The total of $1,385,700 is then reduced by an anticipated savings of $400,000 in the Adult Hemophilia Assistance Program made possible by a favorable contract for blood products. Thus it is requested that this savings be reverted to use for children with disabilities and their families when continuing needs are unmet.

c. Dental Clinics

The Dental Clinics at Oregon Health Sciences University are facing a serious financial problem in 1991-1993 owing to standards being imposed by the U.S. Occupational Safety and Health Administration; these standards relate to infectious-disease barriers and to the handling of potentially hazardous materials. For example, the new regulations will require the wearing of plastic aprons or "impervious gowns" as well as goggles or glasses with shields. Other requirements relate to disposal of hazardous wastes, immunization of students and employees, use of ethylene oxide sterilizer alarm systems, and scheduled training and monitoring by a health and safety officer. These new requirements are estimated to cost the Dental Clinics an additional $240,000 in 1991-1993. The Chancellor proposes that half of these costs be financed through fees charged for services and the remainder ($120,000) be provided by the state General Fund.

c. INTERCOLLEGIATE ATHLETICS: Athletic funding has reached the crisis stage in Oregon. The Oregon State Board of Higher Education approved a one-year interim plan which requires the university presidents to present balanced budget plans. The Board, likewise, approved asking the 1991 Legislature to uncouple the sports action lottery from the regular lottery which has the potential of making more monies available, thus enabling institutions to move toward a systematic deficit reduction plan.

Staff Recommendation to the Committee

The staff recommended that the Board approve the 1991-1993 Biennial Budget Request amounts and policies as outlined in the narrative and attached schedules of this agenda item with the understanding that base budget amounts are still being calculated and refined following the guidelines as outlined above, and the Executive Department guidelines for building base budgets.
Discussion and Recommendation by the Committee

Mr. Quenzer distributed copies of a document entitled, "1991-1993 Budget Request: An Overview." He reviewed the material in the docket in greater detail during his presentation of the budget request.

Mr. Richardson asked whether the $91 million shown on page one of the Budget Request Overview for salary and fringe benefits was the roll up costs. Mr. Quenzer responded the $91 million was the same amount that was appropriated in 1989-1991 for salaries, but it was not the roll up, which is also included in the budget.

Mr. Adams requested a further explanation of the increase from $5.1 to $6 million in the amount for accreditation requirements for professional schools.

Mr. Quenzer indicated $900,000 had been added for the Pharm.D. degree program at Oregon State University. The Chancellor explained that late in the budget process it had become apparent the pharmacy school should be included with accreditation problems in the professional schools.

Mr. Hensley asked whether the higher education portion of the budget from the General Fund would be at the same percentage of the General Fund as in the previous biennium.

Mr. Quenzer said the Department of Higher Education would be receiving at the current services level a smaller percentage of the total General Fund budget than it does at the present time. With the proposed total request, it would maintain about the current percentage. The Executive Department, in its July analysis for the Emergency Board, indicated the current services level of the Department of Higher Education was 14.5% of the General Fund in 1989-1991. The Executive Department projected the current services level at 13.5% of the total, which is slightly less than the Department of Higher Education projections. He said he believed it would be possible to show the current services level should be a little higher than the Executive Department numbers.

Mr. Bruggere said the 1989 Legislature approved approximately $650 million from the General Fund, the 1991-1993 base budget or current program level was $746 million, and the total estimated 1991-1993 budget request is $844 million. The request would be an increase of 20-30% of the amount appropriated for 1989-1991.

Mr. Quenzer said the $746 million resulted from decisions made by the 1989 Legislature with respect to how salary allocations were implemented and the phasing of programs.
Mr. Richardson requested Mr. Quenzer to identify the largest items in the $96 million to current program levels. Mr. Quenzer said the Emergency Board had added $5 million to the hospital budget in July for indigent care. This will carry forward as $10 million in the next biennium. A similar request for salaries in September will have the same effect if it is approved. Salary increases granted in the 1989-1991 biennium will be financed for only six months in that biennium but will be carried forward for 24 months in 1991-1993 at a cost of over $30 million.

Mr. Bruggere asked what effect that amount of money would have on faculty salaries by the end of the biennium. The Chancellor said Oregon would not be at the national average but would have moved out of the upper part of the bottom 10% and begun to improve. State System salaries would be moving faster than the national average by perhaps 4% a year. It would be significant progress but would not eliminate the problem in one biennium.

Mr. Quenzer commented that if the State System were to receive $50 million for three biennia in addition to the normal inflationary adjustment for salaries, it might reach the national average.

Mr. Hensley referred to the statement in the staff report that the Board should be aware and acknowledge that approving dollar requests carried with it implicit approval to request an appropriate number of positions, including those which are from self-support funding sources. He asked how the positions were adjusted as changes were made to the budget request during the Legislative Session.

Mr. Quenzer indicated decisions had to be made rapidly because any changes by the Legislature to many of these numbers would impact salaries or staff positions. Prior to final adoption of the budget, the staff must make estimates on the number of positions involved in the decisions that have been made. Discussions with the Legislature focus on the program and not the individual positions.

In response to questions from Mr. Hensley about the statutory limitation on positions for the state as a whole, Mr. Quenzer said the state was well within the limitation at this point. The Executive Department must deal with that issue as the budgets are received because it relates to the entire state. The Department of Higher Education cannot address the question in developing its budget because the staff does not have access to what is happening to positions throughout state government. He also stated many of the dollars in the proposed budget request would not add positions. The majority is designed to improve the dollars for existing people and activities.
Mr. Johnston asked whether the international competence package resulted from the proposals of the task force. The Chancellor indicated both that recommendation and the one which followed for outreach services to nontraditional students were an outgrowth of the work of the task forces.

In response to a question from Mr. Johnston, Mr. Quenzer stated that the professional programs were merely a listing rather than a recommended ranking.

Mr. Bailey inquired whether any of the $50 million enhancement funds pertaining to the next biennium were included in the $91 million.

Mr. Quenzer said that, in the 1989-1991 biennium, the $91 million included $29 million for faculty salaries but he did not know if part of the $50 million was in that $91 million. The $29 million is carried forward, but the $91 million for 1991-1993 is to replicate the same amount in the 1989-1991 budget.

Mr. Adams suggested the request for opportunity funds for things which might happen in the future might be difficult to justify when they cannot be identified now.

The Chancellor explained support for targeted programs had been included in the present biennial budget and those were dispensed for targeted programs. During the biennium, a series of state initiatives called upon higher education to do things as part of the state program, but there was no way to respond because at that time all of higher education’s resources were appropriated. The opportunity funds would provide the State System with the capacity to respond to initiatives coming from exterior points during the biennium.

Miss Matthews referred to the Oregon Center for Graduate and Professional Education at Portland State University. She said it sounded as though there were not enough graduate programs offered in the Portland area. She asked the reason for forming another institution as opposed to offering more programs at Portland State.

The Chancellor said the proposal was not for a separate institution but rather one for funding which would emphasize the desirability of drawing into the Portland solution the resources from other institutions which would be based at and revolve around Portland State University. He said the issue was a long one in Oregon higher education and relates to whether the State System was going to respond to the needs of advanced education on a much larger scale in the Portland area without any reference to the concerns of duplication. The issue can be ignored and programs
duplicated in Portland or the alternative approach can be taken of saying programs are available elsewhere in the State System and will not be duplicated in Portland. The Chancellor said he found neither option very attractive. The question, therefore, is to determine whether there were ways to be very attentive to the issue of cooperation and duplication in the development of Portland State University and higher education generally in Portland.

Miss Matthews said this appeared to be an articulation issue and there were a number of needs for articulation within the State System. She asked whether a new center would be created every time there was a need for articulation.

The Chancellor requested Miss Matthews to identify other particular problems of articulation within the State System. She cited undergraduate education involving other institutions and the need for architecture and journalism. The Chancellor said he did not see a problem area in undergraduate education but agreed articulation in media and architecture programs would be appropriate in Portland because of the resources there. He suggested the two programs might fit very well under the rubric of graduate and professional education.

Mr. Hensley asked whether the items in the budget summary were listed in priority order. Mr. Quenzer responded that they were listed in a general priority order but the Board would need to deal with that issue. The Governor’s Office requires a priority listing of the budget.

The Chancellor said the staff had tried very hard not to make the budget request simply a prioritized wish list. It has been difficult to develop a priority list because there are different kinds of themes within the budget requests. He commented on the requests with respect to their priority and the fact that some elements of each item might have a different priority from those of other segments of the item. He also mentioned there had been extensive conversations between the Chancellor’s Office and the campuses and with individual Board members on the various items.

The Board then considered priorities with respect to the items listed in the budget summary. It was agreed faculty salaries had been the Board’s first priority for several years. Mr. Hensley stressed the importance of capital repairs, noting they had been emphasized by the Legislature in previous budget requests. He said the accreditation issues for the professional schools also had high priorities in terms of maintaining quality and the ongoing programs of the institutions.
Mr. Quenzer described some of the difficulties in determining priorities among the basic requirements for a college or university. With respect to capital repair, the $5 million represents one of three steps necessary to reach a very minimal level of building repairs to prevent further deterioration. The goal is to have capital repair at .75% of building valuation. The capital construction budget request also includes $42 million for the next three biennia to begin to reduce the backlog of needed repairs. Capital repair or deferred maintenance is expected to be a very high priority for state government as a whole.

Mr. Swanson said the three items shown in the budget summary for stabilizing and strengthening existing priorities were all very important. He favored placing the accreditation requirements for the professional schools in top priority, however, because the existence of those schools is threatened. He also observed that the budget request would maintain only a 14.5% share of the state's budget but fairly recently was at a 17% share. He said the budget is so conservative he questioned why higher education was not seeking 17% or 18%.

Mr. Swanson said if Oregon were to lose its only public law school, higher education throughout the country would interpret that as a signal Oregon had given up. It would state that Oregon was not only on a decline from 17% to 14.5% of the overall state budget, but on a much worse decline because it was lacking an essential part of the offerings of all major research and liberal arts public universitites. The veterinary school is of great importance to the livestock industry of the state and to persons who want good veterinary care for their pets.

Mr. Dodson said he thought the Board probably should be providing the staff with some indication of its views on priorities but should not be reorganizing the budget summary listings. If the staff has a sense of the overall reactions of Board members, it will be possible to react to the changes which inevitably will occur during the budget process.

Mr. Bailey requested a further explanation of the $1.2 million requested for the colleges of education, noting that originally the student load was to be reduced to pay for the extra cost of the program.

Dr. Frank said the fifth-year programs required a summer session and summer session is self-supporting. The kinds of coursework needed in these education programs, particularly at the graduate level, cannot be supported under the self-support model. During the transition period, there will be an overlap between the old and new programs. Board members probably have heard from
students who are very concerned that they be allowed to finish the degree program in which they are presently enrolled. In an effort to accommodate as many students as possible, additional costs will be incurred. The fifth year of five-year programs will have more graduate coursework with a smaller student/faculty ratio. An additional substantial cost will be incurred as a result of efforts to meet the need for stronger practica in which students are in school districts for a longer period. The deans of education are meeting to develop a plan with school districts to compensate participating teachers for the increased workload in connection with education students. A proposal should be available for the Legislature.

Mr. Hensley stated the $45 million package for faculty salaries and support should be the very minimum the Board should consider. He said it should not be allowed to deteriorate regardless of any other priorities below the $45 million. Mr. Dodson asked if any Board member disagreed with that statement, and Mr. Richardson stated he would expand it by at least $5 million. The $45 million remained as the top priority for all Board members.

The Chancellor explained the items listed under targeted support for state development, indicating they were largely technical or professional programs that undergirded state development.

In commenting on the items in this section, Mr. Johnston emphasized the importance of outreach services to nontraditional students. He suggested that item, and perhaps the one for increasing international competence, should be higher in priority than other items in the list. Mr. Bruggere and Mr. Hensley agreed.

Mr. Dodson said the staff had done a great job of outreach to a constituency that went way beyond the Board in the development of a number of the packages included under 3 and 4 of the Budget Summary.

The Chancellor indicated the budget structure puts statewide public services in a different category. He called attention to the increase for the forest research laboratory and stated it also was targeted support for a state development item.

Mr. Richardson mentioned international competence included things which already have been started. Mr. Quenzer said existing student exchange programs were very successful but were small in terms of what they should be. The proposed funds would provide more resources to expand those programs.

At the request of Mr. Richardson, the Chancellor explained the budget item for existing programs for economic health would support programs that are now operated at a level below what the state requires. For example, Oregon is turning away about 200
engineering students each year at a time when the whole country is trying to find individuals with enough mathematics to take these courses. Similarly, there are research programs where there are economic benefits as well as intellectual satisfactions and accomplishments if the program can be supported.

Mr. Swanson referred to a document entitled, "Oregon Joint Graduate Schools of Engineering," dated July 19, 1990, which had been distributed to Board members. The July 19 draft of the document is included as Supplement C to these minutes, and a copy is on file in the Board's Office. The July 19 draft subsequently has been revised in response to concerns and comments made during the discussion in the Committee of the Whole.

Mr. Swanson said the document presented a very exciting proposal in that potentially it would accomplish so many good things in one package but he had some questions concerning it. He asked whether the Board, in approving the 1991-1993 budget request, would be approving the structure described in the document. He said he had a real concern there should be some discussion about setting up a separate board within the system of higher education which would be devoted only to one combined institution. He said he would like to hear the views of others about the concept of creating this separate board and the suggested lines of authority before implicitly approving the proposal through adoption of the budget. Mr. Swanson also suggested removing the word "joint" in the title because it was implicit in the remainder of the title.

In reviewing the development of the proposal, the Chancellor said earlier in the year Governor Goldschmidt had brought two individuals to Oregon for a quick but intensive review of the engineering programs at Oregon State University, Portland State University, and Oregon Graduate Institute. They indicated engineering programs at the graduate and research level were developing too much as self-contained units and not enough as a single conception. Consequently, there were excellent people, facilities, and programs in different places, but they did not come together enough to make the impact that was potentially available. They concluded the programs should be brought together in a concerted way for mutual reinforcement and interaction among the programs.

The Chancellor said some particular complications are involved which might partly respond to Mr. Swanson's concerns. The plan involves bringing together two public and one private institution into a unified whole process. In addition, some factors with respect to engineering are not characteristic to the same degree in other fields. One is the history in Oregon related both to the development and special concerns of the electronics industry and the resulting set of perceived needs and to the state's interest in diversifying its economy and increase its value-added economic base. He said all involved engineering extensively.
The Chancellor said engineering was an applied field by definition which suggests a need and probable justification for interaction between the academic side and industry to a much greater degree than would be the case in most other fields.

The engineering deans from the three institutions, representatives from the computer science program at the University of Oregon, and five people involved with engineering industry were assembled to develop a proposal for the 1991-1993 budget cycle. The engineering document in Supplement C resulted from the work of that committee. The Chancellor indicated the July meeting was the last Board meeting before budget recommendations must be submitted to the Executive Department and the Governor. If the proposal is not included, there would be a minimum delay of two years.

The Chancellor said he hoped the Board would be willing to approve in principle the basic purpose and structure and delegate perhaps to the Board's Executive Committee the authority to approve the final presentation to the Executive Department and the Governor, based on the assumption it would be essentially the proposal contained in the draft before the Committee of the Whole.

Mr. Dodson asked if he understood Mr. Swanson correctly that his major problem with the concept was not with the numbers but with the additional oversight.

Mr. Swanson said the State Board of Higher Education was empowered by the people of the State of Oregon by statute to oversee higher education. The Board had never considered it necessary to have a separate group to oversee any of the individual institutions in the State System. He said the engineering proposal might be innocuous but it also was a rather major departure in terms of recommending the establishment of a board that would have responsibility for a part of the instructional package assigned by statute to the Board of Higher Education. As a Board member, he said he would not feel he was serving the people of the State of Oregon well if he were not very careful about giving up the authority invested in the Board of Higher Education by statute. The board specified in the engineering proposal would have power to make curricular and other decisions, as opposed to recommending them. Even though the Board of Higher Education would have final approval, decisions would have proceeded to the point it would be very difficult to deny approval. He stated he felt a responsibility to discharge the duties for which Board members have been appointed.
Mr. Hensley said he understood Mr. Swanson's concerns. In the establishment of OCATE, a committee to make recommendations was selected instead of a board because of similar concerns. He indicated he would be satisfied with use of an engineering committee. A board implies governance, and a committee suggests recommendations. Mr. Hensley did note that the engineering proposal contained a number of checks and balances and specified the Board had the final approval. He said he was concerned about the wording in Item 2 under Responsibilities, which stated "Creation of new programs, consolidation of existing programs or elimination of programs in graduate engineering and computer science must be reviewed and approved by the Board before submittal to the appropriate governing board." He said the statement should identify the Board of Higher Education.

The Chancellor indicated it would be necessary also to identify the Board of Trustees of the Oregon Graduate Institute, and there was no objection to doing so.

Mr. Richardson said he shared these concerns and suggested they might be alleviated if one of the members of the engineering board or committee were a member of the Board of Higher Education.

Mr. Hensley pointed out this would be possible because the chairperson of the engineering body was to be appointed by the President of the Board of Higher Education.

Mr. Bruggere said his involvement with the proposal would lead him to believe the engineering board was less of an issue than it would appear to be from the discussion. The engineering board or committee would be very similar to committees presently in the institutions which determine what constitutes a program. He said the various deans of engineering would be involved in the program decisions, as well as staff in the Chancellor's Office, and he considered this an appropriate group for that responsibility. He stated the goal of everyone involved was to build a world-class engineering center and organization. Mr. Bruggere commented that there was little more than a consultant role involved with the engineering board and nothing was taken from the Board of Higher Education. He said the Board actually would be able to gain a much closer relationship between industry and education in this absolutely critical field. He expressed confidence in those who had been and were likely to be involved in this endeavor as representing an appropriate level of oversight for the kind of curriculum that should be involved. There is an emphasis on a shared vision, shared program, and some kind of critical mass, which is desperately needed.
Mr. Bruggere stated he did not believe Board members were qualified to say what the curriculum should be to obtain a doctoral degree in electrical engineering or computer science. The decision should be delegated to those who have that knowledge.

