Staff Analysis of University of Oregon's Teacher Education Proposal

1. Relationship to Assigned Mission

The proposed program is clearly within the mission of the University of Oregon. The Board's Strategic Plan 1987-1993 states that the University's mission is to provide "a wide range of educational opportunities in the liberal arts and sciences and in a variety of professional programs." The plan cites the University's diverse undergraduate and graduate professional programs, including education, that are central to the University's current instructional, research, and service programs.

2. Evidence of Need

The Board conducted a lengthy review of teacher education programs over virtually the last decade. Working with the campuses, the Board's Office examined teacher supply and demand data on an annual basis, surveyed graduates to ascertain areas needed for program improvements, and conducted meetings with practitioners throughout the state to examine needed reform in the teacher preparation programs of the State System. This examination closely paralleled reviews throughout the nation, using many of the findings of the Carnegie Commission, the Holmes Group of which the University of Oregon is a member (the Holmes group represents the nation's major research universities), and Oregon's Interim Legislative Committee on Education, which addressed needs for reform of teacher education in Oregon.

The University of Oregon has long been interested in extended teacher education programs, beginning its planning for extended programs in the early 1980s. Over 200 educators, including teachers, school administrators, faculty, and students participated in the development of the proposed program.

3. Quality of Proposed Program

The elementary program is designed as a 47 semester hour, 12-month sequence (two academic semesters plus one summer term) that culminates in a Basic and Standard Certificate (the "academic" requirements for a Standard — teaching experience is also required by the Teacher Standards and Practices Commission). Students will have the option of completing a Master's Degree in Education with an emphasis on elementary education with an additional 12 semester hours.
The secondary program (includes secondary-liberal arts, art education, health education, music education, and physical education) is designed as a 44-46 semester hour (depending on the program), 12-month sequence that culminates in a Basic and Standard Certificate. Students in the liberal arts secondary programs will be able to complete a Master of Education degree with an emphasis on secondary education with an additional 15 semester hours. Students in one of the specialty endorsement areas that prepare them to teach in both elementary and secondary schools (K-12 certification in art, music, health, and physical education) will be able to complete a master's degree in one of the specialty areas outside of Education; for example, a Master of Art Education with an additional 20-25 hours, a Master of Science Degree in Health Education with an additional 12 semester hours, a master's in Music Education with an additional 19 semester hours, and a Master of Science in Physical Education with an additional 18 semester hours.

The special education program (Handicapped Learner, Speech Impaired, and Severely Handicapped) has two options: a 43-semester hour stand alone program or a program that provides dual certification in an additional 24 semester hours. Students in the Handicapped Learner programs will have the option of earning a master's degree with the addition of 8-14 semester hours. Students in the Severely Handicapped Learner program will have the option of earning a master's degree in special education with the addition of 9 semester hours. Students in the Speech Pathology and Audiology program will be able to earn a Master of Arts or Master of Science degree with the addition of 18 hours.

The University of Oregon will enroll some 200 students in the elementary and secondary programs, with roughly 75-100 in each area. Approximately 100 students are expected to enroll in special education programs. Enrollment levels at the University will be reduced by about one-third from the current undergraduate program enrollments (enrollments will be reduced from some 450 in the current undergraduate program to around 300). This will represent a planned effort to limit enrollments in response to recent surpluses of beginning teachers in Oregon.

Admission standards will be rigorous. Students must have a 3.0 grade point average, complete an interview, demonstrate oral and written communication skills, pass the CBEST basic skills test, have completed a regular academic major and received the baccalaureate degree, have passed the appropriate National Teacher Examination Test (General Knowledge for the Elementary Program and Specialty Test for the Secondary Program), and provide verification of positive experiences in working with children.
There are a number of highlights of the proposed program:

- The program will institute a coordinated approach to content and methods courses. The focus will be on providing coursework at the beginning of the academic term, with concomitant field practice and methods courses.

- The program will institute interdisciplinary team teaching.

- A cohort system will stress building collegiality among students in order to prepare them for this important skill later as a teacher.

- There will be an increased emphasis on academics through the strengthened major, and students will be encouraged to add a second area of concentration outside of education, for example, a minor amounting to 12-15 hours.

- Students will be placed in field experiences on "day one" with the public schools. This feature is in direct response to requests from school districts that future teachers learn how school starts up in the fall.

- An early field experience in the undergraduate years will be available to students seeking this. This will be optional not required.

4. Adequacy of Resources to Offer Program

The University of Oregon currently offers a teacher preparation program for some 450 students a year with adequate numbers of faculty, library resources, and facilities. This is not expected to change under the extended program, although faculty will have altered loads to accommodate the transition from undergraduate education courses to newly-designed and more rigorous graduate level courses (the national accrediting body for teacher education requires a graduate load of 9 semester hours for faculty in contrast to 12 for undergraduate load).

Since the University’s proposal essentially doubles the amount of field placement in comparison to the existing four-year program, additional resources will need to be placed in the field placement component. This includes compensation to local school districts for increased supervision, training of local district supervisors, and increased delivery of concomitant coursework to outlying sites for preservice students.
5. **Program Duplication**

At present, five publicly-supported schools of education serve prospective teachers at six campuses throughout the state. Students are placed in practicum opportunities with districts throughout the state, and the "decentralized" model of the training of teachers has generally been regarded as a strength of Oregon's preparation programs.

6. **Review by Other Groups**

The University of Oregon's School of Education proposal has received the full endorsement of the faculty at the University of Oregon, as well as more than 100 teachers, administrators, and organizational representatives invited to review the program during the past several months.

The Academic Council reviewed and endorsed the proposal at its December 8, 1988, meeting.

**Staff Recommendation to the Committee**

1. The staff recommended that the Board approve the University of Oregon's request to implement extended elementary, secondary, and special education teacher preparation programs leading to a Basic and Standard Certificate, effective Summer Term 1990.

2. The Board should authorize the University of Oregon to phase out its current undergraduate teacher preparation programs as soon as it honors its agreement to students already admitted to the undergraduate programs.

**Discussion and Recommendation by the Committee**

Dr. Norman K. Wessells, Vice President for Academic Affairs and Provost at the University of Oregon, expressed his strong endorsement of the proposed fifth-year program. He indicated the education faculty had an excellent reputation nationally and said the strength of the new program was not in the nicety of the organization but in the quality of the faculty who are teaching the future elementary and secondary teachers of the state. He said he believed the faculty had responded to the mandate from the Board, had worked within the strictures of the Teacher Standards and Practices Commission, and had developed a program which did increase the rigor and improve the whole quality of teacher education in an excellent way. Substantial work remains in terms of actually designing the individual courses for the proposed program.
Dr. Wessells said it was unlikely the University of Oregon would, in the immediate future, propose an additional program that would combine a terminal undergraduate program with a fifth-year program leading to a master's degree. The plan is to concentrate on the proposed fifth-year program which sets forth sweeping, fundamental changes in the way teaching will take place. After that is working well, it would be time to consider other things. He noted that the proposed program was being instituted without any additional state funds and there would be some costs due to the necessity for transferring some 700 undergraduate majors in education to other disciplines. In addition, the fifth-year program operates at the graduate level, which means a different level of costs.

Dr. Wessells urged Board approval at the present meeting. The implementation of the new programs by 1990 already represented an extremely tight time schedule. The decision to remain on the quarter system had a major impact on timing because the programs were designed for semesters and will require conversion now to quarters.

Dr. Judith K. Grosenick, Professor of Education, indicated the teacher education programs at the University of Oregon had long enjoyed a planning relationship with the local public schools, based on the philosophy that a strategy for program development, revision, and improvement should begin with the public schools. Public school practitioners and other units within the university must be involved in development of the direction of the program. She said underlying philosophy is reflected in three themes of language and thought, individual and cultural diversity, and innovative technology and change. Within those three themes are concerns for preparing teachers as reflective thinkers, problem solvers, designers of instruction, transmitters of culture, and life-long learners themselves—teachers who can assume the complex divergent roles they are filling in the schools today and in the future.

Dr. Grosenick said a second change between the present and proposed programs is moving from a 2.75 to 3.0 grade point average. The faculty is continuing to explore additional indices of competence and experience other than standardized test scores, such as portfolios of performance, proficiency examinations, and the evaluation of life experiences. The program also features a cohort system designed to build collegiality among the students. The field experience will be offered concurrently with all of the professional education course work. There will be an increased emphasis on academics and a required second area of concentration outside of education. She then described the coordination of the fifth-year programs with the existing master’s degree programs and the efforts in minority recruitment.
Mr. Johnston asked why there was an exception to the 3.0 grade point requirement for health education and physical education. Dr. Groserick said those departments believed it enhanced their minority recruitment and their admissions and recruitment process. These departments do move to 3.0 as part of the retention process.

Board Discussion and Action

The Board action appears above at the conclusion of the item entitled, "Review of Oregon's New Teacher Education Programs."

