MINUTES OF REGULAR MEETING OF THE
STATE BOARD OF HIGHER EDUCATION HELD
March 17, 1989

MINUTES APPROVED

CHANCELLOR’S REPORT
  R. F. Hensley, Named Business Leader of Year
  Portland Metropolitan Area Study
  Vice Chancellor Searches
  Honorary Degrees, PSU
  Naming of Residence Hall, WOSC

Acceptance of Schematic Design for Knight Library Addition and
  Alterations, UO

Exercise of Purchase Option for Condon School, UO

McNeal Hall Asbestos Abatement & Swimming Pool Ceiling Replacement, SOSC

Lease of Whiskey Creek Fish Hatchery to Tillamook Anglers, Inc., OSU

Computer Resource Fee, PSU

Lease of Land for EPA Office Building, OSU

Forecast of 1989-1991 Budget Deficit, University Hospital, OHSU

OEPP Review of Fifth-Year Teacher Education Programs

Request for Authorization To Establish a Center for Housing Innovation, UO

Report from Instruction Committee

Rural Health Education Program

Academic Progress of Student Athletes, 1983-84 through 1987-88

SUMMARY OF FACILITIES DIVISION ACTIVITIES, OFFICE OF ADMINISTRATION
  Administration Building Telecommunications Equipment Housing, OSU
  Benton Hall Acoustical Remodel Project, OSU
  Weniger Hall room 635 Growth Chamber Installation, OSU
  Electrical System Improvements Phase II Rebid, UO
  Fish Disease Research Lab Sitework Phase I, OSU
  Energy Conservation Measures BPA/IHP, Eight Buildings, SOSC
  Hayward Field Renovations Warm-Up Track Surfacing, UO
  Basic Science Building Remodel for Radiation Therapy Labs
    3360 & 3370, OHSU
SUMMARY OF FACILITIES DIVISION ACTIVITIES, OFFICE OF ADMINISTRATION cont.:

Center for New Ventures Remodel for Department of Radiology
  Research Lab, OHSU  171
  Dental School Labs 404 & 405 Remodel, OHSU  171
  UHS, PICU Relocation, OHSU  171
  Medical Research Building, Cooling System Improvements, OHSU  171
  Reroofing Projects-Clinical Lab, Outpatient Clinic, UHN—  171
    Emergency & UHN—Northwest Wing, OHSU  171
  UHS, 13A & 14A Pediatric Isolation, Air Conditioning Upgrade, OHSU  171
  Classroom/Lab Buildings Furnishings Bid C & D, OIT  171
  Cornell Hall Diesel Lab Fume Exhaust, OIT  171

ITEMS FROM BOARD MEMBERS
  SOSC Visit  172
  Presidential Search, UO  172

PRESIDENT'S REPORT
  Next Meeting Dates  173

BOARD LUNCHEON

ADJOURNMENT  173
STATE BOARD OF HIGHER EDUCATION
MINUTES OF REGULAR MEETING HELD IN ROOM 338,
SMITH MEMORIAL CENTER, PORTLAND STATE UNIVERSITY
PORTLAND, OREGON

March 17, 1989

Meeting #574

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

ROLL CALL

The meeting was called to order at 10:40 a.m., March 17, 1989, by the President of the Board, Mr. Richard F. Hensley, and on roll call the following answered present:

Mr. Robert R. Adams  Mr. Mark S. Dodson
Mr. John W. Alltucker  Mr. Gary Johnston
Mr. Bob Bailey  Mr. George E. Richardson, Jr.
Miss Kasey K. Brooks  Ms. Janice J. Wilson
Mr. Tom Bruggere  Mr. Richard F. Hensley

Absent: Director Miller was absent for business reasons.

OTHERS PRESENT

Centralized Activities—Chancellor Thomas Bartlett; Secretary Wilma Foster; W. T. Lemmon, Executive Vice Chancellor; John Owen, Vice Chancellor, OCATE; Holly Zanville, Associate Vice Chancellor, Academic Affairs; Kay Juran, Acting Vice Chancellor, Public Affairs; Jim Mattis, Assistant Attorney General; Davis Quenzer, Associate Vice Chancellor, Fiscal Policies; R. S. Perry, Associate Vice Chancellor, Administrative and Information Systems Services; George Perneisteiner, Associate Vice Chancellor, Facilities Division; Joe Sicotte, Associate Vice Chancellor, Personnel Administration; Melinda Grier, Director, Legal Services; Gary Esigate and Virginia Thompson, Assistants to the Executive Vice Chancellor; Ron Anderson, Assistant Vice Chancellor, Personnel Administration; James Payne, Assistant Vice Chancellor for Curricular Affairs; Gary Christensen, Assistant Vice Chancellor for Student Services; Roger Olsen, Assistant Vice Chancellor, OCATE; Jeff Smith, Associate Director, School Relations; Susan Weeks, Director, Institutional Research Services; Barbara Barrie, Personnel Officer; Jim Sellers, Director of Communications; Pat Wignes, Assistant Board Secretary.

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

University of Oregon—President Paul Olum; Dan Williams, Vice President, Administration; Norman Wessells, Provost; Larry Large, Vice President, Public Affairs.
Meeting #574

Oregon Health Sciences University—President Peter Kohler; David Witter, Vice President, Administration; Robert Koler, Interim Vice President, Academic Affairs.

Portland State University—Interim President R. N. Edgington; Gary E. Powell, Acting Vice President, Finance and Administration; Frank Martino, Provost; Gary Martin, Director, Personnel Services; Rod Diman, Vice Provost.

Eastern Oregon State College—President David Gilbert; James Lundy, Dean of Administration; James Hottois, Dean of Academic Affairs.

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

Southern Oregon State College—President Joseph W. Cox; Ronald Bolstad, Dean of Administration; Stephen Reno, Dean of Academic Affairs; Gary Prickett, Dean of Development and College Relations; Susan Roper, Director, School of Education/Psychology.

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

Others—Tom McClellan, Budget Analyst, Executive Department; Doris Bowman, Member, Board of Directors, Oregon Education Association; T. K. Olson, former Director, Educational Coordinating Commission; Elizabeth Johnson, Trustee, Lewis and Clark College.

MINUTES APPROVED

The Board dispensed with the reading of the minutes of the last regular meeting held on February 17, 1989, and approved them as previously distributed. The following voted in favor: Directors Adams, Alttucker, Bailey, Brooks, Bruggere, Dodson, Johnston, Richardson, Wilson, and Hensley. Those voting no: None.

CHANCELLOR’S REPORT

R. F. Hensley, Named Business Leader of Year

The Chancellor announced that Mr. Hensley recently had been named Oregon Business Leader of the Year. He said this was a singular honor and Mr. Hensley was the first person from his part of the state to receive this outstanding award. The Chancellor congratulated Mr. Hensley and said the Board had used good judgment and was fortunate in electing Mr. Hensley as its president.

Portland Metropolitan Area Study

The Chancellor stated the Board’s recommendation with respect to the Portland metropolitan area study had been submitted to the Governor. The Governor has stated publicly that he intends to pursue the recommendation, and the proposal is now awaiting implementation through the Governor’s Office. The Chancellor indicated the reception had been positive and he expected to see the project moving ahead on schedule.
The Chancellor said it was too early in the Legislative Session for any definitive or concrete report on the State System's activities in the Legislature, although the staff is in the midst of hearings before the subcommittee of the Joint Ways and Means Committee. The spirit of the committee is excellent, and the participants seem to view themselves as colleagues working from different directions and perspectives on a common issue and common challenge. Legislators necessarily must be concerned with public issues and public concerns and the allocation of resources among various public purposes. Those in higher education are charged professionally to be concerned with the conduct and implementation of programs. Despite these differences, the Chancellor said he sensed a common purpose to serve the people of Oregon through effective higher education. The results of that should be positive no matter what the eventual dollar amounts may be.

One of the things emerging from these discussions is a challenge to the Board, the Chancellor's Office, and the presidents and their administrations which will mean an exercise of judgment and discrimination in the use of state resources to a significant extent. This will, therefore, lead to the counterpart of accountability, which the Chancellor said he thought was the right relationship. It will involve risks but will also involve the best opportunity to get the maximum return from the investment of state resources. The challenge is to develop responses in policies that will seem to fit the circumstances. In the broadest sense, there is a choice between getting bigger and not better or better and not bigger. Assuming no unforeseeable and extraordinarily unlikely massive infusion of new public funds, a goal of getting better and not bigger would indicate the need to develop a series of policies. The Chancellor said it was too early even to think about decisions. However, some of the factors to be considered in developing policy recommendations might include internal reallocation processes on the campuses, limitations on enrollment growth, perhaps enrollment reductions in some cases, targeting funds on key programs, attempting within those constraints to increase marginally program support and faculty salaries to the limits such policies will allow.

The Chancellor reported the searches for two vice chancellor positions were under way—the Vice Chancellor for Academic Affairs and the Vice Chancellor for Public Affairs. The searches are being pursued with a good deal of urgency, but no deadline has been established for completing either search.

The Chancellor indicated that Portland State University had requested Board approval to award the degree of Doctor of Humane Letters to Mark O. Hatfield and Ursula K. LeGuin at the June commencement ceremony of Portland State University.
Senator Hatfield is a native Oregonian, has served in every layer of state government with great distinction, and has a reputation for integrity and courage. He is a strong powerful friend of Oregon higher education.

Ursula LeQuin is a distinguished author of children's books, novels, short stories, and science fiction. She has been a visiting lecturer at many universities, including Portland State University.

The Chancellor recommended the Board approve the request to award these two honorary doctorates.

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

The Chancellor said Western Oregon State College was proposing to the name of Heritage Hall for the new residence hall at that institution. The name was chosen to commemorate the history of the school. The three wings of the building would be named for three people who have made significant contributions in the presidency, the faculty, and the student body—Henry M. Gunn, Emma F. Henkle, and Oscar C. Christensen.

Dr. Gunn graduated from the institution in 1923 and served as its president from 1947 to 1950. Ms. Henkle graduated in 1916 and distinguished herself in the field of teacher training, as did Mr. Christensen.

The Chancellor recommended approval of the request from Western Oregon State College.

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

Acceptance of Schematic Design for Knight Library Addition and Alterations, UO

Staff Report to the Committee

The Governor's 1989-1991 Recommended Capital Budget includes $26,620,000 to add 185,000 square feet to the University of Oregon's Knight Library and to remodel another 59,000 square feet in that facility. Funds for planning this project were approved by the 1987 Legislative Assembly.

