proposed would be exactly the opposite.

Mr. Perry commented that it was a great formula for mediocrity and it was unfortunate.
The Chancellor indicated Mr. Lemman had suggested the best posture would be for the staff to support placing this proposal in the Budget Notes rather than in the statute. There was no objection to this position from Board members.

Staff Report to the Committee

Introduction

On March 20, 1987, the Board of Higher Education reviewed and "conditionally adopted" a proposal shifting the focus of its teacher education programs from the undergraduate to the graduate level. The Board conditionally adopted the new approach to teacher education with the stipulation that educators and interested citizens throughout the state have an opportunity to provide comments on the proposal through public hearings and a six-week period for written comments.

At its May meeting, the Board received a summary of the public comments and proposed revisions to the original teacher education proposal. Because there were significant changes made from the original proposal, staff requested an additional month for discussion of those changes with interested members of the public. Meetings were subsequently held with legislative leaders, deans of both arts and science and education colleges, and professional groups including the Oregon Education Association. Letters and telephone calls on the proposed revisions were received as well.

As a result of these consultations, additional refinements to the plan have been made in the following report. The staff believes the plan is ready for final Board consideration and recommended adoption of the proposed guidelines for extended and post-baccalaureate teacher education programs.

The Proposed Teacher Education Reforms

The proposed reforms in the State System's teacher education programs have been debated in Oregon for over five years. The Board's first Strategic Plan, adopted in 1983, called for the raising of standards for admission to teacher education and the development of extended teacher education programs. The 1987-1993 Strategic Plan (adopted summer 1986) specifically recommended moving to a five-year teacher education format. The proposal now before the Board was first drafted in the spring of 1986 and has been through numerous revisions before taking its present form.
This proposal, if adopted, will result in major changes in the preparation of public school teachers in Oregon. For the past fifty years, students have been prepared to become teachers at the undergraduate level. They either majored in education or met the certification requirements while majoring in another discipline.

In recent years, the adequacy of undergraduate teacher education programs has been called into question. There is a growing belief that public school teachers need more educational background in subject matter, professional curriculum, and public school experience than can be fitted into a four-year curriculum. Also contributing to this debate is the fact that many more students are deciding to become teachers after completing a baccalaureate degree and need programs, therefore, tailored to their post-baccalaureate situations.

To accommodate these changes, it is proposed that during the next two years the State System's schools of education redesign their teacher education programs by adding a fifth year to the curriculum. Two tracks would be available to students wishing to prepare as teachers. For undergraduates interested in education, the schools will offer extended five-year programs. For post-baccalaureate students who have majored in other disciplines, the schools will offer an accelerated graduate teacher education program.

Specifically, the proposal calls for the five schools of education to submit plans to the Board for their extended five-year programs by January 1, 1989. The plans will be developed by the faculties of the institutions (both arts and sciences faculty and education faculty) with the participation of professional teachers and administrators in the state. Institutions will be encouraged to be innovative and to present plans that meet the needs of their students and communities. We do not want five teacher education programs that are identical. However, in order to assure that the programs prepare students who graduate with strong general education, mastery of the subjects they will teach, high quality professional education in effective teaching, and experience in a variety of public school settings, the program proposals should conform to the following guidelines:

1. **Teacher Education Programs.** Teacher preparation programs in the State System should be extended to five years to ensure that future teachers are well-educated, possess superior knowledge of the subject(s) they will teach, have strong professional educations, and have adequate practice teaching in school settings.
2. **Academic Major.** All students should be required to complete a baccalaureate degree in a major outside of education. Institutions may offer interdisciplinary or liberal studies degrees especially designed for students working to become elementary school teachers. The undergraduate major in education should be eliminated.

3. **Education Courses.** Schools of education may offer education minors, concentrations, and courses for students desiring to begin their professional education courses before completing the baccalaureate degree as part of the extended five-year program.

4. **Undergraduate Practicum.** Schools of education should provide early exposure to classroom situations for undergraduates considering careers in teaching. These field experiences should be available to all undergraduates regardless of whether they intend to enter the extended five-year program or the post-baccalaureate program.

5. **Extended Teacher Education Program.** Students entering the extended teacher education program as undergraduates should receive a baccalaureate degree when they complete their undergraduate majors, typically after the fourth year. During the fifth year of the program, students should be considered graduate students, and a significant proportion of the coursework (a minimum of 50%) should apply toward a Master's degree. Students should complete all academic requirements for standard certification at the end of the fifth year.

6. **Post-baccalaureate Programs.** State System schools of education should establish distinctive, post-baccalaureate programs that encourage graduates who may not have previously taken education courses to enter the teaching profession. These accelerated graduate teacher education programs should be high quality and rigorous programs. They should be designed to enable post-baccalaureate students to complete the academic requirements for standard certification in one year. Schools may also want to offer a new Master of Arts in Teaching degree, which could be completed at, or about, the same time as certification requirements for students who meet the high standards set for these programs.
7. **Fee Policy.** The State Board should expand its post-baccalaureate fee policy for teachers, even though fifth-year students and post-baccalaureate students are fulfilling some or all of the requirements for a graduate degree. The State Board should also support other means, such as the Teacher Corps (forgivable loan program) and Mentor Teacher proposals, to assist students in meeting the financial burdens of the extended teacher and post-baccalaureate education programs.

8. **Special Education.** Special education courses and endorsement requirements should be integrated into the extended programs and the post-baccalaureate programs.

9. **Multi-ethnic and Multi-cultural Education.** All teacher education programs should include courses focusing on multi-ethnic and multi-cultural education.

10. **Recruitment.** Schools of education should recruit well-prepared students to teacher education programs. Special emphasis should be given to the recruitment of minority students.

11. **Admission.** Schools of education should implement high admission standards to teacher education programs. Students entering their fifth year of preparation should meet the graduate admission standards established by each campus.

The Office of Academic Affairs will continue to work with the institutions, state officials, and professional education groups in the design of the new teacher education programs. Each institutional proposal will be carefully evaluated to ensure that it meets the guidelines established by the Board. Each proposal must be presented to and approved by the Board's Committee on Instruction, Research, and Public Service Programs and the Board of Higher Education before students are admitted to the programs.

**Staff Recommendation to the Committee**

The staff recommended that the Board approve the guidelines for new teacher education programs in the State System of Higher Education and direct the schools of education to submit plans for new extended teacher education programs and post-baccalaureate programs to the Board by January 1, 1989, with implementation of new programs expected in Fall 1990.
Discussion and Recommendation by the Committee

Dr. Pierce presented the staff report and recommendation. He indicated that stronger, research-based professional training was needed through a review of the literature on effective teaching in order to make sure the professional courses in education incorporated the very best information based on voluminous research on education.

The proposal would require that the institutions which have teacher education programs redesign their programs and present those plans to the Board by January 1, 1989. The decision requested of the Board at the present meeting would set in motion a process by which the Board would review on an individual program-by-program basis the redesigned teacher education programs.

In terms of reactions to these proposals, Dr. Pierce said reservations continue to be raised by the Oregon Education Association. First, there is a concern the one-year post-baccalaureate program would not be equivalent to the fifth-year program teachers currently have. However, this is not a one-year program because the students already will have had four years of undergraduate education, and possibly more if they are in a different field. The students frequently will have had work experience in a variety of settings. The program will be highly selective so it would be drawing people with strong undergraduate backgrounds. Students now receive approximately 30 hours of professional courses, with the remainder in subject matter related courses with teacher education. During the fifth year, or 12 months, there would be approximately the equivalent of 60 hours. These hours would include 30 hours in a reinvigorated professional core and 20 hours in student teaching. Secondary teachers would have some graduate-level coursework in their subject matter, and the elementary teachers would have additional coursework in the distributed fields they would be required to teach.

A second concern expressed from the Oregon Education Association dealt with the need for a broad general education for people entering the elementary teaching field. This is basically a philosophical question. The need for rigor in the program also was emphasized and must be a major concern in reviewing the proposed programs submitted by the deans of the schools of education.

Discussions with staff in the Office of the Speaker of the House in the Oregon Legislature indicated they were generally pleased with the proposal except that they would prefer to have it a little bit stronger. For example, they would prefer the fifth year result in a master's degree and they want to be certain
the requirement of subject matter testing continue for all students coming out of the teacher education program. In addition, they would put more emphasis on the post-baccalaureate program as opposed to the fifth-year program.

Dr. Pierce read a request from the Portland Chamber of Commerce that the Board take action to assure that only holders of baccalaureate degrees with academic majors in areas other than education would be eligible to receive teaching certificates.

In addition, a lengthy document was received from the Teacher Standards and Practices Commission, including a proposal from Richard S. Jones to the Commission concerning new standards for certification in Oregon. It is his opinion the proposal before the Board was a dramatically weakened version from the one before the Board at the March or May meetings. Mr. Jones stated the Teacher Standards and Practices Commission would be considering new standards for teacher education which would require that students complete all preparation in their teaching fields prior to entering the teacher education program and would require preparation in pedagogy only at the graduate level. The graduate-level teacher education program should be designed to take 12 months and culminate in a master's degree.

Dr. Pierce commented that some people believed the proposal before the Board had gone too far and others thought it had not gone far enough. Perhaps this middle position is an appropriate one. He said the Board was being requested to set a policy of asking the institutions to shift the focus from basically undergraduate to graduate-level preparation for teachers and proposing some guidelines. The Board was also being asked to monitor the development and consideration of these plans as they come to the Board for adoption.

Mr. Perry said he had taken a similar type of program at the University of California and it had worked out very well.

