Discussion and Recommendation by the Committee

Mr. Richardson referred to the proposal to divide Phase II into five parts because the estimated budget of $10,810,000 would exceed the available limitation. He requested further clarification of the relationship between the limitation and division of the project.

Mr. Fernsteiner explained that the total of the five parts, plus work already done in the amount of $4 million, exceeds the amount anticipated. Completion of the first three parts involves bonding but no increase in the expenditure limitation. While the Legislature is in session, it will be asked to establish the limitation so that all five parts can be constructed in this biennium, but that will not be done immediately. Revenue to retire the bonds will come from cash on hand and surcharges and fees for the skysuites already constructed.

Additional discussion appears as part of the general discussion related to the Modifications to the 1989-1991 Capital Construction Budget Request.

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

Board Discussion and Action

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

McNeal Hall
Life Safety
Corrections
and Track
Rehabilitation/
Tennis Court
Relocation,
SOSC

Staff Report to the Committee

The 1987-1989 capital construction program includes monies to expand the seating in McNeal Hall from 1,650 to 2,300 in order to provide sufficient space for convocations. The $745,000 project also was slated to build two small additions to McNeal Hall to replace offices and classrooms displaced by the seating expansion.

However, plans reviewed by local agencies and the State Fire Marshal uncovered numerous fire and life safety deficiencies, all of which must be corrected if the seating area is to be expanded and many of which must be addressed even for McNeal Hall to continue to serve its present functions. The price tag associated with these corrections is $425,000, bringing the total cost of the project to $1,170,000. Southern Oregon State College has considered various alternatives but believes there is no reasonable option to making these corrections if the project is to go ahead. Further, reducing the scope of the project is not feasible if the original purpose is to be realized.
Therefore, Southern Oregon State College is proposing that the project be divided into two phases. Phase I, which would get under way soon, would involve making the immediately needed code corrections at a cost of $135,000. Enough limitation exists to fund Phase I. This would allow Southern Oregon State College to meet urgent life safety needs. This sets the stage for Phase II, which involves making the remaining code improvements and accomplishes the original scope of work. The price tag for Phase II is $1,035,000.

The McNeal Hall Addition/Remodel Project is funded from Student Building Fees. Sufficient fee revenue cannot be forecast now from either the 1987-1989 or 1989-1991 biennia to support the extra $425,000 needed for this project. Therefore, Southern Oregon State College is proposing to modify its 1989-1991 capital construction budget request by reducing the amount devoted to the Track Rehabilitation/Tennis Court Relocation project from $750,000 to $325,000. The highly critical track rehabilitation still would be accomplished but fewer tennis courts would be relocated or covered than the six originally contemplated. This project also was slated for Student Building Fee funding.

Southern Oregon State College suggests that the Board authorize its staff to seek to modify the 1989-1991 Governor's Proposed Capital Construction Budget by reducing the Track Rehabilitation/Tennis Court Relocation project from $750,000 to $325,000 and transferring the Other Funds Limitation amount of $425,000 to the McNeal Hall Addition/Remodel project in order to satisfy code requirements. This would raise the Other Funds Limitation for the McNeal Hall project to $1,170,000.

Staff Recommendation to the Committee

The staff recommended that the Board concur with the request of Southern Oregon State College to divide the McNeal Hall project into two phases and to move ahead immediately with the code work included in Phase I. This $135,000 effort can be accomplished without expenditure authorization. The staff also asked the Committee and the Board to allow the staff to seek to modify the Proposed 1989-1991 Capital Construction Budget by reducing the scope of work and Other Funds Limitation for the Southern Oregon State College Track Rehabilitation/Tennis Court Relocation Project by $425,000 and increasing the Other Funds Limitation for the McNeal Hall Addition/Remodel Project by a like amount. Further, permission was requested from the Board to seek expenditure authorization from the State Emergency Board for the $1,170,000 needed for the design and construction of the McNeal Hall improvements. This will cause some delays since the Emergency Board is unlikely to meet again before July; however, Phase I code work will not be affected by this delay.
Discussion and Recommendation by the Committee

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

Board Discussion and Action

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

KSOR Satellite Grant Request, SOSC

Staff Report to the Committee

KSOR, the campus-based public radio station operated by Southern Oregon State College, was encouraged to apply for a federal grant to expand its service area to 100,000 residents of Northern California never before served by public radio. In order to meet the filing deadline of January 11, staff filed an application, subject to the approval of the Board and of the Legislature.

The total project cost of $280,130 is needed to construct a satellite station at Mount Shasta City with associated booster and translator facilities. This will permit KSOR to serve both Shasta and Siskiyou Counties. These facilities will be operated through the existing KSOR network operations center.

The Department of Commerce’s National Telecommunications and Information Administration has been asked to fund $204,847. The remaining costs will be paid by the KSOR Listeners Guild. No state money is being sought.

Southern Oregon State College is asking that the Board approve the grant application, and authorize staff to seek the approval of the Oregon State Legislature to receive and expend the funds up to a limitation of $280,130 and to proceed with the design and construction of the needed facilities.

Staff Recommendation to the Committee

The staff recommended that the Board concur with the request of Southern Oregon State College and take the following actions: (1) Approve the application for the federal grant; and (2) authorize the staff to seek Legislative approval to receive and expend the funds, to establish an Other Funds limitation of $280,130, and, when funding is received, to construct the needed facilities.

Discussion and Recommendation by the Committee

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

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

Staff Report to the Committee

Included in the Governor’s 1989-1991 Budget Submittal is the amount of $3,279,000 to construct the Oregon Institute of Military Science on the campus of Western Oregon State College near the site of the Oregon Police Academy. Nearly all the funding for this facility is from a grant from the federal government. Both the grant and the required state General Fund match are budgeted in the Military Department capital construction request.