Staff Recommendation to the Committee

1. The staff recommended that the Board approve the OSU/WOSC School of Education's request to implement extended elementary, secondary, and special education teacher preparation programs leading to a Basic and Standard Certificate, effective Fall Term, 1990.

2. The Board authorized Oregon State University and Western Oregon State College to phase out their current undergraduate teacher preparation programs as soon as they honor their agreement to students already admitted to the undergraduate programs.

3. The staff recommended that the Board require that the credit hours taken in required summer sessions by students in the fifth year teacher education programs be included in the official three term FTE enrollment reports issued by the Chancellor's Office.

4. The Board requested that the OSU/WOSC School of Education return in Spring, 1991, with a report on the number of students beginning the programs in 1990, as well as a report on financial impacts of implementation.

Discussion and Recommendation by the Committee

The extensive discussion by the Committee is reported in full in the minutes of the October 21, 1988, Board meeting.

The Committee recommended that the Board approve the staff recommendations as presented, with the understanding that it would be placed on the consent calendar for December.

Board Discussion and Action (October 21, 1988)

The Board voted to place the item on the consent agenda for the December Board meeting.
In placing this item and the three program request items on the consent agenda, the following voted in favor: Directors Adams, Alltucker, Bailey, Brooks, Dodson, Johnston, Miller, and Richardson. Those voting no: None.

**Board Discussion and Action (December 9, 1988)**

At the December meeting, the Board voted to move this item from the consent agenda and place it on the floor for consideration at the January 20, 1989, Board meeting when the other five-year teacher education programs are expected to be presented. The following voted in favor: Directors Adams, Alltucker, Bailey, Brooks, Bruggere, Dodson, Johnston, Miller, Richardson, Wilson, and Hensley. Those voting no: None.

**Discussion and Recommendation by the Committee (January 20, 1989)**

At the beginning of the discussion, Mr. Dodson indicated the Board had approved his motion at the previous meeting to have the OSU/WOSC program placed on the consent agenda for the January meeting.

Dr. Spanier reviewed the extensive involvement of faculty in education and throughout the university in the deliberations culminating in the proposed program. Administration and faculty from the school of education then did an extensive study involving teachers from across the state. A team of senior people then went to other states to study teacher education and the proposal was considered and approved by the entire faculty senate and submitted to the Board. Dr. Spanier said he viewed the proposed program as rigorous, focused, and academically sound. He said it was unlikely that a third variation would be submitted in the near future for both academic and financial reasons. Additional course development must still be completed and approved within the institution. He indicated the approval of the Board at the present meeting was important to eliminate any hiatus between the phasing out of the former program and the development of the new one.

Dr. Bill Cowart stated that Western Oregon State College had sent people to look at three other outstanding programs in addition to those visited by the Oregon State faculty team. He indicated Western Oregon State College had been involved as a teacher education test site for some research and development projects with several education groups. Some of the projects have consisted of detailed evaluation procedures for beginning teachers. All of the information has been incorporated into the teacher education program.
Dean Barr explained in more detail the opinions and advice sought from a wide range of individuals and groups in developing the program. There are mixed views about this most controversial development in teacher education. However, Dean Barr said very extensive efforts were made to gather information and blend it into what is viewed as a high quality program. He said he was proud to be moving teacher education to the post-baccalaureate level to assume a position with other professional schools.

Dean Barr stated the key distinction of the new program would be the professional core that undergirds all parts of the program. That professional core is based on the best available research in the field of education.

Dean Barr commented that throughout the State System there are efforts under way to develop more creative initiatives to attract minorities.

In response to a question, Dean Barr indicated the warranty program which is now in effect would continue in the new fifth-year program.

Mr. Richardson requested Dean Barr to comment further about the impact of the California Basic Educational Skills Test. The test eliminates about 20% of the people who take it, regardless of where they obtained their education. He said personally he did not believe it was the best test to assess basic skills. If it were, one might expect persons to improve their basic skills and do better. There is now sufficient evidence that those who fall below a certain corridor of error would never pass that test. The Teacher Standards and Practices Commission has been unusually wedded to the test, but it has recently opened up a second test for people outside of Oregon.

Board Discussion and Action

The Board action is reported above at the conclusion of the item entitled, "Review of Oregon's New Teacher Education Programs."

Acceptance of Schematic Design, Biomedical Information Communications Center, OHSU

Staff Report to the Committee

Architects Garfield Hacker, with the assistance of institutional staff, have completed schematic design for the Biomedical Information Communications Center (BICC) for the Oregon Health Sciences University. The project received legislative authorization within Section 2(5)(a), Chapter 640, Oregon Laws 1985. The limitation is for $14.5 million of federal construction funds.
The architectural solution for the Biomedical Information Communications Center has been subordinated to problems with defining this state-of-the-art program and a thus far unfulfilled search for a director of the Center. However, because of the potential evaporation of the federal authorization, it is necessary to proceed with the facilities design.

The siting for the facility is at the intersection of S. W. Sam Jackson Park Road and U. S. Veterans Hospital Road where the vehicle maintenance shop for the OHSU Physical Plant is presently sited.

The structure will consist of five program levels, plus a basement. The basement level will contain mechanical facilities and computer hardware. The major entrance will be at the fourth level via a pedestrian bridge across S. W. Sam Jackson Park Road. The building areas may be described in three broad categories: Classroom/conference; information services; and administration/research.

The schedule of the project projects occupancy at the end of 1990, following a mid-1989 construction start.

A project presentation form accompanies this report.

Staff Recommendation to the Committee

The staff recommended that the Committee and the Board accept the schematic design of the Biomedical Information Communications Center for the Oregon Health Sciences University, within an expenditure limitation of $14.5 million of federal construction funds provided within Chapter 640, Oregon Laws 1985; and that staff be authorized to direct the institution and its consultants to proceed through completion of design, preparation of construction document, bidding, and contract award, subject to the authorization of the State Emergency Board during 1989–1990.

Discussion and Recommendation by the Committee

Mr. Dodson asked whether there was any concern about a possible unexpected utility hook-up charge which sometimes occurs at the last minute in federal projects. Mr. Neland indicated there was some concern, but the project is sited where it would not involve long distances and is passing close to existing facilities. This type of charge is a constant problem in projects involving federal funding because the federal government will not yield with infrastructure beyond five feet from the building line. He indicated the request to the Emergency Board would be for authorization to expend the funds, not for additional money.
The Committee recommended that the Board approve the staff recommendations as presented.

**Board Discussion and Action**

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

The Board approved the Committee recommendation, with the following voting in favor: Directors Adams, Alltucker, Bailey, Bruggere, Dodson, Miller, Wilson, and Hensley. Those voting no: None.

**Tuition & Fee Recommendations, Residence Hall & Food Service Charges, Amendment to QAR 580-40-035, Summer Session Fee Book**

**Staff Report to the Committee**

Fee rates and policies are set forth in the preliminary Summer Session Fee Book. Rates are as recommended by the institution. A public hearing is scheduled for January 16, 1989. Fee rates and policies are recommended for Board approval as submitted, subject to any changes which may be proposed following the presentation of testimony at the public hearing.

**Summer Session Instruction Fees**

The self-support policy for summer instruction, which began in 1982, is continued in the recommendation for 1989. The self-support feature has resulted in institutional fee recommendations which reflect the differences in programs as well as the differences in approaches to balancing program costs with resources. Similarities of the institutional fee structures include incremental charges for each additional credit hour and undergraduate/graduate rate differentials. Residency status is not assigned during summer session and is not applicable to summer fee determination.

Fee policies in effect during Summer Session 1988 are continued in the recommendations for 1989. No change is recommended in the 1989 Summer Session Fee Policy.

Undergraduate instruction fee increases have been recommended by all institutions but the University of Oregon. Increases are, in general, a consequence of faculty salary rate increases granted in fiscal year 1988-89 and other inflation factors affecting costs. The University of Oregon is recommending no increase in instruction fees. Graduate instruction fee increases are being recommended by all institutions but the University of Oregon.
Rates recommended for 1989 compare with 1988 as follows:

<table>
<thead>
<tr>
<th>Undergraduate</th>
<th>1989</th>
<th>1988</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>First</td>
<td>Each Add'1</td>
</tr>
<tr>
<td>UD</td>
<td>$ 59</td>
<td>$ 45</td>
</tr>
<tr>
<td>OSU</td>
<td>73</td>
<td>40</td>
</tr>
<tr>
<td>PSU</td>
<td>60</td>
<td>37</td>
</tr>
<tr>
<td>WOSC</td>
<td>40</td>
<td>37</td>
</tr>
<tr>
<td>EOSC</td>
<td>60</td>
<td>44</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Graduate</th>
<th>1989</th>
<th>1988</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>First</td>
<td>Each Add'1</td>
</tr>
<tr>
<td>UD</td>
<td>$ 99</td>
<td>$ 79</td>
</tr>
<tr>
<td>Law, Sem.Equiv.</td>
<td>102</td>
<td>72</td>
</tr>
<tr>
<td>PSU</td>
<td>92</td>
<td>72</td>
</tr>
<tr>
<td>WOSC</td>
<td>90</td>
<td>75</td>
</tr>
</tbody>
</table>

**Building Fee**

The building fee of $9.00 per student is the same as the amount assessed in 1988. No change is recommended for 1989.