Mrs. Nelson said she was somewhat skeptical about the need for this much pedagogy and questioned whether there really was a body of significant material which would help prepare students to teach. She referred to several conversations with educators concerning the importance of supervised classroom experience during the training period. She suggested that the reference to "adequate practice teaching in school settings" in the first item of the program guidelines should have a stronger word inserted in place of "adequate." The fifth item also contained some vague language that should be sharpened so there would be no ambiguity.
Mr. Adams commented that he saw the post-baccalaureate program as less strong than the other program in which the students would be in classroom situations during their first four years. For that reason, he said he would think the selection of candidates would have to be made carefully in order to be certain they would fit into a classroom situation before they started that fifth year.

Mr. Adams also indicated that the Chamber of Commerce resolution would appear to eliminate from consideration in the post-baccalaureate program anyone who had an education degree from earlier years. He said this seemed unduly restrictive.

Dr. Pierce said he believed the intent of the Chamber of Commerce action was to say that students should have undergraduate degrees outside of education but he did not think a person who had graduated some time ago with an education degree would be excluded.

Mr. Perry concurred that those persons should not be excluded.

Mr. Adams said students entering the fifth-year program have received a baccalaureate degree. Some of those students on scholarships may no longer have those scholarships available to them because they are graduate students. He asked whether thought had been given to the kinds of financial help that might be available to fifth-year students who were in dire straits.

Dr. Pierce said certain kinds of financial aid were available to graduate students. In addition, two teacher education bills had just been approved by the Ways and Means Committee of the Legislature. One was a forgiveable loan program whereby students who enter teaching can get a loan from the state that is forgiven if they teach for three years. No money was assigned to this bill, but there is some speculation that the Legislature may allocate as much as $6 million for that and the professional development bill before the end of the Session. If the teacher education proposals from the institutions have been approved by January 1989, it would be anticipated that a strong case could be made in the 1989 Legislature for loan programs designed to help people in the fifth year of their education. The 1989 financial plan could build on an existing program, if it is funded in 1987, or the program that has been approved could be funded.

Mr. Hermens said he agreed with the undergraduate degree in the subject field because many prospective teachers majoring in education do not know their subject well enough to teach it. He then asked for further explanation of the early exposure to classroom situations for undergraduates.
Dr. Pierce said the exposure to classroom situations would be in the sophomore, junior and senior years and could occur in two ways. Students in an education minor or concentration, who had decided they wanted to take some courses dealing with education, could enroll in a student practicum in a public school situation. It would be desirable for this opportunity to be available also for students who wanted to see if teaching was something that would be of interest to them. Students would not necessarily have to be in education concentrations or minors to participate in the field experience. A practicum would be an elective.

Mr. Petersen said he understood the proposal before the Board to be a framework for preparation of the individual proposals from each institution on how it will set up its own department of education. The detailed questions would come when the proposals were presented.

Dr. Pierce said the proposal before the Board was a policy statement that the schools of education should move to a fifth-year, graduate-level program.

Mr. Petersen said a key feature of the plan was that all programs would not be identical but would be designed to meet the needs of the region served by each institution.

Mr. Hensley noted that one of the statements in the proposal was that the fifth-year teacher education programs should not be identical. He then inquired about the basic structure of the program within the 12 months.

Dr. Pierce said the program would begin after the State System was on the semester system so it would require two full semesters and one summer term. In some instances, students who have had no background in psychology, learning theory, or other basic things might need to have an additional preparatory term. He said he would prefer to have these specifics considered on the campuses and included in the proposals when they are presented.

He added that, in the semester term context, students probably would take 15 hours in each of two semesters and perhaps 10 during the summer term, for a total of 40 semester hours. With respect to the amount of time required in the classroom, Dr. Pierce said he was convinced that the schools of education were committed to strengthening the field-based part of the program by establishing stronger relationships with the school districts and putting students in supervised situations which would provide them with a much more intense and meaningful introduction to teaching than they now have.
Mr. Hensley expressed concern about the statement in Item 7 referring to the teacher corps and mentor teacher proposals to assist students in meeting the financial burdens of the extended and post-baccalaureate teacher education programs. He asked whether this would mean that the Board would be adopting those proposals at this time.

Dr. Pierce said it would be appropriate to remove that sentence from the policy because the teacher corps and mentor teacher plans were out of the Board's control.

Mrs. Nelson referred to the concept of having 50% of the additional year in a classroom situation. She asked whether it was no longer intended to make that a requirement.

Dr. Pierce responded that in talking with the deans it had been decided not to impose a 50% requirement on field-based instruction but to permit the institutions to bring good proposals for classroom experience. He said Dean Barr, dean of the OSU-WOSC School of Education, wished to comment on this issue.

Dean Barr said one of the problems with being specific about how much field experience the student would have during the first year was really coming from the public schools. Some have said they already make a substantial investment in the preparation of teachers with the early experiences and student teaching and it would be necessary to review their resources before making an additional commitment to assist in the supervision and training of teachers beyond the student teaching effort. Others have welcomed the opportunity. He cited the OSU-WOSC program with the Beaverton Public Schools in which students are in the public schools for the entire year. They serve as graduate teaching assistants and work in several classrooms and several grade levels. They receive a graduate assistantship in cooperation with the Beaverton Public Schools and the college and university. Dean Barr said this was a rich, robust, and wonderful program and was a model in terms of teacher preparation. It is hoped similar programs can be negotiated with other public schools. These negotiations have not been completed as yet, and for that reason, the 50% requirement was not included in the proposal.

Mr. Adams said the Teacher Standards and Practices Commission had stated that all education faculty in the colleges and universities should have experience in secondary or elementary teaching. He asked whether that requirement or stipulation was part of the proposal.
Dean Barr responded it was presently an existing standard that faculty participating in the preparation of teachers must have public school experience of some kind over the last three to five years. There is no reason to doubt this standard would be continued or that the Teacher Standards and Practices Commission would not hold the institutions to it.

Mrs. Nelson commented that additional financial support from the Legislature would be essential for some of these desirable activities to occur.

Mr. Perry said it was important to have flexibility for working with individual students because they would come with different preparations and experiences. He urged that the Board adopt policy guidelines but allow the schools of education to work with the individual students as circumstances dictate.

Dean Barr commented on the concern expressed by Mrs. Nelson as to the extent of pedagogical research. He said the field of education has an emerging knowledge base and that instructional content is grounded in increasingly valid research. The education program is expected to be stronger and more rigorous, especially as it moves into the graduate level. He indicated this particular set of policies was highly controversial but there has been an emerging consensus of support that the proposal will also add strength to the teacher education programs and provide an opportunity for individual institutions to develop really unique and powerful programs for the future.

The Chancellor said this was a very bold and innovative move. He said he was not aware of any state system or consortium of institutions which had worked with its standards and practices accrediting association to bring all of these things together at one time and move in new directions. The ultimate challenge is not what are the minimum credentials by which one might teach but what is the best preparation and training which might be expected of teachers and how can it be achieved.

The Chancellor indicated that he liked the comments and concept of providing a framework and timetable with the proposal but he would await recommendations from each of the campuses on the specifics, knowing there will be alternate routes to addressing the problem and addressing the resources to its commitment. In addition, the strong cooperation of the public school systems in the state to assist in this training will be necessary for the plan to work. There are financial barriers that inhibit implementing the program in the way it should be done.
The Chancellor said he anticipated the State System and the public schools would join in the internship concept. It has been compared to the internship in medicine, and surely the lives, minds, and futures of the children of Oregon are as important in terms of their mental good health and their educational experiences as is their physical well-being. The supervised internship, under the direction of a master teacher, is one of the best ways to learn to teach. The Chancellor said this is what the fifth year presumes to do and he thought it was a great experiment.

He indicated there was a commitment to working closely with the public schools in monitoring the process because the ultimate goal is to serve the schools and put the best possible teachers into the classrooms. He said he was very proud of the hard work that had been done on this program by the leadership on the respective campuses and by Dr. Pierce and his staff and also with the cooperation received from the public schools.

Dr. Susan Roper, director of the school of education and psychology at Southern Oregon State College, said the national accrediting agency had announced a new set of standards which will require the institutions to be very clear about the knowledge base used to train teachers. It will be necessary to cite sources of the major research and literature used in designing the program and as the body of knowledge relied upon for teaching the particular course. She said this gives the institutions the impetus that the rigor about which Mrs. Nelson and other Board members were concerned was in fact present and could be met and understood.

She commented that the present program at Southern Oregon State College had at least 50% of the course work devoted to education in the form of field experiences. This begins with the very first education course. She said she believed there was a commitment on the part of Oregon faculty to intense field experiences, especially ones that are planned in cooperation with public school people.

The Committee recommended that the Board approve the staff recommendation, with the understanding that the sentence under Item 7 would be deleted as discussed earlier.

Board Discussion and Action

Mrs. Nelson presented the Committee report and recommendation.

Mr. Alltucker requested someone to review the major points on both sides of the issues discussed in the Committee.
Dr. Pierce said the positives of the proposal were that the policy would permit an extra year to strengthen the general education and subject matter training the teachers received. It would permit a more intensive and highly supervised field component of teacher education and allow the institutions to build professional coursework based upon current research available in the area of effective teaching. It would be possible to provide higher level training for the teachers currently available and make it possible to attract teachers from a wider pool of applicants by extending the training to those who have already completed college.

On the negative side, it will take additional time and costs money for prospective teachers. In addition, there have been some philosophical disagreements and questions raised as to whether elementary teachers needed broad general education or should concentrate more on technical skills required in the classroom. He summarized the comments on the proposal as reported during the Committee discussion.