Mr. Johnston concurred with Mr. Bruggere, although he said he also had a problem with the engineering group being termed a board. He said the participation of people within the industry was fantastic. He suggested some of the perceptions of the engineering group being a policy board would be eliminated if it were called an advisory group or committee rather than a board.

The Chancellor said the issue should be made very clear. If the purpose is to have a real impact in drawing these graduate programs closely together and to have an outside group of individuals from industry invest time and concern in the proposal, the process must be a meaningful one. The engineering group must see itself as having a critical role to play in pulling these programs together, and the people must take it seriously. The document contains a statement that there will be some abridgement of the sovereignty of the individual campuses. The Chancellor said this was a rhetorical way of saying the intent is to do something to make these programs come together. He said he thought that was the goal and the proposal should contain the necessary elements to get the job done.

The Chancellor added that there were clearly safeguards in the plan. The engineering board could not put any degree program into place. Only the Board of Higher Education could do that or, if it involved the Oregon Graduate Institute’s activities, its Board of Trustees would be involved to that extent. If the Board does not give the engineering board a clear understanding it has a job to be done, the job will not get done. If the proposal does not describe satisfactorily the job to be done, then it should be defined differently.

The Chancellor said the document had been drafted with exquisite care to produce a series of checks and balances. It contains explicit safeguards of academic processes on individual campuses. There are explicit arrangements for the administration and use of funds that are carefully balanced. The relationships between the boards and the campuses, either explicit or implied, were not done casually. The plan presented in the document is designed to produce a structure that has some real capacity to get the job done because it is a job that is worth doing. If these assumptions are not appropriate, something else should be done.
Mr. Miller said he agreed with the last four things which had been said, although he understood Mr. Swanson's concern. He said he believed the Board occasionally had to seize an opportunity and to take some chances. He said there were positive and negative aspects to the proposal. Mr. Miller suggested the Board review the proposal in two years and make any appropriate changes.

Miss Matthews said the proposal was another articulation issue and asked why it was necessary to create another board or committee rather than saying that engineering was important and giving the funds to those who understood the engineering needs in Oregon.

Mr. Dodson commented that experience in earlier efforts indicated a little more oversight would have been helpful. He said he agreed with Mr. Bruggere's comments that the Board was not giving up anything and was gaining some expertise not available on the Board. He said he viewed the proposal as strengthening the Board's ability to provide oversight and to be fiscally responsible for the funds that are being advanced.

Ms. Wilson mentioned the Board had identified higher education in the greater Portland area, particularly graduate and professional studies, as one of its priorities. The Board requested a commission be appointed to deal with the issue. The commission is completing its work and has again reiterated the same concern for what is needed in the area. She said she would prefer to have Items 4a and 4b much higher on the priority list along with Items 1 and 2.

Mr. Richardson said he did not fully understand the interrelationships among the items in terms of priorities. The Chancellor said the attitudes and assumptions throughout the budget were reasonably consistent and showed themselves in different ways. He stated there were a number of interrelationships in the proposed budget request.

Mr. Miller mentioned a proposal from OCMTE to fund an engineering experiment station system. There was some precedent for the idea and it would be consistent with the efforts in engineering. The Chancellor said it had not been forgotten but was being held in abeyance pending the outcome of the budget request in the next Legislature.

Mr. Dodson said the liaison committee to the Governor's Commission on Higher Education in the Portland Metropolitan Area would need to discuss this proposal with the Commission. The
Governor's Office also would be involved in the proposal. He said he would be willing to go forward with this plan, subject to the changes suggested by Mr. Hensley in Section 2 on responsibilities. He said it should also be understood there would be additional discussions with various groups and with the Chancellor and that any needed changes could be made by the Executive Committee of the Board.

The Chancellor said the last point was important because there were processes which would be continuing until September 1. He said it would be unfair for the Executive Committee to have such an uncertain mandate that it could not act but there would be tactical situations which will require prompt action. There must be sufficient consensus among Board members for the Executive Committee and staff to be able to deal with those situations.

Mr. Swanson said the discussion had been helpful and he had been in agreement with most of what had been said. He indicated the program was an excellent one and he would like to see it implemented. The results for Oregon could be terrific.

Mr. Swanson said words do make a difference if it is understood what those words mean. He said he believed it should be understood that the proposed engineering board was to give advice to the State Board of Higher Education and to the Board of Trustees of the Oregon Graduate Institute as well. It also should be understood the final decision-making power remains with the Board of Higher Education and the Oregon Graduate Institute's Board insofar as they need to agree with any initiatives that are taken. It is important the engineering board be in the document and that it be emphasized as a board that is important and doing important work, but that it is advising the Board of Higher Education about programs for state higher education. Mr. Swanson commented that any other format with respect to the engineering board probably would require new legislation.

Mr. Swanson stated it was very important the plan should not lead to a situation where there is one board for one program in this state other than the State Board of Higher Education which feels, as the Board does, that it has an advocacy role to play with regard to state education. He said it would be unfortunate if a new program and new board were created which felt it had an advocacy role with regard to the Board of Higher Education in terms of the diminishing resources reflected in the budget request to maintain 14.5% of the state budget. He said the language used and the way in which the articulation was established was extremely important. He said the designation of the appointing and reporting authority was not a detail. It was the crux of the issue. He indicated he did not want to draft the language at the Board meeting and was willing for the Executive Committee to participate in making those decisions. He emphasized that his concern was to assure Board involvement to fulfill its statutory responsibilities.
The Committee then discussed the desirability of considering the priority issues further. It was pointed out that the proposed budget was a minimum list and that all of the items were essential. In view of that fact, Board members expressed the view that the proposed budget should go forward as presented. Further discussion of policy and priority issues could take place during the Board's Renewal Session.

The Committee recommended that the Board approve the staff recommendation, noting that Board members had indicated their particular interests to the staff for its guidance during the budget process. The Committee recommendation included approval of the proposal related to the Oregon Joint Graduate Schools of Engineering as included in the budget under emerging major initiatives and described in Supplement C to these minutes. Approval of the engineering proposal recognized that the Executive Committee of the Board would participate in further discussions of the plan and act for the Board in making necessary changes in the proposal prior to submission of the request. It was understood the actions of the Executive Committee would recognize the concerns of Board members expressed during the discussion.

Board Discussion and Action

Mr. Adams presented the report and recommendation from the Committee of the Whole. He said the Committee recommended that the Board approve the 1991-1993 biennial budget request amounts and policies as outlined in the narrative and attached schedules of the agenda item, with the understanding that the base budget amounts were still being calculated and refined following the guidelines outlined above and the Executive Department's guidelines for building base budgets.

Mr. Dodson mentioned the lengthy discussion about the graduate engineering and research proposal which was supported enthusiastically in principle. The Committee discussion is reported above. Mr. Dodson specifically cited the comments about monitoring the structure and delegating some authority to the Executive Committee to oversee the development of the proposal. He indicated also that the Board was not the only participant. The Board will have to rely on the liaison committee to the Governor's Portland Higher Education Commission to help coordinate the other major players in the constituency.

Miss Matthews asked for clarification of two issues with respect to tuition. She indicated it appeared tuition in Oregon would be at a higher level than at present in comparisons with other western states. She also asked whether the recommendation would result in a departure from the present policy on the percentage of the cost of instruction paid from tuition.
The Chancellor said he was not sure of the impact of the tuition increases on the ranking among western states, but probably Oregon would move upward, but perhaps not in the next biennium. He said the tuition increases for the coming year were relatively high in national terms. He also agreed with Mr. Bailey that the increases for the coming year were relatively high compared to those being budgeted for the next fiscal year.

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

Capital Construction
Budget Request, 1991-1997

Staff Report to the Committee

The colleges and universities of the Oregon State System of Higher Education requested consideration of more than $410 million of capital construction projects for 1991-1993 and $770 million for 1993-1997. After discussions with representatives from each institution, the staff has prepared the recommended project list which follows.

The total cost of the projects recommended for 1991-1993 is $243,490,000. The entire six-year capital construction budget, running through 1997, is $1,185,255,000. Those projects requested for 1991-1993 and not recommended by the staff are included in 1993-1995.

The themes of the 1991-1993 capital construction budget are completing the projects we have begun and maintaining the facilities we already have. Most of the new projects are financed by sources other than the State of Oregon (gifts, grants and user charges). The emphasis for the use of state resources is on the themes of completing projects already underway (e.g., the Kerr Library Expansion at Oregon State University and the Business, Mathematics and Computer Science Building at Western Oregon State College) and addressing the problems of deferred maintenance and facility obsolescence.

The 1991-1993 recommended projects are arranged by fund source. Part I of the first table deals with those educational and general projects which include at least some funding from the State General Fund. These 18 projects total about $127 million, including nearly $113 million of General Fund. Eleven of the projects involve new construction totaling $48,210,000 (most of it for Kerr Library). The seven maintenance and modernization projects have a combined budget of $78.5 million. The largest project in this category is a $45.2 million effort to begin to address the System's backlog of deferred maintenance needs. The $45.2 million is the first of three biennial installments of
Hospital and improvements to health clinics.

Other major efforts include regular upgrading of the university's construction of student housing at Portland State University. The largest single project is the auxiliary enterprises. Near $60 million of projects are proposed for the system's

Suggestion might be honored.

the board's request. Since no general fund is involved, such a
that the Governor and legislature assemble and such projects to
transport project recommendations are with board approval, suggest
in the fees. If the staff with tuition to the board with add-
student lobby to determine if students would accept an increase
staff recommends that the board permit it to work with the Oregon
costs associated with additional construction projects. The
increase in the fees above the $75.00 level is in order to pay for
to determine whether or not students would support
has been asked to determine whether or not students would support
student lobby maximum of $75.00 per term. The Oregon
have to be raised from the current level of $75.00 per term to its
these projects. In order to provide this support, that fee would
the building fee is suggested as the partial source of funds for

* Of the legislative assembly

and the Oregon State University.

* Oregon Research Faculty at the Oregon Research Science

facilities. The largest of these projects is a federally-funded

No state funds are proposed for your educational and general

* Oregon Institute of Technology's West Campus

reconstruction of the Idaho School of Education Community for use as an

other is to complete the initial

which are equal amount of articles and

two projects. The first is for an engineering science building at the

the state lottery is suggested as the source of state funds for

the operating budget allowed for the board's consideration.

1991-1996 $50 million. The board would like to see the

20, 1990

Meeting #590
Meeting #590

July 20, 1990

The following table summarizes the sources of funds proposed to support the projects recommended for Board approval for 1991-1993:

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$112,560,000</td>
</tr>
<tr>
<td>Federal Grants</td>
<td>40,350,000</td>
</tr>
<tr>
<td>Hospitals and Clinics</td>
<td>24,250,000</td>
</tr>
<tr>
<td>Housing</td>
<td>23,695,000</td>
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<tr>
<td>Gifts</td>
<td>13,265,000</td>
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<tr>
<td>State Lottery</td>
<td>14,225,000</td>
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<tr>
<td>Parking</td>
<td>4,605,000</td>
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<tr>
<td>Building Fee</td>
<td>2,015,000</td>
</tr>
<tr>
<td>Other</td>
<td>8,525,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$243,490,000</strong></td>
</tr>
</tbody>
</table>

Article XI-F(1) bonds are suggested for those projects utilizing Building Fee and Auxiliary Enterprises funding. Such bonds also are expected to pay for about $9 million of hospital equipment in 1991-1993. Therefore, the total amount of new Article XI-F(1) bonds associated with the budgets being considered by the Board exceeds $72 million. With the concurrence of the Board, the staff will recommend that amount (plus an allowance for bonds for projects from prior biennia which will not yet have been issued before June 30, 1991) to the Executive Department for inclusion in the bond bill proposed to the 1991 Legislative Assembly. The final bond number will include the discount and, therefore, will be greater than the associated project budgets.

The theme of fixing up and modernizing the assets the System already has is as evident in 1993-1997 as it is in 1991-1993. The following table illustrates the totals for new construction and maintenance and rehabilitation for the three biennia included in the proposed capital construction budget.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New Const</td>
<td>$136,995</td>
<td>$367,570</td>
<td>$174,170</td>
<td>$ 678,735</td>
</tr>
<tr>
<td>Maint</td>
<td>106,495</td>
<td>228,915</td>
<td>171,110</td>
<td>506,520</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$243,490</td>
<td>$596,485</td>
<td>$345,280</td>
<td>$1,185,255</td>
</tr>
</tbody>
</table>

The six-year totals for Educational and General projects and for Building Fee and Auxiliary Enterprises are shown below:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ed &amp; Genl</td>
<td>$182,300</td>
<td>$445,210</td>
<td>$252,040</td>
<td>$ 879,550</td>
</tr>
<tr>
<td>BF &amp; Aux</td>
<td>61,190</td>
<td>151,275</td>
<td>93,240</td>
<td>305,705</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$243,490</td>
<td>$596,485</td>
<td>$345,280</td>
<td>$1,185,255</td>
</tr>
</tbody>
</table>
The dollar figures for all 1991-1993 projects shown in the following tables are depicted in thousands and include estimated inflation through their scheduled completion. The projects shown for 1993-1995 and 1995-1997 are in dollars current in the middle of the biennia shown. They are not denominated in thousands of dollars.

Staff Recommendation to the Committee

The staff recommended that the Board authorize the preparation and submission to the Executive Department of a 1991-1997 Capital Construction Budget in accordance with the following tables. The staff recommended further that the Board authorize staff to apply for the necessary grants and seek the necessary bonding authority to effect the projects shown for 1991-1993.
1991-1993 CAPITAL CONSTRUCTION BUDGET

July 20, 1990

STAFF FUNDING RECOMMENDATIONS

TABLE I—EDUCATIONAL AND GENERAL

($ in thousands)

PART I—GENERAL FUND AND XI-G BONDS

<table>
<thead>
<tr>
<th>Inst</th>
<th>Project Name</th>
<th>Gen Fund</th>
<th>Other Funds</th>
<th>Total</th>
<th>New or Maint</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-OSU</td>
<td>Kerr Library Expansion</td>
<td>$20,900</td>
<td>$9,650</td>
<td>$30,550</td>
<td>New</td>
</tr>
<tr>
<td>2-UO</td>
<td>Utilities Rehabilitation</td>
<td>3,400</td>
<td>800</td>
<td>4,200</td>
<td>Maint</td>
</tr>
<tr>
<td>3-SYS</td>
<td>Deferred Maintenance</td>
<td>45,200</td>
<td>0</td>
<td>45,200</td>
<td>Maint</td>
</tr>
<tr>
<td>4-WOSC</td>
<td>Business/Math Classroom</td>
<td>6,775</td>
<td>0</td>
<td>6,775</td>
<td>New</td>
</tr>
<tr>
<td>5-SOSC</td>
<td>Art Facilities, Phase I</td>
<td>1,500</td>
<td>1,500</td>
<td>3,000</td>
<td>New</td>
</tr>
<tr>
<td>6-PSU</td>
<td>Engr Sci Bldg Planning</td>
<td>1,000</td>
<td>0</td>
<td>1,000</td>
<td>New</td>
</tr>
<tr>
<td>7-SYS</td>
<td>Classroom/Lab Moderniztn</td>
<td>7,500</td>
<td>0</td>
<td>7,500*</td>
<td>Maint</td>
</tr>
<tr>
<td>8-OSU</td>
<td>Acad Modernization, Ph I</td>
<td>10,000</td>
<td>0</td>
<td>10,000</td>
<td>Maint</td>
</tr>
<tr>
<td>9-EOSC</td>
<td>Ag Sci Greenhouse</td>
<td>495</td>
<td>0</td>
<td>495</td>
<td>New</td>
</tr>
<tr>
<td>10-OSU</td>
<td>Oceanogr Cmpt Lab (NASA)</td>
<td>700</td>
<td>0</td>
<td>700</td>
<td>New</td>
</tr>
<tr>
<td>1-OSU</td>
<td>Western Blvd Impmts</td>
<td>255</td>
<td>0</td>
<td>255</td>
<td>New</td>
</tr>
<tr>
<td>2-SYS</td>
<td>Land Acquisition</td>
<td>500</td>
<td>600</td>
<td>1,100</td>
<td>New</td>
</tr>
<tr>
<td>13-OHSU</td>
<td>Area Health Educ Ctrs</td>
<td>1,135</td>
<td>0</td>
<td>1,135</td>
<td>New</td>
</tr>
<tr>
<td>14-UO</td>
<td>Faculty/Staff Child Care</td>
<td>500</td>
<td>500</td>
<td>1,000</td>
<td>New</td>
</tr>
<tr>
<td>15-UO</td>
<td>Deady/Villard Rehab, Ph II</td>
<td>1,200</td>
<td>0</td>
<td>1,200</td>
<td>Maint</td>
</tr>
<tr>
<td>16-UO</td>
<td>Law Library Rehab</td>
<td>400</td>
<td>0</td>
<td>400</td>
<td>Maint</td>
</tr>
<tr>
<td>17-OHSU</td>
<td>Doernbecher Hosp Rehab</td>
<td>10,000</td>
<td>0</td>
<td>10,000</td>
<td>Maint</td>
</tr>
<tr>
<td>18-OHSU</td>
<td>Nucl Mag Res Rsrch Fac</td>
<td>1,100</td>
<td>1,100</td>
<td>2,200</td>
<td>New</td>
</tr>
</tbody>
</table>

TOTAL. GENERAL FUND SUPPORTED PROJECTS $112,560 $14,150 $126,710

*For use by institutions other than Oregon State University.
PART II--STATE LOTTERY

<table>
<thead>
<tr>
<th>Inst</th>
<th>Project Name</th>
<th>Lottery</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-SYS</td>
<td>Washington County Engineering Building</td>
<td>$13,500</td>
<td>$13,500#</td>
<td>$27,000</td>
</tr>
<tr>
<td>2-OIT</td>
<td>Metro Campus Rehab/Roof</td>
<td>725</td>
<td>0##</td>
<td>725</td>
</tr>
</tbody>
</table>

TOTAL, STATE LOTTERY SUPPORTED $14,225 $13,500 $27,725

#Federal grant and possible gifts.
##Includes $250,000 to restore projected 1989-1991 lottery shortfall.