TBG Architects and Planners of Eugene, in cooperation with the University of Oregon Planning Office, has now completed the schematic design for this project. Architectural presentation boards are available within the Committee room.
If the Committee and the Board approve the Schematic Design and the Legislature approves funding for the project, the University anticipates the project will be bid during 1990.

Staff Recommendation to the Committee

The staff recommended that the Board accept the schematic design for the Knight Library Addition and Alterations, as prepared by TBG Architects and Planners and as recommended by the University of Oregon. The staff recommended further that it be authorized to direct the University and its consultants to proceed through the completion of design, preparation of construction documents, bidding, and contract award, subject to appropriation of the necessary funds by the Legislative Assembly and to appropriate authorizations by the State Emergency Board.

Discussion and Recommendation by the Committee

Mr. Bruggere inquired whether the proposed design was within the budget and whether any money was allocated in the future for maintenance.

Mr. Kernsteiner replied the project was within the budget. It was scaled back in order to stay within the existing figure and not seek an increase. The project is an addition to an existing building and will have less maintenance in the early years than would older buildings. Mr. Kernsteiner said the staff had been looking at maintenance policies as requested by the Board at a previous meeting. In addition, the Legislature has expressed considerable interest in dealing with the System's deferred maintenance problems. The staff is hopeful that by the beginning of the next biennium there will be a more reasonable maintenance program.

Mr. Richardson said he had requested Mr. Lemman to prepare a recommendation for the Committee with regard to a change in the Board's Administrative Rule which requires Board approval of the schematic design.

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

Board Discussion and Action

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

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

In 1983, the Board authorized staff to lease Condon School for use by the University of Oregon. Condon School, owned by Eugene School District 4-J, is within the campus boundaries of the University. The lease agreement, as authorized by the Board, contained an option for the Board to purchase the property. Further, all lease payments were to be credited toward the $900,000 purchase price if the Board elected to exercise its option to acquire the property. Through June 30, 1989, the current expiration date of the lease, a total of $300,000 of lease payments will have been made.

The Eugene School District has asked the University of Oregon to buy the property on July 1, 1989. The District is willing to accept $50,000 per year on an installment sales contract – the same annual payment as they have been receiving under the lease. The University has recommended that the Board approve such a sales agreement.

The lease requires that the Board give the District notice of its intent to exercise its rights to purchase the property 90 days prior to the expiration of the lease (in this case, by April 1, 1989). The Board has the authority to acquire land, and sufficient funds are available by shifting monies from the University of Oregon’s leasing account for this property. The lease already makes the University responsible for all utility, minor repair, and remodeling costs. The only additional liability the University would incur would be for major maintenance items. An assessment of the building’s condition is underway.

During the Board’s 1983 discussion on this item, strong expressions of support for buying Condon School were voiced by several members. The University, even at that time, had for many years wished to acquire this parcel. Its current use as an active part of the University’s instructional and research efforts would seem to reinforce the institution’s need for the property.

Staff Recommendation to the Committee

The staff recommended that the Board approve the request of the University of Oregon to exercise the Board’s option to purchase the Condon School property from the Eugene School District. The staff further recommended the purchase be made on an installment basis of $50,000 per year for 12 years, beginning July 1, 1989. While the liability for major maintenance costs would increase, there would be an offsetting value to the University of owning the property and being able to use it more freely to support University activities. Further, the acquisition of this property is within the approved campus boundaries and would help round out the long-contemplated purchase of all properties within those boundaries.
Discussion and Recommendation by the Committee

Mr. Dodson asked what the advantages were to the school district in making the sale. Mr. Farnsteiner replied that one advantage was removing the major maintenance liability. In addition, the school district would prefer new construction to making a building like this habitable for classroom use.

Mr. Richardson noted the staff report mentioned that ownership would permit the building to be used more freely to support campus activities and asked if there were restrictions on the use of the building now.

Mr. Farnsteiner explained that now every use and every change, even a physical change in the building, must be approved by both the university and through the school district approval process. The procedure has been cumbersome in the past. Mr. Lemman added that it would be undesirable to make an investment that would go beyond the terms of the lease unless it could be amortized on a cost beneficial basis.

Mr. Richardson referred to the comment about the purchase of properties within the school boundaries and asked if the intent were to address the acquisition of all of those properties or to do so only as they became available.

Mr. Farnsteiner and Mr. Lemman said the properties would be acquired as the properties and resources were available in accordance with Board policy. No efforts are made to acquire property not on the market or to enter into eminent domain proceedings unless the property is needed as a site for immediate construction of a specific building.

Mr. Bruggere said he noticed no assessment had been made of the condition of the building and asked why a decision to purchase would be made prior to such an assessment.

Mr. Farnsteiner said the wording of the lease option required Board approval prior to completing the condition assessment. If the condition assessment indicates it would be expensive to buy the building in terms of major maintenance, the option would not be exercised.

The Committee recommended that the Board approve the staff recommendations as presented, subject to receipt of a satisfactory condition assessment on the building.

Board Discussion and Action

Mr. Johnston 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, Richardson, Wilson, and Hensley. Those voting no: None.

Staff Report to the Committee

On the evening of February 19, 1989, a large portion of the suspended ceiling in the swimming pool area of McNeal Hall collapsed. Analysis of the material indicated the presence of asbestos. Estimates made by asbestos abatement contractors, architects, and other consultants place the cost of asbestos removal at $120,000, the price tag for monitoring that removal at another $10,000, and the cost of replacing the ceiling with other material in order to baffle sound in the pool area at $80,000. The total cost of removal and replacement, then, is pegged at $210,000.

Southern Oregon State College believes it can recover about $70,000 of this amount from the State Restoration Fund. However, Southern Oregon State College must move forward with its work and request reimbursement from the Restoration Fund after the fact.

At February’s Board meeting, the Board approved an increase in the budget for McNeal Hall Improvements of $425,000 to pay for fire and life safety code improvements required if the originally approved convocation facility was to be constructed. At that time, the Board authorized Southern Oregon State College to use $135,000 of its existing limitation for McNeal Hall to pursue the most pressing code work items. That work also could be done in conjunction with the rest of the now $1,170,000 project upon approval later by the State Emergency Board. The Board also approved Southern Oregon State College’s request to transfer the $425,000 from another student building fee funded project on the Southern campus, the Track/Tennis Court Rehabilitation Project. The collapse of the ceiling occurred just two days after the Board’s February action and prior to the time staff was able to follow through on the authorization to seek the needed changes in the 1989-1991 Capital Budget from the Governor and the Legislature.

In order to deal with this emergency situation and in order to permit the swimming pool to be used again, Southern Oregon State College is seeking authorization to use another $210,000 of its existing McNeal Hall limitation to pay for asbestos removal and ceiling replacement. Further, Southern is asking that the overall limitation on the McNeal Hall project be increased by $210,000 to $1,380,000 in order to permit the other needed code work and the construction of the convocation center to proceed. Although $70,000 is anticipated from the Restoration Fund, the other $140,000 would have to be paid from Student Building Fees.
There may not be sufficient revenue at the Board's requested $18 per quarter fee level to pay for all currently requested projects and to meet this $140,000 need.

**Staff Recommendation to the Committee**

The staff recommended that the Board concur with the requests of Southern Oregon State College to use $210,000 of the existing limitation for McNeal Hall improvements to pay for asbestos removal and ceiling replacement and to pursue reimbursement from the State Restoration Fund. The staff recommended further that it be authorized to seek from the Executive Department and/or the Legislature an increase in the Other Funds Limitation of $210,000 for the McNeal Hall Improvements and that it be permitted to seek expenditure authorization from the State Emergency Board in a like amount to effect the McNeal Hall Improvements. Finally, the staff recommends that the Board authorize the staff to seek from the Executive Department and the Legislature approval to raise the Student Building Fee to $18.50 per quarter if further analysis by the Controller shows this to be necessary to fund this emergency need. While this would raise several hundred thousand dollars in revenue (against an immediate need for $140,000), such an increase would provide a source of funds to meet other emergencies similar to that experienced at McNeal Hall.

**Discussion and Recommendation by the Committee**

Mr. Johnston inquired whether consideration had been given to reprioritizing the list before automatically increasing the building fee by 50 cents. Mr. Lemman said this had not been done because the increase was very modest and the Board already had approved the priority list. However, if the Board wished, the staff could modify the priority list to eliminate the need for the increase. Further, if all of the projects submitted by the Board were not approved by the Legislature, the increase would not be necessary.

Mr. Richardson referred to the $70,000 requested from the State Restoration Fund and asked what would be done if these funds did not materialize.

Mr. Pernsteiner explained the additional 50 cents would provide sufficient funds to cover the $70,000 if that were necessary. Otherwise, there would be a small surplus which would be carried forward to meet other emergency needs. Mr. Lemman indicated the building fee was only raised in increments of 50 cents.

Mr. Johnston concurred that the increase was nominal but thought all options should be explored before automatically raising the fee.
The Committee recommended that the Board approve the staff recommendations as presented.

Board Discussion and Action

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

Mr. Hensley said this occurrence emphasized the significance of the need for constant review and maintenance of the age and condition of buildings and facilities. There were 150 children in the building two days prior to the collapse of the roof, and it was very fortunate no one was killed or injured and the damage was limited to property.

Mr. Lemman said he had had an opportunity following the Committee meeting to reexamine the priorities of capital construction to be financed from the building fee. The repair and replacement of the ceiling automatically becomes a first priority for the building fee for the next biennium. During the Committee discussion, Mr. Johnston had questioned whether there should be a discussion of dropping the lowest priority project as an alternative to an increase in the building fee.

Mr. Johnston indicated he had no objection to the 50-cent increase but wanted to make sure the priorities were clear with respect to this and the other projects.

Mr. Bailey said he would prefer to deal with the building fee and the priority position for this project as two separate issues. He said he was not comfortable with the budgeting approach of adding increments to the building fee for emergency projects. He moved that the Board adopt the first part of the staff and Committee recommendation dealing with the project itself, with the final part of the recommendation pertaining to the building fee to be handled in a separate motion.

The Board approved Mr. Bailey's motion, with the following voting in favor: Directors Adams, Alttucker, Bailey, Brooks, Bruggere, Dodson, Johnston, Richardson, Wilson, and Hensley. Those voting no: None.

Mr. Bailey then moved that the Board approve the recommendation to seek establishment of a building fee of $18.50 per quarter. Mr. Johnston proposed an amendment to reprioritize the capital construction list from building fees to place this project in first priority. Mr. Bailey said the amendment was acceptable to him.
The Board approved the amendment to the motion and then adopted Mr. Bailey's motion as amended. The following voted in favor of both the amendment and the motion as amended: Directors Adams, Altucker, Bailey, Brooks, Bruggere, Dodson, Johnston, Richardson, Wilson, and Hensley. Those voting no: None.