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

At the April 1987 meeting, the Board approved the proposal to establish a Center for Urban Research in Education (CURE) at Portland State University.

Some specific questions were raised at that time with respect to the makeup of the board, the relationship between the Center's proposed research program and other educational activities in Oregon, and the budget.

Mr. Hensley indicated the Committee on Instruction, Research, and Public Service Programs had received a report providing answers to those questions and was satisfied with the response. No further action is required. A copy of the report responding to the questions is on file in the Board's Office.

In September 1986, Oregon State University requested authorization to establish an Oregon State University Center for Tourism Research and Development. Discussion of the proposal in the Academic Council brought to light the fact that the University of Oregon had requested approval of a similar institute in 1983 but had been advised at that time to postpone its request because of the System's budget situation.
Because of the growing interest in tourism on several State System campuses, the Academic Council recommended that an interinstitutional committee be established to examine how the State System could best contribute to the promotion of tourism in Oregon.

The interinstitutional committee sent its report to the Vice Chancellor for Academic Affairs in March 1987. Specifically, the report recommends that an interinstitutional Oregon Tourism Institute be established to conduct research on and promote tourism in Oregon. The report of the interinstitutional committee and the proposal for an interinstitutional Oregon Tourism Institute were included in the full report which is on file in the Board's Office.

The Proposal

The Board is being asked to approve the establishment of an interinstitutional Oregon Tourism Institute to facilitate research across the State System on tourism. The Institute would be located on the Oregon State University campus but organizationally would report to the Vice Chancellor for Academic Affairs in the Chancellor's Office.

Initially, the Institute would be organized using existing resources on the campuses with some minimal help from the Chancellor's Office. The executive board and advisory board would be established and initial plans would be developed on how best to begin a coordinated program of research on tourism in Oregon. Discussions would be held with the Oregon Tourism Council, representatives of the tourism industry, and state agencies on the kinds of research most needed to support the tourism industry in Oregon. Once a research agenda was established, grants and contracts would be sought to begin the studies. The Department of Economic Development has received some lottery money for tourism research and this might be a source of potential funding.

The proposal has been reviewed by the campuses, the Academic Council, and various representatives in the Legislature, state government, and the tourism industry. There is enthusiastic support for the interinstitutional institute concept. Strong assurances have been received that both the state and industry would be interested in supporting research programs through the institute. There is also a strong belief that the proposed institute can contribute to the growth of tourism in Oregon, which is an important element in the Governor's Oregon Comeback.
Staff Recommendation to the Committee

The staff recommended that the Board approve the establishment of an interinstitutional Oregon Tourism Institute. The Institute would be comprised of representatives of all State System institutions and would report to the Office of the Vice Chancellor for Academic Affairs. The Institute would be located on the campus of Oregon State University.

Discussion and Recommendation by the Committee

Dr. Pierce presented the staff report and recommendation and indicated that Mr. Gil Latz, assistant professor of geography at Portland State University and chairman of the interinstitutional committee that developed the program, had additional comments and would assist in responding to any questions.

Mr. Latz emphasized that the proposal before the Committee was an interinstitutional tourism institute. It would be housed at Oregon State University but would be composed of representatives from all of the programs in the State System with an interest in tourism.

Mr. Latz indicated that at the original meeting nearly a year ago, the committee had been requested to review tourism in the State System in terms of research, instruction, and public service. The committee reviewed these features of tourism, both within the State System and elsewhere in the United States. A report was submitted in late March which called for the creation of this interinstitutional tourism institute. It represents a unique proposal and differs from other states in that it is systemwide and based on the proposition that cooperatively a better program can be created than could be developed through independent efforts by each of the institutions. This premise would apply to the curriculum efforts and to efforts with the state's private sector to promote tourism. The details were developed after extensive interviews with representatives of the Division of Tourism, representatives of the Legislature, and representatives on the committee from each of the campuses.

Four projects are proposed for the first year and are described in the proposal.

Mr. Latz indicated there was wide support for a study of tourism and for developing the tourist industry.

In response to a question from Mr. Adams concerning participation of community colleges, Mr. Latz said it would be welcomed and there were efforts to encourage cooperation. Dr. Pierce commented that the focus of the institute was on research, a mission of the State System institutions but not of the community colleges.
However, the public service and instructional component of tourism in providing workshops for people in the tourist industry would be one in which the community colleges could play an important part. The initial phase of the institute will focus on developing a research program and a data base that will help analyze the problems of tourism in Oregon.

Mrs. Nelson then asked whether a community college in a local area would collect data or whether it would be done from a central location.

Mr. Latz responded that this was a strategic decision but he thought data collection should be conducted by whoever was best at collecting it. He said he would suspect facilities were available within the institute, including access to computers and a network of contacts, that would enable the institute to collect the data more efficiently. The data could be shared with the local community college, and the institute could work cooperatively with the college to create an appropriate program.

Mr. Hensley noted that it had been a responsibility of the Oregon Economic Development Department in the past to collect this data and asked whether there would be a duplication of its activities by the institute.

Mr. Latz said this had been discussed with the Oregon Economic Development Department's research representative. The department is presently undergoing a reorganization of all its departments, and a decision will be made on whether to have one or more research-oriented persons on the staff. The institute will not try to duplicate the division's activities but to assist its efforts.

Mr. Petersen said he supported this program because it was a great opportunity, was unique, and was interinstitutional. He said it had a broad statewide impact. He commented that the staff recommendation established the institute but did not give it any form of enabling legislation. He moved that the Board adopt the following language relative to the establishment of the institute, as set forth on page 15 of the proposal, by amendment of the first paragraph under "Executive Board" to read: "A total of nine members will be appointed by the Chancellor, subject to confirmation by the Oregon State Board of Higher Education. The Executive Board membership shall consist of the following representatives: one each from the University of Oregon, Oregon State University, Portland State University, Western Oregon State College, Southern Oregon State College, Eastern Oregon State College, and Oregon Institute of Technology;
Mr. Petersen also moved to include two additional items under the primary functions of the executive board. They were:

5. The Chancellor shall solicit nominations from each institution and public agency prior to appointment. A minimum of two nominees for each position is required.

6. To recommend organizational bylaws to the Oregon State Board of Higher Education for approval. The bylaws shall provide for staggered, fixed terms of appointment.

Mr. Perry said he would be opposed to the motion because it would be a bureaucratic nightmare, and Mr. Petersen explained that he was attempting to provide for enabling legislation so that appropriate representatives would be on the executive board.

Dr. Pierce suggested the staff incorporate the nine-member board with the indicated recommendation and include this in the bylaws submitted to the Board.

Mr. Petersen and Mr. Perry were both agreeable to this proposal, and Mr. Petersen withdrew his motion, with the understanding that the nine-member concept would be incorporated in the bylaws brought to the Board with respect to the organization and operation of the institute.

Mr. Perry said he would hope control would stay within the framework of the institutions. He said he was supportive of the desire to cooperate but the State System consisted of educational institutions and he would not want them to be used by industry.

Mr. Latz agreed it was important to maintain objectivity. This might not be the case if control were outside the State System.

It was further agreed by the Committee that the bylaws should state that the Board would review the program on either a yearly or two-year basis. Dr. Pierce indicated there would be a report to the Committee on the status of the organization of the institute much sooner than that.

Mr. Hensley said it had not been the Board's intent to get into the day-to-day management. However, he said the Board does like to see the progress and success or failure of the programs it approves and an appropriate time for reporting on this program can be determined in consultation with Dr. Pierce.
Mr. Petersen requested that the status of the institute should be reported and the bylaws brought to the Board for approval. It was agreed this would be done some time in the fall.

Mr. Adams requested clarification with respect to the institutions participating. It was stated all of the institutions, with the exception of the Oregon Health Sciences University, would be required to participate.

The Committee recommended that the Board approve the staff recommendation as presented, with the understanding Mr. Petersen's concerns would be addressed in the preparation and presentation of the bylaws as discussed above.

Board Discussion and Action

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

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

Staff Report to the Committee

The Board's Office of Academic Affairs is forwarding a request from Oregon State University for the consideration of the Committee on Instruction, Research, and Public Service Programs, and the Board. Oregon State University requests authorization to initiate a new instructional program leading to a Master of Science in Home Economics to replace the current Master's in Home Economics. The proposed degree will require a thesis and more specified work of an integrated nature and constitute a degree with more rigor and academic respectability.

This degree will focus on the integrative concepts of home economics across subject matter areas. It will incorporate graduate coursework from Family Resource Management and Human Development and Family Studies to provide strength for the unifying concepts in home economics of management and human development. As envisioned, graduates of this program will have developed a strong research background which will enable them to build relevant programs for their clientele groups as well as encouraging cooperative participation in analyzing and formulating societal goals.
Resources to Offer the Program

Implementation of this program will require the addition of one graduate research assistant at .30 FTE faculty and one graduate teaching assistant at .30 FTE faculty. Initiation of this degree will necessitate the addition of one new course, HE 533, Administration of Home Economics, and the addition of thesis hours to support the program. There is also an additional $500 needed per year to bring library support to an adequate level.

The $41,680 needed for the first four years of the program will be accommodated by way of: (1) reallocations within the College of Home Economics from undergraduate programs with declining enrollments; (2) other College of Home Economics resources due to the coursework in development, administration, and public policy being pertinent for graduate students majoring in other departments other than Home Economics Communications and Education; and (3) through College of Home Economics budget requests from the development fund.

