**MINUTES OF REGULAR MEETING OF THE OREGON STATE BOARD OF HIGHER EDUCATION**  
January 24, 1992

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The meeting was called to order at 10:35 a.m., Friday, January 24, 1992, by President of the Board, George E. Richardson, Jr.

On roll call, the following answered present:

Mr. Robert Adams    Mr. Christopher Halsey
Mr. Bob Bailey      Ms. Beverly Jackson
Mr. Tom Bruggere    Mr. Rob Miller
Ms. Britteny Davis  Mr. Les Swanson
Mr. Mark Dodson     Mr. George E. Richardson, Jr.

Ms. Janice Wilson was absent due to conflict of schedule.

Chancellor's Office -- Chancellor Thomas Bartlett; Ron Anderson, Assistant Vice Chancellor, Personnel Administration; Janet Billups, Legal Services; Virginia Boushey, Assistant Vice Chancellor, Academic Affairs; Jerry Casby, Attorney-in-Charge, Education; Gary Christensen, Assistant Vice Chancellor, Academic Affairs; Shirley Clark, Vice Chancellor, Academic Affairs; Francesca Clifford, Assistant Director of Communications; Thomas Coley, Assistant Vice Chancellor, Academic Affairs; Peter Hughes, Director, Internal Audit Division; Weldon E. Ihrig, Vice Chancellor, Finance and Administration; Steve Katz, Controller; Larry Large, Vice Chancellor, Public Affairs; Roger Olsen, Director, OCATE; Greg Parker, Director, Communications; George Pernsteiner, Associate Vice Chancellor for Administration; Davis Quenzer, Associate Vice Chancellor, Budget and Fiscal Policies; Joe Sicotte, Associate Vice Chancellor, Personnel Administration; Virginia L. Thompson, Board Secretary and Executive Assistant to the Chancellor; Susan Weeks, Director, Institutional Research Services; Holly Zanville, Associate Vice Chancellor, Academic Affairs.

Eastern Oregon State College -- David Gilbert, President; Jim Lundy, Dean of Administration.
Oregon Health Sciences University -- Peter Kohler, President; Tom Fox, Vice President, Development and Public Affairs; Lesley Hallick, Vice President, Academic Affairs; Peggy Miller, Vice President, Finance.

Oregon Institute of Technology -- Lawrence Wolf, President; Chris Eismann, Dean of Academic Affairs; Doug Yates, Dean of Administration.

Oregon State University -- John Byrne, President; Roy Arnold, Provost/Vice President for Academic Affairs; L.E. Coate, Vice President, Finance and Administration.

Portland State University -- Judith Ramaley, President; Robert B. Everhart, Dean of Education; Steve Sivage, Assistant Vice President, Administration and Facilities Planning.

Southern Oregon State College -- Joseph Cox, President; Ronald Bolstad, Dean of Administration; Stephen J. Reno, Dean of Academic Affairs.

University of Oregon -- Gerald Kissler, Senior Vice Provost for Planning and Resources, Academic Affairs; Norman K. Wessells, Provost; Dan Williams, Vice President, Administration.

Western Oregon State College -- Richard Meyers, President; Bill Neifert, Dean of Administration.

Interinstitutional Faculty Senate -- Eugene A. Enneking, Portland State University; Colleen Johnson, Eastern Oregon State College; Herb Jolliff, Oregon Institute of Technology; Bonnie Staebler, Western Oregon State College.

Others -- Peggy Archer, Senior Legislative Analyst, Legislative Fiscal Office; Marie D. Bell, State Representative, District 41; Laura Bergman, Student, Portland Teachers Program; Deborah Cochrane, Director, Portland Teachers Program; Evelyn Crews, Student, Portland Teachers Program; Rosalind Curry, Student, Portland Teachers Program; Denise Duncan, Vanguard; LeRoy Gornick, Liaison, Oregon Education Association; Jason Hagey, Vanguard; Jon Hendricks, OSU Faculty Senate; Jim Hill, The Oregonian; Kris Hudson, Acting Director, Greater Portland Trust in Higher Education; Kate Menard, Executive Assistant,
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Oregon Student Lobby; Lynn Pinckney, Executive Director, Oregon Student Lobby; Viviane Simon-Brown, COCHE Director, COCC; Andreas Vargas, Student, Portland Teachers Program; Jan Weaver; Jeff Wright, Register Guard.

The Board dispensed with the reading of the minutes of the last regular meeting held on November 15, 1991, and approved them as submitted. The following voted in favor: Directors Adams, Bailey, Bruggere, Davis, Dodson, Halsey, Jackson, Miller, Swanson, and Richardson. Those voting no: none.

The Chancellor began his report by wishing Board members a belated happy new year.

Governor’s State-of-the-State Message

Chancellor Bartlett remarked that the Governor’s State-of-the-State speech, delivered the evening prior to the Board meeting, was an important event for higher education, and the whole state. He pointed out two areas of obvious importance for higher education. The first relates to the impending downsizing of the number of state employees scheduled for this biennium. "We have not been planning on that, but it is not a surprising decision," observed the Chancellor. "We are awaiting still more precision on the process and on the actual numbers that will be involved as higher education’s part of public services." Information will be communicated to the Board as soon as it is available.

Budget cut proposals appear to be consistent with the 20 percent reductions in general fund appropriations. The rhythm of budget preparations is not known, but could be different from other years.

Another subject in the Governor’s speech clearly impacting higher education is the topic of governance. The Chancellor made a personal observation: "I welcome the decision of the Governor to invite attention to the issue of governance, beginning with the proposal for a single board. But I think that consideration will go well beyond that proposal. It is more important, at this stage, that we are clear on what our objectives are, and then explore in detail the various options that are available."
The Chancellor continued by commenting that a number of rumors has come to his and staff's attention. Included in the rumors is speculation that there is a plan to recommend to the Board, at the appropriate time, downsizing in the form of closing one, two, or three campuses. The Chancellor remarked, "Let me say categorically that there is no such plan in the Chancellor's Office, and there is a very clear view that we should not have such a plan because it is too early to come to any kind of definitive, drastic decision."

Chancellor Bartlett indicated that he and staff are asking themselves all the thinkable, and some of the unthinkable, questions -- looking at options just as carefully and systematically as possible so that, at some point in the future, when it becomes practical, possible, indeed central, that a recommendation go the Board, it can be done so within the context of as many options as possible.

The Chancellor listed a number of possible ideas that could be considered, and closed by inviting anyone with a new or different idea to convey it to him or his staff.

"What I'm trying to suggest is that it is important for us to be looking at as many possibilities as we can as we think about the future. But it is much too early to try to formulate any ideas into a plan. One hears discomfiting rumors, and I want to put it in just as stark and clear terms as I can, not necessarily to ease anybody's concerns, but simply to make the situation as clear as I can at this point. It is a time to be doing our hardest thinking. It is not a time to be making any kind of far-reaching decisions," concluded the Chancellor.

IFS Report

Dr. Bonnie Staebler reported from the Interinstitu­tional Faculty Senate (IFS), indicating that the last meeting of the IFS was December 6-7, 1991. Dr. Staebler acknowledged that President Richardson, Chancellor Bartlett, Vice Chancellor Clark, Marc Nelson, and Senator Shirley Gold had participated in a very productive session.

At the business meeting of the IFS, two Board liaisons concluded their terms of service. Dr. Staebler announced that she is stepping down as
Board liaison on the Committee on Academic Affairs, although she will continue to serve as president of IFS. Herb Jolliff was re-elected to serve on the Board's Committee on Finance and Administration, and Anna Penk, Senator from Western Oregon State College, was elected to serve on the Committee on Academic Affairs. Colleen Johnson was elected to serve with Eugene Enneking as alternate.

A second action from the IFS business meeting included the formation of an IFS task force for the athletic funding committee and includes: chair, Jim Pease, Oregon State University; Ed Brierty, Southern Oregon State College; Marjorie Burns, Portland State University; and Alan Kimball, University of Oregon. The chair, Jim Pease, will serve as the IFS representative on the Board's task force. A template to assist the task force in studying the issues was developed and approved for submission to the task force when it is convened.

President Kohler has completed the first three years of his tenure as president of the Oregon Health Sciences University. The regular evaluation took place and, as is the custom, Board members received a copy of the summary letter submitted by the Chancellor to the Board president. The Chancellor indicated that the complete report was on file in the Board's office.

The Chancellor observed that the Oregon Health Sciences University has been moving in dramatic ways and has expanded activities, particularly outreach to other parts of the state. President Kohler has led that process very effectively and it is important that the new areas of emphasis continue. The progress made by the institution in the last three years on a broad range of fronts is very impressive and a tribute to the leadership of President Kohler. The Chancellor indicated that he "hoped that Peter Kohler keeps his good health and keeps going flat out, as he has in the last three years, doing an outstanding job."

The Chancellor added that a national conclusion is that an academic health center is a difficult creation to try to lead. The early successes of President Kohler are all the more impressive in light of this.
The centerpiece of the agenda for the Board Renewal Work Session will be tuition policy alternatives, the first of a number of proposed discussions during the academic year. Also on the afternoon work session agenda is the topic of governance.

Background

The 1991 Legislature adopted HB 3565, the Oregon Educational Act for the 21st Century. The Act calls for a restructured educational system necessary to achieve the state's goals of the best educated citizens in the nation by the year 2000, and a workforce equal to any in the world by the year 2010. The Act calls for the Department of Education to serve as the coordinating agency for implementation, working closely with a number of other public agencies, including the Board of Higher Education. The Act mandates higher education's involvement in a number of areas, with a major mandate in Section 30:

By January 1993, the State Board of Higher Education, in consultation with the State Board of Education, the Teacher Standards and Practices Commission, and the Oregon Workforce Quality Council, shall develop programs of research, teacher and administrator preparation and continuing professional development that are responsive to the needs of the educational system and related to the goals of this Act.

After the close of the 1991 legislative session, the Oregon State System of Higher Education actively became involved in addressing a range of issues related to HB 3565, legislation from 1989 related to teacher education programs within the 1991 Measure 5 context (HB 3038 from the 1989 session requires the State System to offer a diversity of four- and five-year teacher education programs), and the Joint Boards' initiatives to coordinate their common interests. Since it was certain that additional dollars would be required by OSSHE to respond to the far-reaching implications of HB 3565, the Board approved set-aside dollars when it adopted the 1991-92 annual operating budget allocations on September 27, 1991. Among the special program adjustments approved was an item for "Plan-
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ning and Policy Studies for the System, Support for System Initiatives Related to Educational Reform, Workforce Development, and Administrative Review." There was expectation that staff would bring to the Board a proposed plan for System initiatives needed in response to educational reform.

With regard to preparation for HB 3565, OSSHE has initiated the following types of activities over the past several months:

- inventorying faculty resources as a first step in OSSHE's planning for its role in 21st Century initiatives;

- reviewing and responding to Department of Education Requests for Proposals (RFPs) on nongraded primary school demonstration sites, counselor retraining programs, and preservice and inservice programs for professional technical education teachers;

- participating in a variety of math/science/technology interfaces including establishing and implementing a RFP for Math/Science/Technology Teacher Retraining to be funded by Higher Education's federal Dwight D. Eisenhower Mathematics and Science Program;

- establishing an Oregon Consortium for 21st Century Schools to assist participating OSSHE institutions, public schools, community colleges, ESDs, and business/industry in planning initiatives related to school restructuring;

- adding/expanding programs in areas related to HB 3565 such as Early Childhood Endorsement programs;

- addressing needed changes in current teacher preparation programs; and

- developing initiatives in the area of applied academics.

In fall 1991, the Joint Boards expressed a high degree of interest in how schools will be staffed in the future in three broad categories of the educator professions (teachers, counselors, administrators) in the context of the Oregon Education
Act for the 21st Century. In order to respond to the Joint Boards' interests, OSSHE has engaged in planning sessions with State Department of Education staff and other educational organizations to determine how a variety of special projects of common interest by the Boards should be addressed. With the need to plan further for Measure 5 reductions, OSSHE also has been involved in a variety of planning activities.

**OSSHE'S Plan**

A plan for OSSHE's involvement in a variety of initiatives to respond to HB 3565, the Joint Boards' interests, and further Measure 5 planning has been developed. The plan particularly addresses initiatives in two broad areas: curricular developments within a context of a higher level of student preparation for college/university work; and educator preparation programs to meet the goals of Oregon's educational reform plan. It is expected that, over time, additional initiatives will be added to OSSHE's plan in response to further work with the Joint Boards, and new partnerships with school districts and community colleges as educational reforms are implemented. Six major components of the plan are proposed and ready for implementation:

1. **Board of Higher Education Grant Program for 21st Century Education Innovations**

   The centerpiece of OSSHE's plan is the establishment of a Board of Higher Education Grant Program for 21st Century Education Innovations. The purpose of this program will be to spawn a variety of needed initiatives among OSSHE campuses, school districts, and community colleges to address school reform particularly related to curricular revision, sequencing, and integration. Innovation grant awards to OSSHE campuses in partnership arrangements with schools and/or community colleges should include:

   - the development of pilot sites for early college attendance by students who complete the Certificate of Ini-
tial Mastery and show college readiness;

- college/school connections in developing the Certificate of Advanced Mastery, for example, the use of college/school teams to determine when students have demonstrated college readiness, and the establishment of standards for portfolio assessment and uses in college admissions processes; and

- special math/science/technology initiatives.

The Board's new Grant Program will be established through a Request for Proposal (RFP) format, with an expected eight to ten one-time only awards of nonrecurring funds made by summer 1992. The Chancellor's Office will work actively with the campuses to develop potential projects in line with the specifications of the RFP. Most projects will extend from 12 to 30 months.

The following selection criteria will be of high priority:

- projects must demonstrate the potential to create new patterns of communication with the field;

- projects must extend beyond schools of education to demonstrate significant involvement with content specialists within the wider higher education community; and

- projects must demonstrate a commitment to implementation after the termination of the grant.

The central purpose of the Grant Program is to test the best new practices, policies, and procedures higher education is able to develop in partnership with the schools, and then to implement them on a statewide basis. An expectation is to alter how we do business in the future; these specially funded
projects will provide the means for OSSHE to meet this expectation.

Toward this goal, the Chancellor’s Office will bring together all the funded projects on a periodic basis for the purpose of information sharing. Also, special liaison on school reform will be established within the Chancellor’s Office to interact among OSSHE campuses, State Department of Education staff, school districts, and other educational organizations with regard to projects initiated through the Grant Program.

2. New Professional Technical Teacher Certification Programs

Working with State Department of Education staff, school districts, community colleges, business/industry, the Workforce Quality Council, and others involved in restructuring for an increasingly important role for professional technical education in the state, OSSHE will work with campuses to determine what type of professional technical teacher certification programs are needed in the context of HB 3565. OSSHE’s work will build on a RFP from the State Department of Education calling for a consortial approach (multiple OSSHE institutions, community colleges, business/industry) addressing preservice and inservice professional technical teacher education.

Oregon State University and Portland State University are expected to play key roles in professional technical teacher education programs, with other campuses contributing as well, particularly Oregon Institute of Technology. Preliminary models of new programs envision community colleges playing the major role in providing the technical training needed by new professional technical teachers. OSSHE campuses would provide upper division/baccalaureate completion programs as well as graduate level programs needed for licensure in the state.
3. Catalyst Conferences for Teacher Training and Retraining

Although all of OSSHE's teacher preparation programs have been revised within the last three years, programs will need continued revision in order to address the state's major reform agenda. Since newly employed educators (teachers, counselors, and administrators) comprise only about ten percent of the workforce each year, educator retraining/upgrading will be a major task to support the reform initiatives.

In order to revise OSSHE's educator preparation programs and provide effective retraining programs, the state's educational leadership will require a steady flow of state-of-the-art information regarding strategies and model programs successfully implemented elsewhere in the nation and world. Forums for the exploration of ideas that might be tried in Oregon must be built into the reform plan.

OSSHE envisions providing a series of programs much like those of the Oregon Center for Advanced Technology in Education to bring state-of-the-art information to Oregon's high technology community. OSSHE will sponsor a series of "catalyst conferences" with the goal of setting the direction for further reform activities. Experts would be brought in from other states to meet with Oregon school/college teams addressing reforms. Initial topics would include:

- establishing professional development centers/schools;
- conducting interactive applied research in partnership with school districts;
- linking education faculty with content faculty to provide a context for enrichment of K-12 and higher education faculty; and
- early college admissions programs.
Funding will enable hosting meetings to bring together communities of individuals to plan the "next steps" in needed reforms.

