# MINUTES OF REGULAR MEETING OF THE OREGON STATE BOARD OF HIGHER EDUCATION

March 27, 1992

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## ADJOURNMENT

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The meeting was called to order at 10:55 a.m., Friday, March 27, 1992, by President of the Board, George E. Richardson, Jr.

On roll call, the following answered present:

Mr. Robert Adams      Ms. Beverly Jackson
Mr. Bob Bailey        Mr. Les Swanson
Ms. Britteny Davis   Ms. Janice Wilson
Mr. Chris Halsey      Mr. George E. Richardson, Jr.

Directors Tom Bruggere, Mark Dodson, and Rob Miller were absent due to personal schedule conflicts.

Chancellor's Office -- Chancellor Thomas Bartlett; Roger Bassett, Director, Governmental Relations; Janet Billups, Director, Legal Services; Virginia Boushey, Assistant Vice Chancellor, Academic Affairs; Gary Christensen, Assistant Vice Chancellor, Academic Affairs; Shirley Clark, Vice Chancellor, Academic; Francesca Clifford, Assistant Director of Communications; Dale Hess, Special Assistant to the Director of Governmental Relations; Peter Hughes, Director, Internal Audit; Weldon E. Ihrig, Vice Chancellor, Finance and Administration; Steve Katz, Controller; Larry Large, Vice Chancellor, Public Affairs; Jim Mattis, Assistant Attorney General; John Owen, Vice Chancellor, OCATE; Greg Parker, Director, Communications; George Pernsteiner, Associate Vice Chancellor for Administration; Virginia L. Thompson, Board Secretary and Executive Assistant to the Chancellor; 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; Peggy Miller, Vice President, Finance.

Oregon Institute of Technology -- Lawrence Wolf, President; 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; Bruce Shepard, Assistant Vice President for Undergraduate Studies.

Portland State University -- Judith Ramaley, President; Lindsay Desrochers, Vice President, Finance and Administration.

Southern Oregon State College -- Joseph Cox, President.

University of Oregon -- Myles Brand, President.

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

Others -- Peggy Archer, Senior Legislative Analyst, Legislative Fiscal Office; LeRoy Gornick, Liaison, Oregon Education Association; Kathleen Heath, OSU Faculty Senate President; Kate Menard, Executive Assistant, Oregon Student Lobby; Lynn Pinckney, Executive Director, Oregon Student Lobby; Viviane Simon-Brown, COCHE Director, COCC.

The Board dispensed with the reading of the minutes of the last regular meeting held on February 28, 1992, and approved them with corrections noted by Mr. Adams. The following voted in favor of approving the amended minutes: Directors Adams, Bailey, Davis, Halsey, Jackson, Swanson, Wilson, and Richardson. Those voting no: none.

Chancellor Bartlett thanked President John Byrne and his staff for such a beautiful setting for the meetings of the Board. He observed that the special art display provided a pleasant change of atmosphere.

Chancellor Bartlett recognized the April 1, 1992, retirement of Dean Jim Lundy, Eastern Oregon State College. Dean Lundy has been with the Oregon State System of Higher Education for 35 years, during which time he served five years at Oregon State University before moving to Eastern Oregon State College. During the 30 years at Eastern Oregon State College, Mr. Lundy held positions of business manager, director of business affairs, and, final-
Meeting #606  

March 27, 1992

Meeting 

Staff Reductions

The past month has been a turbulent time for the State System as plans progress to reduce 813 positions in accordance with the Governor's plan. Chancellor Bartlett expressed gratitude to the presidents, administrative staff, and countless others on the campuses who have been working in a positive manner to complete the reduction plans.

While the immediate reduction plans are complete, achieving the remainder of the reductions will be significantly affected by the conclusions, decisions, and recommendations of the Board Administrative Review Committee (BARC). The Executive Office has agreed that the State System will not have to make decisions prior to the report of the Committee, which might be in conflict with or disrupt the work of BARC.

System-wide Collaboration

Although there are a large number of staff at the System level who work on procedural activities, in policy domains staff is very small and spread too thinly. To assist in expanding the number of collaborative efforts among institutions and the Chancellor's Office, the Chancellor is calling on the presidents and administrators to assume a kind of corporate responsibility. Dr. Bartlett indicated this is a healthy and potentially important way to work on substantive issues with increasingly fewer resources.

To illustrate, the Chancellor reported that President Judith Ramaley has agreed to take a lead role in coordinating System efforts with relation to the Benchmarks project. President Peter Kohler is studying how the System is organized in regard to nursing education within the System. Vice Chancellor Clark is developing a state-wide, System-wide approach to teacher education programs. Finally, in the field of engineering, the Engineering Council is developing a new, unique, and creative way to relate engineering and related disciplines within the State System and between the State System and the Oregon Graduate Institution, a private institution.
Meeting #606

The pattern of asking campus administrators to assume responsibilities for System-wide concerns is one that will be expanding as the work load for proceeding on more initiatives continues to accelerate and while resources are declining.

NAIA
Division II
Women's
Basketball,
WOSC

The NAIA Division II Women's Basketball Championship games were held at Western Oregon State College March 12-17, 1992. This was the first time such an event has occurred at Western Oregon State College and the event attracted over 8,800 fans. Financially, the event broke even and, perhaps, made money, having received very good support from a number of corporate sponsors, including State Farm Insurance. The event was so successful that the Championship games are being scheduled for Western Oregon State College again next year.

Federal
Legislation

Vice Chancellor Larry Large reported that the Senate Bill of the Omnibus Higher Education Act passed and the House Bill was being debated. Final actions are predicted to occur in early summer. The major changes that are still part of the debate relate to the Pell Grants. Dr. Large indicated that the Oregon Student Lobby, in particular Lynn Pinckney and Kate Menard, and students in Oregon have provided leadership and have made a profound effect on the student financial aid policy questions before Congress. Calls have been received from the Oregon delegation in Washington thanking the students for the significant role they have played.