The Oregon Institute of Military Science would be operated by the Oregon Military Department (National Guard) as a training facility for its members. Institute facilities would include classrooms, offices, a dining hall, and sleeping quarters.

In conjunction with the proposed construction of the Oregon Institute of Military Science (currently included in the Governor’s proposed budget and funded by federal monies), Western Oregon State College is seeking private donations to construct and outfit an Oregon Executive Conference/Training Center. This 44,500 square foot facility would provide a conference center and associated short term housing for up to 150 persons. The administration at Western Oregon State College views the most likely users of the facility to be those associated with Continuing Education. The facility is expected to be operational in the 1991-1993 biennium and to be self-supporting from user fees.

Western Oregon State College will proceed with this project only when firm commitments are received from a donor or donors. It is hoped that such commitments will be made soon.

Western Oregon State College is seeking approval of the Board to request the Governor and Legislature to establish an Other Funds limitation of $7,128,000 for this project as well as to authorize the Board to accept a donation or donations up to that amount for that purpose.

In connection with the Oregon Institute of Military Science and the proposed WOSC Oregon Executive Conference/Training Center, Western Oregon State College is slightly amending its previously requested Business, Mathematics, and Computer Science Building proposal. That proposal, forwarded as its Number 4 Priority by the Board to the Governor, but not included in the Governor’s Proposed 1989-1991 General Fund Budget, is being resurrected as a
29,000 square foot classroom facility with a cost of $6,380,000 by the end of the 1989-1991 biennium. It would be built as part of a complex including the Military Institute and the Conference/Training Center.

Since this project, as a stand alone effort, was cut from the General Fund budget by the Governor and since the General Fund still is identified as the required source for this classroom building, the staff does not believe the Board should request a General Fund limitation from the Governor and Legislature in 1989. However, insofar as the construction of this classroom building is related to the other two major non-General Fund projects proposed by Western Oregon State College, the staff suggests that Ways and Means be informed of the role of this portion of the overall project at the time we seek to discuss the other components.

Staff Recommendation to the Committee

The staff recommended that the Board authorize the staff to seek an Other Funds limitation of $7,128,000 for the construction and outfitting of the Oregon Executive Conference/Training Center to compliment the proposed Oregon Military Institute proposed for the Western Oregon State College campus.

Discussion and Recommendation by the Committee

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

Board Discussion and Action

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

At the conclusion of the action on these items, Mr. Dodson emphasized that the Committee considered these requests as housekeeping items which were better presented while the Legislature was in session. The recommended and approved actions should not be construed as backing away from any of the other budget priorities addressed.

Staff Report to the Board

The Budget Report of the Education Subcommittee of Ways and Means on HB 5007, the Higher Education appropriations bill from the 1987 session of the Oregon Legislature, stated:

The Subcommittee also instructed the Board to study the adequacy of on-campus child care facilities at the institutions and report to the next session of the Legislature on
the alternatives and costs of meeting those needs. The report should include the cost of remodeling and constructing on-campus child care facilities. The Board should advise the Legislature of the priority it places on this need. (HB 5007, Budget Report, 1987, p. 5, Campus Services)

Staff Recommendation to the Board

At the direction of the Committee of the Whole, the staff recommends that the following report be made to the Education Subcommittee during the March hearings and that regular progress reports be made to the Board on the issue of child care:

Of the eight institutions in the State System, five provide child care services for children ages two through five (Oregon Health Sciences University—OHSC, Portland State University—PSU, Southern Oregon State College—SOSC, University of Oregon—UO, and Western Oregon State College—WOCS; one (Eastern Oregon State College—EOSC) provides latchkey care for school-age children five and older; and two currently have no provision for child care (Oregon Institute of Technology—OIT and Oregon State University—OSU). Combined, these programs serve approximately 600 children. (The total number of students at the eight institutions is approximately 65,000, and the number of employees is near the 17,000 mark.) The operating budgets for these programs are approximately $1,250,000, of which about 80% is financed through user fees.

The institutions reported that the current level of services was not sufficient for their constituent groups—students, faculty, and staff. It is estimated that between now and 1990 there is need for a minimum of 1,500 additional child care slots. If these slots were to be made available on campuses, conservative figures are: for new buildings and for remodeling, $2 million (OIT, OSU, PSU, SOSC, UO and, WOCS); and for on-going operational costs, an additional $3.3 million per year, including support of new child care resource and referral services at two of the institutions. The Board has supported the request for student family housing at Southern Oregon State College which would include a child care center and is working with Oregon State University to find viable funding sources for capital construction of a Child Care Center.

In addition to attempting to expand the availability of quality and affordable child care on the campuses, the Board will explore alternatives such as child care subsidies for students (for example, SB 271 proposes to make $1.4 million available for child care through the Scholarship Commission), flexible work schedules, dependent care accounts in flexible benefit plans, tax credits for employers, and cooperative arrangements with other state agencies near the campuses.

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All of the institutions in the State System have indicated that provision of quality, affordable, and accessible child care is a priority, and the Board concurs. However, in view of the Governor’s Recommended Budget and the recently published Budget Recommendations by the co-chairs of Ways and Means, the Board is unable at this time to give child care a higher priority than, for example, faculty salaries and educational programs for our existing students. Further, the matter is not entirely within the Board’s jurisdiction with regard to the matter of collective bargaining. Student governments at the various institutions also will have to assess and recommend the priority of child care for students and the subsequent use of any subsidies from incidental fees.

On the other hand, the Board does recognize the increasing importance of accessibility to higher education as well as to the workplace, particularly for single parents and in circumstances where both parents are attending school or working, and underscores a commitment to continue working collaboratively at the state level with other state agencies and of encouraging the institutions either to continue or begin to do the same at the local level.