Program Review

The College of Home Economics sought comments and advice from a wide variety of home economics educators and practitioners during the development of the program proposal. The comments and advice were supportive and congratulatory.

The proposed Master of Science in Home Economics was carefully reviewed and approved by relevant curriculum committees of Oregon State University and appropriate institutional administrators. Home Economics officials and professional organizations, both state and regional, have endorsed the need for and have expressed their support of the program.

The proposed degree program was also reviewed by the Academic Council of the Oregon State System of Higher Education and by the presidents of Oregon's independent colleges and universities. They support the development of this program.

A copy of the full report is on file in the Board's Office.

Staff Recommendation to the Committee

The Board's staff recommended that the Board authorize Oregon State University to initiate an instructional program leading to a Master of Science in Home Economics, effective Fall Term, 1987-88.
Meeting #551

June 19, 1987

Discussion and Recommendation by the Committee

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

Board Discussion and Action

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

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

Staff Report to the Committee

The proposed 1987-88 and 1988-89 Operating Budget allocations are based upon the 1987-1989 Biennial Budget as approved by the Legislature. The following constitute the recommended major allocation policies for 1987-88 and 1988-89:

Education and General Services

1. The 1986-87 Operating Budget as approved by the Board is the base.

2. Inflation adjustments to the base are as follows:
   a. General Services and Supplies at 3%
   b. Capital Outlay at 3%
   c. Library Acquisitions at 7%
   d. Energy related items vary from 3% for gasoline and hogged fuel to 2% for natural gas and 1.5% for electricity over the actual prices paid in March 1987. Electrical increases at UO and SOSC are 9.2% and 6% respectively to account for increases imposed by the municipal utility companies serving the two institutions.

3. New Building Operation and Maintenance funded from the General Fund is provided for the following buildings:

   University of Oregon:
   Architecture and Allied Arts Replacement Facility
   Chiles Addition
   Computer Science IVA
   Science III Basement
   Science IVB
   Science V
   Marine Biology

-309-
4. Capital Repair funds have been reduced by $2.5 million in the base budget for 1987-1989 (from $7 million to $4.5 million). The $2.5 million reduction in Capital Repair is recommended as part of the $7,652,448 general budget reduction (see below) required by legislative budget action for 1987-1989.

5. Faculty Excellence Awards are maintained at the $200,000 per year level ($400,000 per biennium). The Budget Report of the Subcommittee of Ways and Means indicates a reduction of $200,000 in the Faculty Excellence Awards Program for 1987-1989. Because current awards total $200,000 per year (or $400,000 per biennium) the legislatively imposed general budget reduction has been increased by $200,000 to provide resources to continue their funding. The only acceptable way to reduce the Faculty Excellence Awards program is through attrition. Therefore, as retirements and other circumstances permit awards to expire, the program can be scaled back to a $100,000 per year (or $200,000 per biennium) program, if the Board so desires.

6. Redirection of the base budget was recommended by the Subcommittee of Ways and Means to strengthen existing programs at the various institutions. The following is a summary of the programs and the year of redirection:

<table>
<thead>
<tr>
<th>Program</th>
<th>1987-88</th>
<th>1988-89</th>
</tr>
</thead>
<tbody>
<tr>
<td>UO High Energy Physics</td>
<td>$ --</td>
<td>$ 100,000</td>
</tr>
<tr>
<td>UO Labor Education Research Center</td>
<td>--</td>
<td>100,000</td>
</tr>
<tr>
<td>UO Advanced Science and Tech. Inst.</td>
<td>25,000</td>
<td>25,000</td>
</tr>
<tr>
<td>OSU Advanced Science and Tech. Inst.</td>
<td>25,000</td>
<td>25,000</td>
</tr>
<tr>
<td>OSU Pharmacy</td>
<td>--</td>
<td>300,000</td>
</tr>
<tr>
<td>PSU Center for Urban Res. in Education</td>
<td>245,968</td>
<td>245,968</td>
</tr>
<tr>
<td>WOSC Business Administration</td>
<td>45,000</td>
<td>45,000</td>
</tr>
<tr>
<td>SOSC Shakespeare Center</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>SOSC Computer Science</td>
<td>--</td>
<td>100,000</td>
</tr>
<tr>
<td>EOSC Education</td>
<td>--</td>
<td>59,000</td>
</tr>
<tr>
<td>OIT Office Technology</td>
<td>--</td>
<td>100,000</td>
</tr>
<tr>
<td>Total Base Redirect</td>
<td>$390,968</td>
<td>$1,149,968</td>
</tr>
</tbody>
</table>

Total Base Redirect for 1987-1989 $1,540,936
7. Corridor of Enrollment funding was approved by the Legislature. The Board requested $6,314,160 of General Fund support for Corridor of Enrollment funding in 1987-1989. The Legislature approved $6 million or $314,160 less than the Board's request. However, the Operating Budget allocations fully fund the Corridors of Enrollment at the level requested by the Board. This is accomplished by applying $314,160 of projected Other Funds income to this item. The following summarizes the funding for Corridors of Enrollment in 1987-1989:

<table>
<thead>
<tr>
<th>Corridor Midpoints</th>
<th>1987-1989 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1987-88</td>
</tr>
<tr>
<td>UO</td>
<td>14,343</td>
</tr>
<tr>
<td>OSU</td>
<td>13,524</td>
</tr>
<tr>
<td>PSU</td>
<td>8,370</td>
</tr>
<tr>
<td>WOSC</td>
<td>2,579</td>
</tr>
<tr>
<td>SOSC</td>
<td>3,527</td>
</tr>
<tr>
<td>EOSC</td>
<td>1,500</td>
</tr>
<tr>
<td>OIT</td>
<td>2,324</td>
</tr>
<tr>
<td>Total</td>
<td>46,167</td>
</tr>
<tr>
<td>Change</td>
<td>1,702</td>
</tr>
</tbody>
</table>

General Fund $6,000,000
Other Funds $5,806,000
$11,806,000

8. The BAS/Equity adjustment addresses the relative funding equity among the institutions and is based on the BAS Model and the Corridors of Enrollment policy. The enrollment used in the BAS/Equity adjustment for each institution is the Corridor Midpoint. The income from enrollments above the Corridor Midpoints is the source of funds for this adjustment.

9. Centers of Excellence funding in the amount of $3 million General Fund was provided by the 1987 Legislature. The following is the institutional and program breakdown for the Centers of Excellence funding:

<table>
<thead>
<tr>
<th>University of Oregon</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Materials, Optical, &amp; Computer Science (incl. Polymer Sci.)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>2) Biotechnology</td>
</tr>
<tr>
<td>3) High Energy Physics</td>
</tr>
<tr>
<td>Total UO</td>
</tr>
</tbody>
</table>
10. The Legislature, in approving the 1987-1989 Biennial Budget, mandated a general budget reduction to the base of $7,652,448. The relative funding equity among the institutions (as measured by the BAS Model) was maintained in the allocation of the general budget reduction.

Statewide Public Service Divisions

The 1987-88 Operating Budget for the Statewide Public Service Divisions is based on the 1987-1989 Biennial Budget as approved by the Legislature. For all Divisions the base is the 1986-87 budget approved by the Board. Inflation adjustments are similar to the adjustments for Education and General Services described above.

1. Agricultural Experiment Station

The Legislature approved $386,296 in General Fund resources to offset a federal and Other Funds shortfall in 1987-1989. These additional General Funds ($93,303 in 1987-88 and $292,993 in 1988-89) will provide the necessary resources to maintain the base budget.

The Legislature also approved the following new or expanded programs for 1987-1989:

<table>
<thead>
<tr>
<th>Program</th>
<th>1987-88</th>
<th>1988-89</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filbert Blight Research</td>
<td>--</td>
<td>$150,000</td>
</tr>
<tr>
<td>Marine Science Research</td>
<td>$50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>and Marketing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$50,000</td>
<td>$200,000</td>
</tr>
</tbody>
</table>
2. Cooperative Extension Service

The Legislature approved $1,453,822 in General Fund resources to offset a federal funds shortfall in 1987-1989. These additional General Funds ($610,329 in 1987-88 and $843,493 in 1988-89) will provide the necessary resources to maintain the base budget.

3. Forest Research Laboratory

The Legislature appropriated $400,000 from the Forest Products Harvest Tax ($200,000 per year) for a new program in Forest and Wildlife Interaction.

4. University Hospital

The Legislature reduced General Fund support for the Hospital by $1,500,000, the justification being that patient and third-party revenues should increase to offset the General Fund reduction.

The Legislature also recommended a major shift in the financing of indigent medical care at the Hospital. The entire General Fund appropriation for 1987-1989 of $37,638,034 was appropriated to the Emergency Board. The release of the funds will be based on a plan to be developed by University Hospital and the Department of Human Resources Adult and Family Services Division to provide medical services to indigent persons statewide. The objectives of the plan are: (1) to make approximately $14 million of General Fund resources available to Adult and Family Services to match federal funds for indigent medical care, and (2) to maintain at least the current level of indigent care support for University Hospital. In the event such a plan cannot be developed, the entire $37,638,034 will be allocated directly to University Hospital.

5. Crippled Children's Division

The Legislature approved $1,500,000 in General Fund resources to offset a federal and Other Funds shortfall in 1987-9189. These additional General Funds ($425,845 in 1987-88 and $1,074,155 in 1988-89) will provide the necessary resources to maintain the base budget.
6. Dental Clinics

The Legislature approved $214,025 in General Fund resources to offset an Other Funds shortfall in 1987-1989. These additional General Funds ($109,759 in 1987-88 and $104,266 in 1988-89) will provide the necessary resources to maintain the base budget.