**Incidental Fee**

Incidental fee recommendations reflect the various activity and service levels proposed by the institutions. Charges compare for 1988 and 1989 as follows:

<table>
<thead>
<tr>
<th></th>
<th>1989</th>
<th>1988</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>First</td>
<td>Maximum Hour</td>
</tr>
<tr>
<td>UD</td>
<td>22.50</td>
<td>$22.50</td>
</tr>
<tr>
<td>Regularly Enrolled</td>
<td>22.50</td>
<td>22.50</td>
</tr>
<tr>
<td>OSU</td>
<td>29.35</td>
<td>41.83</td>
</tr>
<tr>
<td>Regularly Enrolled</td>
<td>29.35</td>
<td>36.35</td>
</tr>
<tr>
<td>PSU</td>
<td>30.00</td>
<td>30.00</td>
</tr>
<tr>
<td>WOSC</td>
<td>22.00</td>
<td>22.00</td>
</tr>
<tr>
<td>EOSC</td>
<td>16.00</td>
<td>30.00</td>
</tr>
<tr>
<td>OIT</td>
<td>18.00</td>
<td>27.00</td>
</tr>
</tbody>
</table>
Health Service Fee

Health service fees, like the building fee, are assessed at a single sum per student, based upon the service level available at each institution. For institutions providing summer health service, rates compare as follows:

<table>
<thead>
<tr>
<th></th>
<th>Health Service</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1989</td>
</tr>
<tr>
<td>UO</td>
<td>$27.50</td>
</tr>
<tr>
<td>OSU</td>
<td>16.65</td>
</tr>
<tr>
<td>PSU</td>
<td>5.00</td>
</tr>
<tr>
<td>WOSC</td>
<td>—</td>
</tr>
<tr>
<td>SOSC (8 hrs. or more)</td>
<td>18.00</td>
</tr>
<tr>
<td>EOSC</td>
<td>—</td>
</tr>
<tr>
<td>OIT</td>
<td>—</td>
</tr>
</tbody>
</table>

Rate structures for summer session have been developing as institutions adapted to self-support following the 1982 elimination of General Fund support. The effect of self-support on fees and assessments can be measured to some extent by comparison with academic year charges. The Summer Session rates proposed for 1989 and 1988-89 academic year, rates are compared on the following schedule:

<table>
<thead>
<tr>
<th>Tuition &amp; Required Fees</th>
<th>12 SCH Undergraduate*</th>
<th>9 SCH Graduate*</th>
</tr>
</thead>
<tbody>
<tr>
<td>UO</td>
<td>$559.50</td>
<td>$613.00</td>
</tr>
<tr>
<td>OSU</td>
<td>534.50</td>
<td>638.00</td>
</tr>
<tr>
<td>PSU</td>
<td>530.00</td>
<td>550.00</td>
</tr>
<tr>
<td>WOSC</td>
<td>523.00</td>
<td>594.00</td>
</tr>
<tr>
<td>SOSC</td>
<td>532.00</td>
<td>526.00</td>
</tr>
<tr>
<td>EOSC</td>
<td>504.00</td>
<td>594.00</td>
</tr>
<tr>
<td>OIT</td>
<td>535.50</td>
<td>564.00</td>
</tr>
</tbody>
</table>

* Tuition rates are not fully comparable. The academic year rates apply to a range of credit hours designated for full-time students classified as residents (12-21 credit hours for undergraduates and 9-16 credit hours for graduates). Summer session rates displayed are for 12 credits undergraduate and 9 credits graduate. Additional summer credit hours require incremental charges. Also, incidental and health service levels differ from academic year to summer.
Room and Board Rates

Summer Session room and board accommodations on each campus vary according to the need and demand. They may include rates by day, week, multi-week, or term. A combined room and board rate is usually offered, as well as rates for room only, board only, and conference activities. Rates are generally comparable to those for individual terms of academic year 1988-89.

The rates shown in the tables in the Summer Session fee book are for all campuses except at Portland State University, where Portland Student Services, Inc., operates the residence halls and establishes the rates as specified in a service contract. The rates require preliminary review and approval by Portland State University officials before becoming effective.

Generally, proposed rate increases average about 3% for the basic summer session. Anticipated cost increases for personnel, utilities, services, and food during the 1988-89 fiscal year justify rate adjustments at this time.

Staff Recommendation to the Committee

The staff recommended that, after consideration of any comments or testimony received at the public hearing, the Board amend OAR 580-40-035, Summer Session Fee Book, as follows:

Summer Session Fee Book

580-40-035 The document entitled "Summer Session Fee Book" dated [February 17, 1988] January 20, 1989, is hereby adopted by reference as a permanent rule. All prior adoptions of summer session fee documents are hereby repealed except as to rights and obligations previously acquired or incurred thereunder.

Through the amendment, the residence hall and food service charges and the tuition and fee rates and policies applicable during the 1989 Summer Session will be adopted.

Report on Public Hearing

A public hearing was conducted in Eugene at 10:00 a.m., Monday, January 16, 1989, to receive testimony concerning the proposed rates for tuition and fees and room and board charges for the 1989 Summer Session. No one appeared at the hearing to give testimony.
Discussion and Recommendation by the Committee

In response to a question, Mr. Quenzer said the computer resource fee was not carried forward for summer sessions at the institutions, primarily because of the self-support concept for summer sessions.

The Committee recommended that the Board approve the staff recommendation as presented and adopt the amendment to QAR 580-40-035 on roll call vote.

Board Discussion and Action

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

The Board approved the staff recommendation as presented and on roll call vote adopted the amendment to QAR 580-40-035, Summer Session Fees. The following voted in favor: Directors Adams, Alltucker, Bailey, Bruggere, Dodson, Miller, Wilson, and Hensley. Those voting no: None.

Policy on Education-Related Business Activities, OSSHE

Staff Recommendation to the Committee

The Board's staff recommended adoption of the following policy on education-related business activities. If approved by the Board, the policy will be placed in Section 6 of the Board's Internal Management Directives, titled Finance and Business Affairs.

6.500 Policy for Education-Related Business Activities

The primary mission of the institutions within the Oregon State System of Higher Education is the creation and dissemination of knowledge. To carry out this mission, institutions do engage in education-related business activities, i.e., activities which enhance, promote, or support instruction, research, public service, or other education-related activities where goods or services being sold or rented are directly and substantially related to an educational or research program.

The Board affirms that all institution education-related business activities shall meet the following conditions:

A. The activity is deemed to be an integral part of, and directly and substantially related to, the fulfillment of an institution's instructional, research, public service, or other education-related mission.
B. The activity is operated for the primary benefit of the students, staff, and faculty associated with and served by the institution or its affiliated units. The activity is needed to provide goods or services at a reasonable price, on reasonable terms, and at a convenient time and location. Sales or rental of services and products to on-campus visitors and campus conference participants are considered incidental to the purpose of these activities.

Some typical products, services, and facilities provided at or in close proximity to an institution to meet the needs of its constituents are instruction-related materials; housing and food services; student health services; and athletic, cultural, and recreational activities; including the facilities where such products and services are provided.

In furtherance of education-related business activities, institutions shall provide for the following:

1. When determining whether any particular education-related business activity should be provided by an institution, institutional presidents or their designees shall consider whether the activity is currently and adequately provided by private businesses. If the services of private businesses are considered adequate but the activity is nevertheless deemed important to be provided by the institution, the institution president or designee shall state in writing its justifications for providing the activity. A copy of the statement shall be submitted for review to the Executive Vice Chancellor or designee.

2. To insure recovery of direct costs of engaging in the education-related business activities, institutions shall charge students, faculty, staff, campus conference participants, and the public to participate in institutional events, for the purchase of the goods or services, and for the rental of any facilities. An institution president may waive charges for selected education-related business activities.
3. An institution may make its services and facilities available to nonprofit or community organizations without recovering all direct costs, provided there is sufficient inventory or capacity. An institution may also make its services and facilities available to for-profit community businesses and organizations provided there is sufficient capacity and availability. Charges to profit-making organizations shall cover the direct and indirect costs of the use of the facilities and services provided. Services, products, and facilities may similarly be provided to federal, state, and political subdivisions, subject to negotiated charges, terms, and conditions.

4. An institution may promote and market in off-campus public media only those services and events which are of interest to the general public, such as cultural presentations, intercollegiate athletics contests, and educational programs.

5. Following approval by the institution president to provide goods, services, and facilities referenced above, the institution shall adopt a fee schedule or, in cases where prices fluctuate, a pricing markup policy for those services, products, and facilities.

Discussion and Recommendation by the Committee

In response to a question with regard to approval of these activities, Dr. Perry said the institutions were being requested to look at and review their present activities and provide a list of services that seem to be essential and why they meet the stated criteria.