Board Discussion and Action

Dr. Virginia Thompson presented the staff report and indicated the Board was being asked to approve the statement as the response to the Budget Note from the 1987 Legislative Assembly.

Mr. Adams said Board members had received correspondence questioning whether the report was responsive to the issue and commenting on particular items in the report.

The letter questioned some of the figures and the stance of the Board on this particular item. However, the above report is referring more specifically and narrowly to the facilities that are available and is intended to address only the responses requested in the Budget Note. Present budgets have no funds for construction. Dr. Thompson also mentioned the State System was doing more than what appeared in the document, and the staff has been involved in meetings with other groups concerned with the issue of child care.

With respect to the questions raised in the correspondence about costs, estimates have been made. Mr. Pernsteiner has agreed to do a finer analysis of the particular facilities and the costs involved because they vary among institutions. The contributions from the institutions to child care proved to be far greater than was assumed originally.
The Board approved the staff recommendation as presented, with
the following voting in favor: Directors Adams, Alltucker,
Bailey, Brooks, Bruggere, Dodson, Johnston, Miller, Richardson,
Wilson, and Hensley. Those voting no: None.

Staff Report to the Board

Background

At the Board's December 9, 1988, meeting, the Chancellor informed
the Board that the Governor had recommended $8 million in his
budget for ED-NET. Since the State System is expected to be a
major participant in ED-NET, the Board directed staff to prepare
a resolution of endorsement for ED-NET.

The Board's interest in ED-NET goes back quite a few years. In
the Strategic Plan 1987-93 the Board noted that:

As the need to provide continuing professional development
opportunities to companies and their employees grows in Ore-
gon, colleges and universities are reexamining their capa-
bilities to deliver these resources. Companies want the
best faculty to provide this instruction. These are the
faculty who are in greatest demand nationally and interna-
tionally and who have the least time available to 'circuit
ride' on Oregon highways year after year. Faculty need re-
lief from these demanding schedules. They should be able to
offer their courses over 'highways in the air' making use of
the instructional television models already proven success-
ful in numerous universities throughout the nation.

Increasingly, businesses and their employees are making use
of new technologies which can deliver academic programming
into corporate classrooms. Employees seeking advanced tech-
nical education want access to courses on their company site
during the working day with the option of taking videotapes
home for viewing in evening hours. Working parents, who
once accessed college courses in early mornings, late after-
noons, and evenings, want the option of bringing college
classes into the convenience of their homes through the use
of cable and satellite technologies.

The Board recommended in the Plan that an Oregon telecommu-
nications network be established that would enable colleges and un-
iversities to deliver higher education courses and degree programs
among institutions (community colleges and four-year colleges and
universities) and to industries and homes throughout the state.

Campuses have been working toward this end in planning for a co-
operative network which would serve State System institutions,
community colleges, elementary and public schools, state agencies
with training needs, and business and industry.
RESOLUTION

WHEREAS, the Board's Strategic Plan for 1987-93 calls for an Oregon Educational Instructional Television Network to be established that will enable colleges and universities to deliver higher education courses and degree programs among institutions (community colleges, public four-year colleges and universities, and independent institutions) and to industries and homes throughout the state; and

WHEREAS, ED-NET has been planned cooperatively by major providers of education throughout the state, including campuses of the State System;

THEREFORE, BE IT RESOLVED THAT the Board of Higher Education endorses SB 203 which calls for establishing "Oregon ED-NET, an integrated statewide telecommunications network for the purpose of providing educational programs, worker training and retraining, and telecommunications system throughout the state."

Discussion and Recommendation by the Committee

In presenting the report, Dr. Holly Zanville said ED-NET already had received the endorsement of a number of agencies and boards in Oregon. She reviewed the history of the concept and described the plan briefly.

She said the idea was tremendously exciting and provided a major benefit in terms of access. However, faculty groups have expressed a number of concerns related to costs and other elements which will be considered during development of the detailed plans for ED-NET.

Dr. Graham Spanier said he was supportive of proceeding with the ED-NET effort but it should be recognized the ED-NET network was not a solution to a problem but the beginning of an opportunity. The $8 million investment that is being proposed will provide the initial framework for moving ahead and may be sufficient early in the process. It will become inadequate in a very short period of time because it provides for a limited number of programs to be transmitted to certain sites and received simultaneously. The initial funding will get the physical framework in place, but no funds have been identified for faculty members to provide courses beyond their normal workload which is principally directed to on-site instruction. Development funds are needed for preparing new courses. Costs will be incurred for outreach and for training and motivation of faculty for instruction through this kind of technology.
Dr. Spanier concluded by saying the issues were not impediments but were simply things that must be solved in implementing the network.

The Committee recommended that the Board adopt the resolution as presented.

Board Discussion and Action

Miss Brooks presented the report and recommendation from the Committee.

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

Central Oregon Consortium

Staff Report to the Committee

Last month, representatives from the Central Oregon Council for Higher Education asked the State Board to support the Central Oregon Consortium. The Central Oregon Consortium is a proposal to expand higher education programs in the Bend area through close cooperation between Central Oregon Community College, State System of Higher Education institutions, and independent colleges. Specifically, the Council would like the Board to recognize the Consortium and give its support to the Council’s efforts to obtain funds from the Legislature to establish the Consortium and to subsidize its programs.

Background

In 1977, Central Oregon Community College (COCC) began a series of efforts to expand upper-division and graduate offerings in Central Oregon. Central Oregon Community College and Oregon State University developed a joint program to offer a baccalaureate degree in Bend. Since 1981, that degree, the OSU Liberal Studies Degree, has served over 150 students and has had 12 graduates.