The Unclassified and Classified salary recommendations are not a part of these budget allocations. Salary adjustment allocations are pending, awaiting final legislative action.

The following tables display the recommended allocations by institution and statewide public service division.

Staff Recommendation to the Committee

The staff recommended that the Committee on Finance, Administration, and Physical Plant approve the 1987-88 and 1988-89 budget allocations as outlined in the following tables and forward them to the Board for approval.
## Oregon State System of Higher Education

### Recommended Budget Allocation

#### 1987-88

<table>
<thead>
<tr>
<th></th>
<th>UO</th>
<th>OSU</th>
<th>PSU</th>
<th>WOSC</th>
<th>SDSC</th>
<th>EOU</th>
<th>OIT</th>
<th>CHSU</th>
<th>TR</th>
<th>CCATE</th>
<th>CA</th>
<th>BOARD</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1986-87 Base Budget</strong></td>
<td>$80,637,849</td>
<td>$92,386,877</td>
<td>$49,777,700</td>
<td>$13,369,493</td>
<td>$16,912,393</td>
<td>$8,672,643</td>
<td>$13,333,194</td>
<td>$40,806,629</td>
<td>$381,468</td>
<td>$785,055</td>
<td>$17,820,702</td>
<td>$4,459,424</td>
<td>$329,351,437</td>
</tr>
</tbody>
</table>

#### Adjustments to Base

**Including Inflation**

|      | 436,461 | 869,249 | 270,999 | 123,327 | (57,842) | 5,007 | (5,618) | (136,189) | 3,949 | 46,183 | 153,462 | 103,963 | 1,812,951 |

#### Legislative Adjustments:

- **PERS Cost Reduction**
- **Energy Adjustment**
  - (49,636) (499,476) (211,573) 54,334 8,106 (42,145) 7,059 203,951

#### Redirected Base Budgets:

- **UO ASTI** 25,000
- **OSU ASTI** 25,000
- **PSU Ctr for Urban Res in Educ.** 245,968
- **WOSC Business** 45,000
- **SDSC Shakespeare Center** 50,000

#### Legislative Approved Decision Packages:

- **New Building O & M** 189,521 119,578 159,286 165,236 710,739 1,344,350
- **Exp. Limit. from 1986-87** 1,500,000 511,300 200,000 150,000 150,000 2,511,300
- **Corridors of Enrollment** 2,195,000 2,413,000 1,295,000 5,903,000
- **Centers of Excellence** 450,000 600,000 450,000 1,500,000

- **Legislative Gen. Reduction** (622,000) (622,000) (492,000) (145,000) (150,000) (65,724) (100,000) (65,000) (100,000) (1,250,000) (3,611,724)

#### Other Adjustments:

- **BAS/Equity** 883,000 622,000 246,000 200,000 519,400 281,324 313,000 3,054,724
- **Continue Fac. Excel. Awards** 100,000 100,000
- **International Programs** 12,300 8,740 16,150 8,865 3,435 2,425 3,285 55,000

#### 1987-88 TOTAL EXCL PAY ADJ

|      | $85,562,754 | $93,404,318 | $52,815,760 | $15,445,589 | $17,463,911 | $8,993,291 | $13,849,385 | $41,462,580 | $384,907 | $831,044 | $7,874,799 | $3,313,387 | $341,401,725 |

#### Budget as Percent of BAS Model (Includes Capital Repair)

|      | 72% | 72% | 74% | 71% | 72% | 75% | 73% | 72% |
### TABLE B

**OREGON STATE SYSTEM OF HIGHER EDUCATION**  
Recommended Budget Allocation  
1988-89

<table>
<thead>
<tr>
<th>UO</th>
<th>OSU</th>
<th>PSU</th>
<th>NSCC</th>
<th>SOSC</th>
<th>ESCC</th>
<th>OIT</th>
<th>OHSU</th>
<th>TR</th>
<th>OCATE</th>
<th>CA</th>
<th>BOARD</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>$85,562,754</td>
<td>$93,404,318</td>
<td>$52,815,760</td>
<td>$15,445,589</td>
<td>$17,463,911</td>
<td>$8,993,291</td>
<td>$13,849,385</td>
<td>$41,462,580</td>
<td>$384,907</td>
<td>$831,044</td>
<td>$7,874,799</td>
<td>$3,313,387</td>
<td>$341,401,725</td>
</tr>
</tbody>
</table>

**1987-88 TOTAL EXCL PAY ADJ**

<table>
<thead>
<tr>
<th>Adjustments to 1987-88</th>
<th>Including Inflation</th>
<th>Legislative Adjustments:</th>
<th>Redirected Base Budgets:</th>
<th>1988-89 TOTAL EXCL PAY ADJ</th>
</tr>
</thead>
<tbody>
<tr>
<td>$86,555,803</td>
<td>$94,296,008</td>
<td>$53,219,213</td>
<td>$15,535,302</td>
<td>$17,574,754</td>
</tr>
</tbody>
</table>

**Legislative Adjustments:**

- **PERS Cost Reduction:**
  - OSU: (94,749)  
  - PSU: (105,688)  
  - OSU: (59,765)  
  - PSU: (16,534)  
  - OSU: (21,589)  
  - PSU: (10,241)  
  - OSU: (16,769)  
  - PSU: (57,555)  
  - OSU: (510)  
  - PSU: (214)  
  - OSU: (7,365)  
  - PSU: (390,989)  

- **Energy Adjustment:**
  - OSU: 38,218  
  - PSU: (26,540)  
  - OSU: (23,563)  
  - PSU: 1,386  
  - OSU: (1,107)  
  - PSU: (5,302)  
  - OSU: 1,984  
  - PSU: 15,788  

- **Redirected Base Budgets:**
  - **UO High Energy Physics:** 100,000  
  - **UO Labor Educ Res Ctr.:** 100,000  
  - **OSU Pharmacy:** 300,000  
  - **SOSC Computer Science:** 100,000  
  - **ESC Education:** 59,000  
  - **OIT Office Technology:** 100,000  

- **Legislative Approved Decision Packages:**
  - **New Building O & M:** 472,657  
  - **OIT Office Technology:** 121,592  
  - **Human Resources:** 33,043  
  - **ESC Education:** 14,863  
  - **TR:** 51,938  
  - **OIT Office Technology:** (6,335)  
  - **Legislative Gen. Reduction:** (200,000)  
  - **OIT Office Technology:** (300,000)  

- **1988-89 TOTAL EXCL PAY ADJ**
**TABLE C**

OREGON STATE SYSTEM OF HIGHER EDUCATION

Budget Allocation

1987-88 and 1988-89

<table>
<thead>
<tr>
<th>AES</th>
<th>CES</th>
<th>FRL</th>
<th>HOSPITAL</th>
<th>CCD</th>
<th>DC</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986-87 Base Budget</td>
<td>$20,205,268</td>
<td>$16,971,132</td>
<td>$4,156,610</td>
<td>$107,764,061</td>
<td>$9,369,913</td>
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</table>

Adjustments to Base

Including inflation

<table>
<thead>
<tr>
<th>AES</th>
<th>CES</th>
<th>FRL</th>
<th>HOSPITAL</th>
<th>CCD</th>
<th>DC</th>
</tr>
</thead>
<tbody>
<tr>
<td>(243,822)</td>
<td>(643,642)</td>
<td>(39,994)</td>
<td>846,078</td>
<td>(716,073)</td>
<td>(92,428)</td>
</tr>
</tbody>
</table>

Legislative Adjustments:

- **PERS Cost Reduction**
  - (25,328) (15,859) (4,480) (97,531) (7,082) (1,574)
- **Energy Adjustment**
  - (139,200) 41,000

Legislative Approved Decision Packages:

- **New Building O & M**
  - (58,366)
- **Fed & Other Funds Repl.**
  - 193,148 726,911 750,000 107,012
- **Marine Sci. Res. & Mrkt.**
  - 50,000
- **Forest/Wildlife Inter. (Other Funds)**
  - 200,000
- **Program Adjustments (Other Funds)**
  - 8,348,281
- **Oper. Efficiency/Cap. Dev. (Other Funds)**
  - 4,802,455

1987-88 TOTAL EXCL PAY ADJ

<table>
<thead>
<tr>
<th>AES</th>
<th>CES</th>
<th>FRL</th>
<th>HOSPITAL</th>
<th>CCD</th>
<th>DC</th>
</tr>
</thead>
<tbody>
<tr>
<td>$20,040,056</td>
<td>$17,038,542</td>
<td>$4,312,136</td>
<td>$121,724,344</td>
<td>$9,338,392</td>
<td>$1,573,986</td>
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</tbody>
</table>

Adjustments to 1987-88

Including inflation

<table>
<thead>
<tr>
<th>AES</th>
<th>CES</th>
<th>FRL</th>
<th>HOSPITAL</th>
<th>CCD</th>
<th>DC</th>
</tr>
</thead>
<tbody>
<tr>
<td>89,707</td>
<td>102,039</td>
<td>27,057</td>
<td>1,278,659</td>
<td>149,749</td>
<td>15,974</td>
</tr>
</tbody>
</table>

Legislative Adjustments:

- **PERS Cost Reduction**
  - (25,328) (15,859) (4,479) (97,532) (7,081) (1,574)
- **Energy Adjustment**
  - (3,600)

Legislative Approved Decision Packages:

- **New Building O & M**
  - (322)
- **Fed & Other Funds Repl.**
  - 1
- **Filbert Blight Research**
  - 150,000
- **Program Adjustments (Other Funds)**
  - 1,255,909
- **Oper. Efficiency/Cap. Dev. (Other Funds)**
  - 1,923,254

1988-89 TOTAL EXCL PAY ADJ

<table>
<thead>
<tr>
<th>AES</th>
<th>CES</th>
<th>FRL</th>
<th>HOSPITAL</th>
<th>CCD</th>
<th>DC</th>
</tr>
</thead>
<tbody>
<tr>
<td>$20,250,925</td>
<td>$17,124,722</td>
<td>$4,334,714</td>
<td>$126,084,634</td>
<td>$9,480,738</td>
<td>$1,568,287</td>
</tr>
</tbody>
</table>
Discussion and Recommendation by the Committee

Mr. Quenzer presented the staff report and recommendation on the operating budget for 1987-88 and 1988-89.