4. Applied Academics

**OSSHE Applied Academics Committee**

OSSHE will establish an Applied Academics Committee with representation from each OSSHE campus with teacher certification programs and representation from professional technical education staff at the State Department of Education. The purpose of the Committee will be to determine what revisions in current teacher preparation curriculum should be made to incorporate new knowledge about applied academics. This could include:

- collecting background materials on applied academics;
- determining what curricular modules within an existing course might be needed;
- recommending which course(s) could be revised to include content on applied academics;
- developing syllabi for new curriculum;
- identifying schools where applied academic courses are being taught so that student teachers may be able to observe practical applications; and
- determining the feasibility of one institution or consortium providing a course and/or portions of a course on applied academics over Ed-Net to other institutions.

An important outcome of the Committee's work will be the development of materials that will contribute to a course module or entire course on applied academics. These materials would be made available at all OSSHE teacher education programs for regular
teachers, and through continuing education programs for teacher upgrading.

Intersegmental Discipline Review Committees
Working with State Department of Education staff, OSSHE will provide the leadership in establishing discipline review committees to be composed of OSSHE faculty, community college faculty, and high school teachers. The purpose of the committees will be to review applied academics courses already being taught in Oregon high schools (courses that have been produced nationally, for example, Materials Science Technology, Principles of Technology, Applied Mathematics, Applied Communications). The committees' charge will be to determine how well applied academics courses prepare students for college-level work, and how they should fit into OSSHE's admissions policies. Recommendations from the committees will be received in the spring of 1992.

5. Supply-and-Demand Studies (Teachers, Counselors, Administrators)

The plan proposes a series of studies that will provide needed information for deliberations and decision making by policy makers.

- **Study of Recent New Oregon Licensees**
  This study will enable identification of the number of graduates from Oregon Higher Education seeking an Oregon license last year, the number of out-of-state teachers seeking a first-time Oregon license last year, and the total number of new licensees available for employment in Oregon last year. The study also will provide new data about the number of new licensees who are employed this year in a school position, and the number still looking for a school position, with information on areas of certification, experiences in seeking employment, those placebound, etc.
• **School Staffing Trends Study with a Focus on Counseling**

This study will involve interviews with a number of school districts to examine issues pertinent to educational professionals and future staffing patterns, particularly school counselors. The study will provide information on expected changes in staffing patterns over the next five to ten years based on the introduction of HB 3565, particularly increased emphasis on math/science/technology, professional technical education, foreign language, use of television instruction, etc.

• **Study of Recent Reactivated Licensees**

This study will enable identification of the number of teachers who have reactivated lapsed licenses in recent years. The study will generate information about employment goals, areas of certification, and experiences in seeking school employment.

• **Study of Active Reserve Pool**

This study will enable identification of the number of teachers maintaining a current license who are not employed in a public school district. The study will generate information about employment interests/goals, areas of certification, and experiences in seeking a school position.

• **Study of OSSHE Certification Program Capacity**

This study will enable OSSHE to review all educator certification programs (teachers, counselors, administrators) in the areas of student enrollments, faculty, and partnership arrangements with local school districts. The study will include an analysis of independent institution capacity in the area of student enrollments. These data will permit identification of areas for possible consolidation or reduction within OSSHE for discussion.
with the Joint Boards. These data and discussions should lead to recommendations about enrollment targets, numbers of programs, and future directions for OSSHE's programs in line with Oregon's needs.

- **Database Study**
  This study will identify key databases needed to shape future policy related to the educator profession as it currently exists, provide information to the Joint Boards so that, in any restructuring or reorganization, the assignment of database collection can be clarified. This will enable the state to retain its capacity to collect data on supply-and-demand trends in the future.

It must be noted that while OSSHE can provide a leadership role in undertaking these various studies, OSSHE is reliant, to a great extent, on databases that currently exist in other agencies such as the Teacher Standards and Practices Commission, the State Department of Education, and school districts. The State System of Higher Education will need to obtain a significant portion of data, as in the past, developed by staff in these other agencies. There is a history of interagency collaboration.

6. **Measure 5 Planning**

OSSHE will update the academic programs list by adding program options (a further level of specificity from the current list of academic degree programs/majors) at the undergraduate and graduate levels. The purpose of this effort is to develop an accurate list of OSSHE's academic programs by campus to assist in planning for further reconfiguration of programs.

**Planning With Other Agencies**

Both the Teacher Standards and Practices Commission and Oregon State Department of Education have indicated willingness to work cooperatively with
the State System on the various supply-and-demand studies. For Teacher Standards and Practices Commission, this will involve producing lists of licensed educators in the state (including the production of mailing labels) for our proposed survey work. Teacher Standards and Practices Commission also will participate in the review of survey questions, methods for analysis, and review of findings. For the State Department of Education, this will involve sharing information from two databases (Staffing Data, Fall Reports; Certified Personnel File). The State Department of Education also will participate in the review of survey questions, methods of analysis, and review of findings. The key contact person at Teacher Standards and Practices Commission will be David Myton, Executive Secretary. At the State Department of Education, key contacts on counseling-related surveys will be Judy Miller, Assistant Superintendent for Student Services; on data files, Walter Koscher, Coordinator for School Finance and Data Information.

The State Department of Education also will work cooperatively with the Oregon State System of Higher Education on the two applied academic initiatives -- the OSSHE Applied Academics Committee, and the various intersegmental applied academics discipline committees. The key contact persons at the State Department of Education will be J.D. Hoye, Associate Superintendent for Professional Technical Education, and Claudia Leppert, Curriculum Specialist in Professional Technical Education.

Since many of the components of OSSHE's plan involve significant collaboration with other agencies, additional planning activities are expected.

**Budget Summary**

The total OSSHE budget for implementing the plan is estimated at $400,801. This does not include $240,000 of federal higher education Dwight D. Eisenhower Math/Science Funds that have been earmarked in 1992 and 1993 for Science/Mathematics/Technology Teacher Retraining initiatives related to implementation of HB 3565.

The estimated budget for the OSSHE plan is depicted below in broad categories. As noted earlier, the
Board set aside dollars at its September 1991 meeting for System initiatives for educational reform under the 1991-92 annual operating budget.

1. Board's Grant Program on 21st C. Education Innovations $250,000
2. OSSHE Certification Programs for Professional Technical Education 100,000
3. New Models for Teacher Training and Retraining 25,000
4. Applied Academics 3,500
5. Supply-and-Demand Studies* 8,135
6. Measure 5 Planning --
7. Graduate Student Assistance and Part-Time Faculty Liaison 14,166

Total Projects Budget $400,801

* Budget assumes office space, computer access, telephone access, and staff time from Office of Academic Affairs. This does not include a budget for the various costs associated with data obtained from TSPC and the State Department of Education, which would need to be costed out by those agencies, but that regularly produce these data each year.

Staff Recommendation to the Committee

Staff recommended that the Board authorize the State System to move ahead with implementation of the OSSHE plan, with the expectation that additional components may be added as OSSHE institutions become involved further in educational reform.

A progress report on the status of these projects will be presented to the Joint Boards at the next meeting.

Discussion and Recommendation by the Committee

Vice Chancellor Clark reviewed the major features of the recommendation and indicated that, included in the budget approved by the Board, was a category earmarked for policy and planning studies for the State System, specifically in support of initiatives related to education reform, workforce development, and administrative review. The cluster of related proposals presented for Board consideration draws heavily on the resources so allocated.
Of primary importance are initiatives directly related to implementation of HB 3565, the Educational Reform Act. The present plan provides initiatives in two broad areas: curricular development, with the premise that there will be a higher level of student preparation for college as a result of the restructuring, and educator preparation programs to meet the goals of the reform plans.

A centerpiece portion of the proposal is a grant program for 21st Century improvements. Of major concern is the better articulation of curriculum to the advantage of the student, and the integration that would result. The plan calls for grants that would be available to State System campuses. Vice Chancellor Clark indicated that the Request for Proposal has not yet been developed. There is interest in working directly with school districts as they develop models for the Certificate of Advanced Mastery, and the process already has been set in motion, according to Dr. Clark. Three principals, one from Salem and two from Eugene high schools, met with the Academic Council to explain the approaches they were taking.

Continuing, Dr. Clark indicated that an important element of the proposal before the Board was support for the development of new professional technical teacher certification programs, specifically in the areas of preservice vocation/technical preparation. The proposal included a recommendation to move the primary part of the technical aspects to the community college level, with the advanced work to be completed at the four-year institutions. A Request for Proposal from the Department of Education, basically from the Workforce 2000 funds, encourages consortial arrangements.

Other aspects of the recommendation are for catalyst conferences for teacher training and retraining, initiatives concerned with applied academics, and completion of supply-and-demand studies.

Mr. Bailey requested clarification regarding the area of applied academics courses and the request from the Community College Commissioner for blanket approval of the applied academics courses currently in place in K-12. Dr. Clark indicated that she and
her staff have been working with the Department of Education and the Office of Community Colleges on an alternate approach. Chancellor Bartlett indicated this is a topic with a long and, in some cases, contentious history, and that focusing on outcomes of courses is much more important than the method of delivery employed. The primary question is how to establish and achieve levels of performance, leaving the question of process to local schools in which there might be wide variations in practice.

Mr. Bailey indicated that we do not want to lower expectations. At the same time, we do not want to put up any artificial barriers that are unjustified. Chancellor Bartlett agreed and indicated achievement levels must be raised and that highly applied courses cannot become code words for lower levels of performance.

Mr. Swanson asked what was meant by professional technical teacher certification and, specifically, what falls under the rubric of technical. Vice Chancellor Clark replied it was a term that is changing as a result of the reform efforts. In the past, these have been identified as industrial arts, manufacturing technologies, agricultural education, and business education. That is now expanding, and the present emphasis on technical teacher certification programs relates to the new emphasis on students in high school taking a course of study other than one focused on preparation for college.

Chancellor Bartlett underscored that all educational sectors are finding their way through the maze of implications of language, intent, and application in these areas. They are of great importance, and the amount of money from OSSHE is modest compared to the needs.

The Committee recommended the Board approve the staff recommendation.

**Board Discussion and Action**

Mr. Swanson indicated that the scope of proposals presented in this item resulted from a great deal of work on behalf of the Joint Boards Planning Committee and of staff. In addition, he noted,
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Chancellor Bartlett has devoted a great deal of time and energy to bringing the proposed activities to the point of implementation.

Chancellor Bartlett reminded the Board that passage of HB 3565 coincided with budget work being completed for higher education. Recognizing that it would have a major impact on higher education and that important inter-relationships would need to be cultivated, resources were budgeted to be utilized as programmatic initiatives emerged. The $400,000 budget detailed in the docket item is a charge against these resources, and represents firm commitment from higher education to support implementation of HB 3565.

President Richardson commented that the work of the Joint Boards is of the highest priority to the Board of Higher Education, and complimented and commended Vice Chancellor Clark, the provosts, and academic deans for creative thinking and planning.

Mr. Miller, in supporting the grant process included in the proposal, recommended there be an oversight process to assure maximum utilization of resources invested in the initiatives. Among the areas Mr. Miller suggested oversight were: assurance that travel and equipment purchases charged against grants be related directly to goals of the programs; interim reports be required and monitored to assure timely implementation and accountability for accomplishing planned goals; and, a test of the commitment of applicants to assure that resources are allocated where they will have the greatest impact.

The Board approved the Committee recommendation and, on roll call, the following voted in favor: Directors Adams, Bailey, Bruggere, Davis, Dodson, Halsey, Jackson, Miller, Swanson, and Richardson. Those voting no: none.

Background

The State Department of Education, in cooperation with the State System of Higher Education, submitted a proposal in October 1991 to the National Science Foundation (NSF) to address statewide needed improvements in mathematics and science education, K-16. The purpose of the proposal is to improve...
the quality and quantity of mathematics, science, and technology education for all Oregon students. It includes a program of curriculum and instructional reform and organizational restructuring. Key to the organizational restructuring would be the formation of a new Mathematics, Science, and Technology Council. Represented by the key stakeholders in the improvement of mathematics, science, and technology education, this new council would broaden representation from a core of agencies and organizations that already form an informal network and have worked for several years to coordinate efforts in math-, science-, and technology-based education.

The Council would be appointed by the Joint Boards and charged to make annual reports to it, Legislative Education Committees, business and industry groups, Department of Economic Development, Governor's Workforce Quality Council, and other key stakeholders regarding issues in mathematics, science, and technology education.

The major purpose of the Council would be to oversee Oregon's developments in mathematics, science, and technology education, and to ensure that steady progress is being made toward the achievement of the state's goals in this area.

The functions of the Council would be to:

- advise the Joint Boards on major policy issues regarding education, teacher preparation, and potential legislation in the area of mathematics, science, and technical education;

- help to identify human, technological, education and financial resources to support state-wide initiatives in this area;

- stimulate development of programs to improve instruction;

- encourage collaboration among programs, in part by sharing reports on state, regional, and local activities; and

- advise Dwight D. Eisenhower Math/Science Federal Grant Program and other K-12 and higher education programs of the NSF propo-
sal's priorities, guidelines, and implementation efforts.

The Council would be comprised of a minimum of 15 members, and chaired by a leading business/industry representative. The Council would be expected to meet at least three times per year. Initial membership would include representation from the following:

- Oregon Electronics Association,
- Oregon Associated Industries or Washington County Compact,
- Oregon Museum of Science and Industry,
- Teacher Standards and Practices Commission,
- most recent past Oregon Mathematics Teacher of the Year and Oregon Science Teacher of the Year Award recipients,
- manager of Higher Education Eisenhower, Math/Science Grants,
- managers of Department of Education Eisenhower Math/Science Grant,
- engineering dean from Oregon State University or Portland State University,
- university faculty from math/science,
- community college dean of technology program,
- Oregon Institute of Technology,
- Saturday Academy program,
- minority interest groups,
- school district science or math coordinator,
- regional Education Service Districts, and
- other representatives designated by Joint Boards.

Status Report on Grant

The State Department of Education recently was notified that Oregon's proposal was not competitive for a 1992 award; however, the state has been encouraged strongly to resubmit next year. The NSF review team found that a strong feature of the proposal was the statewide Mathematics, Science, and Technology Council. It would be very helpful to further improvements in Oregon's proposal to move ahead with formation of the Council.

Action by Board of Education

On December 13, 1991, the Board of Education received a report on the 1991 Oregon Statewide As-
assessment that, with other state indicators, pointed to a need for improvement in mathematics and science education. The report recommended a more focused, concerted effort to effect reforms within districts.

The Board of Education received a briefing on the NSF proposal, including the organization of the new Council. The Board subsequently "authorized the Department of Education to proceed to form the Oregon Mathematics, Science, and Technology Council and to take the plans to the next Joint Boards meeting."

Staff Recommendation to the Committee

Staff recommended the Board authorize the Chancellor's Office to move forward with the Department of Education in nominating individuals to serve on the new Oregon Mathematics, Science, and Technology Council. Nominees should be provided to the Joint Boards for review and approval at their next meeting.

Discussion and Recommendation by the Committee

Vice Chancellor Clark indicated that this proposal was consistent with conversations with the Department of Education and also at the last meeting of the Joint Boards. A Council focusing on the issues of science and technology would serve to give more visibility to the importance of the area and would provide an avenue for advice from primary stakeholders.

Mr. Dodson indicated that membership on the Council could become relatively political and asked what had gone into the thinking regarding a nomination process.

Dr. Clark responded that she assumed there would be multiple representatives from the faculties in math and science, but that the mechanics of the nomination and selection process have not been determined.

Mr. Bruggere observed that Governor Roberts' office had recommended abolishing the present Science Council, and indicated that there appeared to be a contradiction of decisions. Chancellor Bartlett
indicated that the proposed Math and Science Council is part of a whole proposal for working across agencies and organizations, and was necessary in light of looking at education as a process.

Continuing, Mr. Bruggere asked to whom the group would be accountable, to which Dr. Clark responded that, basically, it would be to the Joint Boards of Education, both separately and together. In response to Mr. Bailey's question of staff for the Council, Dr. Zanville responded that the staff would come from the Department of Education and from higher education.

In an effort to clarify the differences between the new Council and the one being eliminated, Mr. Bruggere indicated that there was a lot of frustration among members of the Council because they did not have any power to do anything, no resources to spend and, therefore, no avenue for influencing what occurred in these fields. He urged that the past record of the "old" Science and Technology Council be examined so that the same mistakes are not made.