PART III--NON-GENERAL FUND

<table>
<thead>
<tr>
<th>Inst</th>
<th>Project Name</th>
<th>Fund Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-OHSU</td>
<td>Neurosensory Center</td>
<td>Federal Grant</td>
<td>$25,000</td>
</tr>
<tr>
<td>2-UO</td>
<td>Museum of Nat Hist Addtn</td>
<td>Gifts</td>
<td>1,570</td>
</tr>
<tr>
<td>3-UO</td>
<td>Longhouse</td>
<td>Gifts</td>
<td>545</td>
</tr>
<tr>
<td>4-SOSC</td>
<td>KSOR Improvements</td>
<td>Federal Grant</td>
<td>750</td>
</tr>
</tbody>
</table>

TOTAL NON-GENERAL FUND $27,865

TOTAL EDUCATIONAL AND GENERAL $182,300
### TABLE II -- BUILDING FEE

**WITHIN $18.50 FEE LEVEL**

<table>
<thead>
<tr>
<th>Inst</th>
<th>Project Name</th>
<th>Bldg Fee</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-UO</td>
<td>Utilities Rehab</td>
<td>$ 190</td>
<td>$4,010</td>
<td>$4,200</td>
</tr>
<tr>
<td>2-EOSC</td>
<td>Hoke Hall Addition</td>
<td>1,565</td>
<td>525</td>
<td>2,090</td>
</tr>
<tr>
<td>3-WOSC</td>
<td>Health Svcs Addition</td>
<td>260</td>
<td>0</td>
<td>260</td>
</tr>
</tbody>
</table>

**TOTAL WITHIN $18.50 FEE**

- $2,015
- $4,535
- $6,550

**ABOVE CURRENT LEGISLATED FEE LEVEL (NOT PRESENTLY RECOMMENDED)**

<table>
<thead>
<tr>
<th>Inst</th>
<th>Project Name</th>
<th>Bldg Fee</th>
<th>Other</th>
<th>Total</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-SOSC</td>
<td>Fitness Ctr/Tennis Courts</td>
<td>$ 540</td>
<td>$ 545</td>
<td>$1,085</td>
<td>$18.80</td>
</tr>
<tr>
<td>5-SOSC</td>
<td>Health Ctr Rehab</td>
<td>220</td>
<td>0</td>
<td>220</td>
<td>18.90</td>
</tr>
<tr>
<td>6-UO</td>
<td>EMU Main Flr Alts</td>
<td>2,655</td>
<td>0</td>
<td>2,655</td>
<td>20.25</td>
</tr>
<tr>
<td>7-UO</td>
<td>EMU Child Care</td>
<td>705</td>
<td>0</td>
<td>705</td>
<td>20.60</td>
</tr>
<tr>
<td>8-OIT</td>
<td>PE &amp; Rec Facility</td>
<td>6,000</td>
<td>0</td>
<td>6,000</td>
<td>23.60</td>
</tr>
<tr>
<td>9-SOSC</td>
<td>Stevenson Add, Ph II</td>
<td>1,700</td>
<td>0</td>
<td>1,700</td>
<td>24.45</td>
</tr>
<tr>
<td>10-UO</td>
<td>Rec Activity Center</td>
<td>20,125</td>
<td>0</td>
<td>20,125</td>
<td>34.55</td>
</tr>
<tr>
<td>1-WOSC</td>
<td>College Ctr Add</td>
<td>5,000</td>
<td>0</td>
<td>5,000</td>
<td>37.05</td>
</tr>
<tr>
<td>12-PSU</td>
<td>Smith Mem Ctr Rehab</td>
<td>3,450</td>
<td>0</td>
<td>3,450</td>
<td>38.80</td>
</tr>
<tr>
<td>13-PSU</td>
<td>Library East</td>
<td>920</td>
<td>1,995</td>
<td>2,915</td>
<td>39.25</td>
</tr>
</tbody>
</table>

**TOTAL ABOVE $18.50 FEE**

- $41,315
- $2,540
- $43,855

**TOTAL, BUILDING FEE**

- $43,330
- $7,075
- $50,405
### TABLE III—AUXILIARY SERVICES

<table>
<thead>
<tr>
<th>Inst</th>
<th>Project Name</th>
<th>Fund Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOSC</td>
<td>Cascade Cafeteria Imps</td>
<td>Housing</td>
<td>$ 1,910</td>
</tr>
<tr>
<td>SOSC</td>
<td>Residence Hall Storage</td>
<td>Housing</td>
<td>965</td>
</tr>
<tr>
<td>SOSC</td>
<td>Campus Ped Safety Imps</td>
<td>Housing</td>
<td>235</td>
</tr>
<tr>
<td>SOSC</td>
<td>Parking Expansion</td>
<td>Parking</td>
<td>150</td>
</tr>
<tr>
<td>PSU</td>
<td>Student Housing</td>
<td>Housing</td>
<td>19,450</td>
</tr>
<tr>
<td>PSU</td>
<td>Parking Struc I Rehab</td>
<td>Parking</td>
<td>1,110</td>
</tr>
<tr>
<td>UO</td>
<td>North Campus Relocation</td>
<td>Riverfront Lease</td>
<td>2,225</td>
</tr>
<tr>
<td>UO</td>
<td>Communications Svcs Bldg</td>
<td>Svc Credits</td>
<td>5,200</td>
</tr>
<tr>
<td>OHSU</td>
<td>Hosp Utilities Rehab</td>
<td>Hospital</td>
<td>2,250</td>
</tr>
<tr>
<td>OHSU</td>
<td>Parking Structure V Addtn</td>
<td>Parking</td>
<td>3,345</td>
</tr>
<tr>
<td>OHSU</td>
<td>Outpatient Clinic Rehab</td>
<td>Clinics</td>
<td>7,000</td>
</tr>
<tr>
<td>OHSU</td>
<td>Hospital Rehabilitation</td>
<td>Hospital</td>
<td>15,000</td>
</tr>
</tbody>
</table>

**TOTAL, AUXILIARY SERVICES**

$58,840**

**Excludes $1,135,000 of housing funds used to help support projects shown elsewhere in this document.

**GRAND TOTAL—ALL 1991-1993 RECOMMENDED PROJECTS**

$243,490
# 1993-1997 Capital Construction Budget

## Projects Listings by Institution

Oregon State Board of Higher Education

Table IV listing of institutional requests for capital construction and land acquisition to be financed through state funds and/or gifts and grants during 1993-1995 and 1995-97.

**Board's Request**

Educational & General Plant Program

(total includes all funding sources)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>OREGON STATE UNIVERSITY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Classroom/Lab Modern., Phase II</td>
<td>$32,110,000</td>
<td></td>
</tr>
<tr>
<td>2 Campus Lighting Upgrade</td>
<td>470,000</td>
<td></td>
</tr>
<tr>
<td>3 Kidder Hall Mech. Upgrade</td>
<td>410,000</td>
<td></td>
</tr>
<tr>
<td>4 Fine &amp; Perf Arts Bldg</td>
<td>18,900,000</td>
<td></td>
</tr>
<tr>
<td>5 Peavy Hall Addn./Forest Res</td>
<td>10,080,000</td>
<td></td>
</tr>
<tr>
<td>6 Utility Improvements</td>
<td>405,000</td>
<td></td>
</tr>
<tr>
<td>7 35th Street Improvements</td>
<td>715,000</td>
<td></td>
</tr>
<tr>
<td>1 Computer Science Bldg.</td>
<td></td>
<td>$10,700,000</td>
</tr>
<tr>
<td>2 Academic Modern., Phase III</td>
<td></td>
<td>20,550,000</td>
</tr>
<tr>
<td>3 Utility Improvements</td>
<td></td>
<td>10,100,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$63,090,000</strong></td>
<td><strong>$41,350,000</strong></td>
</tr>
</tbody>
</table>

EASTERN OREGON STATE COLLEGE

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Badgley Agri/Science Addn.</td>
<td>$2,400,000</td>
<td></td>
</tr>
<tr>
<td>2 Classroom/Lab Modern., Phase II</td>
<td>5,800,000</td>
<td></td>
</tr>
<tr>
<td>1 Classroom/Lab Modern., Phase III</td>
<td></td>
<td>$3,600,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$8,200,000</strong></td>
<td><strong>$3,600,000</strong></td>
</tr>
</tbody>
</table>
### WESTERN OREGON STATE COLLEGE

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Library Expansion</td>
<td>$6,915,000</td>
</tr>
<tr>
<td>2  Art Department Complex</td>
<td>1,950,000</td>
</tr>
<tr>
<td>3  Pedestrian Quad</td>
<td>305,000</td>
</tr>
<tr>
<td>4  Handicap Access</td>
<td>265,000</td>
</tr>
<tr>
<td>5  Education Expansion &amp; Rehab</td>
<td>6,300,000</td>
</tr>
<tr>
<td>6  Physical Plant &amp; Util. Tunnel</td>
<td>6,370,000</td>
</tr>
<tr>
<td>7  Various Campus Improvements</td>
<td>1,115,000</td>
</tr>
<tr>
<td>1  Field House &amp; Swim Center</td>
<td>$5,625,000</td>
</tr>
<tr>
<td>2  Various Campus Improvements</td>
<td>1,370,000</td>
</tr>
</tbody>
</table>

**TOTAL** $23,220,000 $6,995,000

### SOUTHERN OREGON STATE COLLEGE

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Art Facilities, Phase II</td>
<td>$5,350,000</td>
</tr>
<tr>
<td>2  Siskiyou Blvd Safety/Impr.</td>
<td>750,000</td>
</tr>
<tr>
<td>3  Central Shops/ Storage</td>
<td>3,655,000</td>
</tr>
<tr>
<td>4  Library Addn. &amp; Rehab.</td>
<td>8,310,000</td>
</tr>
<tr>
<td>5  Utility Improvements</td>
<td>1,500,000</td>
</tr>
<tr>
<td>6  Math/Instr. Media Services/Ctr</td>
<td>5,200,000</td>
</tr>
<tr>
<td>7  Britt/Taylor/Siskiyou Rehab</td>
<td>4,215,000</td>
</tr>
<tr>
<td>1  Physical Plant Facility</td>
<td>$1,450,000</td>
</tr>
<tr>
<td>2  Life Science Addn.</td>
<td>8,665,000</td>
</tr>
<tr>
<td>3  McNeal Hall Rehab., Phase III</td>
<td>2,740,000</td>
</tr>
<tr>
<td>4  Drama Lab Improvements</td>
<td>345,000</td>
</tr>
<tr>
<td>5  Playing Fields</td>
<td>345,000</td>
</tr>
</tbody>
</table>

**TOTAL** $28,980,000 $13,545,000

### OREGON INSTITUTE OF TECHNOLOGY

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Snell Hall Addn.</td>
<td>$2,605,000</td>
</tr>
<tr>
<td>2  Cornett Hall, Phase II</td>
<td>155,000</td>
</tr>
<tr>
<td>3  Physical Plant Addn.</td>
<td>625,000</td>
</tr>
<tr>
<td>1  Cornett Hall, Phase III</td>
<td>$685,000</td>
</tr>
<tr>
<td>2  Classroom-Lab Bldg.</td>
<td>11,825,000</td>
</tr>
<tr>
<td>3  Metro Campus Rehab., Phase II</td>
<td>1,220,000</td>
</tr>
</tbody>
</table>

**TOTAL** $3,385,000 $13,730,000
### PORTLAND STATE UNIVERSITY

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engr Sci Bldg I, Phase II</td>
<td>$18,500,000</td>
</tr>
<tr>
<td>Shattuck Hall Rehab</td>
<td>7,365,000</td>
</tr>
<tr>
<td>Library East Rehab</td>
<td>3,200,000</td>
</tr>
<tr>
<td>Health &amp; PE Rehab</td>
<td>2,850,000</td>
</tr>
<tr>
<td>Ctr. for Urban Studies</td>
<td>31,500,000</td>
</tr>
<tr>
<td>Lincoln Hall Rehab</td>
<td>14,670,000</td>
</tr>
<tr>
<td>Cramer Hall Rehab</td>
<td>7,405,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Phase II</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Millar Library Addn.</td>
<td>$26,730,000</td>
</tr>
<tr>
<td>Health &amp; PE Annex &amp; Addm.</td>
<td>8,560,000</td>
</tr>
<tr>
<td>Science Bldg. I Rehab</td>
<td>5,400,000</td>
</tr>
<tr>
<td>Science Bldg. II Rehab</td>
<td>8,390,000</td>
</tr>
<tr>
<td>Academic Modern., Phase III</td>
<td></td>
</tr>
</tbody>
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**TOTAL** $85,490,000 $49,080,000

### OREGON HEALTH SCIENCES UNIVERSITY

<table>
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<tr>
<th>Project Description</th>
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<tbody>
<tr>
<td>Expand Campus Roadway System</td>
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<tr>
<td>Dental School Addn.</td>
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<tr>
<td>Primary Care Satellite Clinic</td>
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<tr>
<td>Classroom/Lab, Phase II</td>
<td>2,145,000</td>
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<tr>
<td>Utilities Renewal/Expansion</td>
<td>11,340,000</td>
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<tr>
<td>Ext. Restor./Impr., Ph. I</td>
<td>1,260,000</td>
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<td>Doernbecher Hosp. Replace</td>
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<th>Phase III</th>
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<tbody>
<tr>
<td>Classroom/Lab, Phase III</td>
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<tr>
<td>Utilities Renewal/Ex., Ph. II</td>
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<tr>
<td>Ext. Restor./Impr., Ph. II</td>
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**TOTAL** $125,065,000 $7,810,000

### UNIVERSITY OF OREGON

<table>
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<tr>
<td>Law Center Addn.</td>
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<td>Foreign Lang/Int'l St. Bldg.</td>
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<tr>
<td>Gilbert Hall Addn.</td>
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<tr>
<td>Allen Hall Addn.</td>
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<td>Accessibility &amp; Safety</td>
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<tr>
<td>Villard/Robinson Theatre Addn.</td>
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<tr>
<td>Esslinger Hall Addn.</td>
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<tr>
<td>Arch. &amp; Arts Addn.</td>
<td>1,855,000</td>
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<td>Art Museum Addn.</td>
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<td>Oregon Hall Addn.</td>
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**TOTAL**
<table>
<thead>
<tr>
<th>Project Description</th>
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<tr>
<td>Street Improvements</td>
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<tr>
<td>Esslinger/Gerlinger Field Im.</td>
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<tr>
<td>Condon School Alter.</td>
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<tr>
<td>Pine Mt. Improvements. Ph. I</td>
<td>365,000</td>
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<tr>
<td>Deady &amp; Villard, Restor., III</td>
<td>795,000</td>
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<tr>
<td>Hendricks Hall Alter., Ph I</td>
<td>1,480,000</td>
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<tr>
<td>Computing Ctr. Add</td>
<td>$5,955,000</td>
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<tr>
<td>Law Ctr. Addt., Phase II</td>
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<td>Educ Addn., Phase II</td>
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<td>Instructional Fields, Ph. I</td>
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<tr>
<td>Aquatic Facilities Impro.</td>
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<tr>
<td>Adult Ed. Ctr.</td>
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<tr>
<td>Alumni Ctr.</td>
<td>970,000</td>
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<td>Physical Plant Ad-Shops Bldg</td>
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<td>Heat Plant Modif.</td>
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<td>Military Sc Addn.</td>
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<td>Condon Hall Addn.</td>
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<td>Beall Concert Hall Addn.</td>
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<td>Hendricks Hall Alter., Ph. II</td>
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<td>Fenton Hall Stacks Alter.</td>
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<td>Deady &amp; Villard Restor., Ph IV</td>
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<tr>
<td>Oregon Hall Alterations</td>
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| **TOTAL**                                                | **$84,889,000** | **$56,330,000**

**SYSTEM**

1. Deferred Maintenance                                  $51,600,000
2. Land Acquisition                                       1,300,000

1. Deferred Maintenance                                  $58,100,000
2. Land Acquisition                                       1,500,000

**TOTAL**                                                $52,900,000 |  $59,600,000

**GRAND TOTAL**                                           $445,210,000 |  $252,040,000
### TABLE V


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<tr>
<td>1</td>
<td>Student Family Housing</td>
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<td>2</td>
<td>Student Housing, Presidential</td>
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<td>3</td>
<td>Dixon Recreation Ctr. Complet.</td>
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<td>4</td>
<td>Utility Improv. (sewers)</td>
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<tr>
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<td>Utility Improv. (sewers)</td>
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**TOTAL** | **$28,695,000** | **$10,135,000** |

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<tr>
<td>1</td>
<td>Phy. Ed. Field House</td>
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**TOTAL** | **$1,135,000** |

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<tbody>
<tr>
<td>1</td>
<td>College Ctr. Remodel</td>
<td>$ 6,300,000</td>
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<tr>
<td>2</td>
<td>Food Service Remodel</td>
<td>945,000</td>
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**TOTAL** | **$7,245,000** |