Dr. Large continued that the Pell Grants will not be an entitlement. The Bill continues to have a new and expanded role for the federal bureaucracy and state agencies in the determination of eligibility for financial aid among the institutions, a practice formerly assigned to the accreditation agencies.
PROPOSAL FOR THE INITIATION OF A REVISED INSTRUCTIONAL PROGRAM LEADING TO THE ENDORSEMENT IN EARLY CHILDHOOD EDUCATION, PORTLAND STATE UNIVERSITY

March 27, 1992

Introduction

The Teacher Standards and Practices Commission (TSPC) recently added early childhood education as a new endorsement area. Local school districts may use the early childhood endorsement on a voluntary basis in employing teachers for the primary grades. Other employers, such as preschools, also may use the endorsement in selecting teachers prepared with an emphasis on early childhood education.

Portland State University has offered a number of early childhood courses during the last several years, with an average of 15-20 students enrolled per course. The School of Education has offered an early childhood area of concentration on teaching pre-kindergarten through primary grades.

Staff Analysis

1. Relationship to Approved Mission

The proposed program is consistent with Portland State University's mission to provide excellent programs in teaching, research, and public service.

2. Evidence of Need

The TSPC recently established standards for an early childhood education endorsement in response to needs of local school districts and preschools to employ teachers prepared with a focus on early childhood. Kindergarten became mandatory in Oregon public schools within the past few years, and there is a high priority in Oregon and the nation on preschool education (for example, Headstart programs) and primary grades (particularly for early identification of at-risk children).

3. Quality of the Proposed Program

For the last three years, Portland State University has been offering six out of the seven courses that will comprise the 21 graduate credit endorsement program. The Department of Curriculum and Instruction in the School of Education will offer the proposed endorsement with some course work from the departments of...
Educational Policy, Foundations, and Administrative Studies, and Special and Counselor Education.

The 21-hour program has been designed to meet the standards of TSPC and the National Association for the Education of Young Children.

Approximately 25-30 students are expected to complete the graduate-level endorsement program. The early childhood endorsement must be attached to a teaching certificate and, therefore, students will have a foundation from which to specialize. Admission to the proposed course of study will require a minimum of nine credits of undergraduate course work in child growth and development and early childhood education or experience in a recognized developmentally appropriate early childhood education setting.

4. Adequacy of Resources to Support the Program

Faculty. Faculty teaching the courses for the endorsement are already on board. All seven faculty members have graduate level training and experience in early childhood education.

Library. Library holdings are adequate for start-up of the program. Additional library resources will be necessary to update courses as new research and program information become available.

Facilities and Equipment. Current facilities are adequate to offer the program. These include classrooms in the School of Education, and practicum sites at the Helen Gordon Child Development Center and the community colleges in the Portland Metropolitan area.

Budget Impact. Because the courses in the proposed program, with one exception, have been offered for three years, there are not expected to be new costs to offer the proposed program.

5. Duplication

Specialty courses in early childhood education are available at several public and independent institutions offering preparation programs for
elementary teachers. Western Oregon State College and Southern Oregon State College received authorization from the Board within the last year to offer the new endorsement program in early childhood education. Similar programs are available at Warner, Pacific College, Linfield College, and Concordia; however, these are undergraduate endorsement programs. Oregon State University also offers an early childhood education option in the B.S. degree in Human Development through the College of Home Economics and Education. Given the importance of early childhood education to Oregon’s 21st Century reform agenda, early childhood education is expected to be an important growth area. The state’s emphasis on early childhood education will require provision of a number of specialized programs throughout the state.

6. Program Review

The program was favorably reviewed by the Academic Council on February 27, 1992. The program will be submitted to the Teacher Standards and Practices Commission for its approval as well.

Staff Recommendation

Staff recommended the Board authorize Portland State University to initiate a revised instructional program leading to an endorsement in early childhood education, effective spring term, 1992.

Discussion and Recommendation by the Committee of the Whole

In opening the discussion on the Early Childhood Education Endorsement proposal, Vice Chancellor Clark indicated that the proposal was supportive of goals of HB 3565, the Education Reform Bill, which proposes to greatly expand the scope of the educational system to encompass early childhood education. If the Board were to approve the endorsement, there would be three institutions offering the endorsement: Western Oregon State College, Southern Oregon State College, and Portland State University. Vice Chancellor Clark introduced Professor Amy Driscoll, a member of the faculty in the program at Portland State University.
Professor Driscoll indicated there were four main points she wanted to highlight about the program. First, the program represents a collaborative effort within the School of Education at Portland State University. Faculty from Special Education and Counseling, Educational Policy, Foundations, and Administration Studies; and Curriculum and Instruction are involved in teaching some of the courses. Dr. Driscoll indicated that the faculty power generated from the collaborative efforts allows offering courses frequently enough to meet the demands of the students.

The second highlight was that the program, as a graduate program, is a natural extension of the current graduate teacher education program and fits well as a specialty in the master's programs in Curriculum and Instruction. A third highlight was that, to meet the practicum requirements of the endorsement, Portland State University has an excellent Laboratory School in the Helen Gordon Child Development Center. A new extension of that Laboratory School at Mentor Graphics, designed by Margaret Browning, Director of the Helen Gordon Child Development Center, provides a very different field experience for students. In addition, Portland State University has a healthy relationship with the Portland Public Schools through the Early Childhood Centers.

The final point highlighted by Professor Driscoll was the very strong need for the endorsement. The number of inquiries and applications for the program have grown each year for the past seven years.