Dr. Zanville reminded the Committee that the State System already has received over one million dollars through the Eisenhower Math and Science Program and, to date, no way to receive advice and input from the various sectors.

Mr. Swanson added that the two councils have different goals, have been formed under a different rubric, and that the formation of the present council was important to leverage other federal grants that require the existence of such councils for decision making.

The Committee recommended the Board approve the staff recommendation.

Board Discussion and Action

The Board approved the Committee recommendation with the following voting in favor: Directors Adams, Bailey, Bruggere, Davis, Dodson, Halsey, Jackson, Miller, Swanson, and Richardson. Those voting no: none.
I. ACADEMIC PROGRAM REVIEW POLICIES

For many years, the State Board of Higher Education has required academic program and curricular authorization through a process of review and approval. Institutions desiring new or reorganized programs, changes in mission, changes in admissions requirements, participation in various interstate programs, etc., have been required to submit requests for the Board's review and approval.

In 1989, the Board expressed a desire to devote more time and energy to broad policy issues and less to routine management issues. This followed a 20-year period of time in which the State System expanded in terms of numbers of students, facilities, and academic programs, resulting in increasing demands on the Board's attention to a range of review procedures. These reviews ran the gamut, from the more routine to complex policy issues. In this context, the Board increasingly had delegated responsibilities for the day-to-day operations to the Chancellor and institution presidents.

In response to the Board's request to relieve it of the review of the more routine items, and in order to test procedures for delegation, in April 1989, staff proposed that the Board delegate authority to the Chancellor to approve or deny the following routine items then being brought to the Board for review and action:

- institutional requests for changes in program title;
- institutional requests for renaming or reorganizing existing departments; and
- institutional requests for adding or deleting an option to an approved program.

Since 1989, the Office of Academic Affairs has reviewed the above requests in consultation with the Academic Council. Minutes of the Academic Council are provided to the Board's Academic Affairs Committee and president of the Board to
keep Board members advised of the discussions on these and other academic issues.

Staff believe that the delegation the Board made in 1989 has been working satisfactorily and should be continued, and that further items of the more routine type reasonably could be delegated to provide more time for Board members to address important policy issues.

**Clarification of Levels of Approval/Review Required**

Staff have been working with the Academic Council for some months to improve procedures for program review. The complexity of programmatic changes in recent years, and the continuing changes affecting institutions, require attention to the Board's review and approval processes. In order to clarify and streamline further the Board's policies regarding program review and approval, staff are recommending clarification of the levels of approval/review required by the Board, and policies in some new categories on which currently there is no Board policy.

A chart (provided in the docket, and on file in the Board's office) contains the listing of academic approval and review recommended for the State System. Many of these authorizations currently require Board approval. Under the proposed chart, some areas are recommended for delegation to the Chancellor's Office, with most items moving to the Board as information reports. Many are recommended to continue the Board's full review and approval. Some items are new areas for the Board's review and reflect new Board policy, as outlined below. A crosswalk of changes in this regard was available at the Board meeting, and also is on file in the Board's office.

**Staff Recommendation to the Committee**

1. Staff recommended that the Board adopt the Summary of Review/Approvals in OSSHE as a guideline for the institutions to follow in determining what levels of review/approval are required in the State System.
II. NEW OFF-CAMPUS POLICIES

The Board currently requires institutions to request approval of existing programs to be offered at new locations through the regular new program approval process. Institutions are asked to complete detailed descriptions of their programs using the Guidelines for Review of New Programs. With the onset of Ed-Net, there will be a growing number of existing programs requesting delivery to new locations. In order to facilitate the coordination of this activity and develop procedures more appropriate for existing programs to new locations, staff recommended that the Board delegate to the Chancellor the review of existing programs to be offered at new locations.

The Board currently does not have a policy regarding the approval of new locations unless the location is proposed to be a branch campus. The off-campus centers that opened in the last decade have followed a variety of approval processes; some have been brought forward to the Board, while others have been authorized independently by campus administrations. In order to streamline the review process for OSSHE programs with regard to new locations, staff recommended that review of new locations for OSSHE academic programs be delegated to the Chancellor.

Both types of reviews would involve review by the Office of Academic Affairs in consultation with the Academic Council. As each approval is completed, the Chancellor would submit an informational report to the Board of Higher Education during regularly scheduled Board meetings.

New guidelines for the institutions to submit information regarding existing programs to be offered at new locations, and review of new locations for academic programs, were submitted to the Board for approval as attached. These guidelines will be used by staff in implementing the Board's new policy.

Staff Recommendation to the Committee

1. Staff recommended that all institutional requests for offering existing certificate and degree programs at new locations, and for
establishing new locations at which academic programs would be available, must be approved by the Chancellor after review by the Office of Academic Affairs and consultation with the Academic Council.

2. Approvals shall be reported to the Board at regularly scheduled meetings.

3. Approved existing programs to be offered at locations outside the state of Oregon should be provided to the Office of Educational Policy and Planning for review.

Discussion and Recommendation by the Committee

In presenting the item for discussion, Dr. Clark indicated that the recommendations fall under a general heading of organizational maintenance. Dr. Clark and her staff have been involved in a review of the range of activities requiring Board approval, those on which the Board should be informed, and another category of items mandated by statute and requiring reporting to the Office of Education Policy and Planning.

In attempting to clarify the various levels of approval and reporting, Dr. Clark indicated that structural changes are considered major and would need to be approved by the Board. On the other hand, minor changes in curriculum might not need to consume the time of Board members.

In sorting out the kinds of decisions in which the Board must be involved, Mr. Dodson indicated that the decisions must not be based on the amount of resources involved in the decisions. "For example," Mr. Dodson continued, "look at intercollegiate athletics. We took a $3-$5 million issue and made it a billion dollar priority because people in the state felt it was that important. So I'm very nervous about a chart that tries to determine arbitrarily what will and will not come to the Board. There are going to be some decisions where a bell goes off and a decision should be made that the Board should be informed. I would rather trust the institution presidents and Chancellor's Office to make those kinds of decisions, and would feel very comfortable in overriding a chart of this kind."
The other major portion of the recommendation related to how new locations for programs will be determined by the Chancellor. Dr. Clark indicated that in preparing the item for the Board, we were reminded that, by statute, the Office of Educational Policy and Planning is to review new off-campus locations where significant programming is to be provided. This has not been done, and there is a backlog of reporting to be done.

Mr. Bruggere indicated that it undoubtedly was understood that if there is anything of significance, even if it falls outside of the chart, the Board will hear about it. In responding, Dr. Clark and Chancellor Bartlett pointed out that there is a need to ration very limited resources and keep the Board informed of the growth of capacity, particularly in Ed-Net.

The Committee agreed that a great deal of sound judgment must be used with regard to those items that should come before the Board. Mr. Dodson pointed out that there is nothing so small that the Board is not willing to review and discuss. Staff will need to be sensitive to those circumstances where the Board either should be informed or included in the final decision.

The Committee recommended the Board approve the staff recommendation.

Board Discussion and Action

The Board approved the Committee recommendation and, on roll call, the following voted in favor: Directors Adams, Bailey, Bruggere, Davis, Dodson, Halsey, Jackson, Miller, Swanson, and Richardson. Those voting no: none.

Introduction

At the meeting in November 1985, the Board of Higher Education issued a policy statement on equal opportunity, expressing the intention that women and minority students be represented appropriately in academic programs at the undergraduate and graduate levels. Further, the Board stated that women and minorities should be represented appropriately in the administrative staff, and in the teaching and research faculty. Institution presidents and the Chancellor were charged
with primary responsibility for achieving these important goals.

In July 1986, the Board adopted administrative rules setting forth expectations of institutions in three areas: (1) that minority and female students be represented appropriately in academic programs at the undergraduate and graduate levels; (2) that the institutions take appropriate steps or make efforts in that direction; and (3) that recognition be given to those institutions that achieved the stated goals or made superior efforts, and conversely, that attention be called to those institutions that demonstrated unsatisfactory progress or effort.

In December 1990, staff presented to the Board's Academic Affairs Committee a report on campus efforts to develop and implement comprehensive recruitment and retention plans related to minority group students, faculty, and administrative staff. During the discussion of the report, the Committee raised questions regarding data and information on the status of women in accordance with Board policy. Staff indicated that information on enrollment and employment of women would be presented to the Academic Affairs Committee once a report was completed.

The purpose of this report is to provide a profile of enrollment and employment by gender in the Oregon State System of Higher Education in three major areas:

- comparative enrollment, financial support, and academic preparation of students;

- gender distribution of faculty and administrative staff by rank and by salary (for faculty); and

- institutional climate factors, such as curriculum development, research support, staff professional development, and work-family options.

Based on the data analysis and campus information, the report concludes with critical issues for further consideration. The issues should serve as guidelines for developing action plans in response to institutional and systemwide budgetary and programmatic changes that likely will occur in the next three to five years.
Committee and Board Discussion

Dr. Thomas Coley provided the Committee with background on the development of the report and indicated that two basic areas had been reported: enrollment and employment. Dr. Coley highlighted portions of the report.

In response to a question by Ms. Davis regarding successful strategies, Dr. Coley responded that one approach showing promise of success was cluster hiring or an attempt to hire a critical mass.

Ms. Davis pointed out that there are areas where there are noticeably fewer women receiving doctoral degrees. Provost Wessels from the University of Oregon indicated that the question relates to the number of women in the pipeline and that improving the numbers will rely on working in the early elementary grades to encourage women, and then providing support for them throughout their education careers to keep them in the pipeline.

Dr. Roy Arnold, provost at Oregon State University, agreed that looking at this issue from a "pipeline effect" is important. Oregon State University is attempting to provide more reinforcement of students in undergraduate programs through such avenues as the Women in Science chapter that includes faculty, graduate and undergraduate students. A new initiative at Oregon State University is the re-creation of a residence hall for women in engineering; this is being expanded to include science.

While this effort is underway, there is a corollary effort to work with a number of business firms to promote development of scholarships to encourage women to enter engineering.

Ms. Susan Weeks, Director of Institutional Research for the System, observed that the data are descriptive in nature and are linked indirectly to the number of women students in high schools who take science and math courses. There are clear indications that there should be discussion among the public schools, community colleges, and higher education to encourage women through the development phases leading to advanced degree status.

Mr. Bruggere asked how the Oregon picture compares to national trends. Mr. Christensen indicated that Oregon statistics are reflective of national trends.
Mr. Swanson asked how the overall report on hiring of administrators compared to national trends, and Ms. Weeks indicated that reliable national statistics are not available since organizations vary greatly.

A concern expressed by Mr. Bruggere was the statistic that highlighted the lower average faculty salaries for women. He asked what we were doing to make certain that women are being promoted at the same rate as men, and that women are being paid equivalent salaries for equivalent positions.

Ms. Weeks responded that it appeared that differences in academic discipline varied for both men and women, and that years in rank also was an important factor. Mr. Bruggere indicated that, in industry, those factors are marginally true, and that years in rank or years in pay grade tend to reflect those differences. But if one goes behind those data, what often is found is that women are not promoted at the same rate as men and that is why they stay in the same rank for a longer period of time. In seeking further clarification, Mr. Bruggere questioned if there were indications that the same kind of situation existed in the State System -- that is, that women are not making as much as men and are not progressing because they are not being promoted as quickly.

Dr. Clark indicated that there was not a sufficient data base to track the trends to which Mr. Bruggere referred, and that there was a need to have studies that did a type of cohort matching. Another approach would be to ask institutional administrators for available data relative to monitoring promotion procedures and practices. Mr. Bruggere replied that, at some point, it would be worthwhile to look at whether or not women and minorities both are being accelerated or promoted at the same rate as males, and make certain that promotion to the next rank or achieving tenure are being evaluated fairly. He continued that these are subtle discriminations that occur.

Dr. Bonnie Staebler, IFS president, inquired as to why the material presented was still in descriptive form when statistical capabilities exist that would provide a more factual analysis. She also questioned what data had been used for analysis. Ms. Weeks indicated that, for practical reasons, the most recent available data were for 1990-91. Since it takes time to put together a comprehensive data file, the 1991 information was used because it was available.
Mr. Swanson pointed out that, from a quick review of the data, it appears that progress has been made over the last decade regarding, for example, the percentage of women faculty hired at the institutions. The data also indicate that there is growing parity with regard to salary levels. Mr. Swanson cited some areas where there is particularly "good news." Specifically he highlighted progress in veterinary medicine, engineering, mathematics, and physical science.

Mr. Swanson and Mr. Richardson indicated that the report did not include information regarding the status and progress of minorities and asked Vice Chancellor Clark for a date by which the Board would receive a report on that dimension. Dr. Clark indicated that a report was made to the Board in December 1990, and an update in June 1991. There are two kinds of reports the Board has requested. One relates to the statistical representation of minorities within the System and the other focuses on how campuses are progressing with institutional planning with regard to increasing minority participation on their campuses.

Mr. Richardson continued that, while he would commend the Chancellor and staff for the apparent success being made relative to women, he would assume that progress in terms of minorities would not be as good. He urged that a report be forthcoming to the Board and that plans be given high priority.

Mr. Richardson asked what impact opportunities in the workplace for women had on decisions regarding major fields of study. Dr. Clark indicated that students, generally speaking, are quite smart about reading the marketplace. There has been a tremendous shift in the preference of women for majors in business, for example, in large measure because of the perception of opportunity and knowledge of what is available. Continuing, Dr. Clark pointed out that if students in high school fail to take prerequisite courses for college-level work, there is no way to access high technology, math and science careers without doing basic work. Therefore, for men and women students alike, there are sometimes whole areas, whole markets, closed to them due to earlier choices.

Ms. Jackson inquired as to availability of meaningful national or regional comparative data on which the State System could draw. Vice Chancellor Clark replied that the present report focused exclusively on our own system. There is a considerable national data
base, but time had not permitted accessing and comparing it to Oregon.

In following up on the question, Ms. Jackson asked for clarification on the average faculty salary issue. Susan Weeks replied that a report had been completed in 1989 in response to SB 618 for a study on gender equity among faculty relative to salary. The portion of the current report on faculty salaries is an update of that prior study; the same methodology was employed, and the same criteria applied.

Mr. Swanson concluded the report by thanking Dr. Thomas Coley, Ms. Susan Weeks, and Mr. Gary Christensen for their excellent work in preparing the report.

(No Board action required.)

Background

The Portland Teachers Program is a partnership program among Portland Public Schools, Portland Community College, and Portland State University, with a major focus of increasing the number of talented ethnic minority teachers in Portland schools. Program components are coordinated to attract, prepare, and retain people of color in the teaching profession.

Portland Teachers Program began in 1989 with a three-year grant from the Oregon Community Foundation. A two-year grant from the U.S. Department of Education helped to establish chapters of the Academy for Future Educators in four middle schools, two high schools, Portland Community College-Cascade Campus, and Portland State University. Tuition waivers from the Portland Community College Board and the Oregon State System of Higher Education help support minority students at the postsecondary level.

Status Report

There were 33 students on Portland Teachers Program tuition awards during the 1990-91 academic year, 20 at Portland Community College and 13 at Portland State University. As of fall 1991, there are 50 students enrolled on Portland Teachers Program tuition awards, 27 at Portland Community College and 23 at Portland State University.
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Student Participants by Ethnicity and Gender  
Fall 1991

Ethnic Data
African American 34  
Hispanic 6  
Asian American 5  
Native American 3  
African American/Native American 1  
African American/Hispanic 1  
Total 50

Gender Data
Male 13  
Female 37  
Total 50

Of the 23 students enrolled at Portland State University in fall 1991, three have entered the Graduate Teacher Education Program, and one is scheduled to graduate at the end of winter term 1992. Anticipated Graduate Teacher Education Program entry dates for the 20 students currently completing their baccalaureate degrees are as follows:

Anticipated Entries into GTEP
Spring 1991 2  
Fall 1992 6  
Spring 1993 1  
Fall 1993 8  
Spring 1994 3  
Total 20

Another 109 students are participating in the Academy for Future Educators (AFE) chapters in six middle and high schools.

The Portland Teachers Program has achieved a number of programmatic goals during the first two years of operation:

- implementation of an Advisory Board representing ethnic communities, business, and education;
- development of policies, guidelines, and procedures for program operations;
- selection of AFE Advisors and implementation of AFE chapters at all pilot sites;
production and distribution of newsletters, brochures, and other public relations materials;

development of recruitment and orientation activities to include interinstitutional coordination, support services, and monitoring of the program's students by designated staff at partner institutions; and

implementation of an annual one-day AFE Institute that brings all program participants together to focus on teaching and learning, and an open house event for community outreach.