**Staff Report to the Committee**

On November 22, 1968, the Board on behalf of Oregon State University received and accepted from Mr. and Mrs. Victor Swanson a gift of approximately five acres of property on Netarts Bay and Whiskey Creek, Tillamook County. The Swanson family homesteaded on Netarts Bay and earned a livelihood by cultivating and harvesting the natural resources in the area, primarily forest products and fish. The gift was made to show appreciation for the good living the family enjoyed as a result of the homestead privilege. The Deed of Gift received from the Swansons contained no restrictions regarding use or disposition of the property.

In 1969, Oregon State University, in cooperation with the Oregon Department of Fish and Wildlife, initiated a salmon hatchery and research program at the site. The existing home, raceways, and other facilities, initially valued at $12,000, is now valued at $50,000 to $60,000. The increased value has resulted from subsequent construction of a caretaker's home, raceways, and other facilities on the site by Oregon State University professors Dr. William J. McNeil and Dr. James E. Lannan, graduate students, and other interested faculty and staff, often using donated and surplus materials. Since that time, the fish propagation program has raised as many as 900,000 salmon fingerlings in a season and assisted in increasing the adult salmon run from 400 to as high as 6,878 fish in 1980. The most recent run numbered 2,343 fish. Other research conducted over the years includes shellfish and miscellaneous wildlife.

Because the donated five acres are on the bay side of the road and do not have a source of fresh water during high tide, Oregon State University, between 1968 and 1972, used on an informal basis 1.47 acres of the Swanson's property in order to obtain necessary fresh water access. Between 1972 and 1977, the University leased this additional acreage from the Swansons. Following Mr. Swanson's death, the University had the 1.47 acres appraised and, in 1977, purchased this additional acreage for $6,150.

After 1977, funding for fish research at the site remained adequate until 1982. Since that time, limited funding has enabled only the propagation of fry and fingerlings. It is anticipated that this limited work will continue at the site even though the property may be leased. Although Oregon State University does not have current need or funding for full use of the property for
research and instruction, University executives believe it should be retained at least into the near future because Oregon State University’s Sea Grant Program might eventually include additional instruction and research which would require more or even complete, use of the facility.

Meanwhile, the facility needs to be maintained. University authorities have recommended that the property be leased to Tillamook Anglers, Inc., a nonprofit organization dedicated to increasing public knowledge and appreciation of fishing in Tillamook County and elsewhere in the state. Early discussions between University authorities and officers of Tillamook Anglers, Inc., have enabled both groups to conclude that a lease would be mutually beneficial in that the property would be maintained and even enhanced by the Tillamook Anglers, Inc., at no cost to the University, and simultaneously would provide a site where Tillamook Anglers, Inc., could pursue its goals and objectives.

Staff Recommendation to the Committee

It was recommended that the Board authorize the staff to negotiate and execute a five-year lease, including an option for an additional five years, with the Tillamook Anglers, Inc. The rent will be $1 per year, plus the cost of maintenance, and mutually beneficial renovations and improvements which both parties must agree that the Tillamook Anglers, Inc., should initiate and complete at no cost to the University. Said lease will include a reservation for use of a portion of the facility by Oregon State University, all of the standard provisions pertaining to proper maintenance and payment of all assessments and taxes, if any, and payment of the cost of utility and other services by the lessee.

The terms and conditions of the lease will prohibit liens, shift to lessee the risk and potential liability when using the facility, and include provisions covering the event and consequences of default, bankruptcy, or insolvency by the lessee.

Finally, the lease will include a provision which will enable the University to terminate the lease in the event the University finds it necessary again to make greater or full use of the facility in order to continue its salmon propagation program.

To give assurance to the Tillamook Anglers, Inc., that its investment will enable use of the improvements they contemplate for a reasonable period of time, the University will commit itself to pay the market value of such improvements if the University finds it necessary to repossess the facility before the first five years.

Before the lease is executed by the appropriate Board staff member, it will be reviewed for legal sufficiency by the Board’s legal counsel.
Discussion and Recommendation by the Committee

In response to a question from Mr. Bruggere, Dr. Perry said the Tillamook Anglers group was a nonprofit organization dedicated to educating people about fishing. Dr. Coate added Tillamook Anglers had been there for some time and the institution was comfortable with the arrangement.

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

Board Discussion and Action

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

Mr. Adams said the institution apparently wanted to retain the property for possible future use. He noted the commitment to pay the market value of any improvements Tillamook Anglers, Inc., might make and asked if this might be a problem if extensive improvements were to be made by the organization.

Dr. Coate said significant improvements were not anticipated and it was unlikely the lease would be terminated during the five-year period. The institution would not pay for any improvements that were there after the five-year period but would pay for them if the institution needed the property within the five years. The staff report was modified to clarify this arrangement.

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

Staff Report to the Committee

At its July 1988 meeting, the Board approved a $10 increase per term in the instruction fee at four institutions for instructional computing when it adopted the 1988-89 Academic Year Fee Book. Those institutions were Oregon State University, Oregon Health Sciences University, Western Oregon State College, and Southern Oregon State College. On October 21, 1988, the Board likewise authorized the University of Oregon to increase tuition winter and spring terms this year for the same purpose. The Board approved these increases with the understanding that the $10 fee would be treated as an early partial implementation of the proposed instruction fee increase scheduled for 1989-90. Subsequent to that time, Portland State University now also has requested such an increase to be implemented spring term of this year.
Portland State University proposes to increase its 1988-89 Instruction Fee for spring term to assist in financing instructional computing. The fee is estimated to generate approximately $100,000. The University proposes to use the funds for expanding general access to the student microcomputer lab.

If the Board approves this proposal, the same steps would be implemented as for the previously-adopted increases:

1. The Chancellor's staff would estimate the additional income to be generated by a $10 per term increase in the instruction fee.

2. The institution would be authorized to expend, through an increased budget allocation, the estimated additional income generated by a $10 per term increase.

3. The institution would be required to create an expenditure account entitled "Supplemental Instructional Computing" equal to the amount of the estimated income and increased expenditure authorization.

4. The increased expenditure authorization attributed to the increased fee for computing would become a permanent addition to the institution's base budget, thereby permanently funding an increase in the resources for instructional computing at each institution.

Staff Recommendation to the Committee

The staff recommended that the Board: (1) find that the charge is necessary to carry out its educational programs and (2) authorize the staff to increase the instruction fee $10 per term for spring term 1989 for Portland State University above the previously authorized 3% increase for 1988-89 in preparation of the Academic Year Fee Book for 1988-89. The Academic Year Fee Book was adopted July 15, 1988. A special public hearing is being held March 6, 1989, on amending the 1988-89 Academic Year Fee Book. It was recommended that this fee be considered an early partial implementation of the 1988-90 tuition increase approved by the Board June 17, 1988, and be discontinued in 1989-90. It was further recommended that the funds generated by the additional fee increase be dedicated to increasing the Portland State University's expenditure budget for instructional computing in accordance with the plan submitted by the institution, in the manner outlined in this agenda item.
Staff Report on Public Hearing

On March 6, 1989, a public hearing was held in Room 298 of the Smith Center at Portland State University to take testimony on the computer resource fee being proposed for implementation at Portland State University in spring term of 1989. One person appeared to give testimony. No written testimony was received concerning this issue.

Mr. Jerome DeGraff, a Portland State University faculty member, testified at the hearing. He stated that a one-term increase in tuition is an inappropriate method of paying for microcomputers and labs. He felt they should be funded through reallocation of existing incidental fees.

Discussion and Recommendation by the Committee

In response to the suggestion by Mr. DeGraff during the public hearing, Mr. Quenzer indicated the staff considered his proposal an inappropriate way to finance computer resources for instructional purposes on a campus. Incidental fees are to be used for incidental expenses, not for education and General expenses. The computer resources should be financed through tuition rather than from incidental fees.

Mr. Dodson stated it would be appropriate to reaffirm tuition should not be the first recourse, and asked if the computer resource fee would be phased out.

Mr. Quenzer said this was correct. The proposed $10 represents a partial implementation of the tuition increase authorized for 1989-90. The percentage increase in tuition approved by the Board for 1989-90 would not be in addition to this $10 but would be based on the instruction fees prior to implementation of the $10 computer resource fee. The expenditure plan basically will be the same as originally submitted for computer resources.

The Committee recommended that the Board approve the staff recommendation. Mr. Johnston was opposed.

Board Discussion and Action

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

The Board approved the Committee recommendation, and on roll call vote the following voted in favor: Directors Adams, Alltucker, Bailey, Brooks, Bruggere, Dodson, Richardson, Wilson, and Hensley. Those voting no: Director Johnston.
Lease of Land for EPA Office Building, OSU

Staff Report to the Committee

The United States Environmental Protection Agency (EPA) has requested that the Oregon State System of Higher Education, on behalf of Oregon State University lease land on the Oregon State campus to a private developer of EPA's choosing for the construction of an office building for use by EPA. At the end of the proposed 20-year lease period, ownership of the building would be transferred to the Oregon State Board of Higher Education.

The Environmental Protection Agency requires a commitment from the Board to enter into a lease prior to soliciting and accepting final proposals from developers and proceeding with construction.

The land involved totals about 3 acres. There are two possible sites. The first is located off 35th Street, just north of the present Environmental Protection Agency facility. The other is west of the current EPA facility, also off 35th Street. The Environmental Protection Agency's developer would be required to construct a new stock-judging facility to replace Oregon State University's structure which would have to be demolished to allow the new office building to be built.

Staff Recommendation to the Committee

Terms of the lease and any special conditions and restrictions desired by Oregon State University have not yet been determined and negotiated but will be decided in the near future. Oregon State University has indicated strong support for this proposal by the Environmental Protection Agency.

It was recommended that the Board authorize the staff to continue discussions with Oregon State University and Environmental Protection Agency officials and subsequently prepare the necessary documents to effectuate the lease. The consideration to be received would be the eventual ownership of the building, continuation of Oregon State University's long-standing close working relationship with the Environmental Protection Agency, and a small amount of cash to offset the need to purchase feed to replace what has been grown on the site ($2,600 in the first year and $600 annually thereafter).

Before executing a 20-year lease, the staff will obtain a complete review as to its legal sufficiency from the Board's legal counsel.

Discussion and Recommendation by the Committee

Mr. Bruggere asked whether the Board had any say in the design of the building in order to make sure it would be suitable for the institution's use when the State System acquired the structure.
Mr. Fernsteiner and Vice President Coate indicated the building would be a standard federal office building and federal guidelines were quite similar to those of the State System.