Ms. Jackson asked what the level of growth had been and Professor Driscoll indicated that, seven years ago, there were ten to 12 students per course; three years ago, 15 to 20; and in the fall of 1991, the numbers were up to 30 in just one of the courses.

Mr. Adams asked if the courses, which are at the graduate level, were available to undergraduates as well. Professor Driscoll replied that they were not since the endorsement must be attached to a teaching certificate, and the certificate program is graduate level.
Ms. Davis noted the materials indicate a spring term, 1992, start date and questioned the feasibility of that date. Professor Driscoll pointed out that none of the courses are new; they are revised courses. What is new is the combining of the courses into a program, an endorsement.

Mr. Richardson asked what would happen if the Teachers Standards and Practices Commission (TSPC) decided not to approve the program, to which Professor Driscoll replied that Portland State University has worked very closely with TSPC and it appeared that final approval would be pro forma. In the interim, however, Portland State has made it clear to students that final approval is pending.

The Committee recommended the Board approve the staff recommendation.

Board Discussion and Action

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

Summary

The Office of Academic Affairs proposed adoption of OAR 580-10-083, Scholarships Funded by Sports Lottery Revenue, and approval of plans to initiate a scholarship program using revenue from the Sports Lottery.

Staff Report

The 1989 Legislature established the Intercollegiate Athletic Fund -- and within that Fund, the Sports Lottery Account -- to receive revenues from the then newly established Sports Lottery.

Funds credited to the Sports Lottery Account are continuously appropriated to the State Board of Higher Education. Eighty-eight percent of the funds in that account are required to be used to fund athletic programs, and the remaining 12 percent (up to a maximum of $1,090,909 per year) are required to be used to fund scholarships. ORS 461.543 (5)(b) directs the Board to distribute the
scholarship funds equally between scholarships based on academic merit and scholarships based on need, and to establish the meaning of the terms "academic merit" and "need" in an Administrative Rule. A copy of the relevant statutory language accompanies this report.

The 1989 Sports Lottery legislation contained a provision requiring diversion of income from the Sports Lottery to cover quarterly revenue shortfalls in the State Lottery Fund. During the 1989-91 biennium, with the exception of the fall 1989 quarter, the State Lottery Fund experienced a shortfall every quarter. The shortfalls resulted in minimal funds being credited to the Sports Lottery Account.

The statutory provision requiring diversion of Sports Lottery income to the State Lottery Fund expired at the end of the 1989-91 biennium. Funds now are accruing to the Sports Lottery Account, and there is reasonable expectation of continued income.

On the basis of available funds and the expectation of continued income to the Sports Lottery Account, the Office of Academic Affairs plans to go forward with implementation of a scholarship program funded from Sports Lottery revenue.

Following adoption of the Sports Lottery legislation in 1989, a subcommittee of the Academic Council was asked to develop a proposal for use of the scholarship funds. The subcommittee noted that the State System allocates substantially more resources to financial assistance for undergraduate students than for graduate students, and that a widespread shortage of doctorally-prepared students is anticipated by the mid-1990s, in Oregon and throughout the nation. This shortage will occur as a result of the large proportion of current faculty who will reach retirement age in the early to mid-1990s, coupled with the fact that the number of students entering doctoral programs has been steadily declining since the mid-1970s. In addition, the subcommittee noted the importance of increasing the participation rate of under-represented ethnic minorities in all graduate programs, and of women in fields traditionally dominated by men.
Following adoption of the proposed Administrative Rule, the Office of Academic Affairs, in consultation with the Academic Council, will develop guidelines and procedures for allocating the designated Sports Lottery revenues to the institutions to fund scholarships for graduate students.

The Office of Academic Affairs recommended adoption of the following Administrative Rule.

Scholarships Funded by Sports Lottery Revenue
580-10-083 (1) The Office of Academic Affairs will allocate scholarship funds as authorized by ORS 461.543 (5)(b) and funded from the Sports Lottery Account. Scholarship funds will be divided equally between scholarships awarded on the basis of need and scholarships awarded on the basis of academic merit.

(2) For purposes of this rule:
(a) "Academic merit" will be determined by acceptance into an OSSHE graduate program or by a record of scholarly achievement as demonstrated by grade point average, test scores on nationally recognized admissions tests or other evidence of scholarly or creative ability.
(b) "Need" will be determined in accordance with the federal guidelines established pursuant to the Higher Education Act of 1986 together with consideration of the costs associated with an applicant's academic program.

(3) The Vice Chancellor for Academic Affairs shall establish additional criteria and procedures consistent with this rule for selecting among applicants eligible for scholarships under this rule.

A draft of the proposed Rule was circulated to the institutions for comment and a hearing was held on Thursday, March 12, to receive public comment. Virginia Boushey served as the Board's designated hearings officer. No one came forward to present comments at the public hearing.

Following adoption of the proposed Administrative Rule, the Office of Academic Affairs will develop written guidelines for institutions to follow in awarding Sports Lottery Scholarships. These guide-
lines will be consistent with the recommendations of the Academic Council and will be presented to the Board as an information item.

Staff Recommendation to the Committee of the Whole

Staff recommended approval of OAR 580-10-083, Scholarships Funded by Sports Lottery Revenue.

Discussion and Recommendation by the Committee of the Whole

In opening discussion on the proposed Rule, Vice Chancellor Clark indicated that section (2)(b) should be amended to read:

"Need" will be determined in accordance with the federal guidelines established pursuant to the Higher Education Act of 1965, as amended, ...

Vice Chancellor Clark reminded the Board that the 1989 Oregon Legislature established an intercollegiate athletic fund and with it, the Sports Lottery account. Funds credited to the account are distributed by formula: 88 percent for athletic programs, but not to exceed an amount of $8 million annually, and 12 percent, not to exceed an amount slightly in excess of $1 million to fund scholarships. Further, by Oregon statute, the scholarship funds must be distributed equally between scholarships based on academic merit and scholarships based on need as determined by the State Board of Higher Education.