In addition, the partner institutions currently maintain support for the Portland Teachers Program through increasing funds to match the three-year diminishing grant from the Oregon Community Foundation, as well as providing staff time, materials, resources, and space. With the end of the Department of Education grant in August 1991, Portland Public Schools also has picked up funding for all of the middle and high school AFE chapters.

The Business Youth Exchange, an arm of the Portland Chamber of Commerce, recently has become a supporting partner in the Portland Teachers Program collaboration. The Exchange is providing assistance in networking with the business community to develop scholarships for students during their graduate year in the program. The Black United Fund of Oregon has made an initial scholarship grant of $2,500 for a Portland Teachers Program graduate student.

Additional information will be provided by Dr. Robert Everhart, Dean of Education, Portland State University, at the Board meeting.

Committee and Board Discussion

Dr. Robert Everhart, Dean of the School of Education at Portland State University, indicated that the Portland Teachers Program, by every indication, is an excellent example of the success of well-planned collaborative efforts. Dean Everhart introduced Ms. Deborah Cochrane, Director of the Portland Teachers Program, who indicated that eight students had been present since 8:30 a.m. to appear before the Committee, but who had to leave to attend a 10 a.m. class. Andreas Vargas was introduced as the individual who
will, in the spring, be the first graduate of the program.

Mr. Vargas thanked the Board for providing the opportunity to continue his education. "I have been involved in the education field for the past seven years as a teacher’s aide with a minor in education. This has been especially rewarding since I am one of the first in my family to go to college. It is important for persons of color to be in the classroom. Kids are really interested in me and my being in the classroom."

Ms. Cochrane read notes from two students who had volunteered to share their perceptions. Both students felt that the Portland Teachers Program was important, not only because of the tuition awards that assisted them over financial barriers, but also for the academic and personal support the program offers. Ms. Cochrane underscored the amount of effort that is provided in academic advising and monitoring. The average age of students in the program is approximately 32, and many of the participants have been teacher aides in Portland schools for a number of years, but were not able to go back to school to complete programs and get degrees. There are also younger students coming into the program as well; most of the students in the program have families.

Mr. Bailey asked for information about how students are recruited into the program. Ms. Cochrane responded that there is an individual at Portland Community College who does an extensive amount of recruitment at the postsecondary level. In addition, recruitment strategies include advertisement in local newspapers, attendance at community meetings, work with local community leaders, and brochures that are distributed widely. There is currently a waiting list of students interested in participating in the program.

Mr. Dodson asked if there was any specific attempt to attract men into education. Dean Everhart indicated that efforts should be directed at the middle school level since that is the time when students begin to become interested in one career or another. That is the rationale for establishing APE chapters in middle and high schools.

On behalf of the entire Board, Mr. Swanson indicated strong support for the program and underscored the importance of the efforts for the entire state. He thanked participants for taking time to appear before
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the Board and extended apologies to the other students for a delay in the schedule that did not allow them to meet with the Committee.

Mr. Swanson indicated that, at present, there are 50 students enrolled and moving through the program at various levels. One student is scheduled to graduate at the end of winter term 1992. From all indications, the program appears to be working very successfully and the participants are enthusiastic about it and their progress.

(No Board action required.)

Staff Report to the Committee

Fee rates and policies are set forth in the preliminary Summer Session Fee Book. Rates are recommended for Board approval as submitted by the institutions. A public hearing was conducted January 16, 1992.

Summer Session Instruction Fees

The direct cost support policy for summer instruction, which began in 1982, is continued in the recommendation for 1992. However, the impact of Measure 5 on the institutions also has created the need for a greater contribution from the summer session toward the indirect costs associated with these programs. The direct cost support feature has resulted in institutional fee recommendations that reflect the differences in programs as well as the differences in approaches to balancing program costs with resources. Similarities of the institutional fee structures include incremental charges for each additional credit hour and undergraduate/graduate rate differentials. Residency status is not assigned during summer session and is not applicable to summer fee determination.

Fee policies are proposed to be revised only slightly. It is proposed that summer session policy be modified to allow students to purchase health services on the condition that the student has been enrolled the preceding spring term and intends to enroll the next fall term.

Instruction fee increases have been recommended by four institutions. Increases are, in general, a consequence of faculty salary increases granted in fiscal year 1991-92 and other inflation factors affecting costs.
Instruction fee rates recommended for 1992 compare with 1991 as follows:

### Undergraduate

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<thead>
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<tbody>
<tr>
<td>UO</td>
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<tr>
<td>OIT</td>
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</table>

### Graduate

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</thead>
<tbody>
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<td>$113.00</td>
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<tr>
<td>Law, Sem.Equiv.</td>
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<tr>
<td>EOSC</td>
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</table>

Note: OIT has no graduate courses. OHSU summer session rates are the same as the per term rates for the 1991-92 Academic Year.

### Building Fee

The building fee is increased to $14.50 per student. This is consistent with the fee increase granted by the 1989 Legislature and assessed in the 1991-92 academic year.

### Incidental Fee

Incidental fee recommendations reflect the various activity and service levels proposed by the institutions. Charges compare for 1991 and 1992 as follows:

<table>
<thead>
<tr>
<th></th>
<th>1992</th>
<th>1991</th>
</tr>
</thead>
<tbody>
<tr>
<td>UO</td>
<td>$23.00</td>
<td>$23.00</td>
</tr>
<tr>
<td>OSU</td>
<td>$26.35</td>
<td>$25.00</td>
</tr>
<tr>
<td>PSU</td>
<td>$32.00</td>
<td>$30.00</td>
</tr>
<tr>
<td>WOSC</td>
<td>$30.00</td>
<td>$30.00</td>
</tr>
<tr>
<td>SOSC</td>
<td>$23.50</td>
<td>$23.00</td>
</tr>
<tr>
<td>EOSC</td>
<td>$16.50</td>
<td>$16.00</td>
</tr>
<tr>
<td>OIT</td>
<td>$24.50</td>
<td>$23.00</td>
</tr>
</tbody>
</table>
Health Service Fee
Health service fees, like the building fee, are assessed at a single sum per student, based upon the service level available at each institution. For institutions providing summer health service, rates compare as follows:

<table>
<thead>
<tr>
<th></th>
<th>Health Service Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>1991</td>
</tr>
<tr>
<td>UO</td>
<td>$38.00</td>
</tr>
<tr>
<td>OSU</td>
<td>35.15</td>
</tr>
<tr>
<td>PSU</td>
<td>10.00</td>
</tr>
<tr>
<td>WOSC</td>
<td>11.00</td>
</tr>
<tr>
<td>SOSC (8 hrs. or more)</td>
<td>30.00</td>
</tr>
<tr>
<td>EOSC</td>
<td>--</td>
</tr>
<tr>
<td>OIT</td>
<td>--</td>
</tr>
</tbody>
</table>

Fees Compared to Academic Year
Rate structures for summer session have been developing as institutions adapted to direct cost support following the 1982 elimination of general fund support. The effect of direct cost support on fees and assessments can be measured, to some extent, by comparison with academic year charges. The summer session rates proposed for 1992, and 1991-92 academic year resident rates, are compared on the following schedule:

<table>
<thead>
<tr>
<th></th>
<th>12 SCH Undergraduate</th>
<th>9 SCH Graduate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Acad.Year</td>
</tr>
<tr>
<td>UO</td>
<td>$866</td>
<td>$845</td>
</tr>
<tr>
<td>OSU</td>
<td>835</td>
<td>828</td>
</tr>
<tr>
<td>PSU</td>
<td>846</td>
<td>826</td>
</tr>
<tr>
<td>WOSC</td>
<td>802</td>
<td>736</td>
</tr>
<tr>
<td>SOSC</td>
<td>805</td>
<td>677</td>
</tr>
<tr>
<td>EOSC</td>
<td>787</td>
<td>677</td>
</tr>
<tr>
<td>OIT</td>
<td>838</td>
<td>711</td>
</tr>
</tbody>
</table>

Note: Tuition rates are not fully comparable. The academic year rates apply to a range of credit hours designated for full-time students classified as residents (12-21 credit hours for undergraduates and 9-16 credit hours for graduates). Summer session rates displayed are for 12 credits undergraduate and 9 credits graduate. Additional summer credit hours require incremental charges. Also, incidental and health service levels differ from academic year to summer.
Feas Compared to Summer Session 1991
The following schedule illustrates the rates of increase from summer session 1991 to summer session 1992:

<table>
<thead>
<tr>
<th>Total Tuition</th>
<th>12 SCH Undergraduate</th>
<th>9 SCH Graduate</th>
</tr>
</thead>
<tbody>
<tr>
<td>UO</td>
<td>$ 845</td>
<td>$ 714</td>
</tr>
<tr>
<td>OSU</td>
<td>828</td>
<td>726</td>
</tr>
<tr>
<td>PSU</td>
<td>826</td>
<td>672</td>
</tr>
<tr>
<td>WOSC</td>
<td>736</td>
<td>640</td>
</tr>
<tr>
<td>SOSC</td>
<td>677</td>
<td>639</td>
</tr>
<tr>
<td>EOSC</td>
<td>677</td>
<td>623</td>
</tr>
<tr>
<td>OIT</td>
<td>711</td>
<td>589</td>
</tr>
</tbody>
</table>

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

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

Proposed rate increases vary from 8 to 15 percent for the basic summer session. Anticipated cost increases for personnel, utilities, services, and food since the preceding summer term justify rate adjustments at this time.

Staff Recommendation to the Committee
Based on the results of the public hearing (comments and/or testimony received), staff recommended the Board amend OAR 580-40-035 as follows:

Summer Session Fee Book OAR 580-40-035
The document entitled "Summer Session Fee Book" dated [March 1, 1991] January 24, 1992, is hereby adopted by reference as a permanent rule. All prior adoptions of summer session fee documents are
hereby repealed except as to rights and obligations previously acquired or incurred thereunder.

Through the amendment, the residence hall and food service charges and the tuition and fee rates and policies applicable during the 1992 summer session will be adopted.

Discussion and Recommendation by the Committee

In introducing the item of Summer Session Fees, Davis Quenzer indicated that, in past years, the institutions operated under a policy of self-support that has been interpreted as direct instruction (cost of teaching staff and small number of other associated costs). Part of the rationale for the current policy is to broaden the definition of self-support.

Mr. Miller asked if the Board should be concerned about uniformity of pricing among the institutions. Each institution, according to Mr. Quenzer, set fees at the levels that will ensure institutions are able to support summer session fees. In asking institutions to be self-supporting, the Board is, in essence, asking institutions to market summer sessions and are, in effect, stepping back and allowing institutions to set their fees based on amount of resources needed.

Mr. Adams asked what the trends of enrollment have been for summer session. Mr. Quenzer indicated that summer session enrollment is soft, and on a slope of decline.

Mr. Halsey questioned the health service fees that would allow students to purchase health services on the condition that the student has been enrolled the preceding spring term and intends to enroll fall term. Mr. Quenzer indicated that institutions may offer these services to provide continuity of health benefits.

Ms. Jackson expressed interest in knowing well ahead of summer enrollment if tuition increased dramatically. January, according to Mr. Quenzer, is as early as tuition could be calculated. For example, faculty salaries for summer of 1992 are determined by what occurred in academic year 1991-92. Therefore, it is possible, at the present time, to predict that summer session rates for summer 1993 would not go up much more than five
Meeting #604

January 24, 1992

to seven percent. Ms. Jackson requested that if summer enrollment in 1992 is decidedly lower than anticipated, the Board be given, at a minimum, an early reading of the enrollment figures.

Ms. Jackson indicated that the recommended summer tuition levels are close to the same level as tuition the prior academic term. The greatest deviations occur at Southern Oregon State College, Eastern Oregon State College, and Oregon Institute of Technology, which have kept increases at a minimum as part of a pricing decision.

A public hearing was conducted on January 16, 1992, on the University of Oregon campus. While no one attended that hearing, written testimony was received from Ms. Lynn Pinckney, Executive Director of the Oregon Student Lobby, in which she indicated that tuition levels are too high and should be reduced for all terms. Portland State University amended the proposal originally submitted to the Board.

The Committee recommended the Board approve the staff recommendation.

Board Discussion and Action

Ms. Davis asked if summer tuition rates have increased significantly during the past few years. Mr. Davis Quenzer, Associate Vice Chancellor, Budget and Fiscal Policies, responded that summer tuition increases over the past years have been in line with increases in other tuitions.

On another issue, Ms. Davis asked how notices of hearings were made available to students. Board Secretary Thompson indicated that the procedures followed by the Board's office relative to notification of hearings followed the rules of the Secretary of State. Everyone on the Board's mailing list, including the Oregon Student Lobby and all of the institutions, receive prior notice of hearings.

Mr. Richardson asked institution presidents what procedures they use to publicize hearings. President Byrne indicated that, at Oregon State University notices were forwarded to the legal advisor, to the appropriate office of academic affairs, student affairs, or finance and administration. In addition, each of the student newspapers receives notices.
The Board approved the Committee recommendation and, on roll call, the following voted in favor: Directors Adams, Bailey, Bruggere, Davis, Dodson, Halsey, Jackson, Miller, Swanson, and Richardson. Those voting no: none.

Staff Report to the Committee

Chapter 580, Division 50 of the Oregon Administrative Rules, covers real property acquisition and disposition, campus planning, facilities planning and design, facilities construction, and other related matters. After reviewing the contents of these rules with representatives from the eight colleges and universities, staff propose a series of amendments. Most of the proposed amendments are aimed at providing colleges and universities with authority to conduct business more efficiently.

The key proposed changes involve the delegation, to college and university officials, of authority to: enter into contracts for construction and repair of facilities up to a maximum of $75,000; execute change orders to contracts for the construction and repair of facilities; and raising from $3,000 to $10,000 the value of professional agreements that may be entered into by college and university officials. These changes are intended to streamline public contracting processes and reduce time and administrative costs. Procedures to ensure compliance with state contracting requirements also are proposed.

Proposed changes include:

Rule 580-50-001--No change. Last updated in 1990.

Rule 580-50-005--No change. Last updated in 1978.

Rule 580-50-010--No change. Last updated in 1990.

Rule 580-50-015--Presently, the Vice Chancellor for Finance and Administration, or designee, is permitted to purchase real property valued at $25,000 or less under certain conditions. The proposed amendment would raise the limit to $100,000. This limit is more in line with 1992 property values than is the $25,000 limit set in 1978. Such purchases still would be reported to the Board. Most property acquired by the State System costs in excess of $100,000.
Rule 580-50-020--The authority to appoint professional consultants currently is vested in the Vice Chancellor for Finance and Administration, or designee. The term "Office of Finance and Administration" would be substituted for "Facilities Division." Currently, contracts with fees less than $3,000 may be executed by appropriate college and university officials. In 1990, a task force of college and university representatives recommended that the limit be raised to $5,000. The proposed amendment would raise the limit to $10,000, thereby reducing administrative costs of entering into small planning, design, and related contracts. The $3,000 limit dates back to 1978.

Rule 580-50-025--This rule now permits the Board to name buildings after living persons under certain conditions. No other rules regarding the naming of buildings exist. The proposed amendment would keep in place the Board's prerogative to name buildings after living persons, and would recognize the authority of college and university presidents to name buildings and structures in all other cases. Presidents still could request that the Board names buildings. This approach essentially codifies current practice.

Rule 580-50-031--This rule re-adopts, by reference, the current Attorney General's Model Public Contract Rules. Changes proposed for this rule include deletion of the authority to negotiate with bidders.

Rule 580-50-032--This proposed new rule delegates to college and university officials the authority to enter into contracts for the repair and improvement of facilities up to a maximum of $75,000. These officials must adhere to all applicable statutes and rules regarding public contracting. This should help reduce contract processing time and cost by eliminating the need for central award of contracts. If any college or university does not wish to have this authority, or wishes to exercise it only in certain cases, the Chancellor's Office will continue to award the small contracts. Larger value contracts still would be awarded and executed by the Vice Chancellor for Finance and Administration or designee. This will help ensure that state requirements for the establishment of limitations and allotments can be met, and that the $100,000 threshold for legislative authorization is not exceeded inadvertently.
Rule 580-50-033--This proposed new rule delegates to college and university officials the authority to execute change orders to construction and repair contracts under certain conditions. The combined value of all change orders to a contract would be limited to 20 percent of the original contract amount for new construction, and 33 percent for repair. These are limits established by a Department of General Services rule. Other conditions are: that funds are available; that the execution of a change order will not cause a project to exceed the legislatively authorized limitation; and that the change order not change the scope of the contract (e.g., a different project could not be undertaken via change order). This rule will save considerable time and eliminate what might be viewed as a duplicative step. All change orders now are approved by the Chancellor's Office. College and university officials will continue to have the option of using the Chancellor's Office to review, verify, and execute change orders.