Business and educational leaders in the area would like to expand upper-division and graduate programs in Central Oregon. In 1984, they prepared a paper calling for a consortium of colleges and universities to work in cooperation with Central Oregon Community College in developing additional higher education programs. In 1987, COCC formed a Four-Year Articulation Department within the College to coordinate all the higher education programming in Central Oregon. Higher education opportunities took a variety of forms, from individual upper-division and graduate classes to four bachelor’s and two master’s degrees. Classes were live or interactive microwave. Even though only 350 adult students enrolled in these classes, over 2,000 potential students were advised about their higher education options.
The Board's Task Force on Regional Colleges held a hearing in Bend and received considerable testimony in favor of the consortium approach. The Task Force was unanimous in its support for the consortium arrangement and recommended that the State Board recognize the Central Oregon Consortium and request funds for its support.

Staff Recommendation to the Committee

The staff recommended approval of the following resolution:

In order to provide higher education opportunities in Central Oregon, the Board of Higher Education agrees to cooperate with Central Oregon Community College and independent colleges to offer limited upper-division and graduate programs in Central Oregon. Specifically, it recognizes the Central Oregon Consortium as the vehicle through which these programs will be coordinated. The Board also supports the Central Oregon Council on Higher Education's efforts to obtain new funds from the Oregon Legislature for administrative costs and funding of approximately 100 students during the 1989-91 biennium.

Discussion and Recommendation by the Committee

Mr. Alltucker asked whether passage of the resolution carried an implication to fund the plan developed by the Consortium.

Dr. Frederick Boyle, president of Central Oregon Community College, said there was no implication with respect to funding if the Board were to approve the resolution. The major concern is to lend some validity to the enterprise.

The Committee recommended that the Board approve the staff recommendation.

Board Discussion and Action

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

In response to a question from Mr. Hensley, Dr. Pierce indicated this proposal was not a new program request and would not require approval from the Office of Educational Policy and Planning.

The Board approved the Committee recommendation, with the following voting in favor: Directors Adams, Alltucker, Bailey, Brooks, Bruggere, Dodson, Johnston, Miller, Richardson, Wilson, and Hensley. Those voting no: None.
Proposal for Implementation of an Outreach Program for the Baccalaureate Degree in Nursing, OHSU

Staff Report to the Committee

The School of Nursing at the Oregon Health Sciences University proposes to implement its baccalaureate nursing program on the Oregon State University campus. (A copy of the proposed program was attached to the full report for the Board's review. The full report is on file in the Board's Office.) The proposal was not forwarded to the Board for approval at this time. Rather, it was sent to Board members for information and as background for a presentation to be made by the president of the Oregon Health Sciences University and the dean of nursing before the Committee on Instruction, Research, and Public Service Programs. The purpose of the presentation was to consider whether the Board wished to consider the proposal next month and whether to authorize the Oregon Health Sciences University to submit a grant for the support of the program.

In December 1985, the Board approved a Plan for Nursing Education in the Oregon State System of Higher Education. The plan called for increasing the number of nursing graduates, opening up baccalaureate programs to nurses with diploma and associate degrees, and offering nursing at outreach sites so students would not have to leave their home communities. The proposal from Oregon Health Sciences University is designed to implement the recommendations approved by the Board in 1985.

The proposed outreach program on the Oregon State campus would operate much like the nursing program at Eastern Oregon State College. It would be an Oregon Health Sciences University program, the faculty would be employed by Oregon Health Sciences University, and students would receive their degrees from Oregon Health Sciences University. Students would be placed in clinical settings at hospitals from Eugene to Salem.

Oregon Health Sciences University proposes to initiate the program with funds from a federal training grant. When the federal grant terminates at the end of three years, the Oregon Health Sciences University School of Nursing budget would have to be increased to cover the full cost of the program, which would be approximately $1,000,000 a year.

Policy Issues

1. The Supply and Demand for Nurses. Since 1985, the need for additional nurses seems to have increased. While Oregon does not have as acute a shortage as other areas of the country, Oregon hospital directors report increasing problems in attracting qualified nurses. Many also believe that the demand is increasing for nurses trained at the baccalaureate level. It is this latter point that creates some
controversy. Professional health administrators disagree on whether the nursing shortage should be addressed at the two-year community college level or with expanded four-year baccalaureate nursing programs. The dispute has both intersegmental and cost implications.

2. Availability of Clinical Sites for Students. The dean of nursing assures the staff that the Oregon State University satellite program will not compete with local community college programs for limited clinical teaching spaces. There are a number of hospitals in the mid-Willamette Valley that have spaces for student nurses. Despite the assurances, community college leaders worry about losing access to clinical slots at local hospitals.

3. Long-Term Funding for the Satellite Program. The major policy issue is whether the Board can make a commitment now to pick up the costs of the Oregon State University satellite program when the federal support for the program expires. Oregon Health Sciences University plans to apply for a federal training grant to cover the full costs of the new program for three years. When the grant ends, the School of Nursing budget would have to be increased by approximately $1 million a year from the General Fund and tuition to pay for the 100 students enrolled in the program. The question is where will this money come from and what assurances are there that the Legislature will provide the extra funds. Put another way, if new funds are not available in 1993, what existing programs would have to be cut to provide the $1 million a year for the satellite nursing program at Oregon State University?

4. The Relationship of Nursing Education to Other State System Priorities. There is considerable evidence that more nurses are needed and that the proposed program would help alleviate the shortage. However, the state also has other higher education needs that the Board must consider. Faculty salaries are relatively low. The Centers of Excellence have not been fully funded. The Board is expected to strengthen higher education programs in the Portland area. Oregon State University's Pharm.D. program and Portland State University's Ph.D. in Social Work program have been approved but not funded. Oregon State University still turns away many fully qualified students from its engineering programs. The Board needs to review all of the higher education needs in the state before commitments are made to individual programs.
Summary

The purpose of presenting this item to the Committee on Instruction, Research, and Public Service Programs is to familiarize the Committee members with the proposal and the policy issues it raises. The Oregon Health Sciences University would like the advice of the Committee on how it should proceed with the implementation of the Board's plan for nursing education, and specifically, how to alleviate the expected shortages of baccalaureate nurses in the state.