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

Board Discussion and Action

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

In response to a question from Mr. Alltucker, Dr. Coate indicated the facility would be used primarily to house contractors who are housed in other facilities.

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

Forecast of 1989-1991 Staff Report to the Committee

Budget Deficit, University
Hospital, OHSU

The Oregon Health Sciences University administration reports that a negative ending balance in excess of $11 million should be forecast for the University Hospital for the 1989-1991 biennium, unless additional sources of revenue can be located or unreimbursed costs reduced. This deficit is the result of changes in Medicare and Medicaid reimbursement practices. Although not a new development, sufficient information to substantiate a deficit of this magnitude was not available during preparation of the Board's 1989-1991 Budget Request.

The University Hospital is expected to report a small positive balance at the end of the current fiscal year, the fifth successive year of profitable operations, which represents a record for this enterprise. Excess revenue from operations of $1.2 million is projected from gross patient revenues of $194.4 million. However, for 1989-90, an operating loss of $3.2 million is projected on gross patient revenues of $216.9 million. An additional $5.5 million of operating loss is forecast for 1990-91. The ending cash balance on June 30, 1991, is forecast to be a negative $11.7 million from a positive balance of $100,000 on June 30, 1989. It must be noted that 1988-89 projections may be overly optimistic, and the ending balance forecast could erode to a negative balance of $500,000 or more, depending on Medicaid program payment changes.
OREGON HEALTH SCIENCES UNIVERSITY
UNIVERSITY HOSPITAL
Projected Operations Statement
1987-88 through 1990-91

<table>
<thead>
<tr>
<th></th>
<th>Pro-</th>
<th>Total</th>
<th>Pro-</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>jected</td>
<td>Biennium</td>
<td>jected</td>
</tr>
<tr>
<td>1987-88</td>
<td>160.2</td>
<td>194.4</td>
<td>354.6</td>
<td>216.9</td>
</tr>
<tr>
<td>Revenue Deductions</td>
<td>45.7</td>
<td>61.3</td>
<td>107.0</td>
<td>75.0</td>
</tr>
<tr>
<td>Net Operating Revenue</td>
<td>114.5</td>
<td>133.1</td>
<td>247.6</td>
<td>141.9</td>
</tr>
<tr>
<td>State Appropriation</td>
<td>16.7</td>
<td>12.6</td>
<td>29.3</td>
<td>13.1</td>
</tr>
<tr>
<td>Net Revenue</td>
<td>131.2</td>
<td>145.7</td>
<td>276.9</td>
<td>155.0</td>
</tr>
<tr>
<td>Operating Expense</td>
<td>129.8</td>
<td>144.5</td>
<td>274.3</td>
<td>158.2</td>
</tr>
<tr>
<td>Operating Income/(Loss)</td>
<td>$1.4</td>
<td>$0.2</td>
<td>$2.6</td>
<td>$(3.2)</td>
</tr>
<tr>
<td>Ending Cash Balance</td>
<td>$ 5.4</td>
<td>$ 0.1</td>
<td>$ 0.1</td>
<td>$(5.0)</td>
</tr>
</tbody>
</table>

A portion of the cause can be shown by comparing gross patient revenues with net patient revenues, the difference being uncollectible accounts. For the 1989-1991 biennium, the gross revenues are estimated at $450.9 million; the net revenues are estimated at $291 million. The difference, $159.9 million, is forecast to be uncollectible, with one-third attributable to non-sponsored patients, and over one-quarter to Medicaid patients. A 1987-88 comparison of non-sponsored billings by the Oregon Health Sciences University's teaching hospital and the average experience of the members of the Western University Hospital Council reveals the Oregon Health Sciences University's non-sponsored billings were 19% of total billings against 10%. In the Medicaid reimbursement area, Oregon Health Sciences University collected 49% of its Medicaid billings; the Western Council average was 58%. Studies comparing HealthLink (operator of Emanuel and other hospitals in the Portland metropolitan area), its Emanuel component, and University Hospital also indicate that University Hospital experiences a higher level of unreimbursed billings. Profit levels for 1987-88 for both Emanuel and the larger HealthLink group were over 5% of gross patient revenues; University Hospital's profit was less than 1%.

Some physical factors impinge on University Hospital's continued profitability. Among these are achieving capacity occupancy and a related and predictable decline in profitability as capacity is reached. The capacity of 358 beds will remain through 1989-1991.
Another contributor to the financial difficulties is the level of state participation in the educational function of the hospital. That cost is estimated to run in the range of $23 million annually. The state General Fund appropriation to the hospital for educational costs is currently running at $12.5 million. About $11.5 million additional recurring General Fund appropriation would be required to close this gap.

An infusion of $11 million of additional resources (or an equivalent reduction in expense without revenue loss) would only bring the hospital to a zero balance. To achieve a profit level in the 5-6% of gross patient revenues necessitates an additional $11 million per year in net revenues or cost reductions.

A possible resolution to the non-collectible revenue problem is an increased state investment in its Medicaid share, leveraging additional federal matching funds, and increasing the resource available to all hospitals. It is estimated additional state financing of $14 million is required to make this option fully responsive to University Hospital needs.

There appear to be three courses of action which lead to full or substantial correction of the University Hospital fiscal difficulties in the coming biennium. All three require an outlay of General Funds.

Option 1 requires an additional outlay of $14.5 million of General Funds. Of this amount, $13 million would be budgeted to Adult and Family Services, Department of Human Resources, to be used to leverage $21.2 million of federal funds, for a total impact of an additional $34.2 million of Medicaid funds. Assuming University Hospital's retaining a 26% share of the Medicaid market, this would mean $8.9 million in additional revenues to University Hospital. These funds, together with an additional $1.5 million to restore General Fund education support to the hospital lost in previous budget reductions; cost reductions of nearly $1.2 million in flattening of hospital management; just over $1 million from initiation of a program to exempt hospital employees from the Public Employees Retirement System (PERS) with an alternative retirement program managed and funded by the hospital; and $100,000 in the second year of the biennium through a change to an hourly-based payroll system would result in a projected benefit of $12.7 million. This would leave a $1 million reserve for 1989-1991.

By increasing the Medicaid pool substantially, this option would provide a benefit to more than just the University Hospital. Seventy-four percent of the additional funds would help additional patients at other hospitals.
Option 2 has a General Fund cost of $11.6 million. All of these funds would be added to the hospital budget to compensate the hospital fully for costs of providing education to the University's students. No benefits would accrue to other state agencies or other related interests.

Option 3 would require the University Hospital staff to limit non-sponsored admissions to those required to meet the education requirements of the hospital or to address extreme humane needs. It is estimated that tightening of non-sponsored admissions may reduce hospital costs by $6 million over the biennium. In addition, selected items from Option 1 above in the range of an additional $6 million would also be required to meet the remaining underfunding problem. This option would have a General Fund requirement of less than $3 million but would have the impact of either forcing non-sponsored patients to other health care institutions, refusing to accept transfers from other health care institutions, or leaving a portion of the population with no or marginal health care attention.

Staff Recommendation to the Committee

The staff recommended that the Oregon Health Sciences University administration be authorized to present, during hearings before the subcommittee on Education of the Joint Committee of Ways and Means, the case for Option 1, described in the staff report in order to address the estimated ending balance deficit forecast for June 30, 1991.

Discussion and Recommendation by the Committee

Mr. Dodson inquired whether the changes in Medicaid reimbursement practices would impact other hospitals in the same way as they do University Hospital, or were there significant differences.

Mr. Witter stated that functionally it impacted all hospitals in that they are all experiencing declines in payment rates. The impact differs given the volume of Medicaid given (a) the volume of Medicaid business and (b) the case complexity and lengths of stay. University Hospital is the largest Medicaid provider in Oregon, serving about 25% of the clients.

Mr. Richardson requested Mr. Lemman to elaborate on the staff recommendation. Mr. Lemman explained the intent was to continue negotiations with the Legislature to appropriate $14.5 million of General Fund money to Adult and Family Services which can then use those funds to leverage an additional $21 million of federal funds. An additional $34 million would be available in Medicaid
funds for all of Oregon. On the basis of University Hospital's 26% share of the market, it would receive approximately $9 million in additional revenues from Medicaid. These funds would be in addition to the transfer made by the 1987 Legislature from the University Hospital to Adult and Family Services.

Mr. Johnston asked if the three options were in priority order. Mr. Witter replied Option 1 was clearly preferable because of the direct General Fund support. It addresses the financing problem at University Hospital but fits in with other priorities dealing with human resource needs. Also, it addresses on a broader basis the financing of non-sponsored care so that other health care providers also benefit from handling the funds in that way. The big disadvantage of Option 3 is humanitarian and also significantly political because of substantial reductions in amounts of non-sponsored care for patients who have very limited options.

Mr. Bruggere said there was an $11 million shortfall out of $450 million revenue, or about 2.5%. The $1.2 million cost reduction program would represent about half of 1%.

Mr. Witter said that seemed like a relatively small amount and explained why it would be difficult to do more. The Hospital, over the past six years, has worked very diligently to reduce its operating costs through a process of reexamining and thinning management and by trying to increase productivity on the nursing unit and in various other services. It is difficult to achieve further reductions without significant additional capital investments to make things more efficient. This is a continuing process and is similar to other industries where major restructuring is occurring. Mr. Witter also stated that the opportunities to share non-sponsored payment or non-sponsored patient uncompensated care are becoming extremely limited. As Medicare and Medicaid payments are lowered, it will be essential to deal with efficiencies and revenue enhancements in order to maintain a positive bottom line.

Mr. Lemman said this situation was illustrated in the table. The current biennium has uncollectible billings of 30% while the forecast for the next biennium is 35%. At the same time, the ending cash balance for the two years is reduced by only 2.5%, so some efficiencies already have been instituted to help absorb the 5% additional revenue loss.

Mr. Dodson asked whether this proposal would be a significant factor to other hospitals. Mr. Witter indicated hospitals with high Medicaid loads would benefit. Emanuel Hospital, which has the second highest Medicaid load in the state, would be the next largest beneficiary after University Hospital from the Option 1 plan. A number of small rural hospitals where there are high
concentrations of Medicaid patients will benefit, and any hospi-
tal with Medicaid patients will benefit by a small amount through 
the increased leverage payment. It is anticipated there would be 
support for enriching the Medicaid payments.

The Committee recommended that the Board approve the staff recom-
mendation as presented.