In response to a request from Mr. Richardson, Mr. Quenzer and President Byrne briefly explained the faculty excellence awards program.

Mr. Crowell requested Mr. Neland to describe the allocation of the capital repair funds after all the redirections and reductions were made.

Mr. Neland said a formula for the allocation had been developed, with the assistance of the institutions, based on the physical plant section of the BAS Model. The institutions then nominate projects within the share of money identified for them, and the money would be transferred to them. The reduction has resulted in about a 40% reduction in the 1987-1989 program, but the funds received will be distributed proportionately to the institutions on the basis of their entitlement under the BAS Model. The planned expenditures are reviewed by Mr. Neland.

President Laster commented that the action taken by the Legislature with respect to the hospital was a high risk action. The Legislature took money from the General Fund appropriation to the hospital and gave it to another agency for the valid purpose of using that money as leverage to get more money. However, if the federal program disappears in a subsequent biennium, the General Fund money of the hospital budget is then in the budget of another agency. If it is impossible to get the federal money in that agency's budget to repay the hospital, the hospital is then in the position of having to go through the budget process of the Board and the Legislature to seek a General Fund appropriation of $15-30 million. President Laster said he would appreciate the Board's consideration of some action indicating its recognition of the situation.

President Laster indicated the Oregon Health Sciences University had not yet been placed on the BAS Model. Need and equity would suggest the Board should consider getting the institution on the BAS Model.

Mr. Dodson asked what would happen as a result of the $1.5 million budget cut since there was a consensus the revenues from patients and third parties could not be increased.

President Laster responded that the hospital is not permitted to end the biennium with a deficit and there are limited ways to make up the deficit. One is to cut care to indigent patients at a time when the situation is getting worse rather than better,
particularly in obstetrics and psychiatry. A second alternative is to raise rates, but extensive efforts have been made to cover the hospital charges so they were closer to the average. The third is to delay capital construction.

Mr. Chao requested that Mr. Lemman formulate a proposal concerning the staff recommendation regarding the resolution requested by President Laster and also on the feasibility of including the Oregon Health Sciences University in the BAS Model.

Mr. Quenzer commented that the institution was not included in the BAS Model for this biennium because it had been assessed only a limited reduction in recognition of the fact it was not on the BAS Model adjustment process.

In response to a request for comments on the budget from the presidents of the institutions, Dr. Byrne said, all things considered, the presidents would have to be satisfied with the budget. He said he did not agree with the budget, particularly the cuts made in maintaining the capital plant. It is imperative to maintain the existing physical plants. He said Oregon State University would live with the budget and do a good job, as would all of the other institutions in the State System.

President Olum concurred. He also objected strongly to the increase of mandated new sums for special projects desired by members of the Legislature. The Legislature should not be trying to control the academic process of the institutions.

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

Board Discussion and Action

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

Staff Report to the Committee

Oregon State University, on behalf of its Department of Intercollegiate Athletics, desires to undertake a program of enhancement and rehabilitation of facilities used by the Department. These include Parker Stadium, Gill Coliseum and McAlexander Fieldhouse. The total costs of the improvements are presently estimated to be $8,261,670 (excluding interest). The work would be accomplished essentially in two phases. Phase I, which the University wishes
to undertake in the summer of 1987, involves the installation of a synthetic surface in the Fieldhouse, to improve practice conditions for football and other sports; development of a section of special seating in the west grandstands of Parker Stadium; improvement of concession facilities in Parker Stadium; and construction of a roof over the west grandstands. The estimated cost of Phase I is approximately $2,520,000, excluding interest costs.

Phase II would include a roof over the east grandstands, improvements to restroom and other support facilities, and construction of team locker and training facilities at Parker Stadium; and renovation of team locker and related facilities in Gill Coliseum. The total cost of Phase II is estimated at approximately $5,745,000. The total project has an estimated cost of $8,620,000 including interest.

At this time, authority is requested to proceed only with Phase I.

Financing of this project requires approximately $2,875,000 over a five-year period, including interest on $1,400,000 of funds which would be borrowed. The borrowed funds would be in the form of a loan from the First Interstate Bank to the Oregon State University Foundation (which would be the loan guarantor) at a fixed interest rate of 8.07% per annum, presuming the loan qualifies for tax exemption. The loan period would be eight years, with seven annual installments on the principal. The transfer of the principal of the loan to University control is expected to occur in May 1988. Proceeds of the loan are needed to provide cash at the beginning of the project.

Funds required for project costs would come from $562,000 of contributed funds currently on hand in University accounts; $550,000 over two years of anticipated contributions toward seating locations within the special seating area; $672,400 of revenues from ticket surcharges for other "under roof" seating, anticipated over a five-year period; $150,000 over five years from contributions toward the cost of the installation of the McAlexander Fieldhouse synthetic surface; and $820,000, mostly in the last four years of the Phase I program, from currently budgeted debt service for the retirement of bonds on Gill Coliseum. These bonds will be paid off in 1989, and the Athletic Department proposes continuing the budget to assist in repayment of the $1,400,000 loan. In addition, the funds invested during this period are expected to produce earnings in excess of $121,000. In summary, the revenues set out above are expected to produce in excess of $2,875,000 between now and the fall of 1992. The expenses, including repayment of the loan with interest, is forecast to be approximately $2,875,000.
Staff Recommendation to the Committee

The staff recommended that the Committee and Board approve the Phase I plan for Parker Stadium Improvements at Oregon State University, subject to staff confirmation of the availability of resources when contractual commitments are required; and that staff be authorized to seek the approval of the State Emergency Board of the establishment of an expenditure limitation of approximately $2,520,000 to carry out the Phase I project.

Discussion and Recommendation by the Committee

Mr. Neland presented the staff report and recommendation. He and officials from Oregon State University responded to questions concerning maintenance, size, financing and use for ROTC and recreational sports, and financing and loan provisions for the facility. In connection with the financial plan, Mr. Alltucker asked for further clarification of the Gill Coliseum revenues. Mr. Lynn Snyder, Director of Athletics, said that when Gill Coliseum was remodeled a $2 surcharge was instituted on the basketball season tickets and a certain portion of the seats were sold with the requirement of a $1,500 annual contribution to maintain assignment for those seats. The surcharge will be continued beyond the intended period of time to fund these proposed improvements, and the special seat charge will continue for an annual revenue of $240,000.

Mr. Crowell asked how firm the financial commitments were for this project and Mr. Snyder indicated a substantial portion of the anticipated contributions were already in the bank and pledge cards were on hand for an additional equal amount. Two potential donors have been identified for the synthetic surface. Mr. Neland assured Mr. Crowell that contracts are not signed until funds are firm.

In response to a question from Mr. Crowell, it was stated there would be no impact on student ticket prices because of the project.

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

Board Discussion and Action

The Board approved the Committee recommendation, with the following voting in favor: Directors Alltucker, Chao, Crowell, Dodson, Hensley, Hermens, Nelson, Perry, and Richardson. Those voting no: None. Director Adams abstained from voting because of a potential conflict of interest with his firm's participation in this project. Director Petersen was absent from the meeting at this time.

-321-
Salary Adjustments for 1987-88, House Staff, OHSU

Staff Report to the Committee

Salaries for house staff (interns and residents) at University Hospital traditionally have been set in consultation with the Portland Council of Teaching Hospitals, using other western teaching hospitals as comparators.

A 3% adjustment in salaries was made in 1984-85, no adjustment in 1985-86, and an average 4.7% in 1986-87.

The Portland Council of Teaching Hospitals concurs in the recommendation of the Oregon Health Sciences University to increase house staff salaries by 3% for 1987-88. These specific salary levels recommended are as follows:

<table>
<thead>
<tr>
<th>Training Level</th>
<th>1987-87 Salaries</th>
<th>1987-88 Proposed Salaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Postgraduate Year 1</td>
<td>$20,257</td>
<td>$20,865</td>
</tr>
<tr>
<td>2</td>
<td>21,472</td>
<td>21,116</td>
</tr>
<tr>
<td>3</td>
<td>22,761</td>
<td>23,444</td>
</tr>
<tr>
<td>4</td>
<td>24,127</td>
<td>24,851</td>
</tr>
<tr>
<td>5</td>
<td>25,575</td>
<td>26,342</td>
</tr>
<tr>
<td>6</td>
<td>27,109</td>
<td>27,922</td>
</tr>
</tbody>
</table>

The following table displays the comparison between house staff salaries at the Oregon Health Sciences University and the 14 other western university hospitals.