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<tbody>
<tr>
<td>1</td>
<td>Fitness Ctr./Tennis Compl.</td>
<td>$ 1,190,000</td>
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<tr>
<td>2</td>
<td>Stevenson Union Addn. Compl.</td>
<td>1,305,000</td>
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<tr>
<td>3</td>
<td>Student Health Ctr. Remodel</td>
<td>260,000</td>
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<tr>
<td>4</td>
<td>Utility Improv. (chilling)</td>
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<tr>
<td>5</td>
<td>Siskiyou Ctr. Ex/Remodel</td>
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<tr>
<td>6</td>
<td>Racquetball Ct. Addn.</td>
<td>455,000</td>
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<tr>
<td>1</td>
<td>Physical Plant Facility</td>
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<tr>
<td>2</td>
<td>McNeal Hall, Phase II</td>
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<td>Greenspings Apt. Addn.</td>
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<td>4</td>
<td>Playing Fields</td>
<td>345,000</td>
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<tr>
<td>5</td>
<td>Broadcast Bldg. KSYS/KSOR</td>
<td>3,425,000</td>
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**TOTAL** | **$4,980,000** | **$15,915,000** |
OREGON INSTITUTE OF TECHNOLOGY

<table>
<thead>
<tr>
<th></th>
<th>Project Description</th>
<th>Cost</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>PE &amp; Recreation Facility</td>
<td>$7,560,000</td>
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<tr>
<td>2</td>
<td>College Union Addn.</td>
<td>$4,420,000</td>
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<td>3</td>
<td>Tennis Crts. Addn. (roof)</td>
<td>$1,050,000</td>
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<tr>
<td></td>
<td><strong>Sports Arena</strong></td>
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<td><strong>TOTAL</strong></td>
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<td><strong>$13,030,000</strong></td>
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PORTLAND STATE UNIVERSITY

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<tr>
<th></th>
<th>Project Description</th>
<th>Cost</th>
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<tbody>
<tr>
<td>1</td>
<td>Smith Memorial Center Rehab.</td>
<td>$3,780,000</td>
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<tr>
<td>2</td>
<td>Student Housing</td>
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<td><strong>TOTAL</strong></td>
<td><strong>$16,380,000</strong></td>
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OREGON HEALTH SCIENCES UNIVERSITY

<table>
<thead>
<tr>
<th></th>
<th>Project Description</th>
<th>Cost</th>
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<tbody>
<tr>
<td>1</td>
<td>Faculty Office Bldg.</td>
<td>$12,600,000</td>
</tr>
<tr>
<td>2</td>
<td>Hospital Renovations</td>
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<tr>
<td>3</td>
<td>OPC Renovations</td>
<td>$2,520,000</td>
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<td></td>
<td><strong>Off Campus Parking Structure</strong></td>
<td><strong>$16,440,000</strong></td>
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<tr>
<td>2</td>
<td>Hospital Renovations</td>
<td>$27,400,000</td>
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<tr>
<td>3</td>
<td>OPC Renovations</td>
<td>$2,740,000</td>
</tr>
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<td><strong>TOTAL</strong></td>
<td><strong>$39,060,000</strong></td>
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UNIVERSITY OF OREGON

<table>
<thead>
<tr>
<th></th>
<th>Project Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>EMU Main Flr Alterations</td>
<td>$7,225,000</td>
</tr>
<tr>
<td>2</td>
<td>EMU Child Care</td>
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<tr>
<td>3</td>
<td>Recreation Activity Ctr.</td>
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<tr>
<td>4</td>
<td>Esslinger/Gerlinger Field Drain.</td>
<td>$1,445,000</td>
</tr>
<tr>
<td>5</td>
<td>Campus Entry &amp; Street Impr.</td>
<td>$860,000</td>
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<td>6</td>
<td>EMU Child Care Modules</td>
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<td><strong>Handball/Racquetball Ct. Compl.</strong></td>
<td><strong>$360,000</strong></td>
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<td>2</td>
<td>Instructional Fields, Ph I</td>
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<td>3</td>
<td>Aquatic Facilities Impr.</td>
<td>$425,000</td>
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<td>4</td>
<td>Phys. Plant Ad-Shops Bldg.</td>
<td>$3,310,000</td>
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<td>5</td>
<td>Heat Plant Modifications</td>
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<td>N. Campus Fac. Reloc., Ph III</td>
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<td><strong>TOTAL</strong></td>
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GRAND TOTALS

<p>| | | |</p>
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<tbody>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>$151,275,000</strong></td>
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<tr>
<td></td>
<td><strong>Handball/Racquetball Ct. Compl.</strong></td>
<td><strong>$12,390,000</strong></td>
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</table>
Discussion and Recommendation by the Committee

Ms. Wilson inquired whether there had been an opportunity for students to comment on the priorities, and Mr. Pernsteiner said students were meeting the following day. Information from that meeting would be available at a later time.

Miss Matthews inquired why deferred maintenance was Priority 3 rather than Priority 1. Mr. Pernsteiner responded that the Kerr Library was a commitment the Board had made in 1988 as having a very high priority and recommended it for full funding at that time. It was carried forward as Priority 1 for that reason. He said the utilities rehabilitation in Priority 2 was largely a code issue. Therefore, it had a certain importance because it was above normal deferred maintenance.

Mr. Hensley referred to previous correspondence from the Oregon Student Lobby concerning building and program access for disabled students. He indicated there was a Board program to correct some of those deficiencies at one time and asked if access were still a problem.

Mr. Pernsteiner said all of the available funds had been spent. He said there were spaces remaining which needed to be made accessible. Part of the money in deferred maintenance would be used for that purpose, as would some of the funds requested for capital repair. Mr. Pernsteiner said a second major effort was not being proposed because the magnitude of the problem was not as great as it was at the time of the earlier effort.

In response to a question from Mr. Johnston concerning the building at Western Oregon State College, Mr. Pernsteiner stated it was the third building in a three-building complex and was the Board’s contribution to the complex.

In response to questions from Miss Matthews, Mr. Pernsteiner said lottery funding was allocated in a two-step process through different legislative committees. Projects must have a link with economic development. He also stated the Washington County Engineering building would provide facilities for programs that the shared graduate schools would offer in that area. For budgetary estimates, the staff planned for a facility that would include 20 classrooms and laboratories for both instruction and research.

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

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

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

Executive Session

At the conclusion of the discussion of the Capital Construction Budget Request in the Committee of the Whole, Mr. Dodson adjourned the Committee and convened the Board meeting for the purpose of announcing that the Board would meet in Executive Session during lunch. The Executive Session was held pursuant to ORS 192.660(1)(f), for the purpose of considering records exempt from public discussion. The Executive Session had been noticed previously in the call-to-meeting letter.

Report on Central Oregon Consortium for Higher Education

Staff Report to the Committee

Three State System institutions and two private colleges have entered agreements with the Central Oregon Consortium for Higher Education (COCHE) to make degree programs available to place-bound students in Central Oregon.

In 1977, Central Oregon Community College (COCC) began a series of efforts to make upper-division and graduate course offerings available to central Oregonians. Subsequently, the following activities have occurred:

- State System institutions and several private institutions, through their departments of continuing education, began offering courses in Bend.
- In 1981, Oregon State University began offering a baccalaureate degree program in Liberal Studies in Bend.
- In 1983, Linfield College began offering baccalaureate degrees in Management and in Business Information Systems in Bend.
- In 1984, business and educational leaders in the Bend area prepared a paper calling for a consortium of colleges and universities to work in cooperation with Central Oregon Community College in developing additional higher education programs.
In 1987, Central Oregon Community College formed a Four-Year Articulation Department within the college to coordinate all higher education programming in Central Oregon.

In 1988, the Board's Task Force on Regional Colleges held a hearing in Bend and received considerable testimony in favor of the consortium approach. The Task Force was unanimous in its support for the consortial arrangement and recommended that the State Board recognize the Central Oregon Consortium for Higher Education and request funds for its support.

In February of 1989, the Board approved a resolution recognizing the Central Oregon Consortium for Higher Education as the vehicle through which upper-division and graduate programs will be coordinated in Central Oregon.

The 1989 Legislative Assembly passed a bill authorizing community colleges to participate in educational consortia with public and private institutions to offer upper-division and graduate instruction. The legislation authorized community colleges to expend money, provide facilities, and assign staff to assist institutions offering upper-division and graduate instruction through consortial agreements.

The Emergency Board allocated $180,000 to the Central Oregon Consortium for Higher Education for the 1989-1991 biennium to support upper-division and graduate coursework offered through the Consortium.

In November 1989, Chancellor Bartlett and President Boyle of Central Oregon Community College signed an agreement implementing the Board's resolution.

In December of 1989, the Oregon State System of Higher Education institutions and the Office of Academic Affairs appointed representatives to the Consortium.

In January of 1990, the Central Oregon Consortium for Higher Education staff, Oregon State System of Higher Education representatives, and representatives from three private colleges began a series of monthly work sessions to address policy issues, determine course schedules, and develop agreements.

Process

The Central Oregon Consortium for Higher Education and the participating State System institutions have entered intergovernmental agreements detailing the terms under which programs will be offered through the Central Oregon Consortium for Higher Education. The terms include:
COCHE students will apply for admission to the degree-granting institutions.

The institutions will:
- determine the curriculum and make all academic decisions.
- admit students.
- maintain transcripts.
- provide academic advising.
- employ the teaching faculty.

COCHE will:
- coordinate programs.
- provide general advising regarding programs available through COCHE.
- register students.
- set and collect tuition.
- pay the institutions according to the terms of the written agreements.

Present Status

Three State System institutions have signed agreements to provide degree programs through the Central Oregon Consortium for Higher Education:

- Oregon State University will offer the B.A./B.S. in Liberal Studies.
- Southern Oregon State College will offer a B.S. in Nursing.
- The University of Oregon will offer two degree programs:
  - Master's in Instructional Leadership,
  - B.A./B.S. in Human Services.
- Portland State University is continuing to work toward an agreement to offer the statewide MBA through COCHE.

Two private institutions have signed agreements to offer degree programs through the Central Oregon Consortium for Higher Education:

- Linfield College will offer:
  - BA/BS in Management,
  - Certificate in Accounting,
  - BA/BS in Business Information Systems.
- Lewis and Clark College will offer the Executive Master's in Public Administration.

Summary

Central Oregon Community College and the COCHE staff have worked hard to make higher education degree programs available in Central Oregon. They have identified the programs most in demand by central Oregonians, developed agreements with the providing institutions, publicized the availability of the degree programs, and advised hundreds of students.
The institutional response to the Central Oregon Consortium for Higher Education has been very positive. Institutional representatives have worked hard to make degree programs available through the Central Oregon Consortium for Higher Education. They have put together three-year coordinated plans to provide the necessary coursework in Bend. This has been difficult in light of the high enrollments at all of the participating institutions.

The Central Oregon Consortium for Higher Education is off to a good start and with continued funding should prove very successful.

Discussion and Recommendation by the Committee

Ms. Boushey introduced Dr. Bob Barber, the new president of Central Oregon Community College, and Viviane Simon-Brown, Director of the Central Oregon Consortium for Higher Education.

Dr. Barber pledged to continue support of the Consortium process and project as one of the significant examples of efforts in Oregon to move toward closer and better collaboration between institutions, not only between higher education and community colleges, but between units of higher education. The project has taken on significant statewide importance. It is being observed by legislators, educators, and community people who are all concerned, not only about regional access and the ability of people to access higher education in areas without a state institution, but also the larger issue of cooperation and collaboration among public institutions and the ability to articulate programs.

Ms. Simon-Brown said her report and other information was contained in a packet of informational materials distributed to the Board. A copy is on file in the Board's Office.

Ms. Simon-Brown said the goal of the Central Oregon Consortium for Higher Education was to provide quality higher education degree programs to meet the needs of central Oregonians who are placebound adults tied to the region by employment and family responsibilities. The Consortium is designed to work in a spirit of cooperation, not competition. It is built on commitments to provide degree programs which avoid duplication and enable students to plan ahead and complete a program. The programs must also be of the same quality and rigor as those offered on the home campus.

The Consortium has faced challenges with respect to cooperation, cost, and rules, regulations, and policies. She said innovative cooperation creates controversy. In a time of overcrowded campuses and diminishing budgets, it is difficult for institutions to consider spending so much time on a project which impacts a relatively small number of Oregon students. Off-campus offerings have had a limited history of coordination, but it is essential to the success of the Consortium.
She indicated cost represented a second major issue. An average program delivery cost of $3,000 per class for a 3 credit hours. The reality is approximately $7,700. One factor causing this disparity is the use of more expensive full-time senior faculty as opposed to adjunct faculty anticipated in the original estimate. The Central Oregon Consortium for Higher Education will pay the higher education institutions $330,622, and the tuition income is projected at $220,000.

Ms. Simon-Brown said the rules, regulations, and policies which currently exist at the institutions, including those at Central Oregon Community College, were designed for traditional education for traditional students in a traditional setting. They affect parts of the Consortium program and often make it difficult to meet program goals.

She said recruiting potential students and developing student services systems were immediate goals for the Fall Term 1990. Long-term goals will include negotiation of additional degree programs and the development of creative solutions to policy issues.

Ms. Simon-Brown said the staffs and boards of the Consortium and of Central Oregon Community College had been pleased with the responsiveness of the higher education institutions. The program's difficulties have resulted from attempting to mesh traditional policies in a nontraditional format, but the representatives from higher education have assisted in resolving many of these entanglements.

Mr. Adams asked for an explanation of how the difference between expense and revenue would be met. Ms. Simon-Brown cited sources of funds which would more than cover the deficit for this year.

The Chancellor commented that the $7,700 figure mentioned above was too high to support for a larger program and would have to come down. He said Ed-Net was of interest because it probably will be necessary to use technology to lower the cost. The cost for campus programs is approximately $4,500.

President Barber agreed the program could not run at its present cost level. He indicated the first year or two was a period of organization and development. He said he would hope there would be increased sharing of all types of resources in the future.

There was further discussion of the cost. Ms. Boushey indicated the $7,700 figure was somewhat misleading in that it included one very expensive program, the Bachelor of Science in Nursing. Most of the programs cost between $3,000 and $4,000 per course. The average will be reduced as more of the lower-cost programs are added. The $7,700 cost is the amount per course, regardless of the number of students.
Ms. Wilson asked if there were any way in which the Board could facilitate the problems related to rules, regulations, and policy issues if those issues dealt with the Board’s Administrative Rules or Board policy.

Ms. Boushey said the policy questions were more within the purview of the institutions. A more difficult question, which has not yet been resolved, is how a course taught by a faculty member at one institution could be accepted as a course taken in residence at another institution. All agreed it would be desirable for this problem to be eliminated.

**Board Discussion and Action**

The Board accepted the report as presented.

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

**Staff Report to the Board**

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

**Contracts for Professional Consulting Services**

- Inlow Hall Renovation, EOSC
- Elevator Maintenance Study, UO

An Agreement was negotiated with Soderstrom Architects, Architects, Portland, for architectural services not to exceed $50,000. Financing will be provided from state funds.

An Agreement was negotiated with Early & Associates, Consultants, Memphis, Tennessee, for consulting services not to exceed $11,126. Financing will be provided from state funds.

**Awards of Construction Contracts**

- Badgley Hall, HVAC Modifications, EOSC
- Aero Engineering Lab Reroofing Project, OSU
- Agricultural Sciences II, OSU
- Forest Research

On June 25, 1990, Valley Mechanical II Inc., was awarded a contract for this project in the amount of $209,200. Financing will be provided from state lottery and general funds.

On May 29, 1990, Merle Doty & Son, Inc., was awarded a contract for this project in the amount of $14,900. Financing will be provided from capital repair funds.

On July 3, 1990, Wildish Building Co. was awarded a contract for this project in the amount of $19,256,000. Financing will be provided from a combination of federal funds, state funds, and gift funds, plus a SELP Loan.

On June 25, 1990, Dale Ramsay Construction Co. was awarded a contract for this project in the amount of $179,756. Financing will be provided from capital repair funds and gift funds.
Meeting #590

Langton Hall
Room 200 Project, OSU

On June 25, 1990, Terry Hackenbruck Construction was awarded a contract for this project in the amount of $70,500. Financing will be provided from state and gift funds.

Mid-Columbia Ag. Research & Extension Center Cold Storage, OSU

On June 14, 1990, Advanced Building Construction, Inc., was awarded a contract for this project in the amount of $162,644. Financing will be provided from a combination of state funds, gift funds, lottery and privately funded.

Withycombe-Wiegand Sanitary Sewer Rehabilitation, OSU

On July 5, 1990, Mid-Valley Gravel Co. was awarded a contract for this project in the amount of $52,116. Financing will be provided from capital repair funds.

Med. Res. Bldg. & Dental School Animal Care Areas: Epoxy Floor Covering Installation, OHSU

On May 18, 1990, Pioneer Waterproofing Co., Inc. was awarded a contract for this project in the amount of $159,800. Financing will be provided from federal funds.

Med. Res. Bldg., OHSU

On May 31, 1990, Todd Hess Building Co. was awarded a contract for this project in the amount of $31,790. Financing will be provided from state funds.

Smith Memorial Center—Summer 1990 Remodel, PSU

On June 11, 1990, Meng-Han nan Construction Co., Inc., was awarded a contract for this project in the amount of $704,997. Financing will be provided from Article XI-F(1) bonds.

Acceptance of Projects

Dormitory Addition, WOSC

This project is complete and was accepted on March 12, 1990. The estimated total project cost remains at $6,562,352. Financing was provided from Article XI-F(1) bond proceeds.

No. Willamette Agric. Res. & Exp. Station-Office Lab Addition, OSU

This project is complete and was accepted on June 4, 1990. The estimated total project cost remains at $357,053. Financing was provided from general funds.

Steam Trap Replacement & Monitoring System, UO

This project is complete and was accepted on April 20, 1990. The estimated total project cost remains at $79,836. Financing was provided from general funds.
Meeting #590

July 20, 1990

School of Dentistry, Lab 702, 704 & 717B Remodel, OHSU

This project is complete and was accepted on January 15, 1990. The estimated total project cost remains at $29,691. Financing was provided from state funds.