Rule 580-50-035--This rule, which states that institutional property is to be used for institutional purposes and not for private purposes, is proposed for repeal. State law and the Board's Internal Management Directives (Section 7.155 and 7.160) establish the primacy of public use and the need to use property in the public interest and in support of the System's mission. However, the wording of the current OAR could be interpreted to prohibit the use of college and university facilities for community activities, or the rental of property to private or other public organizations at times and for uses that support, or do not conflict with, those of the colleges and universities. Adequate protection of the public nature of the Board's property is contained in other provisions less restrictive than OAR 580-50-035.


Rule 580-50-041--No change. The word "rule" is substituted for the word "section" in section (7). The "Office of Finance and Administration" also is substituted for the "Facilities Division."

Rule 580-50-042--The "Office of Finance and Administration" is substituted for the "Facilities Division."

A public hearing concerning the proposed amendments to OAR 580-50 will be held in Eugene on January 17, 1992. A summary of the testimony presented at that hearing will be shared with the Board at the January 24, 1992, meeting.

The text of the proposed Oregon Administrative Rule 580-50 follows.

OREGON STATE BOARD OF HIGHER EDUCATION

PROPOSED AMENDMENTS TO OREGON ADMINISTRATIVE RULES
CHAPTER 580, DIVISION 50 --
BOARD OF HIGHER EDUCATION

DIVISION 50:
REAL PROPERTY, FACILITY, AND CAMPUS PLANNING

Comprehensive Plan Coordination
OAR 580-50-001

(1) Use of property owned by the Board shall conform to this rule and the procedures in the Department of Higher Education Coordination Plan created pursuant to the Land Conservation and Development Commission OAR 660, Division 30, State Agency Coordination. In approving decisions concerning use of property owned by the Board, the Department, institutions, and managers at activity locations shall find that the project, plan, or action complies with the Statewide Planning Goals and is compatible with applicable acknowledged comprehensive plans.

(2) Compliance with Statewide Goals and compatibility with acknowledged Comprehensive Plans shall be achieved by making decisions concerning property owned by the Board in conformance with local jurisdiction comprehensive land use plans and land use regulation as follows:

(a) For each of the Board's institutions, a long-range campus development plan shall be formulated covering at least the area within the approved campus boundaries. Campus plans shall be reviewed with officials of the local jurisdiction for conformance with the local acknowledged Comprehensive Plan. A campus plan may be
formulated as a refinement plan or amend-
ment to the local Comprehensive Plan and
be implemented as a special zoning dis-
trict or planning district within the
local jurisdiction land use regulations;

(b) For other lands that support activities
governed by the Board, the activity and
the land use shall conform to the local
jurisdiction acknowledged Comprehensive
Plan and associated land use regulations.

Conveyances
OAR 580-50-005

Authorized conveyances of all real property
shall be approved by the Assistant Attorney General
serving as chief counsel to the Department, or a
designee, and executed by the Board president and
Board Secretary pursuant to ORS 351.150.

Easements
OAR 580-50-010

The Board president and the Board Secretary are
authorized, without Board approval, to execute
easements affecting real property owned by the
State of Oregon for the benefit of the Department
in accordance with the following:

(1) The easement shall be recommended by the
Vice Chancellor for Finance and Adminis-
tration, or designee, and shall be in a
form approved by the Board's legal coun-
sel.

(2) If the property affected is within ap-
proved 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 adja-
cent properties.

(4) Easements granting rights in real proper-
ty other than those set forth in sections
(2) and (3) of this rule shall be ap-
proved by the Board prior to their execu-
tion by the Board president and Board
Secretary.
The Vice Chancellor for Finance and Administration, or designee, 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 provisions 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] $100,000.

(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 projects 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 that 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.

**Capital Construction**

**Appointment of Professional Consultants**

OAR 580-50-020

The 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 in 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 construc-
tion 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 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] Office of Finance and Administration 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 upon request.

(4) For professional service contracts where the anticipated professional fee is [$3,000] $10,000 or less, the 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 improvement, 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 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.

(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.] at least one of whom represents the institutional planning official. Following the interviews, the institutional planning official shall report to the 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.

(7) In the cases described in sections (5) and (6) of this rule, the Vice Chancellor for Finance and Administration, or designee, may interview any or all of the recommended-consultants and shall select one consultant in accordance with the standards set forth in section (1) of this rule. The Vice Chancellor for Finance and Administration, or designee, shall then negotiate a contract with the selected consultant, but if a mutually satisfactory contract cannot be agreed to, then the Vice Chancellor for Finance and Administration, or designee, may select another from the recommended consultants.

(8) A report of all appointments under section (6) of this rule shall be made to the Board [at the meeting] following such appointments.

(9) This rule does not apply to amendments, modifications or supplements to executed professional services contracts.

Naming Buildings [After Persons]
OAR 580-50-025

[The Board shall not name any] No building or structure of the Department shall be named after a living person. [Exceptions may be considered and made] However, the Board may make exceptions to this rule if a donor contributes a substantial share of the cost of construction or [for] if other unusually meritorious [cause] reasons exist. Presidents are authorized to name buildings or structures.

Public Contracting Rules
OAR 580-50-031

Rules Manual, August 1990, shall be applicable to the bidding, awarding, and administration of public contracts of the Department of Higher Education.

Contracts for Repairs and Public Improvements
OAR 580-50-032
(New)

(1) The Vice Chancellor for Finance and Administration, or designee, shall be the contracting officer. All contracts for the repair of facilities or for public improvements shall be awarded and executed by the contracting officer unless delegated by the contracting officer.

(2) The contracting officer may delegate, through the institution president, to a specific person at each college and university the authority to execute contracts for the repair and improvement of facilities up to a maximum of $75,000, provided that all applicable requirements of Chapter 279 Oregon Revised Statutes, and Chapters 125 and 580 Oregon Administrative Code, and the Attorney General's Model Public Contract Rules are fulfilled. A copy of each such contract must be filed with the contracting officer who may audit the project and the contracting process. This delegation shall not apply to contracts for capital construction projects as defined in the Budget Preparation Manual of the Executive Department.

Change Orders
OAR 580-50-033
(New)

(1) The contracting officer may delegate to a specific person at each college and university the authority to execute change orders or amendments to duly executed contracts for the repair of facilities, for capital improvements, and for capital construction, in accordance with the following conditions:
(a) No change order or amendment changes the identity or overall scope of the work encompassed within the original contract;

(b) The total value added to the contract by the sum of all the change orders and amendments to a contract is less than twenty percent (20%) of its original value for new construction and thirty-three percent (33%) of its original value for repairs and renovation;

(c) Sufficient funds are available within the construction contingency amount approved by the contracting officer in the post-bid budget for the project to pay for the work contemplated by a change order or amendment;

(d) Approval of a change order or amendment will not result in a project exceeding the appropriation or limitation approved thereof by the Legislative Assembly or Emergency Board and, if required, released for construction purposes.

All change orders and amendments executed by a person on behalf of a college or university shall be forwarded to the contracting officer immediately upon execution. No work contemplated by a change order will be commenced prior to its execution. Any proposed change order or amendment that may not be executed by a college or university shall be forwarded to the contracting officer, along with appropriate documentation, for approval, rejection, or modification. No work contemplated by such change orders or amendments shall be commenced prior to its execution by the contracting officer. The contracting officer may audit any and all change orders approved by the duly designated official of any college or university.

(e) The contracting officer may revoke delegated authority upon written notice to the president of the college or university for which revocation is sought.
Use of Property

Use of Institutional Property
OAR 580-50-035
(Repealed)

[All institutional property is intended for institutional use and not for private purposes.]

General Purpose
OAR 580-50-040

(1) The successful bidder for a public improvement project approved by the Board of Higher Education shall have made good faith efforts to subcontract or establish joint ventures with or obtain materials to be used in performing the contract from minority, [and] women's, and emerging small business enterprises.

(2) For purposes of this rule and OAR 580-50-041 and 580-50-042, minority or women's business enterprises and emerging small business enterprises are those certified as such by the Executive Department at the time of the bid or proposal opening.

Emerging Small Businesses
OAR 580-50-041

(1) The successful bidder for a public improvement project approved by the Board of Higher Education shall meet the project's goals for subcontracting with or obtaining materials to be used in performing the contract from emerging small businesses. The goals shall be set out in the specifications that accompany the project's invitation to bid, request for proposal(s), or request for qualifications.

(2) The goal for each project shall be based upon the nature of the project, its size and location, and the availability of emerging small businesses.

(3) Failure to meet the goals shall disqualify any responding bid, unless the bidder
can demonstrate the performance of good faith efforts to satisfy the goals.

(4) Proof of performance of the following actions will create a rebuttable presumption of good faith efforts; conversely, failure of proof of such performance shall create a rebuttable presumption of lack of good faith efforts:

(a) The bidder attended any presolicitation or prebid meetings that were scheduled by the contracting agency to inform emerging small business enterprises of contracting and subcontracting, or material supply, or other opportunities available on the project;

(b) The bidder identified and selected specific economically feasible units of the project to be performed by emerging small business enterprises in order to increase the likelihood of participation by such enterprises;

(c) The bidder advertised in general circulation, trade association, and trade oriented, minority and women-focused publications, if any, concerning the subcontracting, material supply, or other opportunities;

(d) The bidder provided written notice to a reasonable number of emerging small business enterprises, identified from certified lists of such business enterprises provided or maintained by the Executive Department, for the selected subcontracting or material supply, or other work in sufficient time to allow the enterprises to participate effectively;

(e) The bidder followed up initial solicitations of interest by contacting the enterprises to determine with certainty whether the enterprises were interested in such subcontracting, material supply, or other opportunities;

(f) The bidder provided interested emerging small business enterprises with adequate information about the plans, specifications, and requirements for the selected subcontracting or material supply, or other work;
(g) The bidder solicited bids or quotations from interested emerging small business enterprises;

(h) The bidder negotiated in good faith with emerging small business enterprises submitting bids or quotations and did not, without justifiable reason, reject as unsatisfactory any bids or quotations prepared by any emerging small business;

(i) Where applicable, the bidder advised and made efforts to assist emerging small business enterprises in obtaining bonding, lines of credit, or insurance required by the contracting agency or contractor; and

(j) The bidder used the services of the Advocate for Minority, Women, and Emerging Small Business, and community organizations, contractor groups, state, and federal business assistance offices and other organizations identified by the Advocate for Minority, Women, and Emerging Small Business that provide assistance in the recruitment and placement of emerging small business enterprises.

(5) Should a bidder fail to meet the goals described in sections (1) and (2) of this rule, the bid shall be disqualified unless the bidder shall notify the [[Facilities Division] Office of Finance and Administration] in writing within 24 hours of the bid opening or proposal submission of the bidder's good faith efforts by submitting:

(a) The identity of each emerging small business enterprise requested to submit bids and/or quotations;

(b) The amounts of any such bids and/or quotations;

(c) The identity of each emerging small business enterprise to be engaged as a subcontractor;

(d) The reason for rejection of an emerging small business enterprise whose bid or quotation is equal to or lower than that of the subcontractor engaged or projected for that work;

(e) All other evidence of good faith efforts
through performance of the actions described in section (4) of this rule.

(6) The [Facilities Division] Office of Finance and Administration shall decide, if necessary, whether good faith efforts have been made, pursuant to the criteria of section -(4) of this rule.

(7) Any bidder whose bid has been rejected for noncompliance with the requirements of this [section] rule may, within three days of the rejection of the bid, request the [Facilities Division] Office of Finance and Administration to reconsider the rejection, citing the error or misinterpretation of the documents that the bidder believes led to the incorrect rejection of its bid.

(8) The requirements of the prior sections do not apply if the [Facilities Division] Office of Finance and Administration determines that the nature of the work is not appropriate for subcontracting, and has so stated in the request for bids or proposals, and if the bidder or proposer certifies that, if awarded the contract, it will not subcontract. As used in this section, "work" does not mean providing materials or supplies.

(9) The [Facilities Division] Office of Finance and Administration may audit or otherwise inspect the records of contractors to determine compliance by those contractors with commitments made in satisfaction of the requirements of this rule. Any contractor determined to have failed to fulfill such requirements may be subject to penalty, including suspension of any contract or debarment from bidding or performing work on any contract for the Oregon State Board of Higher Education for a period of up to three (3) years. Before the Board imposes any such sanction, a contractor is entitled to a hearing as provided for in ORS 183.413, et seq.
In the event a request for proposals, request for qualifications, or other process other than competitive bidding is used to contract for capital construction work, the [Facilities Division] Office of Finance and Administration shall require in its solicitation document or attempt to negotiate affirmative efforts on behalf of emerging small businesses similar to those outlined in sections (1) or (4) of this rule.

The Board will evaluate annually the effects of this rule.

All projects first advertised for bid or proposal on/or after October 1, 1990, shall be subject to the provisions of this rule. All projects first advertised for bid or proposal on/or after June 16, 1989, and prior to October 1, 1990, shall be subject to the provisions OAR 580-50-028 in effect on June 16, 1989.

Minority Business Enterprises and Women’s Business Enterprises
OAR 580-50-042

In carrying out the requirements of OAR 580-50-040(1), the bidder shall make good faith efforts to accomplish the purposes of the rule in the manner hereafter provided.

Proof of performance of the following actions constitutes a rebuttable presumption that the bidder has made a good faith effort. Conversely, a bidder’s failure to perform the following actions shall create a rebuttable presumption that the bidder is not responsible as provided by ORS 200.005(11):

(a) The bidder attended any presolicitation or prebid meetings that were scheduled by the contracting agency to inform minority and women’s business enterprises of con-
tracting and subcontracting, or material supply, or other opportunities available on the project;

(b) The bidder identified and selected specific economically feasible units of the project to be performed by minority and women's business enterprises in order to increase the likelihood of participation by such enterprises;

(c) The bidder advertised in general circulation, trade association, and trade oriented, minority and women-focused publications, if any, concerning the subcontracting, material supply, or other opportunities;

(d) The bidder provided written notice to a reasonable number of minority and women's business enterprises, identified from current certified lists of such business enterprises provided or maintained by the Executive Department, for the selected subcontracting or material supply, or other work in sufficient time to allow the enterprises to participate effectively;

(e) The bidder followed up initial solicitations of interest by contacting the enterprises to determine with certainty whether the enterprises were interested in such subcontracting, material supply, or other opportunities;

(f) The bidder provided interested minority and women's business enterprises with adequate information about the plans, specifications, and requirements for the selected subcontracting or material supply, or other work;

(g) The bidder solicited bids or quotations from interested minority and women's business enterprises;

(h) The bidder negotiated in good faith with minority or women's business enterprises submitting bids or quotations and did not, without justifiable reason, reject as unsatisfactory any bids or quotations prepared by any minority or women's business enterprise. For purposes of this section only, "good faith" means negotiating with any minority or women's business whose bid or quote was within 10
percent of the lowest bid or quotation received by the bidder for a comparable scope of work;

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

(j) The bidder used the services of the Advocate for Minority, Women and Emerging Small Business, and minority community organizations, minority contractor groups, state, and federal minority business assistance offices and other organizations identified by the Advocate for Minority, Women’s and Emerging Small Business that provide assistance in the recruitment and placement of minority and women’s business enterprises.

(3) Should the bidder not make the good faith effort required in section (2) of this rule, proof of the following facts shall rebut the presumption that good faith efforts as required by OAR 580-50-040(1) were not made by the bidder:

(a) The bidder or proposer qualifies as a certified minority or women’s business enterprise or is an approved joint venture, including but not limited to a mentor-protege relationship, which includes a minority or women’s enterprise as a partner in the joint venture; or

(b) The bidder has engaged one or more certified minority or women’s business enterprises as subcontractors for a substantial portion of the work and discloses in writing with its bid the identity of those firms so engaged and the amount(s) of the contract to be subcontracted to such entities. The specifications that accompany the invitation to bid shall describe the minimum portion of work for subcontracting that will constitute a "substantial portion of the work." The minimum portion of the work will be established for each project based upon the nature of the project, its size and loca-
tion, and the availability of minority and women's business enterprises.