Mr. Bruggere said he was concerned about possible tax implications if they made a profit and the Internal Revenue Service were to declare some of the activities to be non-education-related and, therefore, taxable.

Mr. Lemman explained that an excess of revenue over expenses was irrelevant in terms of this issue. The nature of the enterprise determines whether it is a taxable unrelated business endeavor. The Internal Revenue Service has some criteria for determining whether an activity is educationally-related. The criteria are mostly in the sense of case law, and there are no well-defined regulations. The proposed policy is intended to provide guidance to the institutions and follows the rudimentary Internal Revenue Service rulings.
Mr. Adams said he had two concerns. The policy did not seem to address the issue of private businesses on campuses. In addition, this was an issue where the Board should provide an opportunity for extensive public comment.

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

Board Discussion and Action

Mr. Neland indicated the proposed policy should be placed on the consent agenda for the January Board meeting.

The Board referred the proposed policy to the consent agenda for the January Board meeting, with the following voting in favor: Directors Adams, Alltucker, Bailey, Brooks, Bruggere, Dodson, Johnston, Miller, Richardson, Wilson, and Hensley. Those voting no: None.

Mr. Adams requested that the policy on education-related business activities be removed from the consent calendar so that he could comment on the recommendation. Mr. Hensley concurred.

Mr. Adams said a number of committees in towns where the institutions are located have discussed business-related activities and possible conflicts between the institutions and local businesses. Mr. Adams said he was not opposed to the policy but he wished to move that a copy of the policy be sent to these committees and that a Chancellor's representative contact them and provide information with regard to the Board's actions and policies pertaining to education-related business activities.

Mr. Hensley indicated Dr. Perry had assured him such a procedure would be feasible and would satisfy the need for communicating with the business and civic groups.

The Board approved the staff recommendation subject to the incorporation of the motion by Mr. Adams. The following voted in favor: Directors Adams, Alltucker, Bailey, Bruggere, Dodson, Miller, Wilson, and Hensley. Those voting no: None.

Authorization
To Initiate New
Instructional
Program Leading
to Certificate
in Science,
Technology, &
Society, OSU

Staff Recommendation to the Committee

The staff recommended that the Board authorize Oregon State University to initiate an instructional program leading to a Certificate in Science, Technology, and Society, effective Winter Term of 1989.

The proposal should be discussed by the Board at the December meeting and placed on the consent agenda for final action at the January meeting.
Discussion and Recommendation by the Committee

Dr. James Payne presented the staff report and recommendation.

Ms. Wilson inquired about the process followed by the institution in determining if there were a need for a certificate program.

Dr. Spanier responded that the determination of need depends on the program because needs are presented in different ways. In the case of this particular program, the principal motivation developed out of the redesign of the entire general education curriculum by moving from the standard approach of selecting from numerous courses selected from different categories to a baccalaureate core. The core would become effective in the fall of 1990 and would involve some kind of coherence around certain kinds of basic skills in critical areas of knowledge. There would be synthesis courses, some at the upper level, which would require students to integrate information. One need that emerged was the integration of issues related to science and technology and the societal impact of those issues. Faculty in the department of general science and in liberal arts and other sciences were available to offer the new courses to meet that part of the baccalaureate core and also offer an optional certificate to new students who wanted to have more of an identity with that particular thrust.

Dr. Spanier explained that this kind of certificate program generally does not add any students. It is a program for existing students in another major and is not a second major. It consists of a smaller collection of courses identified around a theme. He commented that it differs from the accounting certificate which might lead to some additional students, although the latter also draws on existing faculty and resources. The accounting certificate request comes from a perceived need in the statewide business community of people who want further education in their area of specialization.

Ms. Wilson asked whether the definition of need included a review of the outside market for those completing a certificate or degree program.

Dr. Pierce explained this particular proposal was really a curricular reform proposal reorganizing existing courses to assist students in developing a skill or technology as they pursue their degrees in another department. If the students were in electrical engineering, chemistry, or physics, the staff would be very sensitive to the demand and the kinds of skills required for them to get employment.
In response to a question from Mr. Alltucker, it was stated the certificate program is, in effect, like a minor, but minors normally are confined to a specific department.

The Committee recommended that the Board approve the staff recommendation as presented, with the understanding the proposal would be discussed at the present Board meeting and placed on the consent agenda for action at the January 1989 Board meeting.

Board Discussion and Action

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

The Board approved the Committee recommendation to place the request on the consent calendar for the January 1989 Board meeting. The following voted in favor: Directors Adams, Alltucker, Bailey, Brooks, Bruggere, Dodson, Johnston, Miller, Richardson, Wilson, and Hensley. Those voting no: None.

At the January meeting, the Board approved the request, with the following voting in favor: Directors Adams, Alltucker, Bailey, Bruggere, Dodson, Miller, Wilson, and Hensley. Those voting no: None.

Request for Authorization of Post-Baccalaureate Certificate in Accounting, OSU

The Board’s staff recommended that the Board authorize Oregon State University to initiate an instructional program leading to a Post-Baccalaureate Certificate in Accounting, effective Winter Term of 1989.

The proposal should be discussed by the Board at the December meeting and placed on the consent agenda for final action at the January meeting.

Discussion and Recommendation by the Committee

Dr. Payne presented the staff report and recommendation.

In discussing estimated enrollment, Dr. Charles Neyhart, Chairman of the Accounting Department and Professor of Business Administration, said he estimated 20-30 students would be enrolled. The present staff probably could accommodate as many as 50 students.

Mr. Adams called attention to the fact that this program was duplicative of a similar one approved at Portland State University for the accounting certificate. It is proposed as necessary or worthwhile duplication targeted primarily to placebound students. It was stated also that the American Institute of CPAs has recently instituted a fifth-year requirement for taking the CPA examination. This proposal is consistent with more advanced study for the certificate.
President Olum indicated the University of Oregon would be asking for such a certificate program for the same reasons.

Ms. Wilson noted the staff report stated the proposed program complements the one at Portland State. She asked if Portland State shared this view and was advised that it did.

The Committee recommended that the Board approve the staff recommendation. The proposal would be discussed at the December meeting and included on the consent calendar for the January Board meeting.

Board Discussion and Action

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

The Board approved the Committee recommendation to place the request on the consent agenda for the January 1989 Board meeting. The following voted in favor: Directors Adams, Alltucker, Bailey, Brooks, Bruggere, Dodson, Johnston, Miller, Richardson, Wilson, and Hensley. Those voting no: None.

The Board approved the request at the January meeting, with the following voting in favor: Directors Adams, Alltucker, Bailey, Bruggere, Dodson, Miller, Wilson, and Hensley. Those voting no: None.

Appointments to Forest Research Laboratory Advisory Committee

Staff Report to the Board

In accordance with provisions of CRS 526.225, the Board of Higher Education approved the establishment on June 13, 1961, of two advisory committees at Oregon State University: The Forest Products Research Advisory Committee and the Forest Management Research Advisory Committee. These committees subsequently were merged into the Forest Research Laboratory Advisory Committee at the July 26, 1971, Board meeting. The 1975 Legislature revised provisions for the Forest Research Laboratory Committee to add three members representing the "public-at-large." Appointments to these positions were made at the Board meeting on August 26, 1975.

Staff Recommendation to the Board

It was recommended that the following appointments and reappointments be made to the Forest Research Laboratory Advisory Committee:


Don Frisbee, Chairman of the Board and Chief Executive Officer for PACIFICORP, 851 SW 6th Ave, Suite 1600, Portland, Oregon, appointment to a three-year term, effective July 1, 1989, to June 30, 1992. Mr. Frisbee will replace Mr. Al McCready at the completion of his second term.

Appointment of these individuals will provide for a continuing balance of public members and of forest industry members. All three of these individuals have expressed a willingness to serve if appointed by the Board.

Board Discussion and Action

The Board approved the staff recommendation, with the following voting in favor: Directors Adams, Alltucker, Bailey, Bruggere, Dodson, Miller, Wilson, and Hensley. Those voting no: None.

Power Line Easement to City of Eugene Through EWEB, UO

Staff Report to the Board

The City of Eugene, acting by and through the Eugene Water and Electric Board, has requested that an easement be granted for a strip of land three (3) feet in width for the location of an overhead electrical power line. The strip of land is from the alley between Villard and Moss Streets, north of East 15th Avenue, to a point about 52 feet east of the alley. The easement benefits the University of Oregon by providing a location for electrical power service to miscellaneous University housing which fronts on Villard Street.

Staff Recommendation to the Board

It was recommended that the President and the Secretary of the Board be authorized to execute an easement in favor of the City of Eugene for an overhead electrical power line serving miscellaneous University of Oregon housing fronting on Villard Street.

Board Discussion and Action

The Board approved the staff recommendation, with the following voting in favor: Directors Adams, Alltucker, Bailey, Bruggere, Dodson, Miller, Wilson, and Hensley. Those voting no: None.
Staff Report to the Board

Interim President Edginton has recommended a change in title of the position of Vice Provost and Dean of Students at Portland State University to Dean of Student Affairs.