If there are additional monies after the maximum allowable allocations are made from the resources in the account, there is a further distribution formula including $3 million annually to the Oregon State Scholarship Commission for scholarships, and any remaining funds to be applied to the state need grant program.

To date, because of the provisions of the 1989 Sports Lottery Legislation requiring diversion of lottery income to cover revenue shortfalls in the State Lottery income, minimal funds have accrued to the Scholarship Fund. Funds are beginning to accumulate and Vice Chancellor Clark indicated that, upon Board adoption of the Administrative Rule, she proposed forming a subcommittee of the
Academic Council to study and recommend criteria and procedures for distributing the scholarships as of fall 1992.

Because of the preponderance of OSSHE tuition waiver programs that serve undergraduate students and the relative dearth of financial resources available to award advanced students, a 1989 subcommittee of the Academic Council recommended that the scholarships be distributed to students in graduate programs and post-baccalaureate professional programs.

Mr. Bailey, Mr. Adams, and Mr. Richardson raised questions concerning the explicit focus of the scholarships on graduate students. Mr. Bailey asked if there were any unwritten expectations concerning the intent of the use of the funds. Dr. Clark emphasized that the Academic Council had determined that the focus on graduate students was appropriate, since there are so few forms of direct aid of the nature proposed.

Mr. Bailey asked if the Rule was discriminatory since some institutions had more graduate programs than others. Dr. Clark indicated that the observation was accurate, there are differentials. Allocations would be dependent on the specific procedures drawn up, and every effort would be made to allow for equitable distribution patterns. Continuing, Vice Chancellor Clark responded that the Oregon Health Sciences University would be included as an eligible institution. Further, she indicated that in elaborating the procedural rules, care would be taken to define "graduate programs."

Wording of the Administrative Rule was not clear and left open the possibility of awarding scholarships to undergraduate students. Vice Chancellor Clark proposed a change to the Rule, adding a clarifying amendment to the second sentence of the first paragraph that would read:

Scholarship funds will be awarded for post-baccalaureate professional and graduate students, and will be divided equally between scholarships awarded on the basis of need and scholarships awarded on the basis of academic merit.
The Committee of the Whole recommended the Board approve the staff recommendation with the correction and amendment as noted.

Board Discussion and Action

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

OSSHE TASK FORCE ON ASSESSMENT

Staff Report

Assessment of educational outcomes emerged as a prominent national issue in higher education in the mid-1980s. In a short period of time, assessment has taken on a new urgency in public dialogue as national commissions, professional associations, policy analysts, scholars, governors, and state legislators have directed attention to the performance and effectiveness of higher education broadly. Campus Trends 1991 reports that almost all of the nation's campuses have some form of assessment of student learning activity underway, compared to only 55 percent of institutions reporting assessment activity as recently as 1988.

Considerable assessment attention is focused on the undergraduate experience and the outcomes of the teaching-learning process. Some of it is aimed at faculty productivity and institutional effectiveness. Much of the interest in assessment comes from a heightened public concern with accountability for the best, most efficient use of resources. In Oregon, assessment and accountability in higher education are related to a broad statewide strategy outlined in Oregon Shines, Oregon Benchmarks, and Human Investment Partnership, all projects of the Oregon Progress Board aimed at enabling Oregonians to become measurably "the best educated and trained people in the U.S. by the year 2000 and equal to any in the world by the year 2010."

Last April, an OSSHE Task Force on Assessment was appointed by the Vice Chancellor for Academic Affairs. Membership includes Bruce Shepard, Oregon State University, chair; Virginia Boushey, OSSHE Office of Academic Affairs; Bill Cowart, Western Oregon State College; Christian Eismann, Oregon
The charge to the Task Force was three-fold. First, members were asked to develop a thorough understanding of the relationship between assessment and the public interest in accountability in higher education. The second task was to review programs of assessment in place in OSSHE institutions. Third, the group was asked to formulate recommendations to assure that the System has appropriate assessment programs, activities, indicators, and reporting mechanisms in place to meet diverse internal and external needs for maintenance of quality and for public support.

The draft report of the Task Force on Assessment was reviewed and discussed in February 1992, by the Academic Council. The final report, in full, was included in the docket. Several members of the Task Force were present at the meeting to discuss the principles developed from their investigations and deliberations, and the recommendations to the Chancellor and the Vice Chancellor for Academic Affairs for institution- and System-level implementation. Attention, in particular, was called to the seven recommendations concerning comprehensive institutional programs of assessment, the importance of focusing assessment on major educational goals, needed activities at the System-level, and regular reports on assessment results to the public. Board Members also may be interested in reviewing Appendix A: Inventory of OSSHE Assessment Activities, for a categoric overview of the array of assessment activities taking place.

Discussion by the Committee of the Whole

Vice Chancellor Clark introduced members of the OSSHE Task Force on Assessment: Dr. Bill Cowart, Western Oregon State College; Dr. James Hottois, Eastern Oregon State College; Dr. Donna Jensen, Oregon Health Sciences University and representa-
tive of the Interinstitutional Faculty Senate; Dr. Bruce Shepard, Oregon State College, chair of the Task Force; and Virginia Boushey, OSSHE.

Dr. Clark indicated that the Task Force had been appointed in the spring of 1991, and had met on a regular basis for a year. The Task Force has worked on the three basic charges given to it at the time of formation.

Dr. Shepard indicated that the first steps of the Task Force were to identify common misunderstandings about assessment and then answering the question, "What is outcome assessment?". Common definitions include reference to it as a standard part of management processes that permeate higher education, to the modern version that ranges from a management tool to "what I call a ubiquitous political shibboleth, a nice word that sprinkles through policy documents, plugs gaps, and creates the impression, if not the actuality, of grappling with the underlying fundamental problems."