Board Discussion and Action

At the request of Mr. Richardson, Mr. Lemman presented the report 
and recommendations from the Committee.

Mr. Alltucker said this problem represents $169 million which 
really should not be funded through the Department of Higher Edu-
cation but through the Department of Human Services. He said 
Option 1 would accomplish that to some extent but was not as 
clear as he would like it to be.

Mr. Lemman said Option 1 maximized the amount of leveraging that 
could be accomplished during the next biennium under present 
estimates of federal resources.

Mr. Alltucker pointed out that the uninitiated tended to take the 
total funding for the Oregon Health Sciences University, includ-
ing the $160-170 million which relates to human services rather 
than education, and divide it by the number of students to reach 
a cost per student. He stated this worked to the detriment of 
the entire State System.

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

OEPP Review of 
Fifth-Year 
Teacher Educa-
tion Programs

Mr. Adams indicated that when the Board discussed the fifth-
year teacher education program two months ago, Mr. Roger Bassett, 
Director of the Office of Educational Policy and Planning, had 
agreed to review the programs. Copies of the review were sent to 
all Board members, and a copy is on file in the Board’s Office.

Mr. Adams said Mr. Bassett had presented his review to the Com-
mittee on Instruction, Research, and Public Service programs, and 
the Committee discussed the review briefly. The Committee also 
heard comments from Ms. Doris Bowman, a member of the Board of 
Directors of the Oregon Education Association.

Mr. Adams stated the review was very helpful in the Board’s pro-
cess of developing programs because it listed concerns, assess-
ments, and recommendations collected from a number of sources. 
He indicated there would be forums for interested parties to meet 
with the deans of the schools of education and other opportuni-
ties for more discussion and comment.
Mr. Adams said the review contained many details to be considered and integrated into the fifth-year programs as part of a continuing process. Mr. Adams indicated the Committee would be responsive to the report received and the questions asked and there would be an additional progress report later in the summer.

Staff Report to the Committee

Introduction

The University of Oregon seeks authorization to establish a Center for Housing Innovation. The Center will have as its purpose the expansion of research related to the planning, design, construction, and manufacture of housing. While the activity of the Center will have an international basis, the emphasis will be on housing innovation in the Pacific Northwest. The Center for Housing Innovation will coordinate and enhance the interdisciplinary research efforts of faculty from several disciplines, including architecture, business, international studies, and physics.

Staff Analysis

The establishment of the Center for Housing Innovation represents a logical step by the University of Oregon to promote, coordinate, and conduct research related to the improvement in housing quality, availability, and affordability. The Board's Strategic Plan for 1987-1993 calls for the State System institutions to "develop new academic programs that serve the interests of the State of Oregon." Because of the importance of lumber to Oregon's economy, there is considerable interest in the state in the issues facing the nation's housing industry. The University of Oregon is also responding to the Board's directive to encourage "interinstitutional and other interagency cooperative efforts."

1. Relationship to Assigned Mission

The establishment of the Center is consistent with the University's mission to share "new knowledge and understanding with the community, working to improve educational, cultural, and economic conditions in the state and nation." The University was directed in the Board's Strategic Plan to build on its strengths and stress its research mission by developing "mechanisms for fostering interdisciplinary research" as a way of "addressing society's multifaceted problems."
2. **Relationship to Board’s Requirements for Designation as a Center**

The proposed Center fully meets the Board’s requirements for designation as a center. On March 25, 1977, the Board adopted the following policy relative to the establishment of centers and institutes:

A. That the careful, considered institutional use of the center and institute mechanism be recognized by the Board as a legitimate, potentially valuable alternative approach to the furtherance of institutional mission, through the fostering of interdisciplinary activities in pursuit of basic and applied research and instruction, the attracting of nonstate funding in support of institutional mission and goals, the motivation of faculty, the creation of a flexibility permitting the shifting of resources to new and different constituencies as the need is apparent, and the strengthening of academic departments.

B. That the Board establish the principle that the justification for establishment of centers and institutes must be in terms of their potential for contributing to the achievement of the institutional mission.

The fact that federal or other nonstate funds can be secured to fund totally or in principal measure a given center or institute cannot be considered justification for the establishment of that center or institute. The real test of justification must be in terms of the extent to which the objectives of the proposed center or institute can be shown to be wholly consistent with and fully supportive of the institution’s mission. Failing the test, the center or institute ought not to be established.

3. **Evidence of Need**

Numerous factors provide compelling evidence for the need for more research on housing. The cost of housing in the United States has increased so dramatically that home ownership has become very doubtful, if not impossible, for many families. For example, in 1973, the average household allocated 22% of its gross income to the purchase of a home; by 1986, the average household allocated 27% of its gross income to the purchase of a home. Land prices have increased from 11% of the total cost of a new home in 1949 to 20% of the cost in 1988.
Recent reports indicate that the 1980s will probably be the first decade since the depression days of the 1930s to show a decline in the overall rate of home ownership in the United States. Presently, only about 20% of the families in the nation have household incomes large enough to afford the loan necessary to pay for the average new site-built house unless they are already homeowners with substantial equity.

There are a number of other housing problems which need careful and systematic research. The rural housing stock is deteriorating and there is not enough housing available to meet the needs of special groups such as migrant farm workers and the homeless. Meanwhile, the demand for quality, affordable housing continues to grow; but the public and private sectors have failed to meet the demand.

The national shortage in housing affects Oregon in two primary ways. First, the forest products industry suffers because it is economically dependent on housing starts and remodeling. Second, a recession in the housing industry compounds the difficulty for Oregon to meet the need for housing within the state. There is also a critical need to keep Oregon's forest products and housing industries competitive.

The establishment of this Center will strengthen the University's effort to focus its diverse programs on issues related to housing innovations and research.

4. Quality of the Proposed Center

The University of Oregon provides a strong research base with an extremely broad range of expertise in the area of housing. One of the specific areas of expertise making the University an ideal location for the proposed Center is the energy research within the Department of Architecture. Architecture faculty members who specialize in energy issues are nationally known for their outstanding research contributions. This expertise will be available to support the Center directly. The Department of Architecture has a significant track record in conducting research in these areas, working both independently and through the University of Oregon's Solar Energy Center, which brings together a number of departments, faculty, and community members with common interests.

The Department of Architecture faculty is also nationally recognized for housing design and research. Staff members have completed award-winning housing projects for both public and private clients. Innovative projects have also been
carried out in Puerto Rico, Mexico, Colombia, Israel, Jordan, and Turkey. Careful attention to climate and energy consumption have been characteristic of this work. This experience will be invaluable in the design of housing that has market acceptability in both domestic and foreign locations, vital for improving the competitiveness of the U.S. housing industry.

Other University programs will directly contribute to the Center for Housing Innovation. The College of Business Administration maintains the Forest Industries Management Center with the goal of stimulating research and education in the forest products field. The International Business program collaborates with the International Studies program to teach and research international marketing management and commerce. The Department of Economics faculty who specialize in international economics, private industry, and public policy are also available to contribute to the Center. Oregon government and business leaders have experience with international trade around the Pacific Rim. The development of housing components and systems that are appropriate for these markets will greatly improve the value of U.S. exports to Pacific Rim trading partners.

The proposed Center will be built upon the expertise of the faculty listed in Appendix A of the full report, a copy of which is on file in the Board’s Office.

5. Resources to Establish the Center

Most of the resources needed to establish the Center for Housing Innovation are already in place. The faculty are already on board, occupying positions in the departments and schools previously listed.

The School of Architecture and Allied Arts is one of ten regional daylighting research centers in the U.S. and recently received a generous gift to endow a chair in architectural design with an emphasis on light and lighting. This endowment will attract internationally known practitioners to augment the existing strengths in energy and environmental control systems research.

The Center will require the addition of a 1.0 FTE classified staff position. That position is currently supported by a U.S. Department of Energy grant. The Center will begin operating with standard office equipment that will be provided from University funds. The Center will initially utilize space in the School of Architecture and lease space in a building adjacent to campus. In the future, the Center is
expected to be an occupant of the Riverfront Research Park. The University plans to continue this modest level of investment in the Center on a recurring basis in order to get the best possible leverage for outside funds.

Program Duplication

There are two well-known housing centers nationally — the Joint Center for Housing Studies in Cambridge, Massachusetts (a joint venture of Harvard and MIT) and the National Association of Home Builders’ National Research Center in Washington, D.C. There are no other housing centers in the Northwest.

The University of Oregon works to develop joint venture relationships with government and private industry. Located near many large and significant forest products plants, the University is in close and continuous communication with the forest products industry, a critical element of the U.S. housing industry.

The staff of the Center intends to work with Oregon State University’s Forest Research Laboratory on issues relating to technical considerations for wood products and materials science. There are potential joint projects with the School of Engineering related to building structural, mechanical, and electrical systems. The proposed Riverfront Research Park will serve as a catalyst for regional research projects related to economic development.

Program Review

The University’s proposal for establishing a Center for Housing Innovation has been reviewed and discussed by the Board’s staff and the members of the Academic Council. The staff finds the proposed Center to be an important mechanism for carrying out the University’s assigned research, instructional, and public service mission. The Academic Council views the Center as a meritorious administrative unit that will enhance the University’s efforts to expand and strengthen interdisciplinary research activity on the campus.

Staff Recommendation

The Board’s staff recommended that the Board authorize the University of Oregon to establish the Center for Housing Innovation, effective immediately.

Discussion and Recommendation by the Committee

Dr. Holly Zanville presented the staff report and then requested Dr. Norman Wessells, Provost at the University of Oregon, to describe the kind of work which would occur in the Center.
Dr. Wessells said the proposed Center would combine effectively research, teaching activities, and public service. The mission includes work on design, production, and preservation of housing. Housing-related issues of zoning, housing design, user participation, and community aspects of housing will also be part of its mission. He also emphasized the importance of energy efficient housing, an area of research which can be covered under the mission of the Center.

Dr. Wessells said that in explaining to legislators and to the public the importance of research universities to the state, the Center represented an excellent example in that it will make a contribution not only to regional and state economics but to very important issues facing the country. A research university has brought together faculty of national prominence and significance who have developed the proposal for this Center and attracted seed money from the federal government and other places to support its activities. Ultimately, it probably will be necessary to help sustain these activities, either through indirect cost recoveries or reallocation of internal resources.

Mr. Adams asked if the Center would be involved in studying existing products in housing construction or developing new innovative things.

Dr. Wessells said he understood that activity was already going on at both the University of Oregon and Oregon State University. The forestry school is much broader in its research efforts than the management of forests. The Center will facilitate the interchange of ideas and research projects. He commented that there already had been research projects in the Middle East and Asia using a variety of different local products in connection with energy-related housing processes.