Outpatient Clinic Building, 4th Floor Minor Surgery Suites & Lab, OHSU

This project is complete and was accepted on January 12, 1990. The estimated total project cost remains at $47,465. Financing was provided from state funds.

UHS, 4C Radiation Therapy Remodel, OHSU

This project is complete and was accepted on May 30, 1990. The estimated total project cost remains at $920,722. Financing was provided from Article XI-F(1) bond proceeds.

Multipurpose Playfield Phase I, OIT

This project is complete and was accepted on May 25, 1990. The estimated total project cost remains at $41,285. Financing was provided from state funds.

Board Discussion and Action

The Board accepted the report as presented.

PRESIDENT'S REPORT

Mr. Dodson thanked the Chancellor and the Board for the opportunity which he had to participate in a very intense experience during the last three months through the courtesy of the Japan Society of New York. He said that while in Japan he had visited with some of the Oregon students attending Japanese institutions. He also reported that higher education was probably the one segment of the United States which Japan still emulates.

Next Meeting Dates

Mr. Dodson announced the next regular Board meeting would be held on September 14, 1990, at Portland State University. Details will be provided later for the Board Renewal Session to be held in connection with the September meeting.

A. Matthews, G. Johnston, R. Hensley—Tributes on Board Service

Mr. Dodson then called on fellow Board members to comment on the service of retiring Board members.

Mr. Swanson said Annette Matthews combined freshness of spirit with wisdom beyond her years. He said he would miss her contributions to Board sessions where Miss Matthews had the ability to analyze things quickly and to reach sensible results. He stated she was a very sensitive advocate for student concerns while, at the same time, representing the greater interests of higher education. He said Trinity College, which Annette would be attending, was established in the 16th century by King Henry VIII. There was some movement by property owners and squires to divide the spoils of higher education as well as the Catholic Church. The king, however, spoke in defense of bestowing land on England's universities as the foundation of good government.
Mr. Swanson concluded by predicting Miss Matthews would return and establish some new university as King Henry VIII had done.

Miss Matthews thanked Mr. Swanson for his comments.

Ms. Wilson said Gary Johnston was completing a two-year term. She said Gary was thoughtful, dedicated, and a lot of fun. In terms of thoughtful, she said Gary had been an equal partner as a Board member and had dealt very effectively at the macro level. He always provided the Board with a good student perspective. In terms of dedication, she stated Gary had driven an extra two hours a day over the past year in order to complete his term on the Board following his graduation. Board members are required to live in Oregon, and Mr. Johnston's first position after his graduation was in Boise. In terms of fun, Ms. Wilson cited his pleasant company on visitation teams, at plays, and other events. She then presented Mr. Johnston with a gift of cuff links she and Mr. Miller had selected recently at the Capitol Building.

Mr. Johnston thanked his fellow Board members and presidents for an enjoyable two years. He said he hoped his time on the Board had been beneficial to future students.

Mr. Adams said it was his privilege to pay tribute on behalf of the Board to Mr. Hensley as the Board's immediate past president. He stated that Mr. Hensley had served two terms on the Board and two years as president in spite of major personal and business pressures. Mr. Adams said through it all, Mr. Hensley had maintained his jovial but firm manner and his effective style of leadership with the Board.

Mr. Adams said Mr. Hensley's particular interests in the Board's affairs covered a wide territory—health care, teacher education planning, and his major goal of providing the best possible education for students of all ages. He has been a creator and instrumental in developing a better rapport between the Board and the Legislature. He said Mr. Hensley always knew that quality was the most important item in whatever he accomplished.

Mr. Adams said Mr. Hensley had led the Board, not only with his head, but with his heart. Board members were grateful for all of these attributes and for Mr. Hensley's exceptional contribution during his service on the Board.

Mr. Hensley thanked all of the Board members for their contributions to the Board, the State of Oregon, and the State System of Higher Education. He commented that the last Legislative Session was the first time when 100% of the Board members attended at least one session.
Mr. Hensley indicated the prime issue for the two gubernatorial candidates was higher education, and the Board faces some tremendous challenges in the future. He said he was confident the Board members had the capabilities for performing well in the future. He also commented on the dedication of Board members to their responsibilities through participation in retreats, presidential searches, and development of decisions for the future.

He wished Gary and Annette the best in their future endeavors and thanked Gary for the friendship they had developed over the past two years.

Finally, Mr. Hensley thanked the Board Secretary for her service to the Board, noting that she would be retiring this fall.

Mr. Dodson expressed his appreciation to the retiring Board members. He indicated he had accepted the presidency of the Board with a real sense of inadequacy because of the high standards set by Mr. Hensley.

**ITEMS FROM BOARD MEMBERS**

Mr. Bruggere reported that OCATE would have 104 credit classes this fall. These classes are very supportive of the things mentioned in the earlier discussion relative to the joint graduate engineering proposal.

**Trade Mission to British Columbia**

Mr. Miller reported he had been invited to attend the Governor's Trade Mission to British Columbia. He said the group met for two days with counterparts in higher education, specifically those related to science and technology. There will be a reciprocal trip to Oregon. A possible outcome of the meetings might be the shared common pursuit by Oregon and British Columbia of technology, science, and educational excellence. He indicated that British Columbia was funded better and there was more corporate support of science and technology. It is also ahead of Oregon in industry-university cooperative agreements.

Mr. Miller said both Oregon and British Columbia anticipate faculty shortages in the future. British Columbia has no problem with faculty salaries and was surprised Oregon did. Oregon is unable to accommodate all of the students interested in the science curriculum, while British Columbia possibly has classroom space for more students. This might be a worthwhile complementary area to explore.

Mr. Miller said both parties agreed in principle that two points could be explored in the future. Oregon could share in the areas of biotechnology, semiconductors, parallel processing, and advanced materials research. British Columbia could share hydrogen fuel technology; astrophysics, including superconducting, super collider information; marine robotics, telecommunications, and Douglas Fir cloning.
External Considerations:

- Ability to communicate effectively with all college and university staff and service members.
- Significant contributions to the goals of teaching, research, and public service.
- Strong commitment to the goals of teaching, research, and public service.
- Understanding of and sensitivity to the needs of students, faculty, staff, and the community.
- Understanding of and commitment to the goals of teaching, research, and public service.
- Significant contributions to the development and enhancement of academic programs.
- Significant contributions to the promotion and enhancement of academic programs.
- Understanding of and commitment to the goals of teaching, research, and public service.
- Doctoral degree or other appropriate terminal degree.

Preferred qualifications should include the following:

- In the spring of 2000, Oregon State University opened a new campus in a metropolitan area population of about 400,000.
- Board of Higher Education
- Oregon State University is located in Salem, a city of 20,000.

Position Announcement - President

The Oregon Institute of Technology is the only four-year public technology institute in Oregon.

Dear Mr. President,

I am submitting this announcement for the position of President of the Oregon Institute of Technology. A copy of the announcement was attached to the resume of the candidate, as requested in the position announcement.

Please let me know if you need any further information. Thank you for your consideration.

Sincerely,

[Name]

July 20, 1990
The Board approved the position announcement, with the following voting in favor: Directors Adams, Bailey, Bruggere, Hensley, Johnston, Matthews, Miller, Swanson, Wilson, and Dodson. Those voting no: None.

Mr. Dodson offered the outgoing Board members a final opportunity to make comments, and each expressed appreciation to the Board.

ADJOURNMENT

The Board meeting was adjourned at 3:30 p.m.

Mark Dodson, President

Wilma Foster, Secretary
APPENDIX

Pending Report Items

A summary of reports, requested information, or topics designated for future review or consideration is presented below:

<table>
<thead>
<tr>
<th>Topic</th>
<th>Original Presentation</th>
<th>Tentative Presentation Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selective Admissions</td>
<td>4/21/89</td>
<td>Periodic reports on effect at each campus</td>
</tr>
<tr>
<td>Shortage of Student and Faculty Housing in Ashland (with SOS Master Plan)</td>
<td>6/15/89</td>
<td>September 1990</td>
</tr>
<tr>
<td>Scholarship and Athletic Funding from Sports Lottery</td>
<td>7-21-89</td>
<td>Report made in January; others to be made as needed</td>
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<tr>
<td>Statement of Expectations re Expenditure of Unrestricted Funds</td>
<td>9-7-89</td>
<td>September 1990</td>
</tr>
<tr>
<td>Law School, UO—Plan for adequate solution to resource problems</td>
<td>11-16-89</td>
<td>July 1990</td>
</tr>
<tr>
<td>Minority Education—Institutional Plans, including graduate education</td>
<td>11-16-89</td>
<td>November 1990</td>
</tr>
<tr>
<td>M.S. Degree in Health &amp; Safety Administration, OSU — Review along with statewide plan in three years</td>
<td>12-14-89</td>
<td>December 1992</td>
</tr>
<tr>
<td>Coordinated Plan for Delivery of Health Administration and Public Health Programs</td>
<td>12-14-89</td>
<td>July 1, 1991</td>
</tr>
<tr>
<td>Review of Women and Minorities in High Administrative Positions</td>
<td>1-19-90</td>
<td>Not specified</td>
</tr>
</tbody>
</table>
WOSC Double Major Designation 5-18-90 May 1993

Reports on Athletic Financing 6-14-90 June 1990, or
(Annual reports requested, as necessary
with others when budgets are forecasted to out of balance.)

QAR 580-40-041, Revolving Charge 7-20-90 July 1991
Account Policy

Western Undergraduate Exchange 7-20-90 July 1991
Program

Oregon Joint Graduate Schools 7-20-90 July 1992
of Engineering
but .90 FTE or more, receive an allowance proportional to their FTE.
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7. If an employee's vacation is approved for the entire six months, the amount of vacation is calculated based on the employee's normal work schedule. However, academic staff may take a pro-rated amount of vacation based on the employee's normal work schedule. For such an employee, vacation is calculated based on the employee's normal work schedule. For such an employee, vacation is calculated based on the employee's normal work schedule. For such an employee, vacation is calculated based on the employee's normal work schedule. For such an employee, vacation is calculated based on the employee's normal work schedule.

(2) Compensation. The employee's vacation is compensated based on the employee's normal work schedule. For such an employee, vacation is calculated based on the employee's normal work schedule. For such an employee, vacation is calculated based on the employee's normal work schedule. For such an employee, vacation is calculated based on the employee's normal work schedule. For such an employee, vacation is calculated based on the employee's normal work schedule.

Vacations

Administration.

The basis for the vacation allowance is the employee's normal work schedule. The basis for the vacation allowance is the employee's normal work schedule. The basis for the vacation allowance is the employee's normal work schedule. The basis for the vacation allowance is the employee's normal work schedule. The basis for the vacation allowance is the employee's normal work schedule.

(2) In recognition of the use of student centers, housing, food service facilities, recreational buildings, and improved student facilities, the following costs are charged to administrative and physical plant costs to any agency interested.

CHAPTER 580

GOVERN ADMINISTRATIVE RULES

Meeting 590

July 20, 1990

Supplement A
(3) Maximum Accrual and Carry-over. Vacation allowance is available to the academic employee to use in the subsequent twelve-month period beginning with the employee’s vacation anniversary. The vacation allowance expires at the end of the twelve-month period and may not be carried forward into a subsequent twelve-month period except as follows: the institutional president or designee may approve the carry-over of up to eighty hours of vacation time when staffing needs have prevented the employee from utilizing all the vacation allowance within the given twelve-month period. The additional hours of vacation allowance shall expire on the employee’s next vacation anniversary.

(4) Transfer. If an eligible academic employee transfers to another position within the Department of Higher Education and remains eligible for vacation allowance and if the break in service between appointments is thirty days or less, the employee shall transfer all accrued vacation leave to the new position and the employee’s vacation anniversary shall remain unchanged. If the break in service is more than thirty days, all accrued vacation pay will be paid off by the sending institution and a new vacation anniversary date will be established in the new position. If a classified or management service employee of the Department receives an academic appointment within the Department and becomes eligible for vacation privileges, the employee may transfer up to eighty hours of accrued vacation time; the receiving institution may accept up to 176 hours maximum. The former classified or management service employee shall receive cash compensation from the sending institution for any accrued vacation allowance not transferred.

(5) Leave. The accrual of a vacation allowance is reduced on a pro rata basis for periods of leave without pay, sabbatical leave, and educational leave. Vacation time is accrued during other periods of paid leave.

(6) Payment for Accrued Vacation Time. Academic employees are not entitled to payment for unused vacation allowance except upon termination of employment or upon transfer within the Department to another academic position not eligible for vacation benefits. Academic staff who transfer to a classified or management service position within State of Oregon employment are subject to applicable Personnel Division rules or collective bargaining agreements. The maximum number of hours that can be paid upon termination or transfer is 176 hours.

(7) Scheduling and Use of Vacation Leaves. Vacation leaves are scheduled with the approval of the employee’s supervisor and should be planned cooperatively with the employee. Vacation leave should be scheduled in such a manner as to minimize disruption to the organization. Supervisors must be reasonable in allowing the use of vacation time and may not unreasonably deny vacation requests where the result would be the forfeiture of accrued vacation. For purposes of calculation, one normal work day is the equivalent of eight hours of vacation time for a full-time employee.

(8) Record-keeping. Each institution is responsible for maintaining the individual records of vacation accrual and use.
(9) Alternative Plan. An institution may, upon receiving written approval from the Vice Chancellor for Finance and Administration, use July 1 as the vacation accrual date for all eligible academic staff.

Delegation and Assignment of Responsibility

580-40-005 The Board delegates general supervision of fiscal and administrative activities to the Chancellor and the staff. Major changes in organization or procedures in such activities shall be reported to the Board’s Committee on Finance, Administration and Physical Plant for approval. The Board directs the [Executive] Vice Chancellor for Finance and Administration to execute Board policy in all areas of fiscal and administrative services. Among these are:

(1) Designing, installing, supervising, and auditing of fiscal and accounting policies and procedures in the Department;

(2) Designing budget systems and procedures describing Department goals, program proposals to achieve these goals, and the level and type of financial support necessary to implement approved programs during prescribed time periods. The Office of Finance and Administration is also responsible for budget execution review to assure conformance with the adopted budget;

(3) Establishing policies and procedures for administration of gift, grant, and contract funds;

(4) Custody, control, and management of the investment of Department funds;

(5) Coordinated administration of policies relating to procurement, receipt, and management of tangible personal property of the Department;

(6) Development of an analytic program, founded on recognized institutional research techniques, providing input to the Department’s budget preparation and program evaluation efforts;

(7) Development of a program to analyze Department administrative policies and practices and recommend specific actions to improve services and minimize costs;

(8) Sign claims on behalf of the Board for payment by the Executive Department[•], sign payrolls[•], and sign checks on bank accounts with the State Treasurer or commercial banks.

Hospital Charges

580-40-015 (1) Rate schedules for hospital services shall be established and maintained by the Oregon Health Sciences University. The schedules must be approved by the Hospital Director and the President and filed with the [Executive] Vice Chancellor for Finance and Administration.
(2) Rates shall be established to meet the financial requirements of the hospital according to recognized hospital standards and to meet the commitments of the operating budget.

(3) Costs and rates shall be computed in a manner consistent with generally accepted accounting principles for hospitals and the requirements of third party sponsors.

(4) Rates shall be filed and maintained in accordance with the rules and procedures established by the Oregon State Health Planning and Development Agency under ORS 442.410.

(5) Inpatients shall pay or make arrangements for payment of services on admission or as soon thereafter as is feasible. Out-patients shall pay or make arrangements to pay for services before completion of the last visit.

Medical, Surgical, Oral Health, and Medical and Dental Clinic Professional Service Fee Schedules

580-40-020 (1) Medical, surgical, oral health and medical and dental clinical professional service fees billed by faculty members and clinics at the Oregon Health Sciences University must be approved by clinical departments concerned, the appropriate Dean, and the President and filed with the [Executive] Vice Chancellor for Finance and Administration.

(2) Fees may be adjusted to reflect changing costs, but a schedule of fees must be maintained for at least ninety days following adoption.

Traffic Regulations, Parking Fees, and Enforcement Fines

580-40-025 (1) The Board delegates to institution presidents the authority and responsibility to enact such rules and fines as are deemed necessary and desirable to provide for policing, controlling, regulating, and enforcing traffic and parking of motor vehicles and bicycles on property owned by or under the control of the Board. The Board also delegates to institution presidents the authority granted in ORS 352.360(5) to appoint peace officers for the purpose of enforcing institution rules governing traffic and parking.

(2) Parking fees shall be charged at any institution where Article XI-F(1) bond proceeds have been used to finance the cost of acquiring parking sites or to make improvements thereto. Parking fees shall also be charged even though borrowed funds were not obtained if the operating and maintenance cost is $6 or more per parking space per year.

(3) When fees are to be assessed to users of automotive parking facilities, the rate of charge and income to be produced shall be in such an amount which, with interest income, will provide sufficient funds to cover all operating and maintenance costs and also meet bond debt service and reserve requirements where applicable.
(4) Institutional accounts are not to be charged for parking space furnished to employees for personally-owned automobiles. A charge may be made against a department, however, where parking space is furnished to a person with a privately-owned vehicle who is rendering service for the benefit of the department with no compensation, such as volunteer doctors at the Oregon Health Sciences University.

(5) Institutions shall adopt rules concerning the operation and parking of bicycles on property owned by or under the control of the Board. The rules shall clearly state where bicycle parking will be permitted and where it will not be allowed. Penalties for violations may be proposed.

(6) All traffic and parking rules approved by the President must be filed with the [Executive] Vice Chancellor for Finance and Administration no later than September 1 of each year.

(7) Rules must remain in effect for at least one full calendar year following adoption unless prior approval is obtained from the [Executive] Vice Chancellor for Finance and Administration.

Vehicle Safety Rule

580-40-030 (1) The Board of Higher Education, concerned about travel safety, adopts these rules to require institution action to promote safe travel.