In addressing the relationship between the public's interest in accountability and assessment and that of the institutions, the Task Force concluded that the public's interest in assessment is not an attempt to dictate to higher education what it ought to be doing but rather it is saying to higher education, "You figure out what higher education is supposed to be doing, do a better job of defining and explaining it in language that is meaningful, and then document achievement of what you've claimed higher education is to achieve."

A second point is that the public is not interested in higher education's traditional discussions of inputs; they are interested in results. Although educators in higher education deal on a daily basis in results and measurement of them, when talking to the public the conversations shift to items such as inputs, facilities, students, and resource allocations. Another side of the public's concern is that of accountability based on results and achievement.

The Task Force agreed that simplistic assessments, such as quantitative measures, do not work. On the other hand, Dr. Shepard indicated that meaningful qualitative assessment requires the use of more
complex management tools -- student portfolios, comparison of work of students across a time span.

The Task Force focused on the gaps in assessment at the conclusion of the undergraduate program level and assessment of the general education programs.

The recommendations for the Task Force are part of the report included in Board docket materials. Dr. Shepherd concluded that there had been positive reactions to the work of the Task Force and there are clearly future steps required.

Mr. Adams asked for clarification of the statement that standardized testing largely measures the socio-economic background of students. Dr. Shepherd responded that one of the best predictors of the score a person will get on a standardized test is the simple fact of the amount of money the parent of the student earns. Therefore, if admission to an institution in Oregon is determined wholly or in large part by the score on an achievement test, students might be ruled out for the wrong reasons.

Ms. Wilson congratulated the Task Force on the work that produced an excellent report. She asked if the recommendations were focused only on undergraduates or if they included graduate programs.

Dr. Shepard indicated that the general recommendation to develop a coherent, comprehensive program would cover both sectors. In this particular report, end-of-program recommendations addressed only undergraduate education.

Chancellor Bartlett suggested that as a practical matter there was a need to divide assessment and accountability because assessment is the process of internally analyzing ourselves; accountability is something that is done for an external constituency. The majority of the time, he continued, language is consistent with that dichotomy.

Chancellor Bartlett remarked that the report was an excellent start on what must be a continuing effort to address the assessment/accountability continuum. He indicated that the public seems to be asking for some kind of guarantee that an individual who gets a baccalaureate degree from an institution has certain basic levels of education. Satisfying this
side of the argument might take the "teeth out of much of the public complaint and the debate would be a much healthier one."

President Richardson asked what next steps would be taken either from the Task Force or from the Academic Council perspective. Vice Chancellor Clark responded that each institution would be asked to develop, in a coherent way, its own program of assessment. That would, in essence, ask each institution to indicate what is currently being done and what needs to be done to have a more complete assessment process. Another major component of the process is attempting to communicate more adequately with the public the limited number of major indicators of effectiveness in language that can be understood by the public. "We think we ought to produce, in readable form, on a fairly frequent basis, the substance of assessment reports for shared consumption. This should include not only what it is we assess, but what has been found when the assessment took place."

Mr. Adams observed that frequent reference had been made concerning the need to relate what we do with the Benchmarks and other references to having the best educated and trained people in the world. He indicated that the disturbing thing is that higher education has been left out of the Benchmarks as a lead agency and yet part of our endeavors are listed as a key item in the proposals coming from the Governor's office. Finally, Mr. Adams indicated that the stand of the Board and the Chancellor's Office should be that higher education is a key actor.

(No Board action required)

Staff Report to the Committee

In 1985, the Board authorized the Chancellor's Office and the University of Oregon to begin development of the Riverfront Research Park. By 1987, the State, the University of Oregon, and the City of Eugene had forged a partnership to develop a 67-acre parcel of University land near the Willamette River. The Research Park was to attract high technology industries in advanced computing, software development, biotechnology, materials science, environmental technology, and industrial research.
and development. Patterned after research parks centered around other American universities, the Riverfront Research Park has been envisioned as a business-University-government partnership that would draw upon the expertise of University of Oregon faculty and the investment of private industry to foster research and development, and create stable new jobs for the Eugene-Springfield economy.

A Master Plan and Design Guidelines for the project were approved in 1988. A conditional use permit for site development was granted in 1989. Work on infrastructure improvements (streets, traffic signalization, etc.) began in 1990.

One portion of the site now is available for development. The private developer selected in 1989 (Institutional Development Associates of Salt Lake City) is prepared to begin construction of a three-story, 60,000-square-foot building in the Silva sector of the Research Park south of the Southern Pacific Railroad tracks. The building was designed by the Portland firm of Fletcher Farr Ayotte Architects.

An anchor tenant (Dynamix, Inc., a computer software firm) will occupy 42,000 square feet, while four University of Oregon offices will occupy 15,000 square feet in the facility. (The University's participation as a tenant was an original precept of the Research Park plan. Lease payments will be made using already approved lottery funds until indirect cost recoveries are sufficient to make such payments. No general or tuition funds will be used.)

Ultimately, the Research Park is envisioned to encompass about 1.2 million square feet of facilities on a park-like campus and is expected to provide employment for 3,000 workers. University and City officials expect this full development to take about 20 years to complete.

The University sought approval from the Board to lease about four acres to the developer for a 50-year renewable term. This represents the first phase of the development of the Riverfront Research Park and will permit the developer to construct the first building and have it ready for occupancy by the end of 1992. The developer will pay the Uni-
versity $1 per year in 1992 and 1993; $11,250 in 1994; and $25,000 per year in 1995 through 1997. Beginning in 1998, the developer will pay the University ten percent of the adjusted value of the land based upon periodic appraisal and CPI adjustment. The University estimates the value of the land to be $600,000.