Mr. Hensley said he understood the school of home economics at Oregon State University had an undergraduate course in housing and asked if there would be any opportunity for students in that program to get some exposure to the proposed Center.

Dr. Spanier said the home economics courses dealt more with managing housing and homes and was very remote from the activities of the proposed Center. However, there would be a direct connection for the interiors area in home economics. Forestry, wood products, and civil engineering would be more directly supportive of the proposed Center at the University of Oregon. Dr. Spanier said Oregon State would not want expansion of a program in the Center that would interfere with work done at Oregon State. He said the only specific reference in the proposal that might have a possible conflict would be the discussion of wood products. However, if that unfolds as anticipated in a cooperative way and building on the expertise at Oregon State, there should be no problem.
Mr. Alltucker commented that it was his opinion the institution should be prepared to find continuing support funds by reallocation as the program develops, and Ms. Wilson concurred.

The Chancellor said the proposed program illustrates that, in a state with limited resources, it is important to look for those areas which are good enough to have a high leverage of return on the institutional investment. There is almost a general proposition that institutions should not have programs in the research area that are not very good because they cost too much. The good programs do not cost as much because they produce so much external funding. This is a principle which must be kept in mind at all times in considering programs.

Ms. Wilson said it would be helpful to have a budget showing the expenditures and income sources for the first year and also the new funds or reallocation of funds in the future. This would eliminate dealing with the issue of requesting new funds in the future from the Board.

The Chancellor indicated that conversation had occurred internally prior to submitting the proposal.

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

Board Discussion and Action

Mr. Alltucker presented the report and recommendation from the Committee. As the program develops, Mr. Alltucker indicated it would need perhaps $200,000 a year in sustaining funds, and the institution was informed that money would have to come from reallocation of its existing funds.

The Board approved the Committee recommendation, with the understanding any funds required would come from outside sources or reallocation of existing resources within the institution. The following voted in favor: Directors Adams, Alltucker, Bailey, Brooks, Bruggere, Dodson, Johnston, Richardson, Wilson, and Hensley. Those voting no: None.

Mr. Adams said the Committee on Instruction, Research, and Public Service Programs had heard a report on the State System's High School Relations Program. The report was extensive and Board members were provided with packets of the materials sent to the high schools together with data collected from the high school visitations. A set of the materials is on file in the Board's Office. Mr. Adams indicated this informational program to high schools appeared to be a very attractive on-going effort. The Committee discussed the information provided.
Rural Health Education Program

Mr. Adams said the Instruction Committee also heard a report from President Kohler in regard to the proposed move of the rural health education program from the health division of human resources for the state to the Oregon Health Sciences University. Testimony has been presented to the Legislature and there appears to be no opposition to the transfer. Dr. Kohler indicated it was not anticipated there would be any increased need for funds as a result of the change.

Academic Progress of Student Athletes, 1983-84 through 1987-88

Staff Report to the Board

A summary progress report on the "Academic Progress of Student Athletes" is presented below. The full report will be mailed to Board members, institution presidents, Academic Council, Administrative Council, and directors of athletics. The full report is on file in the Board’s Office.

Background

In March 1983, the Oregon State Board of Higher Education established a policy for intercollegiate athletics which, among other things, required State System institutions to monitor the academic progress of student athletes (Section 8.031 of the Board’s Internal Management Directives). The major goal of the academic progress portion of the policy is to assure normal academic progress for student athletes, with degree attainment expected in approximately five years after initial registration. Institution presidents are also required to establish policies and procedures aimed at accomplishing this goal.

More specifically, institutional policies must require: minimum academic term credit hour loads of twelve hours in degree-related courses during seasons of competition, compliance with normal progress rules established by the institution, development and use of continuing academic monitoring systems for student athletes, and an annual report to the Board on the progress of student athletes toward degree attainment. The annual reporting function is coordinated through the Division of Administrative and Information Systems Services (AISS), Office of Administration, which is responsible for the study design and compilation of institutional data.

This is the fifth progress report on the six-year study of the academic progress of athletes. The first complete report covering the academic progress of a "cohort" group of student athletes for the full six years will be published in 1989-90. Currently, five years of data are available on the earliest 1983-84 study cohort.
Purpose

The study aims to answer the following questions:

- What proportion of student athletes obtain bachelor's degrees within four, five, or six years?

- What proportion of student athletes leave the sport but remain enrolled at the institution? Of those, what proportion left the sport in good academic standing as defined by their institution? What proportion left not in good standing?

- What proportion of student athletes are no longer enrolled at the institution at the end of each academic year, and at the end of four, five, or six years? Of those, what proportion left the institution in good academic standing as defined by their institution? What proportion left not in good standing?

- Do the study results vary among the sports at any given institution?

It should be emphasized that this study is not an evaluation of intercollegiate athletics or individual sport programs; it focuses only on athletes as students. Every study of student academic progress will reflect a diversity of academic abilities and levels of motivation. Both the scholarship and non-scholarship intercollegiate athletic programs at the seven State System institutions (excluding Oregon Health Sciences University) are included in the study. The study focuses on the role and impact of the athletic activity itself in the context of academic progress, not on whether the student athletes receive no, partial, or full athletic grants-in-aid, or federal or state financial aid based on need.

It should also be noted that no comparisons will be made among institutions. Major variations exist, of course, within the State System on the emphasis and type of intercollegiate athletic program. The University of Oregon, Oregon State University, and Portland State University provide many athletic scholarships under National Collegiate Athletic Association (NCAA) guidelines, but not all student athletes at these institutions receive grant-in-aid scholarship assistance. The regional colleges and Oregon Institute of Technology operate primarily under National Association of Intercollegiate Athletics (NAIA) rules and generally do not provide grant-in-aid assistance except under financial aid programs available to all students who can qualify. Therefore, a comparison, for example, of Oregon State University's intercollegiate athletics programs with those of Eastern Oregon State College would be meaningless. Any conclusions which might be drawn would be invalid.

-161-
Study Design

The Board has received a progress report following each year of the six-year longitudinal study of the academic progress of athletes. To date, the Board has received four reports, 1983-84, 1984-85, 1985-86, and 1986-87. This current (fifth) report is for 1987-88.

Each study group or "cohort" added to the study consists of student athletes who are first-time freshmen, new transfers, and other undergraduates new to the sport, but already enrolled at the institution. The group will have entered the sport for the first time during that reported academic year. An academic-year cohort is added annually until data on the total of six consecutive cohorts, 1983-84 through 1988-89, have been collected and reported. The end-of-summer data collection date includes data from the previous academic year, fall through summer.

Each cohort is selected from the team rosters as of the completion of the fourth week of the sport. In sports spanning more than one term (e.g. basketball), a student athlete is included in the study if the name appears on the sport eligibility roster at the fourth week of the sport in the first term or on the roster at any time in any of the subsequent terms of that sport during that academic year.

Each year, institutions provide a "snapshot" report of student athletes' academic status as of the end of the summer of the immediately preceding academic year. The academic status categories include student athletes: still in the sport, no longer in the sport but still at the institution, graduated by the end of summer, and no longer at the institution. The "snapshot" is updated at the end of each summer for each of the six cohorts.

It should be emphasized that the same individuals are tracked throughout the six-year period. Once a cohort has been established, its membership does not change.

Number of Sports and New Student Athletes

The numbers of intercollegiate sports and new student athletes in each cohort are displayed in Table 1. The number of sports offered at each institution ranges from 7 at Oregon Institute of Technology to 19 at Oregon State University.

The number of new students participating in intercollegiate athletics has varied from a low of 994 in 1983-84 to a high of 1,264 in 1985-86. During 1987-88, the number was 1,062. It should be noted that these figures do not include students from earlier cohorts (i.e., continuing students) participating in intercollegiate athletics in each academic year reported in Table 1.
Freshman Retention in the First Five Years

Table 2 displays retention rates for freshman student athletes and all first-time freshmen after 3 academic terms for each entering freshman class 1984-85 through 1987-88. In most cases, the rates of retention for student athletes are generally comparable to those for all first-time freshmen. At OSU and SOSC, the first-year retention rates for student athletes have been higher than those of all first-time freshmen across all cohort groups. At UO and WOSC, athletes' retention rates were higher except for the 1987-88 cohort. At PSU and ESC, the patterns have varied over the years. At OIT, athletes' first-year retention rates have been consistently lower than those of all first-time freshmen.

Table 3 displays freshman athletes' retention rates through the five academic years covered thus far by the study. (In Table 3, retention is defined as student athletes either still enrolled or graduated.) Comparison figures for all full-time students are not yet available.

- Retention rates after 1 year (3 academic terms) range from 61.5% at ESC (1985-86 cohort) to 100% at SOSC (1984-85 and 1987-88 cohorts).

- Retention rates after 2 years range from 82.9% at OSU (1984-85 cohort) to 42.1% at OIT (1986-87 cohort).

- Retention rates after 3 years range from 79% at OSU (1984-85 cohort) to 36-49% at PSU, ESC, and OIT. The figure of 31% for the 1983-84 cohort at ESC varies so greatly from ESC's subsequent figures of 62% and 51.4% that it raises concerns about its reliability.

- Retention rates after 4 years (including student athletes who are still enrolled and those who graduated) range from 73.3% at OSU to 21.9% at ESC.

- Retention rates (including graduates) for the 1983-84 freshman cohort after 5 years range from 60.7% at OSU to 24.6% at PSU. Graduation rates of student athletes who entered the institution in 1983-84 as first-time freshmen and had graduated from the same institution by the end of 1987-88 range from 8.6% at ESC to 37.4% at OSU.

- The graduation and retention rates do not include students who transferred to another institution, whether within the Oregon State System or outside OSSHE.
Particular caution should be exercised in examining all data since one cohort alone may not necessarily provide reliable data about 5-year graduation and retention rates. The case of SOSC is likely an example, since retention rates of the recent cohorts have been consistently higher than those for the early years.

Retention rates of transfer students (student athletes who transferred into the OSSHE institution after having previously attended another institution) will not be analyzed until the end of the full six-year study period. Comparison retention and graduation data for both freshman cohorts and transfer cohorts will be presented in the 1989-90 report.

**Student Athletes Who Left the Institution**

Of the 994 student athletes in the 1983-84 cohort (including freshmen, transfers, and other undergraduates), 541 (54.4%) were no longer at the institution in summer 1988. Of the 541, 348 (64.3%) had left in good academic standing.