Mr. Edginton also recommended that Dr. Morris K. Holland be appointed to the position of Dean of Student Affairs, effective April 1, 1989, at an annual salary of $65,040.

Staff Recommendation to the Board

The Chancellor concurred in the recommendations of Interim President Edginton and recommended that the Board approve the change in title and the appointment of Dr. Holland.

Board Discussion and Action

The Board approved the staff recommendation, with the following voting in favor: Directors Adams, Alltucker, Bailey, Bruggere, Dodson, Miller, Wilson, and Hensley. Those voting no: None.

Staff Report to the Board

President Olum has recommended a change in name for the dormitory acquired from Northwest Christian College. The building, originally constructed by Sacred Heart Hospital, has been called Marian Hall since construction.

The University will change the name to Harold S. (Pat) Riley Hall to honor all the University of Oregon students killed in action during World War II, the Korean action, and Vietnam. Mr. Riley's name was chosen by lot.

The University of Oregon observed an extensive protocol in arriving at this action, and the change in name is recommended.

Staff Recommendation to the Board

The staff recommended that the Board approve the recommendation of President Olum to change the name of Marian Hall to Harold S. (Pat) Riley Hall in honor of the students of the University killed during World War II, the Korean conflict, and the Vietnam war.

Board Discussion and Action

The Board approved the staff recommendation as presented, with the following voting in favor: Directors Adams, Alltucker, Bailey, Bruggere, Dodson, Miller, Wilson, and Hensley. Those voting no: None.
**Staff Report to the Board**

Board policy states that major internal administrative reorganizations at the State System institutions are to be reported to the Board. In accordance with that policy, Dr. Graham Spanier, Vice President for Academic Affairs and Provost at Oregon State University, has forwarded the proposed reorganization plan for the OSU-WOSC School of Education. The new administrative organization plan was proposed by Dean Robert Barr after extensive discussions with department chairs and the faculty executive committee. The Vice Chancellor for Academic Affairs has indicated approval of the proposed internal reorganization. The areas assigned to the four departments appear below:

**Department of Elementary and Early Childhood Education**

- Early Childhood Education
- Elementary Certification Program
- Elementary Reading Certificate
- Master’s Degree Programs/Elementary Education

**Department of Secondary, K-12, and Vocational Education**

- Liberal Arts Education Certification
- Vocational and Technical Education Certification
- Science, Mathematics, and Computer Science Education Certification
- Health and Physical Education Certification
- Secondary Reading Certification
- Master’s Degree Programs/Secondary Education
- External Grants and Contracts: Bilingual Education

**Department of Special Education**

- Handicapped Learner Certification
- Severely Handicapped Learner Certification
- Deafness Program/Speech and Hearing Therapy
- External Grants and Contracts: Centers/Clinics

**Department of Foundations and Postsecondary Education**

- Education Foundations, Reading, and Instructional Media Counseling and Guidance: School Counseling/Agency Counseling
- Science, Mathematics, and Computer Science Education
- Plus: Master’s Degree Programs and Grants and Contracts in Foundations and Postsecondary Education, Coordination of Advanced Graduate Programs
Board Discussion and Action

The Board accepted the report as presented.

Progress Report on Administrative Information Systems, Acquisition of Student Information Application Software at UO, PSU, SOSC, & WOSC; and Financial Application Software for OSSHE

Staff Report to the Board

On May 20, 1988, Board’s staff reported that Portland State University would be releasing a Request for Proposal (RFP) for student information system (SIS) application software. The selected software would enable the institution to automate registration, class scheduling, financial aid, and several other student related activities. The RFP was released on August 9, 1988. Two vendors of higher education student information system application software responded. The proposal offered by Systems and Computer Technology (SCT) was selected by Portland State University officials. The RFP included an invitation to each prospective vendor to offer multi-site discounts if the software proposed by the vendor would meet the needs of other Oregon State System institutions. In its proposal, Systems and Computer Technology offered 20% discounts on its application software, the underlying Oracle relational database management system, and the Periphonics touch-tone/voice-response telephone registration system for any other State System institution wishing to purchase the products.

On October 21, 1988, Board’s staff reported that Southern Oregon State College and Western Oregon State College had formed a consortium to issue a joint RFP to obtain SIS software. This action was taken in anticipation of savings through discounted pricing typical for multi-site software licenses. Recently, the University of Oregon, Southern Oregon State College, and Western Oregon State College requested that the Board’s staff exercise the discounted price options offered by Systems and Computer Technology to Portland State University, primarily because the specifications in the Portland State University RFP are nearly identical to those in the RFPs Southern Oregon State College, Western Oregon State College, and University of Oregon intended to release. To be absolutely sure, however, that all qualified vendors were given an opportunity to present proposals, a notice was placed in the Daily Journal of Commerce and invitations to submit proposals were sent to all qualified vendors of higher education student system application software. Although the Board’s staff is reasonably sure that all qualified vendors should have responded to the initial Portland State University RFP, this additional invitation will enable the staff to determine whether the tentative decision to negotiate contracts with SCT for student systems at UO, WOSC, and SOSC was prudent. The implemented systems, including upgraded hardware if necessary, will cost approximately $740,857 at Portland State University, $830,596 at University of Oregon, $411,300 at Southern Oregon State College, and $252,000 at Western Oregon State College.
On October 21, 1988, the Board’s staff also reported that an RFP for financial information system (FIS) application software would be released in late November 1988. The RFP was released December 19, 1988. Proposals from qualified vendors of the software are due February 17, 1988. The new software will replace existing software, much of which is over 12 years old, providing data processing for accounting, accounts payable and receivable, cost accounting, cashiering, asset accounting, encumbrance, and long-term student loans. The new software will also provide processing capability for financial budget planning, grants and contracts, and purchasing. Acquisition and implementation cost for the software is estimated to be $500,000. The investment should be recovered in operational savings within four years.

**Board Discussion and Action**

The Board accepted the report as presented.

**SUMMARY OF FACILITIES DIVISION ACTIVITIES, OFFICE OF ADMINISTRATION**

<table>
<thead>
<tr>
<th>Staff Report to the Board</th>
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<tbody>
<tr>
<td>A summary of activities within the Office of Administration’s Facilities Division is presented below:</td>
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</tbody>
</table>

**Contracts for Professional Services**

<table>
<thead>
<tr>
<th>Computer Services Building, SOSC</th>
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<tbody>
<tr>
<td>An Agreement was negotiated with James A. McNamara, Ashland, for engineering services not to exceed $40,000. Financing will be provided from state funds.</td>
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<thead>
<tr>
<th>Consulting Services, UO</th>
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<tbody>
<tr>
<td>An Agreement was negotiated with Pacific Energy Control, Milwaukee, for consulting services not to exceed $1,750. Financing will be provided from state funds.</td>
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</table>

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<tr>
<th>Telecommunications System/ Switch Vault, UO</th>
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<tbody>
<tr>
<td>An Agreement was negotiated with Martin, Schultz &amp; Geyer, Eugene, for architectural services not to exceed $47,000. Financing will be provided from state funds.</td>
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</table>

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<thead>
<tr>
<th>Child Development &amp; Rehabilitation Center Survey of HVAC Systems, OHSU</th>
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<tbody>
<tr>
<td>An Agreement was negotiated with Northwest Engineering Service, Inc., Tigard, for consulting services not to exceed $5,000. Financing will be provided from institutional funds.</td>
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</tbody>
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<tr>
<th>Millar Library Addition, PSU</th>
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<tbody>
<tr>
<td>An Agreement was negotiated with Fujitani Hilts &amp; Associates, Inc., Portland, for consulting services not to exceed $10,000. Financing will be provided from state funds.</td>
</tr>
</tbody>
</table>
Awards of Construction Contracts

Energy Conservation Improvements—Heating & Cooling System (SELP), EOSC

On December 9, 1988, Morrison Refrigeration & Heating was awarded a contract for this project in the amount of $1,112,908. Financing is provided from Small Scale Energy Loan Program.

Stevenson Union Reroofing Project Rebid, SOSC

On November 28, 1988, Washington Roofing Co. was awarded a contract for this project in the amount of $77,783. Financing is provided from capital repair funds.

Project #12: Graf Hall & Alterations, OSU

On November 7, 1988, Terry Hackenbruck Construction was awarded a contract for the Electrical & Computer Engineering Building—Related Alterations Project #12: Graf Hall & Alterations in the amount of $199,000. Financing is provided from state funds (Lottery).

Fish Disease Research Lab Sitework Phase I, OSU

On December 15, 1988, Mid-Valley Gravel Co. was awarded a contract for this project in the amount of $29,885. Financing is provided from federal funds.

O. H. Hinsdale Wave Research Laboratory North-South Extension, OSU

On December 9, 1988, Marion Construction Co. was awarded a contract for this project in the amount of $577,700. Financing is provided from 90% federal funds and 10% state funds.