All tenants of the Riverfront Research Park must engage in research and/or development that complements the research and educational activities of the University of Oregon. Research or other work on weapons, or other matters or items that destroy or injure human life, is prohibited. All phases of design must be reviewed by a University-appointed Design Advisory Committee.

In addition, the University requested the Board approve an option to enter into a subsequent agreement with the developer to develop the other two building sites in the Silva sector if the first building is developed successfully.

The lease was prepared by counsel to the University and has been reviewed and approved as to form by counsel to the Board. The Riverfront Commission, which advises the University President and the Eugene City Council, has reviewed and endorsed the lease.

**Staff Recommendation to the Committee of the Whole**

Staff concurred with the request of the University of Oregon and recommended the Board authorize the President and Secretary to enter into a lease agreement with IIA, Inc., for the property necessary to develop the first phase of the Riverfront Research Park, including the execution of an option to develop the second and third buildings in the Silva sector, upon the request of the University of Oregon to do so.

**Discussion and Recommendation by the Committee of the Whole**

Vice Chancellor Ihrig remarked that the Riverfront Project is one of the unique collaborations among business, university, and government that can pay great dividends as efforts continue toward addressing continuous changes in technology.
Mr. Pernsteiner reminded the Board that the University of Oregon was seeking approval of the Board to sign a lease for 50 years to allow the developer to construct the first building of the complex.

Mr. Halsey questioned why the developer was being charged one dollar and not some other amount. Mr. Pernsteiner indicated it was more of a formality and payments increase as the Research Park becomes more fully developed and the cash flow improves.

Ms. Wilson asked what the likely impact would be on the University of Oregon in the face of an additional 3000 employees in high technology industries and whether there were connections between efforts and those of the Engineering Council in Portland. Mr. Richardson expanded the question by asking about the impact in terms of things like housing needs and parking.

Vice Chancellor Clark responded that having additional well-educated people is a real boon for a community, in this case, the University of Oregon and the City of Eugene, and their programs and resources. In terms of the initiatives in Portland, Dr. Clark responded that there are a number of initiatives underway in systematic planning in graduate programs and there is the hope that joint campus graduate programming guidelines will provide a blueprint or way of facilitating more activity.

Dr. Norman Wessells, Provost of the University of Oregon, indicated that it is difficult to answer a question regarding the impacts in 20 years of initiatives started today. Twenty years ago, he observed, basic science at the University of Oregon was substantially weaker than it is today. It has been a remarkable two decades of growth and change. Provost Wessells expressed confidence that the University of Oregon would be able to attract tenants to the Research Project, but the programs being offered in 20 years would not be the same ones offered in the current environment.

Mr. Bailey expressed concern about the Board agreeing to financial obligations that would have to be honored absent general fund resources. He asked what the University of Oregon’s obligations were to the project, how much of the lottery funds would be
Mr. Pernsteiner indicated that at the time the Board docket item was prepared, the University of Oregon anticipated occupying 15,000 square feet for a period of several years. In fact, private tenants have been identified for two-thirds of the space so that participation on the part of the University of Oregon will be less than originally portrayed.

President Richardson recalled that several years ago when the Board was considering the University of Oregon's master plan and plans for the Research Park, there was opposition to it by environmental and peace groups. He wondered if those concerns had been addressed.

Over the past years, Mr. Pernsteiner responded, concern has been raised by several different groups. In 1985, the Board dealt with these very directly in an amendment to the original plan that banned the use of weapons research, among other things. The precepts the Board articulated at that time are contained in the current proposal.

Mr. Richardson and Mr. Adams asked about the composition and responsibilities of the review bodies. Mr. Adams expressed concern about the lack of "teeth" in the word "review." The Committee is the University of Oregon Committee that would review the plans and specifications and notify the leasee of plan approval.

Mr. Swanson asked if, at the end of 50 years, the building and land could revert to University of Oregon or City of Eugene ownership. Mr. Pernsteiner indicated it reverted to the Board. However, at the end of 50 years there are four 12-year extension periods allowed. In theory, there could be between 50 and 98 years on the lease.

The Committee of the Whole recommended the Board approve the staff recommendation.

**Board Discussion and Action**

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

Staff Report to the Board

The State Board of Higher Education has the opportunity to achieve significant debt savings by refunding three series of outstanding bonds. This will require the issuance of Advance Refunding Bonds. Authorization for the sale is granted by Oregon Revised Statutes 288.605 through 288.695, inclusive.

Board action to approve the following bond resolution was required before the State Treasurer could arrange for, and proceed with, the sale.

RESOLUTION

WHEREAS, THE STATE BOARD OF HIGHER EDUCATION OF THE STATE OF OREGON (the "Board") deems it necessary, pursuant to law, including Article XI-F(1) of the Constitution of the State of Oregon, and applicable provisions of Oregon Revised Statutes Chapter 286, 288, and 351, to sell general obligation bonds to refund outstanding bonds;

WHEREAS, ORS 286.033 requires the Board to authorize bonds by resolution, and ORS 286.031 provides that all bonds of the State of Oregon shall be issued by the State Treasurer; now, therefore,

BE IT RESOLVED BY THE STATE BOARD OF HIGHER EDUCATION OF THE STATE OF OREGON AS FOLLOWS:

Section 1. Issue. The State of Oregon is authorized to issue general obligation bonds (the "Bonds"), in such series and principal amounts as the State Treasurer, after consultation with the Vice Chancellor for Finance and Administration of the Department of Higher Education, shall determine are required to refund the bonds described in Section 2 below. The bonds shall be designated, dated, authenticated, registered, shall mature, be payable, be subject to redemption, and otherwise contain such terms as the State Treasurer determines, after consultation with the Vice Chancellor for Finance and Administration. The bonds shall be sold on terms that produce significant savings.
Section 2. Bonds to be Refunded. Bonds may be issued to refund all or any portion of the following series of bonds, which were originally issued in the following principal amounts: State of Oregon State Board of Higher Education Building Bonds, 1986 Series A, in the amount of fourteen million three hundred fifty thousand dollars ($14,350,000); State of Oregon State Board of Higher Education General Obligation Building Bonds, 1988 Series A, in the amount of nine million three hundred twenty thousand dollars ($9,320,000); State of Oregon State Board of Higher Education General Obligation Building Bonds, 1988 Series C, in the amount of twenty-six million two hundred twenty-five thousand dollars ($26,225,000); and to pay related costs.