Discussion and Recommendation by the Committee

Dr. Kohler said he understood the proposal responded to a plan for nursing education approved by the Board in 1985. The plan was designed to increase access to baccalaureate nursing education and to increase the number of baccalaureate nurses in the state. He indicated Dean Lindeman would comment on the shortage of nurses and said nothing should be done that would reduce or in any way compromise the total number of nurses in Oregon. The proposed program would provide a different type of education and one which perhaps was more in keeping with the type of intensive care by many hospitals. It could be a potentially valuable resource. Dr. Kohler acknowledged that funding would certainly be an issue once the proposed federal grant expired at the end of three years.

Dr. Carol Lindeman, Dean of the School of Nursing at the Oregon Health Sciences University, discussed issues of supply and demand within the area of nursing, citing specific instances of shortages. There has been a real increase in the demand for registered nurses as a result of the advances in technology and other aspects of health care that have resulted in hospitals having to employ more nurses than they have previously required. The increased demand is aggravated by chronic problems within the nursing profession of low salaries and some difficulties in terms of governance. The situation will get worse unless something is done to resolve the causes of the shortage, because fewer people are entering the profession of nursing. She reviewed past strategies for attempting to alleviate the shortage of nurses but indicated they had not been adequate to resolve the current crisis in terms of nursing. She stated that in Oregon there are clearly people who are qualified and eager to enter schools of nursing, but, at this point, there is not room in the state-supported schools of nursing at the baccalaureate level to handle those applicants.

Dean Lindeman described a similar outreach program with Eastern Oregon State College which began ten years ago. The 100th graduate from that program will come at the June commencement this year. The program has been very successful and has helped significantly to meet the needs for registered nurses in that part of the state. The Board was pleased with that model at Eastern
Oregon State College and asked the Oregon Health Sciences University to use that model as a basis for looking at a satellite model in the mid-Willamette Valley.

In developing the proposal before the Committee, Dean Lindeman said there had been an effort to have community leaders identify what they thought was needed in the way of nursing personnel. A community-based task force was created to consider those needs and determine if nursing personnel at the Oregon Health Sciences University could be of any assistance.

Dean Lindeman stated it would cost Oregon taxpayers in one way or another slightly over $10,000 to educate a nurse in the proposal before the Committee compared to about $30,000 to recruit one from another state to fill a vacancy. She said she had a responsibility to bring the proposal forward even though the timing might not be right and funds are limited. She suggested it might be more cost effective to use tax dollars to educate more nurses than to spend tax dollars to recruit people to Oregon.

Mr. Adams asked Dean Lindeman whether she anticipated both the associate and baccalaureate types of nurses would continue to be needed in Oregon. She indicated it was quite clear both levels would be needed to fill the number of positions that hospitals have and also to provide the skill mix that is required.

Mr. Adams requested Dean Lindeman to comment on the quality control of nursing education in the satellites compared to that at the home site in Portland.

Dean Lindeman said the two programs have the same admission requirements and the same curriculum committee to oversee teaching. The qualifications for faculty appointments are the same, and some of the Portland faculty who have unique skills or knowledge share them with students in eastern Oregon by teaching classes there periodically. Some students from eastern Oregon come to Portland for small parts of their clinical program. The same procedure would be followed for the proposed program if it were approved. The review by the National League for Nursing, which in a sense is a quality control group for schools of nursing, found absolutely no differences in the quality of the programs in eastern Oregon and in Portland.

The Chancellor referred to the cost of $30,000 and asked who now paid that cost and how that number was obtained. Dean Lindeman said it represented the cost of filling the position and included actual recruitment costs, some of the overtime costs to pay someone else to fill that position during recruitment, and the other kinds of things that might be needed to get a nurse to take a position in an agency. It comes from the budget for nursing service in the facility. Health care costs again are distributed in slightly different ways, but usually it gets down to the taxpayer in one way or another.
The Chancellor asked whether, if the cost differential were that significant, it might be attractive to those paying for recruitment to finance a nurses' training program. He said that would appear to be a very attractive investment for hospitals to support such a program.

Dean Lindeman indicated health care facilities in many states have been reluctant to fund the full cost because they also were having major budget problems. They would like the federal government to increase the rates paid for services. Long-term care is particularly limited in its budget flexibility.

The Chancellor said the problem is really a health care delivery problem and a very real one. As now conceived, there is a direct competition with priorities in every other health care program, and indeed every other educational program and cost of education. He suggested there should be ways of shifting at least a significant portion of the burden from the competition for educational resources into health care delivery costs where it really focuses.

Dean Lindeman stated it would not be unreasonable to look at some of those kinds of financing mechanisms.

Ms. Wilson asked whether the $30,000 represented money that would not be spent if there were no need for recruitment or whether it represented an allocation of overhead for that endeavor.

Dean Lindeman said they were costs over and above the amount that would otherwise be spent.

Mr. Hensley said there seemed to be an impression that he was of the opinion there was not a shortage of nurses in the nursing profession. He said he served as a trustee for the largest medical center in southern Oregon and he knew there was a shortage of nurses. However, he said he had some concerns about the proposal and referred to the responses to a survey cited in the proposal. He said he was somewhat puzzled in reading the results of that survey and trying to determine how their participation would solve the nursing shortage since those identified were already in the nursing profession. He also asked how individuals who wanted to enter the nursing profession would be identified.