(2) For purposes of this rule:

(a) "Vehicle" means cars, vans, trucks, and buses.

(b) "State-owned vehicle" means a vehicle owned by or registered in the name of the State of Oregon, the Board, or any institution.

(c) "Hired vehicle" means a vehicle which is leased, hired, or rented by the State, the Board, or any institution. This definition includes borrowed vehicles.

(d) "Borrowed vehicle" means a vehicle which is not a "state-owned vehicle" or a "hired vehicle" but which is used on state business. "Borrowed vehicle" includes vehicles owned by employees, students, and others participating in institution activities, and used on state business.

(e) "State business" means any activity for which all or part of the expenses may be reimbursed by any unit, department, or program of the Department of Higher Education.

(3) The Board of Higher Education delegates to the institution presidents the authority and responsibility to establish specific rules governing travel safety, subject to the following general guidelines:
(a) Institution rules shall provide procedures for certifying that persons who operate state-owned or hired vehicles on state business possess a valid driver's license and have not been convicted of a major traffic offense as defined in ORS 153.500 within three years of the proposed operation.

(b) Institution rules shall require that vehicles (not including buses) used on state business have operable seat belts for all occupants. Institution rules shall also indicate the circumstances under which additional safety equipment such as a flashlight, ice scraper, first aid kit, emergency instructions, tire chains, etc., will be required.

(c) Institution rules shall indicate the circumstances under which relief drivers and the filing of itineraries will be required.

(d) Institution rules shall apply to state-owned vehicles and to hired vehicles. Institution rules also may apply to borrowed vehicles at the discretion of the institution, giving consideration to enforceability, the nature of the travel, and other relevant factors.

(4) Each institution shall file a report with the Office of Finance and Administration by August 31 of each year commenting on the adequacy of the travel safety rules and summarizing the vehicle accidents and injuries which have occurred during travel on state business in the preceding twelve months.

(5) Institution travel safety rules and amendments thereto will be effective only upon approval of the [Executive] Vice Chancellor for Administration or a designee.

Receivables

580-41-010 (1) Business offices of the Department of Higher Education shall be diligent in the collection of accounts and notes receivable(s). The procedures followed shall be in conformity with the requirements of federal and state law and regulation. The procedures shall be formally adopted by an institution after public hearing under the Administrative Procedure Act, with prior notice to the Controller and [Executive] the Vice Chancellor for Finance and Administration.

(2) Deletion of the reference to specific sanctions permits the institutions to adapt to changes in law or judicial interpretation as well as to institutional differences. The Office of Finance and Administration will assist the institutions by suggesting a model institutional rule, after consultation with the institutions.

Delegation

580-42-010 (1) Institutions are authorized to apply for and accept on behalf of the Board gifts or grants and to negotiate contracts that will not result in:

(a) Enrollments in excess of those on which budgets have been based;
the Chancellor for Finance and Administration and shall be in a form approved by the
Board's Legal Counsel. The assessment shall be recommendation by the Chancellor of the [Directorate] Vice
Chancellor for Finance and Administration and shall be in a form approved by the
Board's Legal Counsel.

The Board President and the Board Secretary are authorized without
net royalty income.

of [Directorate] Vice Chancellor for Finance and Administration
The assessment shall be recommendation by the Chancellor of the [Directorate] Vice
Chancellor for Finance and Administration

with sponsoring agencies!

and applicable statute of

Articulate and comply with conditions in contracts, grants, and agreements

Actively seek applications for new knowledge developed by employees!

Encourage employee activities which lead to new knowledge!

Apply board-approved policies and procedures!

Institutional Responsibilities

for contracts!

of contracts.

The [Directorate] Vice Chancellor for Finance and Administration of a dresses

research or non-research or non-institutional nature!

of contracts. Research or significantly expand or a clientele for services of an

$10,000 or

purchase of land or improvements that are not required for the

development or support of activities inconsistent with the approved mission

are discontinued?

of contracts. In the event such

commitment is requested by the Board,

July 20, 1990

Meeting #520
(2) If the property affected is within approved projected campus boundaries, the easement shall relate only to underground utilities with appropriate access.

(3) If the property affected is not within approved projected campus boundaries, the easement shall relate either to utilities or to rights of way for access to adjacent properties.

(4) Easements granting rights in real property other than those set forth in sections (2) and (3) of this rule shall be approved by the Board prior to their execution by the Board President and Board Secretary.

Purchases of Real Property

580-50-015 The [Executive] Vice Chancellor for Finance and Administration has authority to purchase real properties, with appropriate report to be made to the Board, subject to the following conditions:

(1) "Location". Properties shall be located within the Board-established projected campus boundaries of an institution. Property exchanges are subject to specific Board authorization.

(2) "Sources of Funds". Properties to be used principally as sites for educational and general construction or improvements, or principally for current educational and general use, shall be financed from funds available for these purposes, usually a state appropriation or proceeds from the sale of bonds issued under the provisions of Article XI-G of the Oregon Constitution. Properties to be used principally as sites for auxiliary enterprises construction or improvements, or principally for current auxiliary enterprises use, shall be financed from funds available for these purposes, such as proceeds from the sale of bonds issued under provision of Article XI-F(1) of the Oregon Constitution or appropriate restricted funds.

(3) "Purchase Price". Purchases shall be made at prices based on current market values, determined by averaging two or more independent appraisals. Limit on each purchase shall be $25,000.

(4) "Priority of Property Acquisitions". To the extent practical, purchases shall be made in the following priority order:

(a) Site for building construction or other improvement project for which funds are available;

(b) Unimproved property;

(c) Property with improvements having value materially less than the land;

(d) Sites intended for building or other improvement project for which construction authorization is expected to be sought from the Legislature at its next session, with a high priority assigned to the project;
(e) Property for which the owner plans costly improvements or other action which would materially increase the market value and cost to the Board if acquired later;

(f) Property offered for sale by owner.

(5) "Condemnation". Authorization to acquire real property by condemnation is subject to specific Board action.

Appointment of Professional Consultants

580-50-020 The [Executive] Vice Chancellor for Finance and Administration or designee is authorized to select and employ architects, engineers, planners, and such other professional consultants (collectively called "consultants" in this rule) in accordance with the following standards and procedures:

(1) The purposes of this rule are to assure that consultants are considered fairly for professional service contracts and that those selected will be highly qualified and to encourage excellence and cost consciousness on the part of consultants. The following factors shall be considered in evaluating and selecting consultants:

(a) Specialized experience, design talent, and technical competence, including an indication of the planning process expected to be used for the work;

(b) Capacity and capability to perform the work, including any specialized services, within the time limitations for the work;

(c) Past record of performance on contracts with governmental agencies and private owners with respect to such factors as cost control, quality of work, ability to meet schedules, and contract administration;

(d) Availability to and familiarity with the area in which the work is located, including knowledge of design and construction techniques peculiar to it;

(e) Proposed cost management techniques to be employed.

(2) Each President shall designate a planning official who shall maintain a current roster of consultants interested in performing services for that institution. Consultants wishing to be considered for assignments at any institution may file a complete statement of qualifications and experience, in any desired format, with the planning official of that institution. This rule does not preclude consideration or selection of consultants not on an institutional roster.
(3) At least annually, in an Oregon newspaper of general circulation to consultants, the [Executive] Vice Chancellor for Finance and Administration or designee shall publish a notice stating in substance that copies of this rule may be obtained from the Board’s Facilities Division and that consultants are invited to submit qualifications to the planning officials of the institutions for consideration. A copy of this rule and a list of the names and addresses of the institutional planning officials shall be provided to any consultant on request.

(4) For professional service contracts where the anticipated professional fee is $3,000 or less, the [Executive] Vice Chancellor for Finance and Administration or designee may authorize an appropriate institutional official to contract for such professional services with any qualified consultant.

(5)(a) For professional service contracts for minor capital improvements, rehabilitation, and repair projects, feasibility studies and similar services, normally involving an anticipated professional fee of less than $20,000, except as in section (4) of this rule, the institutional planning official shall:

(A) Select at least five consultants who appear to have the qualifications for and interest in the proposed assignment;

(B) Notify each such consultant in reasonable detail of the proposed assignment;

(C) Determine the consultant’s interest in and ability to perform the proposed assignment.

(b) The institutional planning official may, but need not, arrange for such consultants to be interviewed by a panel, as provided in section (6) of this rule, and shall report to the [Executive] Vice Chancellor for Finance and Administration or designee as to the qualifications and interest of such consultant and the institution’s recommendation or preference for selection.

(6) For professional services contracts for capital construction projects (as defined in the Budget Preparation Manual of the Executive Department) and for retainer-type contracts of any nature, except in emergency situations, the institutional planning official shall select at least five consultants who appear to have the qualifications for and interest in the assignment. Each consultant selected shall be invited to interview for the assignment, and those who indicate interest shall be interviewed. The interview shall be conducted by a panel of at least three persons representing the President, the planning official, and the prospective users of the facility or those expected to request services under the provisions of the proposed retainer contract. Following the interviews, the institutional planning official shall report to the [Executive] Vice Chancellor for Finance and Administration or designee as to the qualifications and interest of each such consultant and the institution’s recommendation or preference for selection.
(e) The bidder followed up initial solicitations of interest by contacting the
entrepreneurs to determine whether the entrepreneurs were interested.

The bidder provided written notice to a reasonable number of specific
entrepreneurs:

- The bidder advertised in general circulation, trade association, minority,
  and trade chamber-

Opportunities:

(1) The bidder attended any pre-construction or pre-bid meetings that were
relevant.

(2) Performed all of the following actions by a bidder constitutes a rebuttable
presumption that the bidder has made a good faith effort to satisfy the
presumption.

(3) The successful bidder for a public improvement project approved by the Board
of Supervisors.

380-50-028, Affirmative Action Requirements

The rule does not apply to amendments, modifications, or supplements to
executed professional service contracts.

A report of all applications under section (g) of this rule shall be made to
the board at the meeting following such application.

Administration or designation by select another and:

[Provisions related to administration or designation by select another]

In the case described in section (6) of this rule, the [Provision related to the]
[Provision related to the selection of the consultant, and]
[Provision related to the recommendation of the consultant, and]
[Provision related to the recommendation of the consultant, and]

July 20, 1996
Meeting #590
(f) The bidder provided interested disadvantaged, minority, and women business enterprises with adequate information about the plans, specifications, and requirements for the selected subcontracting or material supply work;

(g) The bidder negotiated in good faith with the enterprises, and did not, without justifiable reason, reject minority, or women business enterprises;

(h) Where applicable, the bidder advised and made efforts to assist interested disadvantaged, minority, and women business enterprises in obtaining bonding, lines of credit, or insurance required by the contracting agency or contractor; and

(i) The bidder used the services or minority community organizations, minority contractor groups, state[7] and federal minority business assistance offices, and other organizations identified by the Advocate for Minority and Women Business that provide assistance in the recruitment and placement of disadvantaged, minority, or women business enterprises.

(3) For purposes of this rule, minority, disadvantaged, and women business enterprises are those certified as such by the Executive Department. The [Executive] Vice Chancellor for Finance and Administration or designee shall decide, if necessary, whether good faith efforts have been made, pursuant to the criteria of section (2) of this rule.

(4) The Board will evaluate annually the effects of this rule, and to this end its staff shall report to the Board at its February meeting.
INTERNAL MANAGEMENT DIRECTIVES

Section 1 - Administrative Organization and Procedures

Legal Counsel

The Assistant Attorney General assigned to the Department shall be responsible to the Chancellor. The [Executive] Vice Chancellor for Finance and Administration shall be responsible for coordinating provision of legal services in the Department.

Section 6 - Finance and Business Affairs

Accounting Policies

6.001 Assignment of Responsibility

Subject to review and modification by the Chancellor or the Board, the [Executive] Vice Chancellor for Finance and Administration shall be responsible for:

1. Developing detailed regulations applicable to creation and maintenance of accounting policies, records, and reports.

2. Providing central fiscal and accounting services, including payroll accounting, property accounting, and disbursement of state, federal, and all other funds under Board control.

3. Auditing and reviewing institutional and other unit accounting procedures and records to assure conformity with statutes, Administrative Rules, Board policies, and accepted accounting principles and procedures.

4. Preparing accounting and other financial reports, including a comprehensive annual report of Department assets, liabilities, reserves, income, expenditures, and balances.

6.002 Institutional Responsibility

The institutions and other Department administrative units shall maintain accounting records and related documentation in such form and detail as required by the Office of Finance and Administration and may maintain additional records deemed essential to effective institutional administration.
6.004 **Cash Funds**

All funds made available to the Department or any of its units, whatever their source, shall be entered in the accounting records and disbursed in accordance with procedures established by the [Executive] Vice Chancellor for Finance and Administration. Gifts to an institution should be deposited in the State Treasury unless the donor intended the gift to be made to an affiliated organization.

6.005 **Cash Receipts**

Cash receipts shall be deposited promptly in accordance with requirements established by the [Executive] Vice Chancellor for Finance and Administration.

6.006 **Working Funds**

Revolving funds and Petty Cash funds may be authorized by the [Executive] Vice Chancellor for Finance and Administration, as necessary, for Department activities. Prior approval for deposit of such funds in commercial banks must be obtained from the [Executive] Vice Chancellor for Finance and Administration.

6.008 **Disbursements**

The [Executive] Vice Chancellor for Finance and Administration shall establish procedures to assure that Department funds are paid out only for lawful purposes and in accordance with Board policies.

**Budget Policies**

6.050 **Institutional Responsibility**

In accordance with instructions from the [Executive] Vice Chancellor for Finance and Administration or a designee, the institutions, divisions, and statewide services shall provide detailed descriptions of their biennial plans and programs and the resources required for them.

6.054 **Annual Operating Budget Planning**

(1) Consistent with legislative appropriations and Executive Department allotments, the [Executive] Vice Chancellor for Finance and Administration shall develop plans for the annual operating budget pursuant to Board policy and the Chancellor's instructions.
(2) Institutions, divisions, and state-wide services shall provide such assistance in developing the annual operating budget as the Vice Chancellor for Finance and Administration deems necessary.

Equipment Replacement Account

The Agricultural Experiment Station-Oregon State University is authorized to use a $50,000 Equipment Replacement Account for the purchase of equipment whose purchase price exceeds $2,000. The funding of the Equipment Replacement Account provides a mechanism for the replacement of equipment and other accounts for the replacement of equipment. The Agricultural Experiment Station-Oregon State University shall submit a plan to the Vice Chancellor for Finance and Administration detailing the use of the Equipment Replacement Account. The plan must contain the type of equipment to be purchased and the depreciation method to be used. The Agricultural Experiment Station-Oregon State University is authorized to purchase equipment directly from the Equipment Replacement Account.

Gifts, Grants, and Contract Management

Grants and Contracts

1. The Vice Chancellor for Finance and Administration is authorized to enter into contractual agreements or to authorize contractual agreements not required to be acted on by the Board. The Vice Chancellor may authorize institutional personnel to enter into grants, contracts, or agreements not involving unsolved policy questions.

2. Contracts involving policy questions shall be reviewed with or reported to the Board.

(3) It is the policy of the Board to seek reimbursement of all direct and indirect costs associated with every grant or contract; therefore, every institution's request for reimbursement of all indirect costs must be reviewed and approved by the Institutional Finance Committee. The institution shall submit annually to the Vice Chancellor for Finance and Administration a report of all grants and contracts submitted.
contracts for which the institution received less than the full indirect cost rate or the maximum allowed by the granting or contracting agency. The report shall include a statement of the indirect cost rate recovered and an explanation of the basis for each exception.

6.102 Authority To Enter into Personal Services Contracts

(1) The [Executive] Vice Chancellor for Finance and Administration and his designee are authorized to enter into personal service contracts on behalf of the Oregon State Board of Higher Education and the institutions. The [Executive] Vice Chancellor for Finance and Administration or his designee may delegate authority to institutions to enter into certain categories of personal services contracts.

(2) When the [Executive] Vice Chancellor for Finance and Administration or designee has delegated selective contracting authority to the institutions, those institutions may enter into personal service contracts with independent contractors for services which cannot be performed by institutional employees or which would be obtained at less cost if performed by an independent contractor.

(3) All contracts for personal services are subject to review and approval by the Executive Department, except those which the Executive Department has exempted from some or all of its administrative rule requirements. It may also delegate authority to the Department of Higher Education to enter into certain types of contracts, in which case the contract may take effect without Executive Department approval, but the institutions must provide the Executive Department, directly or through the Office of Finance and Administration, written justification of each personal services contract. Where the Executive Department does not exempt a contract or provide delegated authority to enter into it, the contract is not effective until approved by the Executive Department.

(4) Institutions shall consult the Department of Higher Education Contracting, Leasing, and Licensing Manual for a description of contracts for which the Department of Higher Education has received delegated authority or which have been exempted by the Executive Department.
Investment Management

6.105 Assignment of Responsibility

(1) Except for arrangements pursuant to Section 6.140(5), the [Executive] Vice Chancellor for Finance and Administration is authorized to purchase, sell or exchange securities for the Board. Prior approval of the Board President or the Chairman of the Committee on Finance, Administration, and Physical Plant is required for any transaction undertaken by the [Executive] Vice Chancellor for Finance and Administration involving amounts in excess of $20,000, except that approval is not required for purchases of securities of the United States, its agencies, or Certificates of Deposit of Oregon banks.

(2) The [Executive] Vice Chancellor for Finance and Administration may transfer, endorse, sell, assign, set over, and deliver stocks, bonds, debentures, notes, evidences of indebtedness, or other securities standing in the name of or owned by the Board, and may make, execute, and deliver any instruments necessary to effectuate such authority.

(3) The [Executive] Vice Chancellor for Finance and Administration may designate staff members to act on specifically identified transactions or limited responsibilities referred to above.