Section 3. Maintenance of Tax-Exempt Status. The Board covenants for the benefit of the owners of the bonds to comply with all provisions of the Internal Revenue Code of 1986 (the "Code") required for bond interest to be excludable from gross income for federal income taxation purposes (except for taxes on corporations). The Board makes the following specific covenants with respect to the Code:

(a) The Board shall not take or omit any action if the taking or omission would cause the bonds to become "arbitrage bonds" under Section 148 of the Code, and shall assist in calculations necessary to determine amounts, if any, to allow the State to pay to the United States all "rebates" on "gross proceeds" of the bonds required under Section 148 of the Code.

(b) Covenants of the Board or its designee in its tax certificate for the bonds shall be enforceable to the same extent as if contained herein.

Section 4. Sale of Bonds. The State Treasurer, with the concurrence of the Vice Chancellor for Finance and Administration, shall sell the bonds as the State Treasurer deems advantageous.

Section 5. Other Action. The State Treasurer, the Vice Chancellor for Finance and Administration, or the Controller of the Department of Higher Education are hereby authorized, on behalf of the Board,
to take any action that may be required to issue, sell, and deliver the bonds in accordance with resolution.

Staff Recommendation to the Committee

Staff recommended the Board adopt the above resolution authorizing the sale of State of Oregon State Board of Higher Education General Obligation Advance Refunding Bonds.

Discussion and Recommendation by the Committee of the Whole

Vice Chancellor Ihrig remarked that the sale of the Bonds is one of the few bright spots or silver linings in the present economic environment. The Oregon State Board of Higher Education has an opportunity to refund some of the bonds that are out at 7.5 percent. There is an opportunity to advance refunding to bring them down to approximately 6.2 percent. Figures are approximations since the amounts keep changing as the market changes. The State System is anticipating a savings of over $2.4 million in interest payment over the remaining life of the bonds.

The Committee of the Whole recommended the Board approve the staff recommendation.

Board Discussion and Action

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

Staff Report to the Board

Capital Construction

Oregon Administrative Rules 580-050-041 and 580-050-042 require an annual report to the Board on the prior calendar year's participation by emerging small business enterprises (ESB) and minority or women's business enterprises (M/WBE) in capital improvement projects. During 1991, contracts were awarded for 41 eligible projects that included the
Board's requirements for ESB/MBE/WBE participation, for a base contract value of $54,633,164.

ESB/MBE/WBE participation accrued to $1,747,827, or approximately 3.2 percent of the value of improvement contracts. The goals for participation varied by type of work, geographic location, and availability of these business enterprises.

During 1990, 1.4 percent of the value of improvement contracts awarded went to ESB/MBE/WBEs under the new Rule (which was effective October 1, 1990) while 0.7 percent went to MBE/WBEs under the old Rule. MBE/WBE participation amounted to 4.6 percent in 1989, and 6.7 percent in 1988. Court decisions called the goal-based approach used in 1988 into question and led to the adoption of good faith effort requirements.

Participation of emerging small business enterprises, minority business enterprises and women's business enterprises in State System contracts may be affected in 1992 by the continuing decline in the number and value of public improvement contracts. The total dollar value of eligible projects in 1990 was $120 million compared with $55 million in 1991. The number will fall even further in 1992. As a result of Measure 5, this trend is expected to continue.

On a positive note, using a consultant to put potential bidders and ESB/MBE/WBE subcontractors together on large contracts increases ESB/MBE/WBE participation. However, using a consultant is not economically feasible on the smaller contracts that now characterize most of the State System's work.

Discussion by the Committee of the Whole

Mr. Richardson asked for clarification about a statement that OSSHE can expect the numbers of emerging small business enterprises and minority and women to fall even further behind in 1992. Vice Chancellor Ihrig indicated that the total amount of resources available for projects would be less and this will adversely affect participation by these groups.

Ms. Wilson asked if there were any steps the Board could take to improve these conditions and stem the
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decline. Mr. Pernsteiner first pointed out that OSSHE has, in fact, gone up from 0.7 percent under the old Rule to 3.2 percent under the new Rule. The legal framework has changed and there is a good faith requirement as opposed to a specific goal requirement. This is the same with all public agencies in this area, and it is a struggle to return numerically to where the System was before.

Continuing, Mr. Pernsteiner indicated that perhaps creative advertising on smaller contracts could improve the situation. Another possibility is that the Board might extend programs of this type to include repair contracts, which presently are not included. He indicated that is the area where there will be most activity in the coming months and years.

(No Board action required)

Mr. Halsey extended his congratulations, best wishes, and gratitude to Dean Jim Lundy on the occasion of his retirement.

Ms. Wilson provided an update on the activities of the Board Administrative Review Committee (BARC), indicating that the Committee was working with Oregon State University to identify the administrative effects of 10-, 20-, and 30-percent reductions. She remarked that the Committee is particularly interested in exploring the linkages and requirements of outside agencies such as state, federal, and the Chancellor’s Office. In addition, BARC (as reported by Chancellor Bartlett) will review the plans for 813 position reductions and the methods used by each institution and the impacts of these. Within the next six to eight weeks, members of the Committee will meet with the presidents and key staff of each institution.