Dean Lindeman responded that it had been easy to determine how many existing nurses would be interested in upgrading their educational level. It was more difficult to identify the number of individuals who might choose to enter a baccalaureate program if it were located on the Corvallis campus. The number of qualified students in excess of those who can be admitted at the School of Nursing at the Oregon Health Sciences University, information from pre-nursing students at the University of Oregon, and indications of interest from students at Oregon State University support the premise that there is real student interest in entering a baccalaureate nursing program.
Mr. Hensley commented that the community colleges within the service area of the proposed nursing program have associate degree programs that supply some of the nursing needs. He said he would be interested in surveying whether high school students who were considering nursing wanted to enter a baccalaureate degree or an associate degree program. He said the Board is criticized for duplicating efforts already available in the educational field.

Dean Lindeman said she would not see the proposal as duplicative of the community college programs in the area. It would be complementary and would provide a training option at the baccalaureate level for talented people who will then stay in the workforce and remain in the region.

Mr. Alltucker requested a further explanation of the costs included in the $10,000 amount for training a nurse. Dr. Lindeman said those were direct costs obtained by combining all the costs for all of the nursing courses, the additional science courses, equipment replacement, library books, and other direct costs and then dividing the total by the number of students who would graduate. The calculations were discussed further, including the addition of a necessary 5% inflation factor by 1993.

Ms. Wilson questioned whether the proposed program would educate nurses to meet its own needs or for other parts of the country where the shortage may be even greater. She noted the health care industry was changing radically and asked if a labor market study had been done of present and future needs.

Dean Lindeman said that the majority of graduates from all state schools remained in Oregon to work, at least in their initial years of employment. Students also tend to stay in the areas where they were educated after graduation. Nursing students become familiar with the clinical agencies and it is made attractive to them to stay in the area. For that reason, it is not expected that graduates will be lost to other states by increasing the number of nurses educated in Oregon, assuming Oregon employers remain competitive with those in other states. With respect to a market analysis, national trends were compared with state trends. It is known that additional registered nurses will be required in all long-term care facilities. In most acute care facilities, the national trend is to move toward the higher educational level, targeted at between 55% and 65% of nurses employed in hospitals. Information is available to assist in analyzing the Oregon situation with respect to these trends. There are efforts underway to improve the data base and provide specific answers to labor market questions, but the trends are clear.
Ms. Wilson said she assumed from the testimony that people were not choosing to enter the field of nursing and schools were closing because of low enrollments. She asked whether an adequate number of people were interested in the profession and willing to attend a new program. She inquired specifically about the enrollment demand in nursing at the University of Portland.

Dean Lindeman indicated that the programs at both Southern Oregon State College and Oregon Institute of Technology were fully subscribed and the latter institution was seeing an increased interest among freshman students in nursing as a major. She said the University of Portland was changing its program and moving into one that will be more attractive to people who are making nursing their second career. For that reason, it is difficult to look at the University of Portland’s baccalaureate program when the institution has made a commitment to start a new program.

Ms. Wilson asked if the change had resulted from a deterioration in the supply market for the baccalaureate program.

Dean Lindeman said she understood the University of Portland had recruited primarily students from states other than Oregon. As the cost of private education has increased and as nursing education has become more accessible in those states, the market the institution was addressing earlier was no longer there. She said the University of Portland would be recruiting from a different pool of students than would be attracted to a state-supported school of nursing.

Mr. Alltucker asked what proportion of the 1,325 nurses either trained or recruited for nursing positions should be at the associate and baccalaureate levels. Dean Lindeman responded that the current workforce was about one-third baccalaureate and higher degree nurses, one-third diploma nurses who have graduated from hospital programs, and one-third from associate degree programs. In the future, about 65% of the new people entering the workforce should be at the baccalaureate level, which suggests that Oregon should produce 600 baccalaureate-prepared people each year to meet its needs.

Mr. Alltucker commented that if the Board’s task was to provide the educational needs of Oregon and if the state will need to double its nursing program as soon as possible, the proposed program should be considered in the context of the entire State System and its resources. He said he was not ready to make that decision without considering the overall general problem.

Mr. Hensley said he agreed with Dr. Lindeman’s analysis of the shortage and the need for a better-qualified nurse. In January, the Board discussed preparing for the future and one topic was the development of a team effort. He said he was concerned that there were limited resources for all public education and higher
education was competing for a share of those dollars. At the same time it was trying to develop a team effort to maximize the return on those resources. He indicated the Board really had not had the support of the community colleges during the 1985 discussions of this proposed program and the master’s program. He said he was disturbed by the fact he had not received any communication or indication of support for this proposal from the community colleges in all of the written information that had been sent to him. Mr. Hensley said the community colleges were preparing associate degree nurses who were filling a need and the Board should work with those institutions. He asked Dr. Lindeman if she had any information concerning their attitude.

Dean Lindeman said she had continued to meet with the presidents and directors from the community college programs and a number of advances had been made in working together. The community college people have expressed several concerns. One involves the articulation between the associate degree and baccalaureate programs and how credit is awarded for work done at the community college. At the same time, the Oregon Health Sciences University is confronted with the issue of giving upper-division credit for lower-division course work. There were some objections to using a challenge examination as a basis of awarding credit, and a better testing mechanism is now being used to resolve some of those concerns.

A second issue raised was the adequacy of clinical facilities to meet the needs of both programs. The clinical people making the resources available have said there is room for both sets of students and they would continue to provide adequate clinical opportunities for the associate degree students. Dr. Lindeman said no problem has arisen with respect to facilities in the eastern Oregon program.

Community colleges have also been concerned the baccalaureate program would take students from the community colleges. This has not happened in eastern Oregon, and the two programs attract different sets of students. Community colleges have suggested that perhaps everybody should first be required to get the associate degree in nursing and all baccalaureate nursing education should be designed for the person already licensed. Dr. Lindeman said that was not the Board’s philosophy in 1985 nor that of the staff in nursing education at Oregon Health Sciences University. She indicated the community colleges do appear to be pleased with the articulation and believe it has improved. She described past and continuing efforts to develop cooperative arrangements with the community colleges.