6.110 Voting Stock Ownership

(1) Except as otherwise provided by law, by direction of the Board or the Committee on Finance, Administration, and Physical Plant, the [Executive] Vice Chancellor for Finance and Administration is authorized to vote stock ownership in accordance with the recommendations of corporate management. In the absence of such recommendation, or if deemed prudent to deviate from management recommendations, the [Executive] Vice Chancellor for Finance and Administration shall consult with the Board President or the Chairman of the Committee on Finance, Administration, and Physical Plant before voting the affected stocks.

(2) The [Executive] Vice Chancellor for Finance and Administration may seek the assistance and counsel of such persons as deemed advisable.
Purchasing power.

value of the funds is used to measure the performance of the
administration. In the second, personal income is adjusted to the market
eyes that real estate and corporate investment performance. The change
and maintenance of the purchasing power of the
endowment funds and to maintain the purchasing power of the
fairness of the 5-year moving average of the market value of the
inherent income equal to a percentage of the endowment fund
which is used to provide endowment fund partners with

(1) The Investment Director of this directive is to secure

Endowment Funds Investments

appropriately.

vested in all funds, with such recommendations as are

(2) The Vice Chancellor for Finance and Administration

losses due to adoptions, increases, purchases and sales, and sales and

(1) The Vice Chancellor for Finance and Administration

Reports on Investments

funds and the current donation fund.

Education endowment, building fund, the higher education endowment fund

Responsible for assuring effective investment of the Higher

(2) The Vice Chancellor for Finance and Administration

Authority


deposit, and release security from banks to protect funds

The Vice Chancellor for Finance and Administration, or the Board of

(2) Custody of Board Securities

June 20, 1990

Meeting #590
(2) Dividend and interest income in excess of the amount needed to fund the annual participant requirements specified in 6.140(1) are placed in an endowment fund reserve account and reinvested. Securities may be sold to provide cash equivalent to the income needs; however, the book value of endowments may not be invaded.

(3) The ownership of more than 5% of the securities (equities, bonds, commercial paper) of any one corporation or organization, or the investment of more than 5% of the market value of the endowment funds in any one corporation or organization, is considered to be imprudent and shall be avoided.

(4) Some gifts or bequests are subject to investment conditions stipulated by the donor which prevent the investment of moneys in security pools. The investment program for these gifts and bequests shall be as directed by the terms of the gift or will, and pursuant to statute and Board policy.

(5) The [Executive] Vice Chancellor for Finance and Administration is authorized to arrange through the Oregon Investment Council for the management of the investment of the Board's endowment funds.

(6) Any individual donation or gift which equals or exceeds $30,000 in total market value, regardless of the type of gift or the accounting periods in which it is received, shall be designated a quasi-endowment. Exceptions up to $100,000 may be authorized by the Office of Finance and Administration. Exceptions in excess of $100,000 may be authorized by the Board. Any quasi-endowment account balance which has a market value of less than $30,000, may, at the discretion of the institution, and with prior approval of the Office of Finance and Administration, be transferred to the Current General Fund or the Current Restricted Fund. Any individual donation or gift of less than $30,000 may be designated a quasi-endowment at the discretion of the institution.

6.141 Accounting

The [Executive] Vice Chancellor for Finance and Administration shall authorize the expenditure of moneys from the various quasi-endowment accounts pursuant to the Board-approved or authorized budget program for the current fiscal year, subject to the exercise of prudent judgment.
Property Procurement/Management

6.150
Assignment of Responsibility—Personal Property

The [Executive] Vice Chancellor for Finance and Administration or a designee shall develop and coordinate procedures used by the institutions and other administrative units for:

(1) Procuring needed supplies and equipment in accordance with applicable state laws and regulations.

(2) Managing stores of supplies or equipment.

(3) Maintaining appropriate inventory procedures, with the understanding that each officer or employee is responsible for Department property in his possession as reflected in the property inventory until officially released therefrom.

(4) Protecting against hazards of loss by fire, theft, or otherwise.

(5) Disposing of supplies or equipment no longer required and depositing of proceeds.

6.170
Responsibility for Review, Retention, and Disposition of Real Property

(1) The [Executive] Vice Chancellor for Finance and Administration or a designee is authorized to coordinate, in consultation with the institutions, the review, retention, and disposition of real property within or outside Board-approved projected campus boundaries.

(2) Review, retention, and disposition includes developing criteria for use in determining whether to retain or dispose of real property; establishing specific operating policies; coordinating the property evaluation process; obtaining clearance from appropriate state and local agencies to sell property and to retain or relinquish certain rights to property; recommending to the Board approval to dispose of property, including terms of sale; and complying with state statutes when obtaining appraisals, publishing notices of sale, accepting bids, executing exchanges, and issuing deeds.

(3) Recommendations to the [Executive] Vice Chancellor for Finance and Administration to dispose of real property must originate with an institution president or the Chancellor.
Guidelines for Real Property Retention and Disposition Decisions

(1) Real property holdings located outside Board-approved projected campus boundaries and not used for the educational and research mission of the institution shall be evaluated annually. The evaluation will include consideration of current and prospective appreciation of the property's value, current income therefrom, and objective estimates of potential income and appreciation from otherwise equivalent investments in personal property. The evaluation will apply both short-term and long-term analyses. On the basis of such evaluation, decisions will be made to retain or dispose of the property.

(2) As part of the periodic review and updating of long-range campus development plans for the institution, recommendations will be presented to the Board by the [Executive] Vice Chancellor for Finance and Administration to confirm or modify the projected campus boundaries.

(3) The [Executive] Vice Chancellor for Finance and Administration may select a three-member advisory committee to assist the institutions in establishing criteria for evaluating real property holdings. The advisory committee shall include persons qualified by professional education and experience to serve in this capacity.

(4) The Board shall review and approve all recommendations to sell real property and shall receive reports of such sales.

(5) Proceeds from the sale of real property acquired through donations shall be pooled for reinvestment in accordance with policies and guidelines set forth in IMD 6.105 through 6.140. Institutions shall be given the option, in the case of quasi-endowment gifts of real property, of reinvesting the cash proceeds from the sale of such property, or utilizing the proceeds, in keeping with the donor's wishes, to meet current needs. Proceeds from the sale of real property shall be charged for all sales costs, exclusive of Board staff time.

(6) At the completion of each fiscal year, the [Executive] Vice Chancellor for Finance and Administration shall present a summary report to the Board on the disposition of real property and on significant changes in the designation of property not used for the educational and research mission of the institution.
Rights to Inventions, Technological Improvements, Educational and Professional Materials

(1) The Board reserves the ownership rights to all institutional work-related inventions, and to educational and professional materials developed with institutional resources, including the right to a free and irrevocable license for usage, and if desired, the licensing for use by others. The foregoing does not preclude an institution employee from granting copyright privileges to the publisher of a scholarly or professional journal when no compensation or royalty is involved.

(2) Educational and professional materials shall be considered as having been developed in the course of employment in those cases when the individual was employed for the specific purpose of preparing or producing the material, or was specifically directed to develop the material as part of general employment duties and responsibilities.

(3) Lecture notes and other materials prepared by academic staff in connection with a teaching assignment and with only incidental use of institutional facilities, funds, staff, and other resources normally shall be viewed as flowing from individual effort and initiative and shall not be construed as having been produced in the course of discharging the obligations of employment.

(4) Funds and facilities provided by governmental, commercial, industrial, or other public or private organizations, but administered and controlled by the institution and Board, shall be considered to be funds and facilities provided by or through the institution and Board.

(5) If it is determined that inventions or materials developed are not related to work or to an assigned project and that development involved no or minimal use of institutional funds or facilities, or that the material developed is incidental to the individual’s work assignment, or that the institution and Board have no right, vested interest, or claim in an invention, and the institution decides to forego the licensing or patenting of an invention or the publishing and copyrighting of the material, the president or designee may recommend to the [Executive] Vice Chancellor for Finance and Administration or a designee that the Board’s interest and rights be waived, and that a statement be issued which waives any institution or Board claim. Such
a waiver may be granted only if pre-existing commitments to sponsoring agencies have been cleared. Upon receipt of such waiver, the inventor or author shall be free to take such further steps as desired. In the case of an invention, however, the institution has usually provided substantial laboratory, supply and equipment support. Therefore, the president or designee will normally recommend the execution of a limited release only after the institution has exhausted efforts to license or patent the invention. This release enables the inventor to exploit the invention and recover reasonable exploitation, licensing, and patenting costs related thereto and a sum up to $10,000 out of the royalty income receipts, with the inventor and the Board sharing equally in the balance of the net royalty income.

(6) Except as provided above, the ownership rights to all forms of educational and professional material in the form of books, musical or dramatic composition, architectural designs, paintings, sculptures, or other works of comparable type developed by institution and Board employees, either in conjunction with or aside from their employment, shall accrue to the author, unless the material is prepared in compliance with contractual provisions or as a specific work assignment, or significant institutional and Board resources were utilized. An academic staff person’s general obligation to produce scholarly works does not constitute such a specific institution or Board assignment.

6.220 Research and Development of Inventions and Materials with Outside Organizations

(1) In accepting grant and research funds from governmental, nonprofit and commercial agencies, the institution and researcher shall agree to the conditions in the agreement with the sponsoring agency pertaining to licensing, patent policies, and ownership of all copyrightable material conceived and developed in the course of work required by the agreement. Such agreements shall normally include provisions enabling the institution to publish the findings of research and rights to take title to patentable inventions, discoveries, and educational and professional materials arising from the work performed. In the absence of such agreement or terms, the products shall be the property of the institution and Board.

(2) At the time any sponsored assignment is made and when inventions, new technology, or materials subject to copyright may be expected to be produced, affected institutional staff are to be advised of copyright limitations and rights to inventions imposed by extramural sponsors as well as institutional and Board policies and procedures regarding the same.
(3) In cases where it appears in the interest of the Board, institution, inventor, and sponsor, and upon the recommendation of the president or designated administrator, the [Executive] Vice Chancellor for Finance and Administration or designee may grant rights to the sponsor, including the right to acquire a proprietary interest in and to any invention or patent developed during the sponsored research project.

(4) When an invention is developed in the course of sponsored research, the sponsor may be granted a non-exclusive license for its own use and, only if appropriate, an option to acquire a limited term, royalty-bearing, exclusive license to such invention.

6.235 Administration of Policies and Procedures

(1) The Board delegates to the [Executive] Vice Chancellor for Finance and Administration or designee authority to work with each president or designated administrator to obtain licensing, production, and publishing agreements and patents, develop and approve forms used in administering licensing and patent policies, and execute all types of agreements, waivers, releases, and net royalty distribution agreements.

(2) Each institution and the Board reserve the sole right to make agreements with sponsoring agencies and to include therein provisions regarding ownership and disposition of rights in inventions and materials deemed to be in the interest of the institution, Board, and public.

(3) The president is responsible for informing employees regarding Board licensing, patent, educational, and professional materials development, and copyright policies and procedures. The president may delegate this responsibility to a committee or an administrator.

(4) The duties of the president, committee or a designated administrator shall be:

(a) To protect confidentiality of the inventor’s or author’s disclosure.

(b) To counsel with the inventor or author, examine the invention or materials disclosure, and appraise the equities of all concerned parties. If it is determined that the institution and Board have no rights, vested interest, or claim, the committee or administrator shall recommend that the president seek a release or waiver for the inventor or author.
(c) To counsel with the inventor or author concerning Board policies and procedures applicable to the invention or material and with policies of sponsoring agencies, if any, and to assist with compliance.

(d) To recommend to the president options for maximizing public, Board, institution, and inventor or author benefits when seeking licenses, patents, and publishing agreements. Such action shall be preceded by the execution by an inventor of a Licensing and Patent Assignment Agreement initiated at the institution.

(e) To recommend to the president appropriate action pertaining to the invention or material within 60 days after its disclosure.

(5) When institutional facilities are utilized on a reimbursable basis to develop educational or professional materials or to conduct research on an invention, an agreement shall be prepared and recommended by the president or designee to the [Executive] Vice Chancellor for Finance and Administration or designee. Such agreement shall be executed in advance of use of the facilities and shall set forth the understanding regarding the use of facilities, ownership rights, and financial arrangements.

6.240 Determination of Equities

In determining equities relating to ownership rights in an invention or material, institutional personnel and the [Executive] Vice Chancellor for Finance and Administration or designee shall follow these guidelines:

(1) Consideration shall be given to the equity of all parties in light of circumstances surrounding the development of the new knowledge.

(2) If an invention or material is deemed to be the result of joint efforts, an agreement shall be reached among the inventors or authors, institution, and Board for distribution of any royalties. The total of net royalty income paid to all inventors or authors shall not exceed the maximum percentage of net royalty income which Board policy allows to be distributed to a single inventor or author.
(3) In the event an agreement cannot be reached regarding the amount of equity of each party and subsequent distribution of net royalty income, the president shall recommend resolution to the [Executive] Vice Chancellor for Finance and Administration after having taken affirmative steps to assure thorough consideration of the equities of all parties.

6.245 Commercialization of Inventions

(1) The Board encourages the president to assist the invention commercialization process to the extent that the invention contributes toward fulfillment of the institution's mission. Resource allocation for licensing, patenting, and technology transfer, however, is the responsibility of the president.

(2) The president, designee, or appointed committee shall counsel with inventors to determine how to make the invention available to industry and the public in an effective and non-discriminatory manner, to obtain reasonable royalties for use in furthering institutional education and research objectives, and to reward the inventor through participation in net royalty income received.

(3) When feasible, the president or designated administrator shall recommend that the [Executive] Vice Chancellor for Finance and Administration grant non-exclusive, royalty-bearing licenses to all qualified organizations. Exclusive licenses may be recommended if it is determined that such a license is required in the best interest of the public, Board, institution, and inventor in order to encourage marketing and eventual public use of the invention.

(4) Before granting an exclusive license, a bona fide effort shall be made by the institution to apprise qualified organizations known to be interested in the subject matter of the invention and in developing the invention through a non-exclusive license.

(5) When it is deemed appropriate to grant an exclusive license, the length of exclusivity shall be limited to that time deemed necessary to provide the licensee with the necessary incentive and opportunity to market the product and recover developmental costs, usually not more than five years from the date of first commercialization of the invention, or the issuance of a patent, whichever comes first, and a non-exclusive license for the life of the patent. Exclusive
licenses may include the right of the licensee to sublicense others. Exceptions to the length of exclusivity, when justified and recommended by the institution, may be approved by the [Executive] Vice Chancellor for Finance and Administration and the Chancellor.

(6) Licensing and sponsored research agreements shall include provisions:

(a) Prohibiting the use of the name of the researcher, institution, and Board, either directly or implied, in any advertising relating to the commercialization of the product or process or in supporting evidence provided in prospectus literature, and the use of any statements which imply approval of the licensee's or sponsoring agency's marketing techniques, business objectives, or relationships with wholesalers, retailers, or consumers. Exceptions to this policy require Board approval.

(b) Indemnifying the institution against any and all claims, demands, damages, costs, and other related items arising from the manufacture, use, or sale of the licensed invention or process, and, whenever possible, from any liability for damages resulting from a final judicial determination that such commercial utilization of the invention constitutes an infringement of any third party patent.

(c) Allowing the institution to produce and use the invention or process for its own educational or research purposes.

(d) Allowing the institution and inventor to publish the findings of research and to continue with research related to the process or invention including publication of future findings.

(e) For receiving or examining accounting records maintained by the licensee and any sub-licensees.

(f) For removing licensing rights and terminating the agreement should the licensee fail to develop and market the product within a reasonable time.

6.250 Distribution of Royalties

(1) The [Executive] Vice Chancellor for Finance and Administration or designee, upon the recommendation of the president, shall act on behalf of the Board to conclude agreements to
share net royalty income accruing to the Board from licensing and patent agreements, and from the sale, lease, or licensing of materials outside the institution.

(2) Agreements involving the sharing of net royalty income shall be initiated in writing at the institution and recommended by the president or designee to the [Executive] Vice Chancellor for Finance and Administration or designee for review and approval. In determining disposition of income, due consideration shall be given to the equity of all parties in the light of all circumstances surrounding the development of the invention or material.

(3) Prior to distribution of any royalty income, the [Executive] Vice Chancellor for Finance and Administration or designee shall require deduction from gross royalty income, of all institutional expenses and reasonable costs incurred in developing the invention or material, expenses incurred in enforcing or defending any patent, copyright litigation, licensing, interference, and marketing costs attributable to the invention or material, as well as any other expenses deemed necessary to recoup. Gross royalty income minus all such costs and expenses constitutes net royalty income.

(4) The maximum net royalty income which may be distributed to the inventor shall be 40 percent of the first $50,000 of net royalty income received by the Board, 35 percent of the next $50,000, and 30 percent of all additional net royalty income.

(5) The maximum net royalty income which may be distributed to the author shall be 50 percent of the net royalty income received by the Board.

(6) Net royalty income received by the Board, less the amount distributed, if any, shall be dedicated to the institution of the inventor, or author, subject to the limitation of CRS 351.250. The use made of such net income shall be at the discretion of the president, subject to Board-established budget policy.

(7) If the originator and developer of an invention or author of material cannot be determined, or if the inventor or author waives any claim to net royalty income, the percent share of royalties intended for such person may be distributed, upon recommendation of the president or designee, to the originating department, laboratory, or center at the institution.
Copyright Registration Procedures

In establishing copyright registration procedures, institutional personnel and the [Executive] Vice Chancellor for Finance and Administration or designee shall follow these guidelines:

(1) All educational and professional materials developed with significant Board and institution-assisted effort shall be registered for copyright, at the option of the institution and Board, in the name of the institution and Board. The institution and Board shall provide for disclosure of appropriate credits and shall counsel with participating employees regarding presentation of materials.

(2) Educational and professional materials developed with minimal Board- or institution-assisted effort should be registered for copyright, if at all, in the name of the author. The cost of institutional support for such effort will be agreed upon by the author and the president or his designated representative, and the author will reimburse the institution for such costs out of royalties received from the registered materials.