Center for New Ventures, Remodel for Dept. of Radiology Memorial Conference/Library Room, OHSU

On November 28, 1988, John May Construction Co. was awarded a contract for this project in the amount of $25,442. Financing is provided from the Medical Research Foundation.

Installation of 12" Steel Marquam Pump Main and 6" DB Type Duct, OHSU

On November 7, 1988, Fuiten’s Plumbing and Heating Co. was awarded a contract for this project in the amount of $45,920. Financing is provided from gift funds.

Acceptance of Projects

Langton Hall Reroofing, OSU

This project is complete and was accepted on November 11, 1988. The estimated total project cost remains at $106,538. Financing was provided from capital repair funds.
Meeting #572

McNary Hall Dining Modifications, OSU

This project is complete and was accepted on December 19, 1988. The estimated total project cost remains at $55,683. Financing was provided from housing reserve funds.

Underground Fuel Tanks Removal, OSU

This project is complete and was accepted on December 9, 1988. The estimated total project cost remains at $23,377.23. Financing was provided from institutional funds.

Wiegand Hall Room 2 Fume Hood Installation, OSU

This project is complete and was accepted on November 15, 1988. The estimated total project cost remains at $65,483. Financing was provided from state funds.

Autzen Stadium Improvements—Seating/Interior Finishes (Basic Bid C), UO

This project is complete and was accepted on December 15, 1988. The estimated total project cost remains at $50,252.21. Financing was provided from gift funds.

East Campus Painting Phase II (Part I), UO

This project is complete and was accepted on November 10, 1988. The estimated total project cost remains at $18,813. Financing was provided from Housing Department Reserves.

1823 Moss Street Improvements, UO

This project is complete and was accepted on December 7, 1988. The estimated total project cost remains at $22,248. Financing was provided from housing reserve funds.

Institute of Marine Biology (Interior Improvements), UO

This project is complete and was accepted on October 24, 1988. The estimated total project cost remains at $58,060. Financing was provided from federal funds from NOAA.

Utility Tunnel Piping, UO

The Science Facilities Additions & Alterations (Utility Tunnel Piping) Project is complete and was accepted on November 1, 1988. The estimated total project cost remains at $262,059. Financing was provided from federal funds.

1670 Columbia Street Fire Restoration, UO

This project is complete and was accepted on December 8, 1988. The estimated total project cost remains at $46,666. Financing was provided from state restoration and institutional funds.

Parking/Office Structure (Utility Re-location Site Work), OHSU

This project is complete and was accepted on August 9, 1988. The estimated total project cost remains at $2,487,670. Financing was provided from XI-F(1) Bond Proceeds and hospital operating funds.

January 20, 1989
Meeting #572

January 20, 1989

Physical Plant Building Payroll/Personnel Remodel, OHSU

This project is complete and was accepted on October 21, 1988. The estimated total project cost remains at $47,434. Financing was provided from state funds.

Health and Physical Education Building Roof Deck Project, PSU

This project is complete and was accepted on October 10, 1988. The estimated total project cost remains at $410,559. Financing was provided from institutional funds.

Parking Structures I & III Repair Project, PSU

This project is complete and was accepted on October 24, 1988. The estimated total project cost remains at $159,583. Financing was provided from Parking Operations balances and/or building reserves attributable to Parking.

Classroom/Lab Building Audio-Visual Systems, OIT

This project is complete and was accepted on September 6, 1988. The estimated total project cost remains at $136,665.42. Financing was provided from state funds (Lottery).

Board Discussion and Action

The Board accepted the report as presented.

Analysis of Current and Projected Child Care Services

Staff Report to the Board

The Committee of the Whole heard a preliminary report analyzing the current and projected child care services available at State System institutions.

The Committee instructed the staff to return with any additional information and staff recommendations at the February Board meeting.

Institutional Responses To Governor’s 1989-1991 Budget Recommendations

Staff Report to the Committee

The Governor’s 1989-1991 budget recommendations for higher education contain a number of major issues for the Board and the State System institutions.

The Board must focus on the major, long-term consequences for institutions, programs, and students which flow from budget decisions but which have never been discussed by this Board from a policy perspective. The messages of the budget are not entirely clear:

1. Public policy makers in both the Executive and Legislative branches of government appear to be unwilling to commit a larger proportion of the state’s General Fund to Higher Education. The Governor’s recommended budget reverses the trend of the last four biennia in which Higher Education’s share of the General Fund had increased.
2. There is ambiguity in providing funding for enrollment increases at several institutions while imposing budget cuts which will result in reducing or limiting student access. Were it not for this paradox, the message would be read as a desire to continue to provide access to all who qualify.

3. The budget also recommends funds to establish a "Program for Excellence." Indeed, the Governor has recommended investing a substantial sum in endowments at a time when there is a shortage of funds for ongoing programs. The message is that a higher level of quality is desired.

4. The proposal to increase tuition for students attending Oregon State University and the University of Oregon suggests a desire to increase resources at those two institutions, perhaps with the intention of beginning a trend of financing these institutions at a relatively higher level than the others.

Taken together, the Board is faced with a number of issues which will be made by defaulting to the budget process if they are not addressed as serious policy issues. Succinctly, it is highly unlikely that the State System can maintain or improve quality while admitting all qualified students with the resources available. Which choice shall be made? Shall we narrow significantly the programs available, both in individual institutions and in multiple locations?

How should we develop a state system of institutions diversified not only by locations, mission, and program, but by level of support? These are among the questions implicit in the budget recommendations.

For the institutions, the major issues are:

1. The self-financing of a portion of the 1989-1991 salary adjustment for all staff, academic and classified (2%+2% universities and 1%+1% colleges).

2. The magnitude of program reductions and eliminations mandated by the self-financing of salary adjustments.

3. The distribution plan of the Governor's recommended $29 million salary increase fund for academics.

4. The intended use of the funds generated by the Endowment for Excellence at the University of Oregon and Oregon State University; and, the conditions for matching General Funds with private match funds.
5. The expenditure plan and private matching requirements of the General Fund dollars available to Portland State University and Oregon Health Sciences University for an excellence program.

6. The intended use by University of Oregon and Oregon State University of the funds generated by the second 5%+5% tuition increase.

Self-financing of Salary Adjustment

All institutions now indicate they will be able to accommodate the self-financing of the salary adjustment without the need to declare financial exigency. However, in coming to this conclusion, each institution has as a caveat the need for flexibility in managing its programs and resources over the next three years (1988-89, 1989-90, 1990-91).

1. The University of Oregon and Oregon State University indicate they can meet the requirement of self-financing a 2%+2% salary increase only if they are given the opportunity to apply funds generated by the second 5% increase in their tuition rates to finance salary adjustments in 1989-1991.

Because tuition dollars are not available to the Statewide Public Services at Oregon State University, these programs cannot achieve the required 2%+2% self-financing without causing severe program reduction or elimination. Oregon State University requests that the Agricultural Experiment Station, Cooperative Extension Service, and Forest Research Laboratory only be required to self-finance a 1%+1% salary adjustment.

The University of Oregon and Oregon State University are both looking into the possibility of achieving one-time savings in 1988-89 to carry forward to the next biennium to help alleviate the required reductions in 1989-1991. The carry-forward would be non-recurring and would not increase their base budgets.

Oregon State University indicates that it will fund over 60% of the self-financing requirement through program reductions or eliminations. The University of Oregon acknowledges that reductions required by the 2%+2% self-financing may well result in program reductions by the second year of the biennium. However, the University of Oregon has not indicated whether it in fact will be recommending to the Board program reductions or eliminations.
2. Portland State University (also required to self-finance a 2%+2% salary adjustment) plans to use its Corridor of Enrollment funding to provide the needed flexibility to achieve the self-financing mandate. This strategy will require that Portland State University not enroll the numbers of students during 1989-1991 that had been planned with the Corridor adjustment. See Program Reductions and Eliminations below for more discussion.

3. Oregon Health Sciences University has identified "Manageable" and "Detrimental" reductions to achieve its required 2%+2% salary self-financing. Unlike the other three universities, the Governor's budget recommendation does not contain additional tuition or enrollment dollars that can be applied to assist in financing the required salary adjustment reductions.

4. Western Oregon State College, Southern Oregon State College, and Oregon Institute of Technology will finance their 1%+1% self-financing requirement by leaving positions vacant that otherwise would have been filled to meet their enrollment increases. This action further dilutes existing high student teacher ratios at these institutions.

5. Eastern Oregon State College will probably find it necessary to drop some existing degree programs to finance its 1%+1% self-financing requirement. Savings from vacancies created by anticipated retirements will also be necessary to meet the required self-financing of salary adjustments.

6. In Centralized Activities the self-financing requirement of 2%+2% will be accomplished through a general reduction in expenditures for services and supplies, leaving positions vacant and/or eliminating positions. This may prove difficult if the new chancellor is to have any resources for organizational or staffing changes.