Mr. Hensley indicated he was encouraged by Dean Lindeman’s efforts to offer flexibility because the Board should encourage proposals for cooperative ventures.
Dr. Kohler commended Dr. Lindeman for her efforts to work with the community colleges and Mr. Roger Bassett of the Office of Educational Policy and Planning. There are some who believe the nursing school at the Oregon Health Sciences University is trying to convert all nursing education over to baccalaureate education, and that is absolutely not the case. Dr. Kohler said the associate degree programs were needed and should be encouraged.

Mr. Adams said there was some real indication of a need for this program and the Board understood that need. However, there is an ever-present shortage of funds and a concern about the funding for this program when the federal grant ends. He said the Board needs to discuss priorities for its funds and there is a real hesitancy to approve any kind of new program at this time.

Mr. Alltucker said he favored delaying action until there was a clear quantitative understanding of the number needed and until alternative methods of financing had been explored. The program should then be prioritized within the long-range plans for the State System. Mr. Alltucker asked the Chancellor to comment on how long a delay might be required.

The Chancellor said he had just started to look at program support levels and higher education dollars but he believed existing programs were seriously underfunded. The question is whether it is prudent to add to the expense of activities in higher education when those already in place are seriously underfunded. He said this was a general concern and not a comment on the nursing proposal.

Mr. Bailey inquired about the timing and status of the federal grant mentioned in the proposal. Dean Lindeman said grant applications are received three times a year and decisions made about eight months after a grant is submitted. Funding follows shortly after a decision is reached.

The Committee on Instruction, Research, and Public Service Programs recommended that the Oregon Health Sciences University proposal to establish a satellite baccalaureate nursing program on the Oregon State University campus be delayed until the Board completes its review of the long-term needs of higher education in the state and until permanent sources of funding are identified. The Committee believes that there is a substantial risk involved in beginning a program on soft federal dollars which will entail a substantial General Fund commitment when the federal grant expires. The need for more nurses is not in question. The question that the Board must address is where the expansion of nursing education ranks in the list of priorities for scarce state higher education dollars.
Board Discussion and Action

Mr. Alltucker presented the report and recommendation from the Committee. He stated the need for additional nursing education was clearly established, but the exact quantity was not entirely clear, nor was the exact cost per student. For this reason, the Committee recommended the delay until three things are clearly understood or accomplished:

1. The number of nurses Oregon will need in the various baccalaureate and advanced degree programs had been determined. This implies extensive work with the community colleges and those who prepare the associate degree nurses.

2. Any possible alternative methods of funding have been explored, because other states have obtained outside financing to provide this particular educational opportunity in geographic areas, in hospitals, or through other interested parties.

3. The current review of the overall needs of the State System, long-range, has been completed so that nursing education proposal can be prioritized within that framework.

Mr. Bailey commented that the proposal should be either on or off the docket at some point, rather than remaining in abeyance for an indefinite time. Mr. Hensley asked Mr. Adams and Dr. Pierce to deal with that concern in the Committee on Instruction.

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

Report on Legislative Budget Developments

Mr. Lemman stated all of the improvement items for higher education in the Governor's budget had been deleted, and the reductions to self-finance part of the salary increases remained. The increases for inflation allowances and for enrollment are still intact. By building a General Fund budget within the current spending limit, the Legislative Assembly would be able to see the budget as it would be if there were no change in the expenditure limitation. Budget instructions to the committees by the co-chairs were to process budgets within the expenditure limitation but to keep lists of priorities not included in the budget.

Mr. Lemman indicated new revenue forecasts would be announced shortly and would influence the ending balance that would be available if an expenditure limitation modification were enacted. The Senate Revenue Committee, chaired by Senator Jane Cease, has approved a modification in the expenditure limitation which, if adopted in the Legislative Assembly, would be sufficient to use all of the funds that the Governor has proposed to use. Hearings
will begin soon in Representative Hosticka's committee on the same issue. Mr. Jamieson said he had further meetings scheduled early next week in connection with the State System's presenta-
tions which are scheduled to begin March 6. Board members will be kept informed as to their involvement in the legislative pro-
cess and hearings.

Staff Report to the Board

The Oregon Health Sciences University, with the assistance of the State Department of General Services, has entered into a lease/option with the Oregon Pacific Development Company for the land and improvements at 2525 and 2611 S. W. Third Avenue in Portland. The improvements are known as Marquam Plaza and Mar-
quam II, respectively.

The improvements contain 36,740 rentable square feet. The Oregon Health Sciences University use will phase in over time as present tenants, primarily other state agencies, relocate. The University intends to collect in these buildings programs and activities which are already located off-campus, such as patient accounting, and administrative programs which can feasibly be moved off-
campus, such as telecommunications services.

If the Oregon Health Sciences University carries out its plan to acquire the property, the purchase price will be approximately $3.6 million. The lease rate is $10 per square foot, effective with the occupancy of space by the Oregon Health Sciences Univer-
sity programs.

Board Discussion and Action

The Board accepted the report as presented.

1988 Report on MBE/DBE/WBE Participation in Capital Construction

Staff Report to the Board

The Board's Oregon Administrative Rule 580-50-028 requires a report each February on the prior calendar year's participation by minority (MBE), disadvantaged (DBE), and women business enter-
prises (WBE).

During 1988, contracts were awarded for 96 projects, for a base contract value of $36,291,949. Of these awards, 35 contracts for $30,431,318 included the Board's requirements for MBE/DBE/WBE participation.

MBE/DBE participation accrued to $1,815,346, or approximately 6%. The WBE participation accrued to $228,914, or slightly less than 1% of the applicable contract awards. The Board's goals were constant for all applicable projects at 10% for MBEs/DBEs and 2% for WBEs.
The Board's goals are currently in suspension because of recent actions in the U. S. District Court for Oregon and the U. S. Supreme Court.