(4) The [Facilities Division] Office of Finance and Administration shall decide, if necessary, whether good faith efforts have been made, pursuant to the criteria of sections (2) and (3) of this rule.

(5) All bidders or proposers shall submit to the [Facilities Division] Office of Finance and Administration in writing within three days of the bid or proposal opening:

(a) The identity of each minority and women’s business enterprise requested to submit bids and/or quotations;
(b) The amounts of any such bids and/or quotations;
(c) The identity of each minority and women’s business enterprise to be engaged as a subcontractor;
(d) The reason for rejection of minority and women’s business enterprise whose bid or quotation is equal to or lower than that of the subcontractor engaged or projected for that work;
(e) All other evidence of the bidder's good faith efforts through performance of the actions described in sections (2) and (3) of this rule.

(6) The requirements of the prior sections do not apply if the [Facilities Division] Office of Finance and Administration determines that the nature of the work is not appropriate for subcontracting and has so stated in the request for bids or proposals, and if the bidder or proposer certifies that, if awarded the contract, it will not make use of subcontracting. As used in this section (6), "work" does not mean providing "materials" or "supplies."

(7) The [Facilities Division] Office of Finance and Administration may audit or otherwise inspect the records of contractors to determine compliance by those
contractors with commitments made in satisfaction of the requirements of this rule. Any contractor determined to have failed to fulfill such requirements may be subject to penalty, including suspension of any contract or debarment from bidding or performing work on any contract for the Oregon State Board of Higher Education for a period of up to three (3) years. Before the Board imposes any such sanction, a contractor is entitled to a hearing as provided in ORS 183.413, et seq.

(8) The Board will evaluate annually the effects of this rule.

(9) All projects first advertised for bid or proposal on/or after October 1, 1990, shall be subject to the provisions of this rule. All projects first advertised for bid or proposal on/or after June 16, 1989, and prior to October 1, 1990, shall be subject to the provisions OAR 580-50-028 in effect on June 16, 1989.

Properties Subject to Flood Hazards
OAR 580-50-105

(1) Flood hazards shall be evaluated in the administration of any construction program of buildings, structures, roads, or other facilities to minimize the exposure to potential flood damage and preclude the uneconomic, hazardous, or unnecessary use of flood plains.

(a) National Flood Insurance Regulations and criteria shall apply to any plans for construction or development in a flood plain.

(b) Flood proofing measures to existing facilities shall be made where budgets permit, to reduce flood damage potential.

(2) Flood hazards shall be evaluated in connection with lands or public properties proposed for disposal to other public instrumentalities or private interest to minimize future state expenditures for
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flood protection and flood disaster relief.

(a) Appropriate restrictions shall be imposed with respect to uses of the lands or properties for disposal.

(b) Appropriate allowance shall be made for any estimated loss in sales price resulting from the incorporation of use restrictions outlined in the disposal document.

Staff Recommendation to the Committee

Staff recommended the Board adopt the proposed amendments to Oregon Administrative Rules, Chapter 580, Division 50.

Discussion and Recommendation by the Committee

Mr. Pernsteiner briefly described the major proposed changes, additions, and deletions, and the primary rationale for the changes. In most instances, the changes will streamline operations and delegate authority to the campuses from the Chancellor's Office.

A public hearing was held on January 17, 1992, in Eugene. No one appeared and there were no written comments.

Mr. Adams asked at what point the Chancellor's Office would be involved in the retention of professional consultants, primarily architects and engineers. Mr. Pernsteiner indicated that for consultant agreements above $10,000 (once the proposed policies are implemented) the Office of Finance and Administration would handle the supplements and agreements. Relative to construction, any project limited by the Legislature is not covered by this rule. The Chancellor's Office would continue to award such contracts because they are not classified by the state as public improvement or repair -- they are classified as capital construction.

In answering a question from Mr. Adams regarding change orders, Mr. Pernsteiner indicated that the Board would receive them once they had been executed.
Vice Chancellor Ihrig indicated that the review of this area of the Oregon Administrative Rules was intended to streamline operations. Further, in delegating authority in these areas to local campuses, it is anticipated that relationships among the institutions and local businesses will be improved, since the institutions know and deal with them on a more regular basis.

Mr. Adams requested clarification of the rule relating to purchase of property and questioned the reference to limitation of purchase within the campus boundaries. Mr. Pernsteiner indicated that the specific rule applies to the position of Vice Chancellor for Finance and Administration. The Board has the authority to purchase property anywhere, and that is not changed through this policy.

Mr. Miller asked for further clarification in the area of hiring consultants, questioning whether or not there were baselines of differentiated categories within campus budgets clearly identified for consultants. At the center of Mr. Miller's concerns is abuse of the use of consultants and control of the work consultants do. Mr. Pernsteiner indicated that, because of a year-end review, there was a check on consultants used through physical plant operating budgets. However, this specific rule does not cover any consulting expenses other than those related to physical facilities, architects, and engineers.

The Committee recommended the Board approve the staff recommendation.

Board Discussion and Action

Ms. Jackson reminded the Board that representatives of the institutions had participated in the review of the Oregon Administrative Rules, Chapter 580, Division 50. The goal of the review and revisions was to increase efficiency in conducting business related to planning and management of land and facilities.

Mr. Adams commented that at the center of the proposed changes was the intent to delegate more authority to the institutions and, given inflation and reduced resources, the Committee agreed that with this delegation there remained a need to have
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a process for the Board to receive information on a timely basis. These safeguards are included in the proposed amendments.

Mr. Dodson observed that there are times when agencies are hampered by their own Administrative Rules. If the proposed rule changes do not work, do not accomplish the goals for which they are intended, staff should return to the Board to request a fine tuning.

The Board approved the Committee recommendation and, on roll call, the following voted in favor: Directors Adams, Bailey, Bruggere, Davis, Dodson, Halsey, Jackson, Miller, Swanson, and Richardson. Those voting no: none.

**Staff Report to the Committee**

The Oregon State System of Higher Education tax deferred investment program provides faculty and staff the opportunity to invest pre-tax dollars in annuities or mutual funds as authorized by Section 403(b) of the Internal Revenue Code. This is a voluntary program without employer contribution. Approximately 4,500 OSSHE employees participate, deferring $12 million per year.

General fund dollars have been used to pay the administrative costs of the program, including consulting fees, preparation of orientation materials, preparation of technical advisories, and preparation of the annual analysis of investment results for the seven companies currently authorized to offer annuities or mutual funds. The general fund reductions within the System Personnel Division require a change from general fund support to an annual charge to participants.

The State of Oregon's deferred compensation program charges participants sixth-tenths of one percent of all contributions plus an annual fee of $24. There is no general fund support. The State System annual charge is not expected to exceed $10 per year per participant.

The Administrative Council reviewed and approved this proposal, and a public hearing was held on January 17, 1992.
Staff Recommendation to the Committee

Staff recommended adoption of the following Administrative Rule, authorizing the Chancellor to implement an annual administrative fee to support the tax deferred investment program.

OAR 580-20-050 Tax Deferred Investments
The Chancellor, or designee, may enter into written agreements with faculty and staff employed by the State System of Higher Education, and with one or more insurance companies and mutual funds, to provide tax deferred investment opportunities to faculty and staff as provided by ORS 243.810-243.830. The Chancellor, or designee, may, as a condition of entering into such agreements or continuing such agreements, require faculty and staff participants to pay annually an administrative fee for the costs of administering the program. The total amount collected from the imposition of an administrative fee shall not exceed the total cost of administering the program.

Discussion and Recommendation by the Committee

Mr. Anderson reviewed the new Administrative Rule, pointing out that administration of the program has, in the past, come from General Funds. Given the current environment and a need to find ways of conserving resources, it is proposed that the cost of administration be passed on to those enrolled in the program.

Vice Chancellor Ihrig indicated that staff support to administer the program has not been included in the proposed fees. The fees primarily will be used to produce materials explaining and updating information on the options, and hiring consultants to prepare the analysis of various vendors who are part of the program.

Mr. Halsey asked if the proposed fee would be the same every year or if there would be adjustments based on actual costs. Mr. Anderson indicated that the fee would need to be set annually.

By way of clarification, Ms. Jackson inquired whether or not the seven vendors used by the State System were the same as those used by the State. Mr. Anderson indicated they were not, in all cases,
since the State System has a mix of life insurance companies who sell annuities, and no load mutual funds.

Mr. Halsey asked if anyone was willing to speculate as to why there is such a low percentage of involvement in this program. Mr. Anderson responded that the participation level in Oregon is actually fairly high when compared to a sample of other systems. The program is open to any employee and the options are explained to people during the orientation that occurs at the campus level. There is no eligibility or waiting period prior to enrollment.

The Committee recommended the Board approve the staff recommendation.

Board Discussion and Action

Ms. Jackson indicated that, while no one appeared at the January 17, 1992, hearing conducted on the University of Oregon campus, a letter had been received by Chancellor Bartlett from the president of the American Association of University Professors expressing opposition to the imposition of the fee.

The Board approved the Committee recommendation and, on roll call, the following voted in favor: Directors Adams, Bailey, Bruggere, Davis, Dodson, Halsey, Jackson, Miller, Swanson, and Richardson. Those voting no: none.

Staff Report to the Committee

Discussions have been underway between officials of Eastern Oregon State College and the Oregon Military Department regarding lease of a portion of the Eastern Oregon State College campus to the Military Department for the construction of an armory and related facilities. If approved, Eastern would enter into an agreement similar to those negotiated with the Military Department for the leasing of campus land at Southern Oregon State College and Western Oregon State College. The lease would necessitate the exchange of deeds with the City of La Grande to provide for the realignment of the "E" Avenue extension through the campus.
The land under consideration for lease to the Oregon Military Department (approximately 7.7 acres) is located in the southeast portion of campus on the west side of 12th Street and south of the La Grande Masonic Cemetery. At the November 17, 1978, Board meeting, this area was declared surplus to campus needs and the campus boundaries were changed to exclude the land from the campus. Two parcels of the area declared surplus were sold, and a portion was deeded to the City of La Grande for the extension of "E" Avenue through campus. Attempts to sell the remainder (more than half the surplus area) have been unsuccessful.

Eastern Oregon State College now is requesting that the land still owned by the College be removed from the surplus category. To make the property available as the site of the proposed armory, there should be an exchange with property acquired from General Fund resources. This can be accomplished by the rededication of approximately five acres of the parcel, which had been purchased with funds provided for auxiliary enterprises, simultaneously with the rededication of other campus lands financed from state tax funds. The land exchange areas will be determined after the lease is completed and all areas for the lease, as well as the area to be deeded to the City of La Grande for the extension of "E" Avenue, are known.

Staff Recommendation to the Committee

Staff recommended: (1) that the appropriate Eastern Oregon State College officials be authorized to enter into a lease agreement with the Oregon Military Department for an approximate 7.7-acre parcel of land to be used for an armory site and related facilities; (2) that the portion of land declared surplus and not sold be rescinded and included within the campus boundaries; (3) once the areas are known for the realignment of the "E" Avenue extension through campus, that the appropriate Board officials ratify an exchange of deeds with the City of La Grande.

Discussion and Recommendation by the Committee

Mr. Pernsteiner summarized the essence of the staff recommendation and, in response to a question from Mr. Adams, indicated that there was no income from
the property. The only income-producing property is an adjacent parcel, also part of the surplus, which is a house, the income from which is $400 per month.

Ms. Jackson raised some questions as to when the parcel was purchased and at what cost. Mr. James Lundy, Dean of Administration at Eastern Oregon State College, indicated that the land was purchased in the early 1970s at a price of approximately $22,000.

The Committee recommended the Board approve the staff recommendation.

Board Discussion and Action

The Board approved the Committee recommendation with the following voting in favor: Directors Adams, Bailey, Bruggere, Davis, Dodson, Halsey, Jackson, Miller, Swanson, and Richardson. Those voting no: none.

Staff Report to Committee

In approving the 1991-1993 biennial budget for the State System of Higher Education, the Legislature instructed the System to enroll 4,000 more students than planned in the post-Measure 5 budget submitted to the Governor. However, in planning for 1991-92, the Board adopted a budget in September 1991 that allocated only one-third of the estimated instruction fee income to be generated by the additional 4,000 students. The Board’s decision was predicated on the difficulty, at the time, of predicting actual enrollment for fall term 1991. The plan was to wait until actual fall term enrollment was known, at which time allocation of the remaining instruction fee income would be based on actual enrollment by institution.

The Board authorized the University of Oregon to assess an additional $399 annual surcharge on all nonresident students with the understanding that, after the System-wide income requirement had been met in full, excess income generated by the surcharge, minus a System overhead charge of 4.4 percent, would be allocated to the institution. In September 1991, when the Board adopted the 1991-92 budget, it was understood that authority to expend
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the additional funds would not be granted until actual enrollment and income were known for fall term 1991.

The following tables summarize the enrollment and allocations approved by the Board in September 1991, along with the additional allocations based on actual enrollment for fall term 1991.

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>UO</td>
<td>14,723</td>
<td>17,510</td>
<td>14,145</td>
<td>16,935</td>
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<tr>
<td>OSU</td>
<td>13,300</td>
<td>15,075</td>
<td>13,226</td>
<td>15,097</td>
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<tr>
<td>PSU</td>
<td>9,128</td>
<td>15,045</td>
<td>8,862</td>
<td>14,504</td>
</tr>
<tr>
<td>WOSC</td>
<td>3,214</td>
<td>3,650</td>
<td>3,295</td>
<td>3,860</td>
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<td>SOSC</td>
<td>3,728</td>
<td>4,685</td>
<td>3,624</td>
<td>4,538</td>
</tr>
<tr>
<td>EOSC</td>
<td>1,650</td>
<td>1,915</td>
<td>1,433</td>
<td>1,840</td>
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<tr>
<td>OIT</td>
<td>2,136</td>
<td>2,600</td>
<td>2,097</td>
<td>2,666</td>
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<tr>
<td>Total</td>
<td>47,879</td>
<td>60,480</td>
<td>46,682</td>
<td>59,440</td>
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</tbody>
</table>

Note: Actual headcount enrollment for fall term 1990 was 62,571, and actual three-term FTE was 49,696. Therefore, for 1991-92, headcount enrollment is down 5 percent, and three-term FTE enrollment is down 6 percent from the previous year.

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>UO</td>
<td>14,101</td>
<td>14,145</td>
<td>44</td>
<td>$ 91,000</td>
</tr>
<tr>
<td>OSU</td>
<td>12,679</td>
<td>13,226</td>
<td>547</td>
<td>1,132,000</td>
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<tr>
<td>PSU</td>
<td>8,707</td>
<td>8,862</td>
<td>155</td>
<td>320,000</td>
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<tr>
<td>WOSC</td>
<td>3,071</td>
<td>3,295</td>
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<td>439,000</td>
</tr>
<tr>
<td>SOSC</td>
<td>3,542</td>
<td>3,624</td>
<td>82</td>
<td>160,000</td>
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<tr>
<td>EOSC</td>
<td>1,550</td>
<td>1,433</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>OIT</td>
<td>2,095</td>
<td>2,097</td>
<td>2</td>
<td>4,000</td>
</tr>
<tr>
<td>Total</td>
<td>45,745</td>
<td>46,682</td>
<td>1,054</td>
<td>$2,146,000</td>
</tr>
</tbody>
</table>

The allocation to the University of Oregon for the additional nonresident surcharge is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Original Estimate</th>
<th>Revised Estimate</th>
<th>Additional Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross</td>
<td>$1,059,346</td>
<td>$1,953,665</td>
<td>$ 894,319</td>
</tr>
<tr>
<td>minus 4.4% Overhd</td>
<td>&lt;46,612&gt;</td>
<td>&lt;85,961&gt;</td>
<td>&lt;39,349&gt;</td>
</tr>
<tr>
<td>Net</td>
<td>$1,012,734</td>
<td>$1,867,704</td>
<td>$ 854,970</td>
</tr>
</tbody>
</table>

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As indicated above, three-term FTE enrollment dropped six percent from the levels in 1990-91. More important, resident freshman enrollment dropped over 23 percent from 1990 to 1991. This dramatic drop in the entering freshman class indicates that total enrollment for fall term 1992 may drop another three to six percent below fall term 1991 levels, even if freshman enrollment in 1992 is stabilized at the 1991 levels. If this occurs, enrollment in 1992-93 may not exceed 57,000 headcount, or 45,000 three-term FTE. With this potential for further enrollment loss in 1992, institutions are reminded that a budget reduction due to lost instruction fee income is a very real possibility in 1992.