<table>
<thead>
<tr>
<th>Training Level</th>
<th>OHSU</th>
<th>All Western Except California</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>Variance</td>
</tr>
<tr>
<td>Postgraduate Year 1</td>
<td>$20,257</td>
<td>$22,218</td>
</tr>
<tr>
<td>2</td>
<td>21,472</td>
<td>24,428</td>
</tr>
<tr>
<td>3</td>
<td>22,761</td>
<td>26,296</td>
</tr>
<tr>
<td>4</td>
<td>24,127</td>
<td>28,133</td>
</tr>
<tr>
<td>5</td>
<td>25,575</td>
<td>29,940</td>
</tr>
<tr>
<td>6</td>
<td>27,109</td>
<td>31,540</td>
</tr>
</tbody>
</table>

The recommended 3% salary increase for house staff is less than the expected increase for unclassified academic staff generally.

The recommended increases can be financed within the patient fee schedule anticipated in the biennial budget approved by the Board.
Staff Recommendation to the Committee

President Laster, with the concurrence of the Chancellor, recommended that University house staff salaries for 1987-88 be adjusted as proposed and displayed in the table above.

Discussion and Recommendation by the Committee

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

Board Discussion and Action

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

Amendment to Article II, Section 1 of Bylaws, OSBHE

Staff Report to the Board

The Executive Committee of the Board presently consists of the President, Vice President, and two additional members of the Board elected to serve with the President and Vice President. The Nominating Committee, in considering recommendations for these positions for 1987-1988, determined that it would be desirable to elect three members to serve on the Executive Committee with the President and Vice President of the Board. This action would require amendment of Article II, Section 1 of the Board's Bylaws.

Staff Recommendation to the Board

The staff recommended that Article II, Officers of the Board, Section 1, Enumeration, be amended as follows:

Section 1--Enumeration

The officers of the Board shall be a president, a vice president, [two] three members of the executive committee, and a secretary. The secretary shall be appointed from time to time, and the other named officers shall be elected annually prior to July 1 of each year. The term of office shall be for one year commencing on July 1 of the year of election. The Board may appoint assistant secretaries or other officers from time to time.
Board Discussion and Action

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

Staff Report to the Board

The Secretary of the Board was requested recently to provide a specific statement of authorization for signing various documents as part of the duties of the Secretary. It was discovered the 1978 revision of the Administrative Rules, Internal Management Directives, and Bylaws had inadvertently omitted language which had been included in the Administrative Code and Administrative Rules of the Board from 1934 to 1978. The proposed amendment will reinstate that language.

Staff Recommendation to the Board

The staff recommended that Article II, Section 2 C, be amended to reinstate language which clarifies more precisely the duties of the Secretary of the Board with respect to signing documents. The proposed amendment appears below:

C. The secretary shall: (1) keep a record of all Board transactions; (2) prepare a docket for all Board and Board Committee meetings, listing all proposals, communications, and business transactions to be considered at the Board meeting; (3) maintain minutes of all Board meetings and Board Committee meetings; (4) furnish copies of all Board minutes and dockets to members and to all institutions under control of the Board; (5) maintain on file all Committee reports, other Board records and documents, official Board correspondence, and other files; and (6) perform such other duties as the Board may authorize or direct.

The secretary shall be the custodian of the seal of the Board, [and] shall sign or affix the seal to minutes and other instruments as required, and by countersigning shall execute with the president of the Board all instruments required by statute.

Board Discussion and Action

The Board approved the staff recommendation as presented, with the following voting in favor: Directors Adams, Alltucker, Chao, Crowell, Dodson, Hensley, Hermens, Nelson, Perry, Richardson, and Petersen. Those voting no: None.
Officials of Eastern Oregon State College have forwarded to the Board's Office an option for the purchase of the last parcel of non-owned land in the main portion of campus north of 'E' Street. The property is owned by Bernice Lindley and the option price of $25,500 is the result of an independent appraisal obtained by the College. The property has a total area of approximately 14,400 square feet of land, or about .331 acres, which includes the area of lots seven and eight of block 28 plus the area of the vacated alley which accrues to the parcel. The property is in an area designated for recreational purposes, including expansion of the tennis courts and related landscaping and incidental parking for the tennis courts.

The property has located on it an 85-year old house for which the College has plans to demolish the building after acquisition.

Funds required for the purchase of the property and related costs are to be provided from balances available at the institution from Student Building Fees. The land would be purchased under authorization of Chapter 640, Oregon Law 1985-87 as amended by the State Emergency Board.

The staff recommended that the Office of Administration be authorized to purchase the Bernice Lindley property at 701 Sixth Street on the Eastern Oregon State College campus at the option price of $25,500.

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

The first progress report on the Total Information System Project was presented to the Board at its May 15, 1987, meeting. It was pointed out that the Joint Legislative Committee on Data Processing requested that the Board, Legislative Committee, and Executive Department be informed of each major step, at least until contracts have been executed with selected vendors.
Communication Services

A contract has been signed with JTM Associates (Atlanta) for telecommunications consulting services. Work release authorizations for Phase I (data collection and analysis) and Phase II (conceptual system design) have been issued. Institutional telecommunications staff are currently locating and collecting the usage statistics according to formats developed by JTM Associates. Personnel from the consulting firm will tour the Oregon State System of Higher Education's campuses and meet key personnel during the week of July 13-17, 1987.

Information Systems Software

As reported on May 15, 1987, four companies responded to the Request for Proposal--Application Software for the Total Information System Project: (1) Control Data Corporation (proposed two alternatives); (2) Higher Education Systems Services/Moss Roscher Associates; (3) Information Associates (two alternatives); and (4) Systems and Computer Technology Corporation (two alternatives). Letters requesting clarifications to the responses were sent to each of these vendors on April 27, 1987. Written responses to those letters were received May 12, 1987. After reviewing the Interinstitutional Committee's findings with respect to the vendor proposals and subsequent responses, Associate Vice Chancellor Richard Perry requested that the Committee invite the four vendors to interview with the Interinstitutional Committee to discuss further mandatory specifications and the Committee's evaluation of the vendor proposals and responses received to date. Those interviews were held on June 2 and 3, 1987.

Three of the vendor proposals now appear to meet all mandatory requirements in the Request for Proposal:

Control Data Corporation (CDC) operating application software developed by The Wyngate Group, Ltd., presented two alternatives;

Systems and Computer Technology Corporation (SCT) presented one proposal operating on Honeywell/Bull data processing hardware.

Demonstrations of these vendors' software and other capabilities are scheduled for July 6-10 (SCT) and July 13-17 (CDC). These demonstrations will allow some 250 Oregon State System of Higher Education institutional reviewers and Board's staff to evaluate how well each company provides the desirable features identified in the Request for Proposal.
Data Processing Hardware

Invitation for Bids (IFB) for the data processing hardware to support the application software demonstrated on July 8-10 and July 13-17 should be released the week of June 22, 1987. The hardware identified by CDC and SCT as part of their application software proposals will be included in the IFB. In addition, the IFB will be sent to the general data processing vendor community. Vendors will have approximately one month to respond.

Board Discussion and Action

The Board accepted the report as presented.

Staff Report to the Board

As a result of urging from Oregon State University officials and the Board's staff, representatives of the four Oregon State System of Higher Education universities attended a technology transfer trade fair in Toronto, Ontario, Canada, May 4-8, 1987. The purpose was to enable the representatives to discuss technology (i.e. intellectual property such as inventions, processes, educational materials) available for licensing, as well as research strengths of the four institutions, all of which is of potential interest to industry. Representatives in attendance were: Dr. Robert S. McQuate (representing the University of Oregon and the Advanced Science and Technology Institute, a joint UO-OSU program); Dr. Robert O. Tinnin (Director, Grants and Contracts, Portland State University); M. Ronald Parelius (Assistant Vice President for Management Services, Oregon Health Sciences University); and Kim R. Smith (formerly Patent Manager, Oregon State University), and now Director, Technology Transfer Services, Board's Office. Materials describing research strengths and technology available for licensing were prepared in cooperation with the Board's staff for use by the four Oregon State System of Higher Education's representatives at the fair. Copies of the brochure are being distributed to the Board. Photographs illustrating the technical strengths of the universities, as well as the natural beauty and recreational opportunities of the state, were attractively displayed at the Oregon State System of Higher Education's booth during the conference.

Approximately 75 industry representatives of companies ranging from new start-ups to Fortune 500 companies such as Dow Chemical, Borg-Warner, and Union Carbide visited the Oregon State System of Higher Education's booth. It is likely that some license agreements will result from the discussions. More importantly, the four university representatives came away with a host of possible leads and contacts for future technical developments as they evolve from the universities' laboratories.
Attendance at the Toronto trade fair was an outgrowth of heightened effort in the Board's Office to stimulate further the transfer of technology developed by Oregon State System of Higher Education scientists and researchers into practical use by industry. Oregon State System of Higher Education technology transfer activities, overseen during the past 10 years by Dr. Richard S. Perry, Associate Vice Chancellor for Administration and Information Systems Services, will receive even greater attention from Kim Smith, who transferred recently to the Board's Office. Mr. Smith, a graduate of George Washington University School of Law, was formerly a patent attorney with Battelle Laboratories, Richmond, Washington.

Meanwhile, there are a number of promising initiatives in Oregon which are likely to enhance economic development through technology transferred from the institutions of higher education. One in particular, the Oregon Resource and Technology Development Corporation (ORTDC), was created by the 1985 Legislature. Oregon Resource and Technology Development Corporation funds basic research of interest to industry, and provides seed capital to new start-up companies. It is now beginning to negotiate research contracts with the OSSHE institutions to fund research of interest to regional companies.