Of the 1,017 in the 1984-85 cohort, 432 (42.5%) were no longer at the institution in summer 1988. Of the 432, 312 (72.2%) had left in good academic standing.

Of the 1,264 in the 1985-86 cohort, 481 (38.1%) were no longer at the institution in summer 1988. Of the 481, 327 (68.0%) had left in good academic standing.

Of the 1,051 in the 1986-87 cohort, 320 (30.4%) were no longer at the institution in summer 1988. Of the 320, 228 (71.2%) had left in good academic standing.

Of the 1,062 in the 1987-88 cohort, 173 (16.3%) were no longer at the institution in summer 1988. Of the 173, 113 (65.3%) had left in good academic standing.

**Other Factors Affecting Student Athlete Retention**

In addition to the usual factors contributing to student attrition and retention, there appear to be some unique circumstances surrounding intercollegiate athletics which influence the retention of student athletes. Turnover among coaching staff, especially head coaches, appears to make a substantial difference in the numbers of students participating in a sport and remaining at the institution. A change in football coach, for example, especially at a small college with no athletic scholarships—may lower the retention of student athletes at the end of the academic year and the participation of new athletes the following year. Such a change may have less effect at a university where the continuing student athletes receive athletic scholarships.
The impact of such personnel changes may be temporary, however, and both sports’ participation and student retention should return to normal once the situation has stabilized.

The ease with which student athletes may transfer to other institutions may also affect retention rates. Transfer to another institution is easier under NAIA rules because the waiting period to become eligible to participate is considerably shorter than for transfers between institutions operating under NCAA rules.

Finally, changes in recruiting practices may also affect the data shown in this report. Any change in the numbers and academic preparation of new students prior to initial enrollment will affect the proportion who remain, graduate, or leave the institution relative to previous cohorts.

Limitations of the Study

As stated earlier and as is the case in most other retention studies, it is not possible to follow the progress of those students who leave their original institution and complete their education at another institution. Those students are not and should not be treated as dropouts. In this study, they are identified only as "no longer at the institution." The relative ease with which students may transfer among Oregon State System institutions may contribute to a somewhat lower graduation rate of students graduating from the same institution they entered as freshmen.

Since this study relies on "snapshot" data taken at the end of each summer, the study does not account for student athletes absent during the spring and summer terms, but who register again for the fall and winter terms. So long as they retain an overall 2.0 grade point average and receive passing grades in the number of credit hours between seasons of competition required by the athletic conference, they are eligible to participate the next sport season. However, these students would be counted as "no longer at the institution" as of the summer data collection date for purposes of this report.

Board Discussion and Action

Dr. Perry presented the report and described the background leading to the development of the study. In response to a question, he indicated the final report would relate the data for athletes to the graduation rates for all students. The information at the end of the report will be tabulated by institution and by sport.

Mr. Richardson requested that the issue of the minority breakdown be addressed in the final report. Ms. Weeks indicated it was necessary to collect that information from the institutions. The information was not collected by ethnic group, but later it will be possible to do many kinds of demographic studies.
In response to questions about the ability to track students who leave school and return or who change institutions, it was stated they would be picked up if they returned to the same institution. If they transfer to another institution, they would be included as a new student if they participated in a sport, otherwise they would not be followed. Students in sports that have been dropped by an institution will be followed until they leave the school or graduate.

Mr. Bensley asked if information was available about academic counseling programs for athletes and the effectiveness of those efforts. Dr. Perry said he did not have the information but some of the institutions might be able to comment.

Miss Brooks stated the University of Oregon tracked the grade point average for every student athlete. When an athlete appears to be in danger academically, that athlete gets more intensive tutoring. Freshmen have a mandatory study table. She said she thought all students who needed to be involved in programs were required to participate. Dr. Perry said all three universities had programs in 1983 when this study was initiated, and Oregon State University strengthened its follow-up program in academic tutoring significantly in 1985.

Mr. Bruggere encouraged the staff to present recommendations for improvement at the conclusion of the six-year study.

The Board accepted the report as presented.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Oregon</td>
<td>14</td>
<td>214</td>
<td>218</td>
<td>241</td>
<td>177</td>
<td>166</td>
</tr>
<tr>
<td>Oregon State University</td>
<td>19</td>
<td>156</td>
<td>189</td>
<td>222</td>
<td>248</td>
<td>258</td>
</tr>
<tr>
<td>Portland State University</td>
<td>12</td>
<td>161</td>
<td>131</td>
<td>169</td>
<td>146</td>
<td>119</td>
</tr>
<tr>
<td>Western Oregon State College</td>
<td>16</td>
<td>169</td>
<td>158</td>
<td>167</td>
<td>164</td>
<td>182</td>
</tr>
<tr>
<td>Southern Oregon State College</td>
<td>9</td>
<td>82</td>
<td>91</td>
<td>124</td>
<td>104</td>
<td>102</td>
</tr>
<tr>
<td>Eastern Oregon State College</td>
<td>9</td>
<td>118</td>
<td>130</td>
<td>240</td>
<td>124</td>
<td>148</td>
</tr>
<tr>
<td>Oregon Institute of Technology</td>
<td>7</td>
<td>94</td>
<td>100</td>
<td>101</td>
<td>88</td>
<td>87</td>
</tr>
<tr>
<td></td>
<td></td>
<td>994</td>
<td>1,017</td>
<td>1,264</td>
<td>1,051</td>
<td>1,062</td>
</tr>
</tbody>
</table>

**NOTE:** This table shows numbers of student athletes new to the sport. They may be first-time freshmen, transfer students, or continuing students but new to the sport. It does not include student athletes continuing their participation in the sport from a previous season.
### Table 2

Retention of Full-Time First-Time Freshmen* After 3 Academic Terms:
Freshman Student Athletes Compared to All First-Time Freshmen
1984-85 through 1987-88

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Oregon</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Athletes</td>
<td>94.4%</td>
<td>94.4%</td>
<td>92.7%</td>
<td>91.2%</td>
</tr>
<tr>
<td>All First-Time Freshmen</td>
<td>90.5%</td>
<td>90.2%</td>
<td>92.0%</td>
<td>92.4%</td>
</tr>
<tr>
<td>Oregon State University</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Athletes</td>
<td>97.1%</td>
<td>90.7%</td>
<td>97.1%</td>
<td>95.6%</td>
</tr>
<tr>
<td>All First-Time Freshmen</td>
<td>89.3%</td>
<td>89.3%</td>
<td>87.6%</td>
<td>88.8%</td>
</tr>
<tr>
<td>Portland State University</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Athletes</td>
<td>72.7%</td>
<td>86.5%</td>
<td>71.8%</td>
<td>70.6%</td>
</tr>
<tr>
<td>All First-Time Freshmen</td>
<td>76.7%</td>
<td>75.4%</td>
<td>75.1%</td>
<td>76.9%</td>
</tr>
<tr>
<td>Western Oregon State College</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Athletes</td>
<td>89.9%</td>
<td>92.1%</td>
<td>88.3%</td>
<td>79.0%</td>
</tr>
<tr>
<td>All First-Time Freshmen</td>
<td>77.5%</td>
<td>86.1%</td>
<td>85.2%</td>
<td>81.8%</td>
</tr>
<tr>
<td>Southern Oregon State College</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Athletes</td>
<td>100.0%</td>
<td>90.3%</td>
<td>92.1%</td>
<td>100.0%</td>
</tr>
<tr>
<td>All First-Time Freshmen</td>
<td>85.8%</td>
<td>82.2%</td>
<td>79.7%</td>
<td>80.9%</td>
</tr>
<tr>
<td>Eastern Oregon State College</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Athletes</td>
<td>NA**</td>
<td>61.5%</td>
<td>84.1%</td>
<td>65.2%</td>
</tr>
<tr>
<td>All First-Time Freshmen</td>
<td>81.7%</td>
<td>73.9%</td>
<td>73.2%</td>
<td>79.6%</td>
</tr>
<tr>
<td>Oregon Institute of Technology</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Athletes</td>
<td>NA**</td>
<td>63.6%</td>
<td>86.7%</td>
<td>70.5%</td>
</tr>
<tr>
<td>All First-Time Freshmen</td>
<td>85.8%</td>
<td>87.3%</td>
<td>81.5%</td>
<td>80.7%</td>
</tr>
</tbody>
</table>

* Full-time first-time freshmen are defined as those newly admitted from high school and enrolled in 12 or more credit hours in the fall term they entered.

** Data not available due to error in the cohort sample size in previous reports.

** Sources: (1) 4th Week Fall and End-of-Term Spring Student Data (S02) files.
(2) Data on student athletes submitted by institutions for reports on the academic progress of athletes.
### Table 3: Retention of First-Time Freshman Student Athletes
Study Cohorts 1983-84 through 1987-88