Program Reductions and Eliminations

Portland State University, Western Oregon State College, and Oregon Institute of Technology are not planning specific program reductions and/or eliminations related to the self-financing requirement of salary increases. However, Portland State University is planning an enrollment reduction. The institutions planning program reductions and/or eliminations have not specifically identified those programs at this time.

1. Portland State University is planning an enrollment reduction because of the 2%+2% self-financing requirement. The University of Oregon is limiting enrollment to get down to its Board-approved ceiling. Portland State University was
expected to enroll 9,795 three term FTE students by 1990-91, with a funded Corridor Midpoint of 9,438 three-term FTE. However, the budget reduction requirement will make it impossible for Portland State University to hire the needed full-time faculty, and thus it is planning to reduce its enrollment to around 9,150 FTE. The 1988-89 actual enrollment is at 9,805 FTE or 818 FTE above its currently funded level. Portland State University has been serving these high enrollments by using fixed-term and, in many cases, part-time instructors to staff about 1/3 of the total student credit hours. The institution’s goal is to reduce this fixed-term instruction to 20%.

2. The University of Oregon indicates that it does not have academic programs that can be eliminated without doing significant damage to the institution. In this context, it raises the issue of censure by the AAUP if tenured faculty are terminated through program reduction rather than elimination. (The Board has declined to adopt AAUP guidelines in this regard, which do not recognize program reduction or elimination without a declaration of financial exigency as a valid reason for terminating tenured faculty.) The institution believes a few programs with few students enrolled could be eliminated. However, the institution indicates such programs are generally excellent and are the ones whose elimination would arouse considerable legislative and other objection.

3. Oregon State University plans to identify those programs targeted for reduction and/or elimination through internal budget hearings to begin this spring. It is the institution’s plan that most units would receive a recurring base budget cut and specific programs would be substantially reduced or eliminated.

4. Southern Oregon State College indicates that it may phase down (eventually phase out) several academic programs and activities. In some situations, concentration-emphasis areas will be trimmed, capped, or new admissions halted. The key determinant will be enrollment patterns, productivity, and programmatic needs. In order to meet its enrollment demands, the institution plans to increase the number of part-time faculty versus full-time faculty, thereby increasing the student-faculty ratio. All education and general non-teaching functions will be reviewed closely for reduction or elimination.

5. Eastern Oregon State College indicates the probable necessity of dropping two or three degree programs to meet the budget reduction requirements.
6. Oregon Health Sciences University plans to take all of its required budget cuts through program reductions and/or elimination. Nearly 50% of these reductions will be taken through consolidation of academic and administrative units, and elimination of administrative activities which are not mandated. These reductions have been described by the institution as "manageable".

The remaining cuts are described as having "a catastrophic effect on the University's ability to provide programs unique to the state and on professions experiencing a shortage of qualified health practitioners." Programs targeted for reduction or elimination are in the fields of allied health, cooperative clinical support, and undergraduate nursing.

Those institutions planning program reductions and eliminations have begun the necessary review to implement such reductions in 1990-91.

$29 Million Academic Salary Plan

Recommendations from institutions were sought concerning the plan for distributing the $29 million in the Governor's budget for academic salary adjustments. Institutional comments varied; however, the following components are common to all institutions except for the Oregon Health Sciences University.

1. An across-the-board (cost of living) increase for all staff performing satisfactory service. All institutions favored granting this across-the-board increase in January rather than July to allow for leveraging the salary adjustment funds to provide higher salary rates at the end of the biennium. The institutional differences were whether this increase should be 2%+2% or 4%+4%.

2. All institutions (except University of Oregon) commented on the need to use a portion of the salary increase dollars to fund benefits for faculty at the same level as other state employees.

3. All institutions favored a merit component to reward the very best staff. The institutional differences were in the percent of the total dollars to be applied to merit versus across-the-board adjustments. Several of the institutions mentioned the need for an equity component to address any circumstances of possible prohibited discrimination.

It should be noted that three of the institutions (PSU, WOSC, SOSC) have collective bargaining agreements with their faculty, which will play a significant part in determining the final outcome of the salary distribution plans.
The Oregon Health Sciences University does not favor an across-the-board component. Its desire is to have all funds merit based with some merit increases being permanent increases in a faculty member's salary. However, the majority of merit adjustments would be non-recurring. These non-recurring adjustments would be paid as a lump-sum (once per year) to emphasize their significance.

Endowment for Excellence UO and OSU

Attached to this agenda item are the proposed guidelines for the Endowments for Excellence program detailing the matching requirements, use of proceeds, and investment and accounting requirements of the program.

The University of Oregon proposes to use the endowment to finance endowed chairs and professorships. The chairs and professorships will:

1. Provide supplemental salary increases.
2. Finance graduate research assistants.
3. Increase library acquisitions.
4. Fund professional travel.
5. Provide support for research associated with the discipline.

Oregon State University proposes to use proceeds from the endowment in the following manner:

1. To establish endowed chairs.
2. To establish a faculty recruitment fund. These funds would be used for recruitment expense, transition salary support in the first year, and start up costs.
3. To establish a faculty excellence program. These funds would be used for faculty development.

PSU\OSU General Fund\Private Match Excellence Program

The Governor has recommended $3 million from the General Fund to be matched with private funds for an excellence program at Portland State University. Portland State University has identified the following areas for support under this excellence program:

1. Student access, a challenge grant program for low-income and minority student scholarships and fellowships $500,000.
2. Improvement in library holdings $675,000.
3. Engineering equipment and support $500,000.
4. Science Equipment $225,000.
5. Honors Program $75,000.
6. Improving academic excellence generally $1,025,000.
At the Oregon Health Sciences University, the Governor has recommended $2.5 million from the General Fund to be matched with private funds for an excellence program. The combined $5 million would be used to address two OHSU priorities.

1. Assist in the recruitment of outstanding faculty researchers in high priority areas of the University. Resources would be utilized to finance relocation and laboratory start-up costs, including facilities improvements, major equipment, and initial operating costs of laboratories while faculty researchers obtain external grant financing for projects.

2. Provide resources to upgrade or expand facilities and acquire major equipment to give better support to University academic programs.

Use Of Additional 5%+5% Tuition Increase UO\OSU

The Governor is recommending an additional 5% per year tuition increase for University of Oregon and Oregon State University to provide additional funds to improve the quality of their instruction and research programs.

The University of Oregon plans to use the additional funds in the following areas:

1. Educational Enhancements

   Increased faculty positions are needed in areas due to increased student demand and new program development. Areas such as: General Undergraduate Studies, History, Cognitive and Decision Sciences, Southeast Asia, Linguistics, Marketing (Japan), Physics, etc.

2. Research and Public Service Enhancements

   Additional resources would be applied to complete the Centers of Excellence in Materials, Optical and Computer Sciences, and Biotechnology. Programs in Asian and Pacific Studies, Cognitive and Decision Sciences, Ocean and Coastal Law, and Housing Innovation would be enhanced.

3. Computing, Library, and Information Enhancements

   Unprecedented increases in computer and library usage demand substantial investments in hardware, software, and personnel to deliver services to students and faculty.

4. Student Financial Aid

   Extra financial aid is needed to assure continuing access to the University of financially-needy, in-state students.
5. Faculty Exceptional Merit

About 50 faculty would be awarded special merit pay to help with retention, recruitment, and recognition of excellence.

Oregon State University will use the additional funds from the extra 5% tuition increase to enhance student computing, increase library acquisitions and services, improve student advising and retention services, and fund instructional program priorities according to the following criteria:

1. Increased student workload.
2. Implementation of the new general education curriculum.
3. New or developing instructional programs.

Among the specific programs to be supported at Oregon State University are the new baccalaureate core, the new writing intensive course curriculum, a new Center for Academic Services. Increased funding will be provided for instructional workload increases associated with the Centers of Excellence in Engineering, and Biotechnology, and the new 5-year teacher education program.

Staff Recommendation to the Committee

The staff recommended to the Board of Higher Education that it take the following action on the six major budget issues involved with the Governor’s Recommended Budget for Higher Education:

1. Self-financing of Salary Adjustment

The staff recommended that each institution be authorized in 1989-90 the maximum flexibility in its use of existing resources to finance the approved salary adjustment. This flexibility may involve, but is not limited to, using resources provided for enrollment increases, or resources generated from increased tuition. See recommendation for "Program Reduction and Elimination" below for policy on funding the approved salary plan in 1990-91.

2. Program Reduction and Elimination

The staff recommended that each institution have in place the permanent budget reductions to cover the budget cut in 1990-91 required because of the self-financing policy on salaries. The staff further recommended:

a. Each institution must plan to enroll as soon as may be feasible the number of students represented by its 1989-1991 approved Corridor Midpoint. The Board should understand that this recommendation will allow all institutions to limit their enrollment growth in 1989-1991 to levels below what the "free-flow" projections
indicate. Limitations may be implemented through early cut-off dates for applications or other similar means. PSU, WOSC, and UO will probably experience the greatest enrollment limitations, both in terms of percentage of enrollment and absolute numbers of students.

b. Each institution must take permanent budget reductions through program reduction or elimination, or through increased productivity of staff. Reductions in non-personal services categories of expense may be interpreted as program reductions or eliminations. This recommendation implies that increased tuition dollars cannot be applied after 1990-91 to cover the mandated budget reductions.