Board Discussion and Action

The Board accepted the report as presented.

SUMMARY OF FACILITIES

DIVISION ACTIVITIES, OFFICE OF ADMINISTRATION

Staff Report to the Board

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

Contracts for Professional Services

Medical Research Building Exhaust Air Balance Investigation, OHSU

An Agreement was negotiated with System Design Consultants, Inc., Portland, for consulting services not to exceed $2,000. Financing will be provided from state funds.

Student Center/Parking Structure No. 5, OHSU

An Agreement was negotiated with SRG Partnership, Portland, for architectural services not to exceed $192,000. Financing will be provided from parking reserve funds.

Millar Library Addition, PSU

An Agreement was negotiated with Carlson Testing, Inc., Tigard, for consulting services not to exceed $5,300. Financing will be provided from state funds.

Smith Memorial Center Rehabilitation (1987), PSU

An Agreement was negotiated with Michael & Lakeman, Portland, for architectural services not to exceed $19,190. Financing will be provided from student building fees.

Award of Construction Contracts

Fish Disease Research Lab Phase II, OSU

On January 19, 1989, Triplett Wellman, Inc., was awarded a contract for this project in the amount of $697,165. Financing is provided from federal funds.

Mackenzie Hall Surgery Offices, Suite 3160, OHSU

On January 3, 1989, Thomas R. Juhr Corporation was awarded a contract for this project in the amount of $49,990. Financing is provided from state funds.

Medical Research Building Carbonizing Furnace Project, OHSU

On December 12, 1988, Lorentz Bruin Company was awarded a contract for this project in the amount of $88,300. Financing is provided from state funds.
Medical Research Building Electrical Upgrade Project, OHSU

On December 30, 1988, W. R. Grasle Co. was awarded a contract for this project in the amount of $104,500. Financing is provided from state funds.

Acceptance of Projects

Warehouse
Building No. 55
Reroofing, OSU

This project is complete and was accepted on January 5, 1989. The estimated total project cost remains at $24,523. Financing was provided from building reserve funds.

Center for New Ventures, OHSU

This project is complete and was accepted on November 7, 1988. The estimated total project cost remains at $74,105. Financing was provided from funds available to the institution.

Physical Plant Building Mechanical Upgrade #1, OHSU

This project is complete and was accepted on April 3, 1988. The estimated total project cost remains at $50,012. Financing was provided from funds available to the institution.

UHS, Radiology Expansion, OHSU

This project is complete and was accepted on December 16, 1988. The estimated total project cost remains at $483,187. Financing was provided from federal funds.

Classroom/Lab Buildings Furnishings Bids A
& B, OIT

This project is complete and was accepted on June 30, 1988. The estimated total project cost remains at $59,974.75. Financing was provided from state lottery funds.

Classroom/Lab Building Window
The estimated total project cost remains at $8,217. Financing was provided from state lottery funds.

Board Discussion and Action

The Board accepted the report as presented.

Academic Progress of Student Athletes

The report on the Academic Progress of Student Athletes, 1983-84 through 1987-88 was deferred until the March Board meeting. For convenience, the report will be included in the docket for that meeting, and the staff will be prepared to present an oral report at that time.

ITEMS FROM BOARD MEMBERS

Mr. Miller reported that the University of Oregon Presidential Search Committee had an excellent slate of candidates to consider. Mr. Miller said the committee was well into the search process and expressed appreciation to the committee members for the fine work they were doing.
Mr. Richardson stated that, during the discussion about minority recruitment, he had intended to mention to the presidents of the institutions that a national convention of the National Alliance of Black School Educators (NABSE) would be held in Portland in late summer or early fall. He suggested this might be an excellent opportunity to showcase what Oregon has to offer. The State System's president and the Portland Public Schools may want to interact with the members of this group as a potential source of recruiting people.

Dr. Pierce commented that the minority student recruitment program had achieved in two years the goal that had been set for a three-year period. The program is just three students short of reaching the goal set for next year. There are 287 new first-time freshman students from Oregon high schools enrolled in the State System. He indicated the retention level was high and many were on scholarships. The program continues to attract good applicants and test scores are rising.

Mr. Bruggere reported that OCAPE sponsored 25 classes during the winter quarter—14 from the Oregon Graduate Center, 8 from Oregon State University, and 3 from Portland State University. The number is expected to increase to 32 classes for spring quarter, with additional classes in computer science coming from Portland State and the University of Oregon.

Mr. Bruggere mentioned the opening of the OCAPE offices in its new building. He cited conferences, visiting professors and researchers, and special events occurring in the near future.

Mr. Hensley said he had requested the Chancellor to provide the institutional presidents with copies of the minutes from the Board's retreat in January.

Board members were reminded to submit to the Chancellor the policy issues they would like discussed at future Board meetings.

Mr. Hensley reported the commencement assignments had been completed and notifications will go to Board members and the presidents within the next few days.

Mr. Hensley announced the next regular Board meeting will be held at Portland State University on March 17. He also alerted Board members to the possible change in meeting date for the June Board meeting. The meeting is tentatively set for Thursday, June 15, rather than Friday, June 16.

Mr. Hensley announced the School of Engineering and Applied Science at Portland State University would be holding an open house and tour from 3:00 p.m. to 6:00 p.m. on February 24. Board members are invited to attend.
COMMUNICATIONS  The Secretary reported a letter had been received from Mr. Ken Rutledge, the president of the Oregon Association of Hospitals, urging the Board to approve the nursing outreach program.

BOARD LUNCHEON  Following the Board meeting, Board members met for lunch. No business was transacted.

ADJOURNMENT  The Board meeting was adjourned at 12:10 p.m.

[Signatures]

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