(3) Materials developed under sponsored assignments should be registered for copyright, if at all, in the name of the institution and the Board, with appropriate acknowledgement to the author. The institution and author are obligated to adhere to any publication rights included in agreements made with grant or contract sponsors.

(4) Educational and professional materials developed solely by individual effort shall be registered for copyright, if at all, in the name of the author. All rights, including those to royalties, reside with the author.

Budgeting for Auxiliary Enterprise Activities

(1) Annually, at a time determined by the [Executive] Vice Chancellor for Finance and Administration, each institution shall propose housing or parking activities budgets conservatively anticipating income from user fees and other sources to provide for all operating expenses and for the establishment and maintenance of required reserves, including the repayment of any outstanding obligations and the elimination of operating overdrafts. If income has been or appears likely to be insufficient for these purposes, the proposed budget shall identify the sources from which needed resources are required to eliminate such deficiencies. The resources shall include an institution’s emergency debt service reserves and unencumbered balances of other auxiliary activities.
Deficiencies in self-supporting auxiliary enterprise activities shall be carried as overdrafts. The institution must request Board approval of a revised budget plan for eliminating overdrafts either for debt service or for operations.

(2) Prior to the beginning of each fiscal year, the Controller, with the assistance of the [Executive] Vice Chancellor for Finance and Administration or a designee, shall present for Board review and approval a budget plan for the utilization of building fee resources, including debt service on all other auxiliary enterprise facilities.

6.325

Other Uses of Auxiliary Enterprise and Other Self-Liquidating Debt Service Funds

(1) Authority is delegated to the [Executive] Vice Chancellor for Finance and Administration or a designee, following consultation with the officials of the institution, to transfer excess Article X-F(1) debt service funds to other funds and accounts for the following purposes:

(a) To finance architectural and/or engineering planning of proposed construction for auxiliary enterprises and other self-liquidating projects.

(b) To fund capital improvements or major repairs of auxiliary enterprise or other self-liquidating projects.

(c) To purchase new equipment or replace old equipment for auxiliary enterprise or other self-liquidating projects, if sufficient funds are not available in equipment replacement reserves.

(d) To establish or maintain at required levels reserves, such as building repair reserves and equipment replacement reserves, for auxiliary enterprises.

(e) To eliminate overdrafts in other auxiliary enterprise operating accounts of the institution which generate funds for the debt service accounts.

(2) Plans for the usage during the following fiscal year of excess building fee debt service funds for purposes stated in IMD 6.325(1) shall be submitted to the [Executive] Vice Chancellor for Finance and Administration by June 1 so that priorities may be established and approval granted for the use of the funds. Building repair and capital improvement projects costing over $5,000 must also be reviewed and approved in advance by the [Executive] Vice Chancellor for Finance and Administration or a designee.
Financing Auxiliary Enterprise and Service Department
Building Repair and Equipment Replacement Reserves

6.350 Auxiliary Enterprise Building Repair and Equipment Replacement

(1) Auxiliary enterprises establish and maintain reserves for the purpose of funding the cost of building repairs and the replacement of equipment. Such reserves are utilized for their stated purpose before the building fee portion of the XI-F(1) Debt Service Fund may become available, either by permanent transfer or advance of the funds.

(2) The Building Repair Reserve is normally maintained at not less than 1.5 percent of building replacement value for each category of auxiliary enterprise. Exceptions to this policy may be granted by the Office of Finance and Administration, where age or condition of facilities warrant either a greater or smaller reserve balance. Deficiencies at fiscal year-end are recovered over the following seven years.

(3) Equipment replacement reserve requirements are determined by the cost and life expectancy (usually ten years) of the equipment in each auxiliary enterprise category. At the end of the fiscal year any deficiency in this reserve is scheduled for recovery within the following ten years. No reserve is required when the total value of equipment used in the activity is less than $2,500.

(4) Exception to Sections (1) and (3) may be authorized by the Office of Finance and Administration where circumstances warrant.

6.380 Service Department Building Repair and Equipment Replacement

(1) Reserves to provide for the replacement of equipment for Service Departments are required if the total value of this equipment used in a Department is $2,500 or greater. The reserve level needed is based upon the original cost of the equipment and its expected life (usually ten years). Fiscal year-end deficiencies in the reserve balance are recovered over the following ten years.

(2) Reserves to provide for the repair of buildings are maintained at a level of not less than 1% or more than 2% of the replacement value of the building or the proportionate share of the building occupied by the Service Department. Deficiencies in the reserve balance at the end of a fiscal year are to be recovered in not less than the succeeding 5 years. Building repair reserves are optional for Service Departments with activity less than the minimum established for
Specialized Service facilities as defined by the Federal Office of Management and Budget in Circular A-21 and in accordance with agreement between the Department of Higher Education and the cognizant Federal Audit Agency.

(3) Exceptions to the requirements of sections (1) and (2) may be authorized by the Office of Finance and Administration where circumstances warrant.

6.500 Policy for Education-Related Business Activities

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

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

A. The activity is deemed to be an integral part of, and directly and substantially related to, the fulfillment of an institution's instructional, research, public service, or other education-related mission.

B. The activity is operated for the primary benefit of the students, staff, and faculty associated with and served by the institution or its affiliated units. The activity is needed to provide goods or services at a reasonable price, on reasonable terms, and at a convenient time and location. Sales or rental of services and products to on-campus visitors and campus conference participants are considered incidental to the purpose of these activities.

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

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

2. To insure recovery of direct costs of engaging in the education-related business activities, institutions shall charge students, faculty, staff, campus conference participants, and the public to participate in institutional events, for the purchase of the goods or services, and for the rental of any facilities. An institution president may waive charges for selected education-related business activities.

3. An institution may make its services and facilities available to nonprofit or community organizations without recovering all direct costs, provided there is sufficient inventory or capacity. An institution may also make its services and facilities available to for-profit community businesses and organizations provided there is sufficient capacity and availability. Charges to profit-making organizations shall cover the direct and indirect costs of the use of the facilities and services provided. Services, products, and facilities may similarly be provided to federal, state, and political subdivisions, subject to negotiated charges, terms, and conditions.

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

5. Following approval by the institution president to provide goods, services, and facilities referenced above, the institution shall adopt a fee schedule or, in cases where prices fluctuate, a pricing markup policy for those services, products, and facilities.
Section 7 - Planning, Facilities, Physical Plant, and Equipment

7.130 Approval of Plans, Specifications, and Contracts

(1) The [Executive] Vice Chancellor for Finance and Administration is authorized to:

(a) Review and approve subsequent phases of planning for buildings and other capital construction projects provided there are no material deviations from the concepts, scope of work or cost estimates previously approved by the Board;

(b) Prepare requests to the Emergency Board for release of funds for projects requiring Emergency Board approval;

(c) Receive bids and award construction contracts for any project for which bids are within available project funds.

(2) Appropriate reports shall be made to the Board.

7.140 Acceptance of Buildings

Subject to any specified qualifications, the [Executive] Vice Chancellor for Finance and Administration or any designee may inspect and accept construction work for and on behalf of the Board.

7.145 Plant Rehabilitation

The Chancellor may allocate funds from the Board's reserve for physical plant rehabilitation and minor capital outlay. The [Executive] Vice Chancellor for Finance and Administration or designee is assigned the responsibility of recommending such allocations to the Chancellor with appropriate report to the Board at the meeting following such action, subject to the following conditions:

(1) The work to be financed from such allocations is needed and relates only to buildings or facilities owned and operated within the educational and general plant;

(2) The allocation for any project shall not exceed the following limitations:

(a) For the repair, rehabilitation or minor improvement of a state-owned residence occupied by the Chancellor or President—$5,000;
(b) For all other physical plant rehabilitation or minor capital improvements—$25,000;

(3) The work does not involve restoration of damaged areas following a fire or other casualty which is covered fully or partially by the State Restoration Fund;

(4) The work does not involve contractual arrangements with or assessments by other units of government (e.g., improvements of streets or highways, installation of traffic signals, construction of sewer systems, etc.);

(5) The nature of the work is such that in the judgment of the Chancellor no major policy questions would be raised by the Board concerning the use therefor of funds appropriated from the State General Fund.
MISSION

Our goal is to move the graduate engineering education and research programs into the top fifteen percent of such programs within the United States within the next 15 years. Leaders of our academic institutions and private industry see the future development of internationally distinguished programs based upon the high quality of individual faculty already within the state.

In the last decade there have been increasingly productive relationships between academic institutions and industry. The first moves toward coordinated programs and targeted research developments began in 1982 with an innovative program proposed by forward-thinking members of the Legislature and leaders of the American Electronics Association. The resulting "consortium," continued in 1983-85 and funded by the state with a 1:1 match by industry, enabled the participating institutions to hire some outstanding faculty. In 1985 the Oregon Center of Advanced Technology Education (OCATE) was funded specifically to develop advanced research-based educational programs in high technology in Washington County. Since that time OCATE has coordinated coursework leading to advanced engineering degrees, sponsored specialized workshops, and promoted interaction between participating institutions and the private sector in an increasing range of engineering disciplines. During the past two years, cooperative research programs in advanced computing and metals research have been funded by state, federal, and private sources and have lead to the formation of the Oregon Advanced Computing Institute (OACIS) and the Oregon Metals Initiative (OMI). Now is the time to expand this increasing record of cooperation into truly coordinated education and research endeavors which will enhance those efforts particularly important for the development of the State of Oregon. The Oregon Joint Graduate Schools of Engineering is the next major step toward integrated educational and research programs in engineering.

Graduate engineering and research programs at individual institutions in the State of Oregon are too small to support the economic and educational competitiveness of the State, particularly in areas appropriate to Oregon's industries. In a recent report to Governor Goldschmidt, Sanford L. Kane and Dr. Wolfgang Leibman (Evaluation of Technical Higher Education Programs in the State of Oregon) argue that "Even though Oregon has a substantial talent, facility and equipment pool, the effort at every individual institution is near subcritical." Oregon has a unique opportunity to create a new model for interinstitutional cooperation at the graduate level in engineering. To strengthen the State's capacity in graduate engineering education and integration of research programs existing programs must be unified and expanded through targeted investments. Building upon the faculty and facilities now in place, a unique partnership between public and private advanced educational and research programs is being proposed with the help of those who draw on the resources of graduate engineering programs. It is expected that these developments would also strengthen undergraduate programs.

Effective development of a supportive environment for engineering education and research will require a partnership consisting of the institutions within OSSHE that offer doctoral-level engineering and computer science programs (OSU, PSU, and UO), the Oregon Graduate Institute of Science and Technology (OGI), and representatives of the engineering and computer community.
The establishment of this Oregon Joint Graduate Schools of Engineering (OJGSE) will depend upon obtaining new funds from the legislature; however, efforts to encourage interinstitutional cooperation in research and teaching at the graduate-level in engineering and computer science will continue in the absence of new funds. As an incentive for legislative action and as a pledge of their commitment, the Engineering Board would use legislative funds to the maximum extent as challenge funds, working with industry and funding agencies.

The goal, then, is to integrate graduate-level education and research programs in engineering to serve better all Oregonians. Statewide coordinated programs would help create the critical mass necessary to foster innovative cross breeding and joint research proposals, and to develop world-class engineering programs in a coherent manner and in targeted areas.

**POLICY-MAKING STRUCTURE**

- The OJGSE would be directed by an Engineering Board chaired by a person appointed by the President of the State Board of Higher Education, after consultation with the Governor's Office. The OJGSE would be administered by an Executive Director, who would be appointed by the Chancellor with the advice and participation of the Engineering Board. The Executive Director would report administratively to the Chancellor's Office.

- The Engineering Board would be comprised of the Presidents of the participating institutions or their delegates (it is assumed they ordinarily would be the Deans), an equal number of industry representatives, and a chair appointed by the President of the State Board of Higher Education. It is expected that the chair of the Engineering Board would be a citizen with a distinguished business or academic record, including some public service, and some experience in an area of engineering.

- In consultation with the State Board of Higher Education and the Board of Trustees of the Oregon Graduate Institute, the Chancellor of the State System of Higher Education would appoint non-academic representatives from those dependent on quality engineering and research programs. It is intended that these appointees would be selected so that the interests and technical backgrounds represented are reasonably balanced.

- The Executive Director is advised by a Council of Deans and such other persons as from time to time may be appropriate.

- The Board would have the following responsibilities:

  1. The Engineering Board will survey the existing capacity of the participating institutions (initially PSU, UO, OSU, and OGI) in graduate engineering education and research and will identify areas for priority development, enhancement, or consolidation.

  2. Creation of new programs, consolidation of existing programs or elimination of programs in graduate engineering and computer science must be reviewed and approved by the Board before submittal to the appropriate governing board.

  3. The Board will be responsible for establishing policy encouraging the involvement of faculty and students in the cooperative and joint research and graduate educational activities of the OJGSE.
4. The Board will be responsible for assessing needs for advanced engineering education and research in Oregon and developing ways to provide appropriate services and facilities in these areas.

5. The Engineering Board will establish policy for the appointment of faculty to the OJGSE and a scale of incentives and opportunities for those faculty appointed to the OJGSE.

6. The Board will recommend legislative funding proposals for OJGSE to the Chancellor and support his efforts to secure the funding.

WORKING ASSUMPTIONS

- Coordination of efforts would strengthen graduate education and research in engineering and related areas; the long-range goal is systematically to build world-class programs in selected areas.

- Closer ties between faculty and those dependent on quality engineering and research programs would enhance existing and new resources.

- There is a need for easier and expanded access to postsecondary education in engineering and related areas.

- There would be some abridgment of institutional sovereignty; the focus of the overall coordination is to increase substantially the synergism of the current efforts of the existing schools while maintaining the autonomy which characterizes some of their activities.

- Programs at participating institutions would not be "frozen" at their present state, but present programs would be coordinated by the Engineering Board; new developments consistent with established priorities would be planned by the Engineering Board.

- The Engineering Board administrative responsibilities would include all disciplines in engineering and computer science.

- OCATE and its activities would become part of the efforts to strengthen graduate education and research in engineering; OCATE would be "folded into" the OJGSE.

- Graduate programs will be developed in such a way so as also to strengthen undergraduate programs.

PROGRAMS AND FACULTY

Much work has to be done to coordinate effectively programs and joint efforts of faculty. The following statements indicate general principles to be developed.

- The Engineering Board would develop long-range plans to guide particular decisions to help recruit and retain faculty and to facilitate research -- all in an integrated, coherent, and systematic manner.

- The Engineering Board would recommend new programs to the Chancellor and the State Board of Higher Education and to the Board of the Oregon Graduate Institute.
• Proposed academic programs and courses would continue to be subject to review procedures established at the appropriate participating institutions.

• Engineering faculty would hold appointments in their home institution but could also hold an appointment, such as adjunct or joint, in OJGSE.

• Joint appointments for faculty at an institution other than the home institution also would be actively encouraged. These appointments would be especially appropriate whenever a faculty member was participating in student advising, research, or other activity done in an institution other than the home institution. This joint appointment would be necessary and appropriate to permit participation in cases where the home institution did not offer graduate degree programs which were available at the institution of the joint appointment.

• Major joint research activities that involve faculty from more than one participating institution would be coordinated through a process established by the Engineering Board.

• Individual faculty would not be inhibited from pursuing their individual research work.

STUDENTS

The following statements are to serve as guiding principles to be developed.

• All students wishing to matriculate in graduate-level engineering programs would apply to one of the participating institutions which set admission and degree requirements (that is, students would not have to apply to more than one institution to work with faculty in the coordinated programs).

• Participating institutions would continue to offer existing degree programs; and they may also participate in graduate-level joint or coordinated programs. All graduate programs would be reviewed periodically.

• Students would be able to choose courses from a common catalog and coordinated listing, subject only to admissibility to course.

• A student would register and pay fees using a single, common form. The Board would consider the desirability and practicality of students applying to a single program, a coordinated registration process, common admission and graduation requirements, and so on.

• Students would receive a degree from one institution or a joint degree from participating institutions when available.

• Graduate-level courses would be open to those who do not wish to pursue a specific degree, provided that students have met the usual qualifications and prerequisites.

• Credit or non-credit workshops, seminars, and short courses would continue to be very important activities in the coordinated programs, all administered by OJGSE.

• Engineering students would have expanded opportunities in cooperative education (for example, internships in the public and private sector).
BUDGET: FINANCING NEEDS AND IMPROVED PROGRAMS

- Initial funding is for start-up costs and seed money and to attract additional funds, public and private.

- Through the allocation of new resources and the creation of shared facilities, the Engineering Board will encourage interinstitutional, cooperative efforts that are genuinely collaborative.

- Funds will be used to coordinate programs, to recruit and support faculty, technicians, and graduate students, to purchase targeted equipment, and to support approved research projects.

- It is preliminarily proposed that the Engineering Board concentrate the funds in a few areas such as advanced computing, semi-conductor materials and devices, metals, manufacturing, and environmental engineering.

- After the Engineering Board has obtained and allocated funds for any new program or for program enhancements, the resources will be administered by the participating institutions in combination with institutional funds assigned or reallocated for support of the program. The participating institutions will be held accountable for the appropriate use of these additional resources and will make regular reports to the Engineering Board on the progress and operation of any programs approved and funded by the Engineering Board.

- Efforts would be made to seek additional monies from state, federal, and private sources.

FACILITIES

- There is a need for additional graduate-level research and classroom facilities to serve engineering, especially in support of the electronics and computer industries based in Washington county; expenditures and research activities would be targeted.

- Researchers from institutions and industry would use the new facility.

- Development and use of other new engineering facilities (for example, at PSU) would be carefully coordinated and reflect established priorities.

- Shared activities would be conducted at three primary sites: downtown Portland, Washington county, and Corvallis. Ed-Net would deliver services to additional sites.

Oregon State System of Higher Education
July 19, 1990