3. $29 Million Academic Salary Plan

The staff recommended that the Board of Higher Education approve the following Academic Salary Plan for 1989-1991:

a. A minimum across-the-board increase for all staff providing satisfactory service of 2% January 1, 1990 (or contract midpoint), and 2% January 1, 1991.

b. The funding of employee benefits at the level of other state employees. This recommendation implies the funding of a flex benefit program for academic staff.

c. Funds necessary to address problems of equity.

d. The remaining dollars (from the $29 million) are to be applied on a merit basis. Each institution would determine its own guidelines for merit pay increases.

4. Endowment for Excellence UO\OSU

The staff recommended the adoption of the guidelines as detailed in the attachment to this agenda item. Furthermore, the staff recommended that the UO and OSU be authorized to apply the proceeds of the endowments in accord with the plans outlined in this agenda item above.

5. PSU\OHSU General Fund\Private Match Excellence Program

The staff recommended that PSU and OHSU be authorized to expend the funds in the manner outlined in this agenda item above.

6. Use of Additional 5% Tuition Increase UO\OSU

The staff recommended that UO and OSU be authorized to expend the funds in the manner outlined in this agenda item above.

The Governor has proposed in his 1989-1991 Biennial Budget for Higher Education a General Fund appropriation of $12 million for Oregon State University and the University of Oregon for the purpose of establishing an Endowment for Excellence. The General Fund appropriation is to be matched by non-state funds.

There appear to be two main objectives for the program:

1. Stimulation of increased contributions from non-state sources by offering a General Fund match; and

2. Provision of a continuing resource independent of the biennial appropriation process to enable the universities to provide financial incentives to exceptional faculty.

Proposed Guidelines

Matching Requirements

1. Funds received on or after July 1, 1987 may be used to match the appropriation if other matching requirements are met.

   Reason: The Board of Higher Education, as early as March, 1987, anticipated the development of such a program and encouraged university development offices and volunteers to begin cultivating sources and seeking funds for this purpose. Several very large gifts are in the offering and some have been received with the expectation that they would qualify for matching.

2. Pledges for matching funds must be received no later June 30, 1992.

   Reason: $6 million is a lot of money to raise for this purpose in two years. An additional year would be very helpful.
3. In order to qualify, pledges must be paid in no more than five consecutive years with a minimum of 20% per year cumulatively.

   Reason: Large amounts are more likely to be pledged if payments can be made over a period of several years.

4. General funds allocated to a university not matched by receipts or pledges by June 30, 1992, may be allocated to the other university for matching. Appropriations not matched by either university by June 30, 1992 will revert to the General Fund.

   Reason: The purposes of the appropriation will still be served if endowments are available in full, even if not evenly divided between the two institutions.

Uses of Endowment Proceeds

1. In general, proceeds of the endowments are to be used to augment inadequate compensation for exceptional faculty - both those already employed and those being sought.

2. In addition, purposes of the endowment will be served by using the proceeds to assist exceptional faculty in reaching their greatest potential and productivity to finance such things as graduate research assistants, special library acquisitions, professional travel, research collaboration and other related expenses approved by the president as appropriate the objectives of the endowments.

3. The Board may delegate to institutions to use existing internal processes for the establishment and naming of chairs, professorships or other endowments for donors.

Investments and Accounting

1. State General Fund appropriations are to be made available for investment on July 1, 1989 or as soon thereafter as possible for investment by the Board in
accord with existing endowment investment policies.

2. Matching funds may be received by institution foundations for the purpose of acknowledgement and including the funds in the accounting of receipts of the foundations. Such funds must be transferred to the Board within 30 days of their receipt.

3. Proceeds of the endowment will be transferred to institutional accounts for expenditure periodically. Earnings from the General Fund investment will be transferred pro rata as matching funds are deposited for investment.

4. In furtherance of present policies regarding endowments, the Board will determine the percentage of earnings to be retained to add to the endowments to protect the principle from depreciation related to inflation.

5. In a manner to be determined by the Board, institutions will report annually the uses of endowment proceeds and the results of fund raising efforts.

6. The Board, by its own action or by delegation to the Chancellor, may approve additions to or modifications of these guidelines consistent with the purposes of the appropriation and the endowments.
Discussion and Recommendation by the Committee

The Chancellor said the Governor's budget recommendations for higher education had been discussed with representatives from the Office of Educational Policy and Planning and the Executive Department's Budget and Management Division. The discussions were for the purpose of seeking as clear an understanding as possible with respect to the implications of those budget recommendations and to explore options and the range of flexibility the Board and institutions would have if those recommendations were implemented by the Legislative Assembly. Following those meetings, the institutions were asked to respond on how each would approach the problem of making the cuts required in that budget, the proposed use of endowment proceeds and other resources, and the allocation of salary increases.

The Chancellor stated he would be presenting some of the major policy issues he believed were raised by the Governor's recommended budget, but he did not wish his comments to be interpreted as suggesting less than full support for the Governor's budget. He reviewed the comparison between the Board's budget requests and the Governor's recommended budget and presented the issues as set forth above in the staff report.

The Chancellor summarized the responses from the institutions. At this time, it is estimated the reductions can be accommodated without declaring financial exigency. He explained the AAUP guidelines with respect to termination of tenured faculty members. The Board has not subscribed to the notion advanced by AAUP that programs could only be reduced or eliminated for academic reasons. Elimination of programs in this instance would be for financial reasons. The University of Oregon particularly has stated it would have great difficulty in reducing or eliminating programs that required termination of tenured faculty members because of its extreme concerns about the possibility of AAUP censure. Southern Oregon State College and Portland State University have indicated a need to correct the disproportionate number of part-time faculty used in meeting the student demands at those institutions.

Mr. Hensley inquired whether the presidents had indicated agreement with the staff recommendations on the budget, and they all replied affirmatively. The Chancellor stated modifications had been made in the draft to satisfy some of the concerns expressed at the President's Council the preceding day.

Mr. Hensley stated that in concurring with the proposals presented, the Committee of the Whole would be giving the staff the guidelines for working with the Legislature in testifying on the budget recommendations and in describing what would be done if the appropriations were made. President Olum said the outline also would provide the institutions with necessary information for planning purposes.
The Chancellor said he hoped also the Board would give serious consideration to the policy issues set forth because they were very important. They should not be made as part of the budget process without ever being discussed. For example, does the Board believe quality is more important than access? What does that portend? How much more quality and how much less access? What are the trade-offs? The Chancellor said there are very extraordinary implications in the budget proposals made by the Governor.

Mr. Hensley suggested that the Committee of the Whole receive the report, with the understanding that any serious questions related to the presentation could be discussed in February.

The Chancellor said it would be helpful for Board members to advise him of anything that appeared to be substantially out of line in the presentation.

The report was accepted.

Mr. Hensley said the Committee of the Whole had heard a presentation from the Central Oregon Council on Higher Education in which representatives from the group sought Board support in four areas: (1) establishment of the consortium as an entity in central Oregon, (2) establishment of the principle the consortium can be reimbursed for the FTE it generates, (3) startup funding for the consortium, and (4) FTE funding for the consortium.

Copies of informational material were distributed to the Board.

Mr. Hensley referred the request to the Committee on Instruction for further study.

Mr. Miller reported that the UO Presidential Search Committee had reached its deadline for closing nominations and was in the process of evaluating applications. He indicated the committee was very optimistic.

Mr. Alltucker said he had received a number of communications from nurses throughout the state and asked for information concerning the nursing outreach program which apparently was coming to the Board at some future time. Dr. Pierce explained it was an expansion of the undergraduate nursing program which was part of an outreach program approved by the Board for nursing education in 1985. The proposed program which will be coming to the Board has a number of policy issues yet to be resolved. It may be possible to bring a discussion of the policy questions to the Board in February, with the program forwarded to the Board for review in March.
Mr. Hensley congratulated President Meyers on the article which appeared in the Chronicle of Higher Education on January 11. He also commented on several articles featuring members of the Board in various business publications.

Mr. Hensley announced that the next regular Board meeting would be held on the campus of Oregon State University on February 17, 1989, and would be preceded by a visit to the institution on the previous day.

He reminded Board members of the retreat beginning at 8:00 a.m. the following morning in the Fireside Room of the Library at the Oregon Health Sciences University.

Mr. Hensley called attention to legislative assignments for the Board and thanked Board members for volunteering to assist with the legislative contacts.

Mr. Hensley thanked Mr. Lemman and congratulated him for the fine job that he had done as Chancellor.

During the Committee of the Whole meeting, the Board members met for lunch. They were joined by Representative John Schoon, who spoke briefly on legislative activities during the opening few days. No business was discussed.

The Board meeting was adjourned at 4:40 p.m.

Richard F. Hensley, President
Wilma L. Foster, Secretary