<table>
<thead>
<tr>
<th>Institution/Cohort</th>
<th>Total New Freshmen in Cohort</th>
<th>After 3 Terms</th>
<th>After 2 Years</th>
<th>After 3 Years</th>
<th>After 4 Years</th>
<th>After 5 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>OU</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1983-84</td>
<td>136</td>
<td>Not requested</td>
<td>94</td>
<td>69.1%</td>
<td>71</td>
<td>52.2%</td>
</tr>
<tr>
<td>1984-85</td>
<td>144</td>
<td>136</td>
<td>94.4%</td>
<td>113</td>
<td>78.3%</td>
<td>95</td>
</tr>
<tr>
<td>1985-86</td>
<td>144</td>
<td>136</td>
<td>94.4%</td>
<td>104</td>
<td>72.2%</td>
<td>100</td>
</tr>
<tr>
<td>1986-87</td>
<td>134</td>
<td>115</td>
<td>86.7%</td>
<td>98</td>
<td>76.0%</td>
<td>96</td>
</tr>
<tr>
<td>1987-88</td>
<td>133</td>
<td>103</td>
<td>77.0%</td>
<td>103</td>
<td>77.0%</td>
<td>103</td>
</tr>
<tr>
<td>OSU</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1983-84</td>
<td>107</td>
<td>Not requested</td>
<td>78</td>
<td>72.9%</td>
<td>71</td>
<td>66.4%</td>
</tr>
<tr>
<td>1984-85</td>
<td>105</td>
<td>102</td>
<td>97.1%</td>
<td>97</td>
<td>92.9%</td>
<td>93</td>
</tr>
<tr>
<td>1985-86</td>
<td>151</td>
<td>137</td>
<td>90.7%</td>
<td>122</td>
<td>80.8%</td>
<td>110</td>
</tr>
<tr>
<td>1986-87</td>
<td>140</td>
<td>136</td>
<td>97.1%</td>
<td>113</td>
<td>80.0%</td>
<td>103</td>
</tr>
<tr>
<td>1987-88</td>
<td>160</td>
<td>172</td>
<td>95.6%</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>PSU</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1983-84</td>
<td>69</td>
<td>Not requested</td>
<td>37</td>
<td>53.6%</td>
<td>30</td>
<td>43.5%</td>
</tr>
<tr>
<td>1984-85</td>
<td>89</td>
<td>40</td>
<td>72.7%</td>
<td>36</td>
<td>69.1%</td>
<td>22</td>
</tr>
<tr>
<td>1985-86</td>
<td>69</td>
<td>77</td>
<td>86.9%</td>
<td>53</td>
<td>70.0%</td>
<td>44</td>
</tr>
<tr>
<td>1986-87</td>
<td>71</td>
<td>51</td>
<td>71.8%</td>
<td>41</td>
<td>57.7%</td>
<td>--</td>
</tr>
<tr>
<td>1987-88</td>
<td>68</td>
<td>48</td>
<td>70.6%</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>WOSC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1983-84</td>
<td>106</td>
<td>Not requested</td>
<td>68</td>
<td>64.2%</td>
<td>58</td>
<td>54.7%</td>
</tr>
<tr>
<td>1984-85</td>
<td>89</td>
<td>80</td>
<td>88.9%</td>
<td>66</td>
<td>74.2%</td>
<td>50</td>
</tr>
<tr>
<td>1985-86</td>
<td>101</td>
<td>93</td>
<td>92.1%</td>
<td>72</td>
<td>71.3%</td>
<td>71</td>
</tr>
<tr>
<td>1986-87</td>
<td>77</td>
<td>68</td>
<td>86.3%</td>
<td>52</td>
<td>67.5%</td>
<td>--</td>
</tr>
<tr>
<td>1987-88</td>
<td>102</td>
<td>81</td>
<td>79.4%</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>SOSC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1983-84</td>
<td>35</td>
<td>Not requested</td>
<td>20</td>
<td>57.1%</td>
<td>11</td>
<td>31.4%</td>
</tr>
<tr>
<td>1984-85</td>
<td>50</td>
<td>50</td>
<td>100.0%</td>
<td>35</td>
<td>70.0%</td>
<td>31</td>
</tr>
<tr>
<td>1985-86</td>
<td>72</td>
<td>65</td>
<td>90.3%</td>
<td>45</td>
<td>62.5%</td>
<td>37</td>
</tr>
<tr>
<td>1986-87</td>
<td>76</td>
<td>70</td>
<td>92.1%</td>
<td>57</td>
<td>75.0%</td>
<td>--</td>
</tr>
<tr>
<td>1987-88</td>
<td>52</td>
<td>52</td>
<td>100.0%</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>EOSC**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1983-84</td>
<td>84</td>
<td>Not requested</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>1984-85</td>
<td>96</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>36</td>
</tr>
<tr>
<td>1985-86</td>
<td>148</td>
<td>91</td>
<td>61.5%</td>
<td>66</td>
<td>58.1%</td>
<td>66</td>
</tr>
<tr>
<td>1986-87</td>
<td>69</td>
<td>58</td>
<td>84.1%</td>
<td>38</td>
<td>52.2%</td>
<td>--</td>
</tr>
<tr>
<td>1987-88</td>
<td>89</td>
<td>58</td>
<td>65.2%</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>OIT**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1983-84</td>
<td>87</td>
<td>Not requested</td>
<td>43</td>
<td>64.2%</td>
<td>32</td>
<td>47.8%</td>
</tr>
<tr>
<td>1984-85</td>
<td>96</td>
<td>NA</td>
<td>NA</td>
<td>25</td>
<td>44.6%</td>
<td>18</td>
</tr>
<tr>
<td>1985-86</td>
<td>55</td>
<td>35</td>
<td>63.6%</td>
<td>37</td>
<td>67.3%</td>
<td>31</td>
</tr>
<tr>
<td>1986-87</td>
<td>38</td>
<td>28</td>
<td>78.9%</td>
<td>16</td>
<td>42.1%</td>
<td>--</td>
</tr>
<tr>
<td>1987-88</td>
<td>44</td>
<td>31</td>
<td>70.5%</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

* Retention is defined as student athletes either still enrolled or graduated.

** For EOSC and OIT, errors were found in the selection criteria used to determine cohort sizes reported in some of the earlier years; therefore, those figures are not reported.

° Of the student athletes who entered the institution as new freshmen in 1983-84, the following number and percentage had graduated from that institution by the end of 1987-88:

<table>
<thead>
<tr>
<th>No.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>OU</td>
<td>35</td>
</tr>
<tr>
<td>OSU</td>
<td>40</td>
</tr>
<tr>
<td>PSU</td>
<td>7</td>
</tr>
<tr>
<td>WOSC</td>
<td>23</td>
</tr>
</tbody>
</table>

-169-
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:

Awards of Construction Contracts

Administration
Building Telecommunications
Equipment
Housing, OSU

On February 20, 1989, Dale Ramsay Construction Co. was awarded a contract for this project in the amount of $26,589. Financing is provided from state funds.

Benton Hall
Acoustical Remodel Project, OSU

On December 15, 1988, Richardson Construction Co. was awarded a contract for this project in the amount of $11,850. Financing is provided from maintenance funds available to the institution.

Weniger Hall
Rm 635 Growth Chamber Installation, OSU

On January 23, 1989, Beaver Plumbing & Heating, Inc., was awarded a contract for this project in the amount of $77,261. Financing is provided from gift funds.

Electrical
System Improvements Phase II, Rebid, UO

On January 23, 1989, Arc Electric, Inc., was awarded a contract for this project in the amount of $66,666. Financing is provided from maintenance funds available to the institution.

Acceptance of Projects

Fish Disease Research Lab
Sitework Phase I, OSU

This project is complete and was accepted on February 1, 1989. The estimated total project cost remains at $29,885. Financing was provided from federal funds.

Energy Conservation Measures
BPA/IBP, Eight Buildings, OSCC

This project is complete and was accepted on June 14, 1988. The estimated total project cost remains at $160,072. Financing was provided from funds made available to the institution and reimbursement from Bonneville Power Administration.

Hayward Field Renovations
Warm-Up Track Surfacing, UO

This project is complete and was accepted on January 24, 1989. The estimated total project cost remains at $53,800. Financing was provided from Article XI-F(1) Bond Proceeds.

Basic Science Building Remodel for Radiation Therapy Labs 3360 & 3370, OHSU

This project is complete and was accepted on August 20, 1988. The estimated total project cost remains at $41,632. Financing was provided from state funds.
This project is complete and was accepted on January 20, 1989. The estimated total project cost remains at $114,729. Financing was provided from gift funds.

This project is complete and was accepted on October 12, 1988. The estimated total project cost remains at $46,250. Financing was provided from funds available to the institution.

The Hospital and Clinics Rehabilitation and Alterations (UHS, Pediatric Intensive Care Unit Relocation) Project is complete and was accepted on February 3, 1989. The estimated total project cost remains at $618,594. Financing was provided from gift funds.

This project is complete and was accepted on December 22, 1988. The estimated total project cost remains at $573,726. Financing was provided from state funds.

This project with Base Bid A, Base Bid B, and Base Bid C is complete and was accepted on December 31, 1988. The estimated total project cost for Base Bid A remains at $85,837, Base Bid B remains at $221,977, and Base Bid C remains at $90,392. Financing was provided from the Capital Repair Account.

This project is complete and was accepted on January 14, 1988. The estimated total project cost remains at $32,253. Financing was provided from funds available to the institution.

This project is complete and was accepted on May 6, 1988. The estimated total project cost remains at $74,662. Financing was provided from state lottery funds.

This project is complete and was accepted on October 31, 1988. The estimated total project cost remains at $26,050. Financing was provided from funds available to the institution.

Board Discussion and Action

The Board accepted the report as presented.
During his recent visit to Cairo, Egypt, Mr. Bailey said he had discovered a history of American University which contained comments about Chancellor Bartlett. He read the following excerpt:

"If the trustees had qualms about appointing a 33-year-old president, Thomas A. Bartlett quickly dispelled that. Able, quick, and ambitious, Bartlett was a strong, and for many, an inspiring leader. He was short, wiry, athletic, close-shorn, and prematurely balding. He dressed conservatively and gave people little time to think about his relative youth. Always in a hurry, and sometimes carrying on two discussions at the same time, he fastened onto issues and demanded relative facts and insisted on brevity. Knowledge and persuasive debating skills enabled him to present his views convincingly at committee meetings and conferences, and he frequently overwhelmed those who could not marshal their facts as nimbly as he."

The Chancellor commented that he had mellowed since then.

Mr. Johnston reported that Ms. Wilson and he would be visiting Southern Oregon State College on May 22 for the Board/Institutional Relations Committee meeting.

Mr. Dodson said the presidential search committee for the University of Oregon was delighted with the progress of the search and hoped to bring the search to a conclusion within four to eight weeks. He said Mr. Miller deserved a tremendous amount of credit for providing the committee with outstanding leadership. Confidentiality is extremely important at this point in the search. Mr. Dodson also commended the members of the committee.

Mr. Hensley said he had attended the most recent meeting of the committee and concurred in Mr. Dodson's remarks.

Mr. Hensley called the Board's attention to copies of the 1988 Annual Report issued by the Chancellor's Office and complimented the staff on the report. He also mentioned the Centralized Activities staff directory and suggested additional copies might be available for those who needed them.

Legislative hearings for higher education are expected to conclude by the first of April. Mr. Hensley thanked Board members for assisting in the presentation to the Education Subcommittee of Ways and Means. Board members who have not had an opportunity to participate will be contacted so that they can be involved in the concluding activities of the process.
Mr. Hensley announced that the April meeting would be held on the campus of Western Oregon State College on April 21. It will be preceded by a visitation to the institution on April 20. It is probable the interviews with the finalists for the presidency of the University of Oregon will be held on April 19 in Mormon, with Board deliberation on the candidates likely on the evening of April 20.

Following the adjournment of the meeting, the Board met for lunch and heard comments from Marjorie Burns, President of the Faculty Senate at Portland State University.

Ms. Burns reported a unity among faculty members at Portland State. She said they also fear fragmentation of higher education in Portland and would welcome interaction with the Board. The faculty wants a better chance to have influence and to speak on issues of concern to them.

She also reported that students have stated they would rather pay more, if absolutely necessary, rather than have an education of lesser quality.

The Board meeting was adjourned at 11:50 a.m.

Richard F. Hensley, President

Wilma L. Foster, Secretary