Mr. Adams reported that he and Mrs. Adams attended the Southern Oregon State College Foundation President’s Ball. They enjoyed the occasion and the opportunity to meet many of the strong supporters of Southern Oregon State College.

Ms. Davis apologized for her absence at the meeting of the Special Task Force on Athletic Funding and asked President Richardson to provide the Board with a report.
Ms. Jackson indicated she had been asked to chair a newly formed tuition policy review committee. Board member Tom Bruggere, Presidents Ramaley and Gilbert, and others will join her in this task. The first meeting is scheduled for the morning of Tuesday, April 7, 1992, in the Portland Chancellor's Office. Keith Mobley of Oregon State University has agreed to staff the committee.

President Richardson made two introductions. Mrs. Barbara Wolf, wife of President Larry Wolf, was attending her first Board meeting. Mr. Richardson recognized a "friend of Higher Education," Representative Tony Van Vliet from District 35.

Mr. Richardson indicated that the afternoon agenda for the meeting of the Joint Boards of Education was a full one and included items of substance. He thanked Vice Chair Bob Bailey who had worked, with others, on the Joint Boards Planning Committee.

Discussions continue about the possibility of a special session of the Legislature. There are several groups studying a number of initiatives related to tax reform. Related to these efforts, Mr. Richardson acknowledged the difficult times on the campuses and thanked the presidents and Chancellor's staff for their continued hard work in the face of extremely difficult times.

Mr. Richardson reported that the Special Task Force on Athletic Funding had met twice and, after heated discussions, is working toward what were described as "creative solutions." As a result of discussions at the last meeting of the Task Force, a request was made to Vice Chancellor Ihrig for a summary paper clearly describing for the Task Force and others (Governor, students, administrators, faculty), the financial picture of intercollegiate athletics.
SUMMARY OF FACILITIES DIVISION ACTIVITIES, OFFICE OF FINANCE AND ADMINISTRATION

A Staff Report to the Board

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

Award of Construction Contracts

Bean Parking Facility
Landscape Improvements Phase II, UO

On February 25, 1992, Landscape Industries, Inc., was awarded a contract for this project in the amount of $146,881.00. Financing will be provided from parking reserve funds.

Campus Reporting System Upgrade, UO

On March 10, 1992, L. H. Morris Electric, Inc., was awarded a contract for this project in the amount of $120,804.00. Financing will be provided from capital repair funds.

Dentistry School, Laboratory 830D Remodel Project, OHSU

On March 13, 1992, John May Construction Co., was awarded a contract for this project in the amount of $29,618.00. Financing will be provided from capital repair funds.

University Hospital North, Rooms 1301 and 1303 Restrooms Remodel Project, OHSU

On March 3, 1992, John May Construction Co., was awarded a contract for this project in the amount of $70,368.00. Financing will be provided from hospital funds.

University Hospital South, Angiography II, 11th Floor A-Wing Project, OHSU

On December 18, 1991, D. C. Hopkins Construction Co., Inc., was awarded a contract for this project in the amount of $250,778.00. Financing will be provided from hospital funds.
On December 12, 1991, Eagle Roofing Company was awarded a contract for the Base Bid AA portion of this project in the amount of $176,880.00; Glass-Shield Roof Systems was awarded a contract for the Base Bid B portion of this project in the amount of $9,300.00, and Shaw West Company was awarded a contract for the Base Bid C portion of this project in the amount of $19,574.00. Financing will be provided from capital repair funds.

**Acceptance of Projects**

**Chemical Storage Building, OSU**

This project is complete and was accepted on January 28, 1992. The estimated total project cost remains at $75,474.00. Financing was provided from state funds.

**Housing Service Building, OSU**

This project is complete and was accepted on December 20, 1991. The estimated total project cost remains at $19,686.00. Financing was provided from state funds.

**Langton Hall Loading Dock Reroofing Project, OSU**

This project is complete and was accepted on December 31, 1991. The estimated total project cost remains at $43,020.00. Financing was provided from state funds.

**Peavy Arboretum Machine Shed Expansion Project, OSU**

This project is complete and was accepted on January 31, 1992. The estimated total project cost remains at $41,140.00. Financing was provided from state funds.

**Architectural & Allied Arts Additions & Alterations Project Bid Pkg A-1, UO**

This project is complete and was accepted on November 15, 1991. The estimated total project cost remains at $1,072,578.00. Financing was provided from state funds.
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Architecture and Allied Arts Additions and Alterations Bid Package A-2 (North Site—Wood & Metals Shop, Kiln Cover), UO

Friendly Reroofing Project, UO

This project is complete and was accepted on December 16, 1991. The estimated total project cost remains at $907,356.00. Financing was provided from state funds.

This project is complete and was accepted on December 31, 1991. The estimated total project cost remains at $140,663.00. Financing was provided from capital repair funds.

This project is complete and was accepted on December 1, 1991. The estimated total project cost remains at $1,182,168.00. Financing was provided from Article XI-F(1) bonds supported by housing fees.

This project is complete and was accepted on December 31, 1991. The estimated total project cost remains at $110,890.00. Financing was provided from capital repair funds.

This project is complete and was accepted on January 15, 1992. The estimated total project cost remains at $183,257.00. Financing was provided from parking reserve funds.

This project is complete and was accepted on December 6, 1991. The estimated total project cost remains at $142,288.00. Financing was provided from state funds.

This project is complete and was accepted on September 13, 1991. The estimated total project cost remains at $76,064. Financing was provided from state funds.
ADJOURNMENT

The Board adjourned at 11:30 a.m.

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

George E. Richardson, Jr.
President