Committee Discussion

Mr. Quenzer explained that each year the actual fall enrollment is examined and another projection is made. Only one institution, Western Oregon State College, met the fall enrollment projections; Oregon State University was very close. The current budget adjustments provide that the remaining dollars be distributed on an FTE basis to institutions for the actual enrollment for the fall.

In response to concerns expressed relative to the enrollment losses experienced primarily in freshman entry classes, Mr. Quenzer said it would not bode well for future enrollments if the trend continued. At the present time, a cautious and conservative estimate is being made for 1992-93 enrollment. The resources being allocated to institutions this year based on enrollment figures are nonrecurring in nature, and presidents have been cautioned to spend them on nonrecurring expenditures.

(No Board action required.)

Staff Report to the Board

The Oregon State System received $8,879,000 for deferred maintenance and capital repair for the 1989-1991 biennium. These funds were distributed to colleges and universities as follows:
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<table>
<thead>
<tr>
<th>Institution</th>
<th>1989-1991</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oregon State University</td>
<td>$2,880,000</td>
</tr>
<tr>
<td>University of Oregon</td>
<td>1,748,000</td>
</tr>
<tr>
<td>Portland State University</td>
<td>1,175,000</td>
</tr>
<tr>
<td>Western Oregon State College</td>
<td>450,000</td>
</tr>
<tr>
<td>Southern Oregon State College</td>
<td>530,000</td>
</tr>
<tr>
<td>Eastern Oregon State College</td>
<td>410,000</td>
</tr>
<tr>
<td>Oregon Institute of Technology</td>
<td>383,000</td>
</tr>
<tr>
<td>Oregon Health Sciences University</td>
<td>1,190,000</td>
</tr>
<tr>
<td>System</td>
<td>113,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$8,879,000</strong></td>
</tr>
</tbody>
</table>

Sorting and describing by facility system, these funds were used to repair and modernize State System facilities as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Exterior (e.g., roof, foundation)</td>
<td>$4,002,500</td>
</tr>
<tr>
<td>Interior (e.g., windows, floors)</td>
<td>1,977,500</td>
</tr>
<tr>
<td>Sidewalks and Streets</td>
<td>194,000</td>
</tr>
<tr>
<td>Plumbing, Electrical, HVAC</td>
<td>2,400,000</td>
</tr>
<tr>
<td>Health (asbestos)</td>
<td>305,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$8,879,000</strong></td>
</tr>
</tbody>
</table>

As reported to the Board in November 1990, three surveys were conducted in 1990 to ascertain the condition of the academic and support facilities of the State System. These surveys identified a backlog of $135 million of deferred maintenance projects, and another $402.8 million in capital repair and modernization projects in the colleges and universities. These repairs and renovations are needed because many of the academic and support facilities are not sufficient in terms of space organization (due to changes in the nature of work in the disciplines, programs of study, or instructional and administrative technology), current standards and codes (such as asbestos abatement, air quality, handicapped accessibility), or utility service to permit the successful operation of modern instructional and research programs. In addition to identifying projects, staff prioritized projects and proposed a schedule for eliminating
the deferred maintenance backlog over the next three biennia.

For the 1991-1993 biennium, the Capital Construction Budget request included $45.2 million for deferred maintenance and another $33.4 million for modernization; and, the Operating Budget request included $12.5 million for capital repairs. Of the total request of $91.1 million, $10.8 million was approved in the Operating Budget for capital repair and deferred maintenance.

As reported to the Board in May 1990, national standards call for budgeting 1.5 to 2.5 percent per year for capital repair, and 0.5 to 1.0 percent per year for "plant adaption" (modernization). This will add to the deferred maintenance and modernization needs depicted in the November 1990 report to the Board.

Therefore, even though $10.8 million was appropriated this biennium for capital repair and deferred maintenance, the System could enter the 1993-1995 biennium with a deferred maintenance backlog in excess of $160 million and modernization needs of more than $415 million. As facilities age and underfunding continues, the growth of the backlog could accelerate.

The appearance and adequacy of the instruction and research facilities set the basic working conditions for teaching and learning, and influence student and faculty decisions to affiliate with colleges and universities. Thus, the ability of the State System to invest in the renovation and repair of facilities may influence the quality of instruction, faculty, and students in the State System.

Given the current Measure 5 environment, it will be extremely difficult for the State System either to reduce significantly the deferred maintenance backlog or proceed with needed capital repair and modernization projects. The shortage of revenue for keeping academic and support facilities in reliable operating condition for current use, as well as modernizing instruction and laboratory spaces to meet evolving institutional needs and changing standards, may compromise the ability of the State System’s colleges and universities to
fulfill their respective missions of teaching and research in an increasingly knowledge-based society.

Committee Discussion

Mr. Pernsteiner indicated that the backlog of deferred maintenance for higher education facilities continues to grow, in spite of the fact that the Board has made use of operating funds for deferred maintenance a high priority. During 1989-1991, $8.9 million in operating funds were provided to address a deferred maintenance backlog of $135 million. While in 1992-93, $10.8 million in operating funds is provided, the deferred maintenance backlog is estimated to grow to $160 million by the end of the biennium, plus an additional $415 million in modernization needs. This is an increasingly serious problem that continues to escalate.

Mr. Adams asked how emergencies such as leaking roofs and deteriorating buildings were handled. Mr. Pernsteiner explained that critical problems are addressed, while less serious ones continue to backlog. Ms. Jackson inquired as to the impact of Federal ADA legislation and upgrading of seismic requirements for the State System. Oregon State University has completed a study of several of the buildings, drawn conclusions as to difficulties there might be in various classes of earthquakes, and are going to ask engineering faculty to propose ways to address the problems within the limited resource constraints. Mr. Miller commended Oregon State University for the involvement of faculty in areas such as this and suggested that these must be publicized as examples of valuable economic-related services provided by the institutions.

Mr. Adams asked if the System was starting to jeopardize accreditation due to conditions of facilities. Mr. Pernsteiner indicated this has not occurred yet, but certainly was on the horizon. Vice Chancellor Ihrig added that the modernization element of deferred maintenance was of critical importance because the institutions are attempting to operate modern technology in facilities designed in the '50s and '60s. Electrical and water systems are becoming overloaded. As sponsored research grows, physical plants must be improved to accommodate the research needs.
(No Board action required.)

Staff Report to the Committee

The following table portrays the status of all active capital construction projects. A few are listed as complete, meaning that they are occupied, and all artwork, accounting, construction claims, and other transactions have been finished.

Three projects reached this stage during the past quarter -- McNeal Hall Improvements at Southern Oregon State College, and SELP Energy Improvements and Dormitory Acquisition (Riley Hall) at the University of Oregon. These projects will not appear in subsequent reports. The expenditure balances in the table are as of October 31, 1991.

The nine other projects for which status changed are designated with an asterisk, and include the two projects approved by the Board in November 1991. The proposed February 1992 bond sale for the University Hospital (which the State Treasurer has approved) will affect three projects. Nine projects shown as complete in October no longer appear on the list.

The litigation on the NeuroSensory Center reported in October 1991 has been settled. The University of Oregon has reassessed the 1989-1991 Student Housing project in light of enrollment reductions and changed housing market conditions in the Eugene-Springfield area. University, community, and legislative leaders currently are assessing the level of construction and renovation activities that could be undertaken this year. These efforts could lead to construction of some units in 1992, along with planning and design work for additional units to be constructed or renovated, as needed, in future years.

Oregon State University’s Burt Hall Laboratory Renovation project is scheduled for discussion with the Emergency Board on January 30, 1992. The Forest Research Laboratory Renovation project is under additional review at Oregon State University and was not submitted to the Emergency Board for the January meetings.
### CURRENT CAPITAL CONSTRUCTION PROJECTS

($ in thousands)

<table>
<thead>
<tr>
<th>Coll/Univ</th>
<th>Project Name</th>
<th>Fund Source</th>
<th>Limit/Appn</th>
<th>Balance</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1983-1985 Projects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OHSU</td>
<td>Inst for Adv Biomed Rsrch</td>
<td>Federal</td>
<td>$21,010</td>
<td>246</td>
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<tr>
<td>SYS</td>
<td>Land Acquis</td>
<td>Various</td>
<td>$1,250</td>
<td>282</td>
<td>Balance Avail</td>
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<tr>
<td>UO</td>
<td>Science Facils</td>
<td>Fed, Lott</td>
<td>33,579</td>
<td>57</td>
<td>Now Open</td>
</tr>
<tr>
<td>OHSU</td>
<td>Casey Eye Inst</td>
<td>GF, Fed, Gift</td>
<td>23,000</td>
<td>0</td>
<td>Now Open</td>
</tr>
<tr>
<td>OHSU</td>
<td>Hosp/ Clinic Rehab</td>
<td>Fed</td>
<td>14,500</td>
<td>632</td>
<td>Now Open</td>
</tr>
</tbody>
</table>

| **1985-1987 Projects** |              |             |            |         |             |
| OHSU      | OIT Utility Impmts | GF | 3,810 | 35 | Now Open |
| OIT       | Outdoor Activ Area | BF | 415 | 10 | Now Open* |
| OSU       | Admin Svs Expan | BF | 1,235 | 8 | Now Open |
| OSU       | Parker Stadium Imps | Athletic | 7,000 | 1,212 | Under constr |
| OSU       | Ag Sciences II | GF, Fed, Gift | 26,360 | 7,437 | Under constr |
| OSU       | Ag Exp Stn Imps | Lott, Fed, Gift | 755 | 43 | Now Open |
| OSU       | SELP Energy Imps | SELP | 2,097 | 1,983 | Part compl; Rest avail (PPL Agmt Superseded) |

| **1987-1989 Projects** |              |             |            |         |             |
| SOSE       | Computer Svcs | GF | 4,205 | 6 | Now Open |
| SOSE       | Stevenson Union Add | BF | 1,845 | 8 | Now Open |
| SOSE       | McNeal Hall | BF | 1,380 | 0 | Complete* |
| UO         | SELP Energy Imps | SELP | 1,303 | 0 | Complete* |
| UO         | Southbank Impmts | Aux | 415 | 415 | Complete |
| UO         | Parking Impmts | Parking | 3,665 | 3,034 | Under constr |
| UO         | Bicycle Facils | Aux | 400 | 296 | Under constr |
| UO         | Architecture/Allied Arts | Aux | 8,555 | 0 | Complete |
| UO         | Dormitory Acquis | Housing | 2,170 | 60 | Complete* |
| OHSU       | Utility Impmts | GF, Aux | 5,275 | 45 | Under constr |
| OHSU       | Basic Sc/ CROET | GF, Fed | 28,095 | 8,860 | Under constr |
| OHSU       | Student Activ Bldg | BF | 6,925 | 5,394 | Ph II in Flng |
| OHSU       | Univ Hosp/Clinics Hosp | 12,090 | 2,892 | Under constr |
| PSU        | Millar Libr Add | GF | 11,080 | 294 | Now Open |

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### CURRENT CAPITAL CONSTRUCTION PROJECTS

($ in thousands)

<table>
<thead>
<tr>
<th>Coll/Univ</th>
<th>Project Name</th>
<th>Source</th>
<th>Limit/Appn</th>
<th>Balance</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
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<td>$ 355</td>
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<td>Asbestos Abatement</td>
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<tr>
<td>SYS</td>
<td>Repr &amp; Moderniztn</td>
<td>GF</td>
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<td>717</td>
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<td>SYS</td>
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<td>750</td>
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<td>500</td>
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<tr>
<td>OIT</td>
<td>Cornett Reroof</td>
<td>Lottery</td>
<td>400</td>
<td>104</td>
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<tr>
<td>OIT</td>
<td>Metro Center</td>
<td>Lott, Sys</td>
<td>1,800</td>
<td>809</td>
<td>Await bids*</td>
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<tr>
<td>WOSC</td>
<td>Exec Conf/</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Trng Ctr</td>
<td>Gift</td>
<td>7,130</td>
<td>7,130</td>
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<td>WOSC</td>
<td>Bldg Planning</td>
<td>GF</td>
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<td>28</td>
<td>Des. on Hold</td>
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<tr>
<td>OSU</td>
<td>Kerr Library</td>
<td>GF, Gift</td>
<td>2,080</td>
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<td>OSU</td>
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<td>OSU</td>
<td>Fam Studies Ctr</td>
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<td>Child Care Ctr</td>
<td>BF</td>
<td>1,210</td>
<td>56</td>
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</tr>
<tr>
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<td>Sci Facs Rehab</td>
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<td>91</td>
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<td>Cold Storage Add</td>
<td>Lott, Gift</td>
<td>320</td>
<td>149</td>
<td>Ph I compl. Ph II under construction</td>
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<tr>
<td>SOSC</td>
<td>Track/Tennis Facs</td>
<td>BF</td>
<td>325</td>
<td>15</td>
<td>Under constr</td>
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<tr>
<td>SOSC</td>
<td>KSOR Satellite</td>
<td>Fed, Gift</td>
<td>419</td>
<td>267</td>
<td>Some eqpt inst; Some on order</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Now Open</td>
</tr>
<tr>
<td>SOSC</td>
<td>Computer Eqpt</td>
<td>Lottery</td>
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<td>22</td>
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<td>Cascade Cafeteria</td>
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<td>1,910</td>
<td>1,727</td>
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<tr>
<td>UO</td>
<td>Knight Lib Addtn</td>
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<td>21,923</td>
<td>Ph I in constr</td>
</tr>
<tr>
<td>UO</td>
<td>EMU Outdoor Strg</td>
<td>BF</td>
<td>325</td>
<td>210</td>
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<tr>
<td>UO</td>
<td>Hamilton Kitchen</td>
<td>Hg, Fed</td>
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<td>Parking</td>
<td>9,045</td>
<td>9,045</td>
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<tr>
<td>UO</td>
<td>Autzen &amp; Cas Ctr</td>
<td>Ath/SELP</td>
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<td>544</td>
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<td>UO</td>
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<td>Housing</td>
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<td>9,887</td>
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<td>UO</td>
<td>Science Facils</td>
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<td>70</td>
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<tr>
<td>OHSU</td>
<td>Child Hosp Study</td>
<td>GP</td>
<td>180</td>
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<td>Complete</td>
</tr>
<tr>
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<td>School of Nursing</td>
<td>GP, Fed</td>
<td>13,825</td>
<td>2,064</td>
<td>Under constr</td>
</tr>
<tr>
<td>OHSU</td>
<td>Parking Struc #5</td>
<td>Parking</td>
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<td>255</td>
<td>Under constr</td>
</tr>
<tr>
<td>OHSU</td>
<td>Hospital Renovs</td>
<td>Hospital</td>
<td>12,685</td>
<td>12,605</td>
<td>Some under constr; Feb. Bonds*</td>
</tr>
<tr>
<td>OHSU</td>
<td>Util Syst Impmts</td>
<td>Hospital</td>
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<td>2,315</td>
<td>In planning</td>
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<tr>
<td>OHSU</td>
<td>Hematology/ Oncology</td>
<td>Federal</td>
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<td>26</td>
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</tr>
<tr>
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<tr>
<td>PSU</td>
<td>Smith Ctr Rehab</td>
<td>BF</td>
<td>1,000</td>
<td>72</td>
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<td>PSU</td>
<td>Mill Street Bldg</td>
<td>Auxiliary</td>
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</tr>
<tr>
<td>PSU</td>
<td>PCAT Remodel</td>
<td>Federal</td>
<td>240</td>
<td>240</td>
<td>Await funds</td>
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### 1991-1993 Projects