Within the State System institutions, the Board, on behalf of the four universities and their faculty inventors, has been granted some 40 patents during the past 7 years. Approximately 35 license agreements which permit use of the technologies have been negotiated with industry. Annual royalty income from licensing agreements is now approaching $750,000. The net royalty income is shared with the inventors in accordance with the Board's OAR 580-43-006 through 580-43-016 and Internal Management Directives 6.205 through 6.255. Some of the income is also used by academic departments to support further research, and broaden technology transfer activity.

Board Discussion and Action

The Board accepted the report as presented.

SUMMARY OF FACILITIES DIVISION ACTIVITIES, OFFICE OF ADMINISTRATION

Clark Meat Lab Sewer, OSU

Staff Report to the Board

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

Award of Construction Contracts

On May 18, 1987, Paul Lambson Contracting was awarded a contract for this project in the amount of $20,627. Financing is provided from state funds.
On May 8, 1987, Sun Roofing, Inc. was awarded a contract for this project in the amount of $49,991. Financing is provided from state funds.

On May 18, 1987, R. Konradson Construction was awarded a contract for this project in the amount of $22,300. Financing is provided from state funds.

On May 18, 1987, Dale Ramsay Construction Co. was awarded a contract for this project in the amount of $14,827. Financing is provided from state funds.

On May 18, 1987, Early Roofing Service, Inc., was awarded a contract for this project in the amount of $233,000. Financing is provided from state funds.

On May 1, 1987, Wayne Anderson Construction, Inc., was awarded a contract for this project in the amount of $52,700. Financing is provided from state funds.

On May 7, 1987, Blumenstein-Dean Construction, Inc., was awarded a contract for this project in the amount of $136,385. Financing is provided from state funds.

On May 14, 1987, McLaughlin Plumbing & Heating Co. was awarded a contract for this project in the amount of $68,950. Financing is provided from funds available to the institution and a matching grant from the U.S. Department of Energy.

On May 7, 1987, New Way Electric, Inc., was awarded a contract for this project in the amount of $154,210. Financing is provided from funds made available by the institution and reimbursement from Bonneville Power Administration.

On May 14, 1987, Briles Control Systems, Inc., was awarded a contract for this project in the amount of $12,641. Financing is provided from state funds.

On May 18, 1987, Wildish Building Company was awarded a contract for the Science Facilities Additions and Alterations (Science V) Project in the amount of $13,100,000. Financing will be from federal funds.
On May 8, 1987, Delta Construction Co. was awarded a contract for this project in the amount of $53,772. Financing is provided from state funds.

On May 18, 1987, McKenzie Commercial Contractors was awarded a contract for this project in the amount of $356,057. Financing is provided from state funds.

On May 13, 1987, River Roofing Service was awarded a contract for this project in the amount of $31,150. Financing is provided from reserve balances available to the Housing Department.

On April 24, 1987, Centrex Construction was awarded a contract for this project in the amount of $153,260. Financing is provided from state funds.

On May 28, 1987, Saco General Contractors was awarded a contract for this project in the amount of $20,202. Financing is provided from state funds.

On May 11, 1987, Buckaroo-Thermoseal, Inc., was awarded a contract for Base Bid A portion of this project in the amount of $102,910; On May 11, 1987, Snyder Roofing & Sheet Metal, Inc., was awarded a contract for Base Bid B portion of this project in the amount of $108,464 and Anderson Roofing Co., Inc., was awarded a contract for Base Bid C portion of this project in the amount of $91,340. Financing is provided from state funds.

On May 11, 1987, Buckaroo-Thermoseal, Inc., was awarded a contract for this project in the amount of $59,286. Financing is provided from state funds.

On May 14, 1987, Contractors, Inc., was awarded a contract for the Hospital and Clinics Rehabilitation & Alterations (EDA) (UHS, 5A and 10A Nursing Unit Renovations) Project in the amount of $1,792,000. Financing will be provided from federal funds.

On April 30, 1987, Early Roofing Service, Inc., was awarded a contract for this project in the amount of $166,982. Financing is provided from the building repair reserve.
Meeting #551

Acceptance of Projects

Gilmore Hall Reroofing, OSU

This project is complete and was accepted on April 3, 1987. The estimated total project cost remains at $37,234. Financing was provided from state funds.

McNary Hall and Wilson Hall Reroofing, OSU

This project is complete and was accepted on May 19, 1987. The estimated total project cost remains at $108,980. Financing was provided from funds available through the Housing Account.

Carson Hall Renovations, UO

This project is complete and was accepted on March 31, 1987. The estimated total project cost remains at $611,865. Financing was provided from funds available through the Housing Account.

Hayward Field Replacement Parking, UO

This project is complete and was accepted on April 29, 1987. The estimated total project cost remains at $21,722. Financing was provided from the parking program reserve.

Science Facilities Additions & Alterations (Emerald Hall Demolition), UO

This project is complete and was accepted on May 12, 1987. The estimated total project cost remains at $34,795. Financing was provided from federal funds.

Board Discussion and Action

The Board accepted the report as presented.

ITEMS FROM BOARD MEMBERS

Mrs. Nelson reported that the Oregon Institute of Marine Biology would be dedicated by Senator Hatfield on July 2 and that she was pleased to be part of that program.

Mr. Perry said the ad hoc committee to work with Dr. Pierce on the review of the presidential search procedure was not ready to report because the necessary information was being compiled. He reminded the Board that his term expired at the end of June. Mr. Perry said if he were no longer on the Board, another chairman would be needed for the ad hoc committee.

Mr. Petersen said Mr. Perry would be a Board member until a replacement was appointed and confirmed. Since it is unlikely the confirmation committee will be meeting before September, there would still be an opportunity to complete the task.

Mr. Hermens reported that he had been reelected as student body president for next year at Eastern Oregon State College.
Mr. Hensley said it would be appropriate to recognize the fine contributions of Mr. Crowell as a student representative on the Board. He said Mr. Crowell had been one of the outstanding representatives during Mr. Hensley's tenure on the Board.

Mr. Petersen announced that the next regular Board meeting would be held at Portland State University on July 24, 1987. There may also be a meeting of the Committee of the Whole on Thursday evening, July 23, for the purpose of having a discussion on athletics.

Mr. Petersen indicated he had invited Governor Goldschmidt to attend the Board's retreat and the Governor has accepted the invitation. The agenda with the Governor will be planned in terms of looking at how to enhance the role of higher education as a partner in the Oregon Comeback. He asked Mrs. Nelson to comment on any thoughts she might have with respect to the retreat since it will be held in her area.

Mrs. Nelson said she had talked with Dr. Paul Rudy, Director of the Oregon Institute of Marine Biology, and he was delighted to have the Board. He has offered the facilities for meals and any other activities which the Board may wish. There is the possibility of a community reception on Thursday afternoon or evening.

Mr. Petersen said Mrs. Nelson and the Board Secretary would develop the retreat arrangements. With respect to the agenda, Board members were requested to have suggestions for agenda items to Mr. Petersen by the July Board meeting.

Mr. Petersen announced the following appointments to the Board's committees:

**Committee on Finance, Administration, and Physical Plant**

- Chair: Gene Chao
- Vice Chair: Mark Dodson
- Robert Adams
- New Appointee
- New Student Appointee

**Committee on Instruction, Research, and Public Service Programs**

- Chair: Richard Hensley
- Vice Chair: John Alltucker
- Mike Hermens
- Janet Nelson
- George Richardson, Jr.
Meeting #551  

November Board Meeting

Mr. Petersen said the November Board meeting originally had been scheduled for November 20 in Eugene. However, President Meyer's daughter will be appearing as a guest violin soloist with the Eugene Symphony the previous week. He said he had consulted with Board members and it was agreeable to move the November Board meeting to November 13 in Eugene so that there would be an opportunity to attend Miss Meyer's concert on the previous evening.

Appreciation to D. Crowell

Mr. Petersen complimented Mr. Crowell on his outstanding effort as a Board member. He said Mr. Crowell had been a Board member in every sense of the word and thanked him for his willingness to participate fully in the work of the Board.

Resolution Honoring R. Hall

At the request of Mr. Petersen, Mr. Perry read the following resolution honoring Controller Ross Hall on the occasion of his retirement:

CERTIFICATE OF RECOGNITION
HONORING ROSS HALL
UPON HIS RETIREMENT AS CONTROLLER
OF THE STATE SYSTEM OF HIGHER EDUCATION

The Oregon State Board of Higher Education extends its sincere appreciation for the dedicated service of Ross Hall, Controller of the System of Higher Education for the past ten years. He has made difficult decisions with the recognition that there were people behind those faceless numbers.
Ross Hall began working his way up through the ranks of the "numbers business" for the State System in 1964. He retires this year as Controller, knowing he has left his people, his office, and the State System with an organized and efficient model.

Not only does Ross Hall's signature appear on the 15,000-plus paychecks that are disbursed each month to State System employees, but he and his staff also successfully keep track of inventory, travel reimbursements, contracts and grants, and much, much more. What it all amounts to is keeping us within that unforgiving phenomenon we know as..."the budget."

A modest man, Ross Hall does not invite praise from his colleagues, assistants and past supervisors; but he is applauded by one and all as a logical, compassionate, and fair person, with a dry sense of humor thrown in for good measure. He has impressed many with his thoughtful decisions that communicate an understanding far beyond what it takes to be "just" a good accountant.

Ross Hall, we will miss you, and we wish you good fortune in the years ahead.

The Board adopted the above resolution, with the following voting in favor: Directors Adams, Alltucker, Chao, Crowell, Dodson, Hensley, Hermens, Nelson, Perry, Richardson, and Petersen. Those voting no: None.

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