<table>
<thead>
<tr>
<th>Coll/Univ</th>
<th>Project Name</th>
<th>Fund Source</th>
<th>Limit/Appn</th>
<th>Balance</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
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<td>$ 600</td>
<td>NA</td>
<td>None Sched.</td>
</tr>
<tr>
<td>EOSC</td>
<td>Hoke Hall Addtn</td>
<td>BF, Hsg</td>
<td>2,090</td>
<td>NA</td>
<td>In design;</td>
</tr>
<tr>
<td>WOSC</td>
<td>Health Svcs Addtn</td>
<td>BF</td>
<td>260</td>
<td>NA</td>
<td>No Activity</td>
</tr>
<tr>
<td>WOSC</td>
<td>Eastern Bypass</td>
<td>GF</td>
<td>180</td>
<td>NA</td>
<td>Scheduled for Spring*</td>
</tr>
<tr>
<td>OSU</td>
<td>Envirn Comptg Ctr</td>
<td>Gift</td>
<td>2,000</td>
<td>NA</td>
<td>In design</td>
</tr>
<tr>
<td>OSU</td>
<td>Burt Hall Lab Ren</td>
<td>Fed</td>
<td>250</td>
<td>250</td>
<td>Wait Board*</td>
</tr>
<tr>
<td>OSU</td>
<td>FRL Lab Ren</td>
<td>Inst Funds</td>
<td>230</td>
<td>230</td>
<td>On Hold*</td>
</tr>
<tr>
<td>SOSC</td>
<td>Residnc Hall Strg</td>
<td>Housing</td>
<td>965</td>
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<tr>
<td>SOSC</td>
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<td>Housing</td>
<td>235</td>
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<td>SOSC</td>
<td>Parking Expansion</td>
<td>Parking</td>
<td>150</td>
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<td>No Activity</td>
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<tr>
<td>UO</td>
<td>Museum Nat Hist</td>
<td>Gift</td>
<td>1,570</td>
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<td>No Activity</td>
</tr>
<tr>
<td>UO</td>
<td>Longhouse</td>
<td>Gift</td>
<td>545</td>
<td>NA</td>
<td>No Activity</td>
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<tr>
<td>UO</td>
<td>N. Campus Reloc</td>
<td>Riverfront</td>
<td>2,225</td>
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<td>On Hold -- Riverfront</td>
</tr>
<tr>
<td>UO</td>
<td>Comm Svcs Bldg</td>
<td>Auxiliary</td>
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<td>NA</td>
<td>Await bonds</td>
</tr>
<tr>
<td>UO</td>
<td>Util Syst Rehab</td>
<td>BF, Hsg</td>
<td>800</td>
<td>NA</td>
<td>Await bonds</td>
</tr>
<tr>
<td>OHSU</td>
<td>NeuroSensory Ctr</td>
<td>Fed, Gift</td>
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<td>Contract awarded</td>
</tr>
<tr>
<td>OHSU</td>
<td>Hospital Utils</td>
<td>Hospital</td>
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<td>No Activity</td>
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<tr>
<td>OHSU</td>
<td>Outpatient Clinic</td>
<td>Hospital</td>
<td>7,000</td>
<td>NA</td>
<td>Feb.Bonds*</td>
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<tr>
<td>OHSU</td>
<td>Hospital Renovs</td>
<td>Hospital</td>
<td>10,000</td>
<td>NA</td>
<td>Feb Bonds*</td>
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<td>PSU</td>
<td>Student Housing</td>
<td>Housing</td>
<td>19,450</td>
<td>NA</td>
<td>Await Bonds*</td>
</tr>
<tr>
<td>PSU</td>
<td>Parkg Struc</td>
<td>Parking</td>
<td>1,110</td>
<td>NA</td>
<td>Await bonds</td>
</tr>
</tbody>
</table>

Abbreviations: BICC=Biomedical Information Communications Center; BF=Building Fee; CROET=Center for Research on Occupational and Environmental Toxicology; GF=General Fund; SELP=State Energy Loan Program

(No Board action required.)

### Quarterly Audit Report

Staff Report to the Board

Peter Hughes, Director, Internal Audit Division, reported that during the second quarter, five audit projects were completed or concluded, significant progress made on six others, and work deferred on two.

Mr. Hughes indicated that there is a new Executive Department rule requiring each agency head and financial office to sign certification regarding the adequacy of internal controls for the agency with a listing of any exceptions (effective June 1992). This plan is being developed and is anticipated to be completed within the next month.
Mr. Adams asked what was involved in the postpone­ment of audits of construction activity. Mr. Hughes explained that, a few years ago, the System encountered problems with change orders and, as a result, Mr. Pernsteiner, Oregon State University, and he developed a new approach for review, a component of which included a second review by architects of the blueprints as well as hiring of a project manager to examine more closely construc­tion projects. A review of the approach is being conducted.

Mr. Miller asked what safeguards there are in auditing capital construction projects to assure that projected costs are not exceeded and that categories within projects are not flagrantly violated. Mr. Pernsteiner indicated there are reviews at several points in the project, the first of which is an initial review of the accuracy of rough budget projections. The next review is during the planning phase where the scope of work is compared with the adequacy of the budget. Thirdly, a check is made at the time the quality and type of building materials is projected; and a final check is made toward the end of a project. The last audit is a post audit of all aspects of the total project.

(No Board action required.)

INVESTMENT REPORT

Staff Report to the Board

Mr. Steve Katz, Controller, reported on the quarterly System investments. To provide an historical context, Mr. Katz reminded the Committee that, a year ago, the State System began transferring funds to South Africa-Free investment programs. That move was completed in October 1991. Performance over the past six months has shown an increase in market value of $8 million, with the equity fund lagging behind the Standard and Poors index.

(No Board action required.)
Background

Faculty and staff salaries throughout the State System of Higher Education have been adjusted for 1991-92 in accordance with the Board’s salary policy approved in September 1991. The report of the Chancellor regarding 1991-92 salaries for institution presidents, and the Board approval of the 1991-92 salary for the Chancellor, completed the process of salary adjustments.

The president and vice president of the Board have met with the Chancellor to discuss recommendations for institution presidents and the Chancellor. The president and vice president are in agreement that Chancellor Bartlett and the eight presidents have performed above and beyond any expectations or levels of excellence, and deserve merit increases.

However, during these difficult times, it was agreed that it is more appropriate to limit awarding compensation for meritorious service to faculty and support staff below the rank of vice president/executive dean. The increase for the Chancellor and presidents will be the three percent cost-of-living increase component of the faculty salary policy that is, likewise, parallel to the cost-of-living increase provided all state employees.

Action

IMD 1.020(1) provides that the Chancellor recommend to the Board salary adjustments for the institution presidents. The Chancellor’s recommendation is found on the following schedule.

ORS 351.075(3) stipulates that the Board of Higher Education shall fix the compensation of the Chancellor.

The president of the Board recommended that the January 1, 1992, compensation for the Chancellor be increased by three percent as a cost-of-living adjustment as explained above, and that the Board approve the Chancellor’s January 1, 1992, salary recommendations for institution presidents.
### Meeting #604

**January 24, 1992**

<table>
<thead>
<tr>
<th>POSITION</th>
<th>Annual Rate as of 12/31/91</th>
<th>Annual Rate Recommended 01/01/92</th>
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<td>Chancellor:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thomas Bartlett</td>
<td>$126,000</td>
<td>$129,780</td>
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<tr>
<td>Salary</td>
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<td>Expenses</td>
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<tr>
<td>Housing Allowance</td>
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<td>Presidents:</td>
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<td></td>
</tr>
<tr>
<td>UO: Myles Brand</td>
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<td>$113,556</td>
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<tr>
<td>Salary</td>
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<td>Expenses</td>
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</tr>
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<td>PSU: Judith A. Ramaley</td>
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<td>$113,556</td>
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<td>Salary</td>
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<tr>
<td>Expenses</td>
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<td>14,736</td>
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**Board Action**

The Board approved the president’s recommendation and, on roll call, the following voted in favor: Directors Adams, Bailey, Bruggere, Davis, Dodson, Halsey, Jackson, Miller, Swanson, and Richardson. Those voting no: none.
DECISION OF EXECUTIVE COMMITTEE

January 24, 1992

Background

On January 6, 1992, President Richardson convened a meeting of the Executive Committee of the State Board of Higher Education via conference phone call.

Staff Recommendation

The staff recommended that section four of the motion made by President Richardson at the November 1991 meeting of the Board be amended to read:

NOTE: ( ) = new language
[ ] = deleted language

"Appointment by the Board chair, of a Task Force on Funding of Intercollegiate Athletics whose charge will be to find a more acceptable way out of the present dilemma. We welcome the support that the Governor has given to this particular proposal. The group is to include: (two members-at-large, one of whom will serve as chair); two members of the Board [one of whom will serve as chair]; two presidents, one each from a college and university; three people who are associated with the foundations of the three universities, one coming from each campus; one representative of the Executive Department; two legislators; one representative of the Oregon Student Lobby; and one representative from the Interinstitutional Faculty Senate."

Executive Committee Discussion and Action

The Executive Committee approved the staff recommendation and on roll call, the following voted in favor: Directors Bailey, Miller, Swanson, and Richardson. Those voting no: none. Director Adams was not present at the meeting.

Board Discussion and Action

In addition to the above recommendation of the Executive Committee, President Richardson requested that the Board approve changing the date for com-
Mr. Halsey asked if there were any negative financial implications in delaying the report until May. Vice Chancellor Ihrig indicated that there were none.

The Board approved the Executive Committee recommendations and the amendment to change the date of completion. On roll call, the following voted in favor: Directors Adams, Bailey, Bruggere, Davis, Dodson, Halsey, Jackson, Miller, Swanson, and Richardson. Those voting no: none.

## Staff Report to the Board

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

### Award of Construction Contracts

- **Kidder/Milne Waterline Replacement, OSU**
  - On December 23, 1991, Dale Ramsay Construction Co. was awarded a contract for this project in the amount of $47,321.00. Financing will be provided from state funds.

- **Mid-Columbia Ag Research & Extension Ctr, Phase II--Cold Storage Addition, Electrical Systems, OSU**
  - On December 18, 1991, Steve Earnest Electric was awarded a contract for this project in the amount of $28,605.00. Financing will be provided from state lottery funds.
On December 18, 1991, Blue Sage Corporation was awarded a contract for this project in the amount of $59,698.00. Financing will be provided from state lottery funds.

On October 10, 1991, Adroit Construction Co., Inc., was awarded a contract for this project in the amount of $1,315,300.00. Financing will be provided from housing reserve funds.

On November 29, 1991, John May Construction Co., Inc., was awarded a contract for this project in the amount of $171,350.00. Financing will be provided from hospital funds.

On January 16, 1992, Meng-Hannan Construction Co., Inc., was awarded a contract for this project in the amount of $219,895.00. Financing will be provided from hospital funds.

This project is complete and was accepted on January 29, 1990. The estimated total project cost remains at $241,434.00. Financing was provided from Article XI-F(1) Bond proceeds.

This project is complete and was accepted on October 11, 1990. The estimated total project cost remains at $602,365.00. Financing was provided from Article XI-F(1) Bond proceeds.
Meeting #604

January 24, 1992

Benton Hall
Room 303
Renovation
Project, OSU

This project is complete and was accepted on November 30, 1991. The estimated total project cost remains at $72,401.00. Financing was provided from funds available to the institution, OSU Foundation funds and gift funds.

Campus Lighting Project, OSU

This project is complete and was accepted on December 31, 1991. The estimated total project cost remains at $237,687.00. Financing was provided from state funds.

Child Care Center, OSU

This project is complete and was accepted on November 11, 1991. The estimated total project cost remains at $946,328.75. Financing was provided from Article XI-F(1) bonds supported by building fees.

Street and Parking Lot Asphalt Concrete Patching & Paving Project, OSU

This project is complete and was accepted on September 1, 1991. The estimated total project cost remains at $28,723.00. Financing was provided from parking reserve funds.

Theatre Program Relocation Project, OSU

This project is complete and was accepted on December 31, 1991. The estimated total project cost remains at $688,382.00. Financing was provided from state funds.

Autzen Stadium Improvements, L. Casanova Athletic Ctr --Phase II-B, UO

This project is complete and was accepted on December 31, 1991. The estimated total project cost remains at $2,203,220.00. Financing was provided from gift funds.

Hamilton Hall Kitchen Alterations Equipment, UO

This project is complete and was accepted on December 2, 1991. The estimated total project cost remains at $246,411.00. Financing was provided from Article XI-F(1) bonds supported by housing fees.
Meeting #604
Science Facilities
Additions & Alterations
(Landscape Plantings), UO

Baird Hall Plumbing Replacement, OHSU

Medical Research Bldg, Molecular Biology Lab Remodel Rms 432, 437 Project, OHSU

Reroofing of Four Bldgs (Cramer Hall, Urban & Public Affairs, Mill Street Bldg, and West Heating Plant), PSU

Science Bldg One Exterior Repairs, PSU

Parking Improvements, OIT

ITEMS FROM BOARD MEMBERS

This project is complete and was accepted on November 18, 1991. The estimated total project cost remains at $83,011.00. Financing was provided from federal funds.

This project is complete and was accepted on July 1, 1991. The estimated total project cost remains at $315,647.64. Financing was provided from federal funds.

This project is complete and was accepted on October 25, 1991. The estimated total project cost remains at $92,480.55. Financing was provided from state funds.

This project is complete and was accepted on December 15, 1991. The estimated total project cost remains at $246,413.04. Financing was provided from state funds.

This project is complete and was accepted on November 25, 1991. The estimated total project cost remains at $261,410.00. Financing was provided from capital repair funds.

This project is complete and was accepted on November 25, 1991. The estimated total project cost remains at $414,522.00. Financing was provided from parking reserve funds.

(No Board action required.)

Mr. Halsey extended his sympathy and condolences to Oregon State University and the family of Earnest Killum who passed away. In addition, Mr. Halsey thanked Chancellor Bartlett and his staff for the
efficient ways in which they were keeping the Board informed on constant and fast changing events in the higher education world.

Mr. Dodson commended the president and vice president of the Board, Chancellor Bartlett, and the presidents on the compensation report. Continuing, he indicated that this is one of the hardest tasks the Board faces. He commended the presidents and Chancellor on the exemplary ways in which they were performing, as reflected in the evaluation of President Kohler, and expressed appreciation for their willingness to enter into what amounts to reduced compensation. "I think the symbolism is very important when it comes to communication, but it often comes at a real personal sacrifice," continued Mr. Dodson.

In addition, Mr. Dodson thanked Dr. Bonnie Staebler for the fine job she has done in communicating with the Board during the past year and remarked about the importance of open communication during the coming months.

In reporting on the activities of the Board Administrative Review Committee, Mr. Miller thanked Mr. Richardson and Ms. Peggy Archer, Senior Legislative Analyst, for their attendance and participation in all of the meetings. In addition, Mr. Miller acknowledged the cooperation of President John Byrne and Vice President Edwin Coate of Oregon State University for their cooperation in working with the Committee.

Mr. Bruggere provided the Board with a status report on the Oregon Joint Graduate Schools of Engineering (OJGSE), indicating that the Committee had been meeting on a regular basis since early fall. The primary foci have been on educational program delivery in the greater Portland metropolitan area and, joint research programs. In the educational domain, the Committee has been examining a number of models for delivery of programs both within the state and in other parts of the country as well. Relative to research, the goal is to achieve collaboration among education, business, and government by seeking outside funding for jointly sponsored programs. This has included the submission of two grants to the National Science Foundation (NSF). These proposals hold a great deal of pro-
mise and, if not successfully funded by NSF, will be submitted to other sources. Finally, the Council is exploring mergers of existing resources which have commonalities. Finally, the Council has allocated the budget of $5 million set aside for OJGSE. Of the $5 million, $3.5 will be funnelled to the Oregon State University, University of Oregon, and Portland State University Centers of Excellence; $1.3 in matching research funds will be set aside for initiatives such as the NSF proposals; and, finally, resources for administrative items during the next few years.

Ms. Marilynne Keyser, Director, Office of Educational Policy and Planning, and Representative Tony Van Vliet attended the last meeting of the Council.

Mr. Bailey reported on the work of the Joint Boards Planning Committee and indicated that a formal agenda of the March Joint Boards meeting would be available to Board members at the February meeting. In addition, he thanked Dr. Holly Zanville for her efforts to move programmatic items forward and to Dale Hess and Roger Bassett for assistance on organizational matters.

President Richardson reminded the Board members of the lunch with the Oregon Student Lobby immediately at the conclusion of the Board meeting. The Board Renewal Work Session was scheduled to begin at 2 p.m. according to the agenda provided.

President Richardson announced that the February 28, 1992, meeting would be held on the campus of Western Oregon State College and would include a scheduled visit to the campus.

Mr. Richardson acknowledged that Bob Pickard, State Representative from District 54, Bend, and State Representative Marie Bell from District 41, Eugene, were in attendance at the meeting.

Finally, Mr. Richardson indicated that Ms. Lynn Pinckney, Director of the Oregon Student Lobby, had resigned and would be leaving OSL in March. He thanked her for her willingness to work closely with the Board and indicated that her leadership would be missed.
Meeting #604

ADJOURNMENT

The meeting adjourned at 12 noon.

Virginia L. Thompson, Secretary
Oregon State Board of Higher Education

George E. Richardson, Jr.
President