MINUTES OF REGULAR MEETING OF THE
OREGON STATE BOARD OF HIGHER EDUCATION
September 25, 1992

ROLL CALL

MINUTES APPROVED

BALLOT MEASURES

CHANCELLOR'S REPORT

ACADEMIC AFFAIRS

Action Items
Ph.D. in Neuroscience, OHSU

B.A. in International Studies, OSU

Reinstatement of B.S. Degree in Technology Education, OSU

Endorsement in Early Childhood Education, OSU

FINANCE AND ADMINISTRATION

Action Items
Resolution for Sale of Article XI-F(1) Bonds

Special Campus Security Officer Designation

Construction of C-Wing Addition to University Hospital, OHSU

Increase in Other Funds Limitation and Authorization to Expend Other Funds for Knight Library Renovation, UO

Expansion of Dotter Institute, OHSU

Authorization to Use Johanna Eppling Quasi-Endowment Fund for UO Library

Report Items
Internal Audit Division Reports

Donation of Four Parcels of Land, OSU
ACTION ITEMS

1992-93 Operating Budget 516
Confirmation of Institutional Degree Lists 523
Appointment to Forest Research Laboratory Advisory Committee 524

CONSENT ITEM

Declaration of Emergency Waiving Competitive Bidding Process, OSU 525

REPORT ITEM

Grievances Filed Under OAR 580-21-050 526

ROUTINE ITEM

Summary of Facilities Contracting Activities, Office of Finance and Administration 528

ITEMS FROM BOARD MEMBERS 532

PRESIDENT'S REPORT 532

ADJOURNMENT 533
ROLL CALL

The meeting of the State Board of Higher Education was called to order at 10:15 a.m. by President Robert L. R. Bailey.

On roll call, the following answered present:

Mr. Robert Bailey       Mr. Leslie Swanson, Jr.
Ms. Britteny Davis     Mr. G. E. Richardson, Jr.
Mr. Mark Dodson         Ms. Janice Wilson
Mr. Richard K. Donahue  Ms. Laurie Yokota

Mr. Robert Adams, Ms. Jackson, and Mr. Miller were absent due to conflict of schedule.

Chancellor's Office -- Chancellor Thomas Bartlett; Ron Anderson, Assistant Vice Chancellor, Personnel Administration; Virginia Boushey, Assistant Vice Chancellor, Academic Affairs; 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; Melinda Grier, Director, Legal Services and Compliance Officer; 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; Joe McNaught, Attorney-in-Charge, Education Section; Roger Olsen, Director, OCATE; John Owen, Vice Chancellor, OCATE; 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; Holly Zanville, Associate Vice Chancellor, Academic Affairs.

Eastern Oregon State College -- President David Gilbert; James Hottois, Provost/Dean of Academic Affairs; Richard Stenard, Dean of Students; Mary Voves, Dean of Administration.
Oregon Health Sciences University -- President Peter Kohler; Tom Fox, Vice President, Development and Public Affairs; Lesley M. Hallick, Vice President, Academic Affairs; Peggy Miller, Vice President, Finance.

Oregon Institute of Technology -- President Lawrence Wolf; Martha Anne Dow, Provost; Doug Yates, Dean of Administration.

Oregon State University -- President John Byrne; Roy Arnold, Provost/Vice President for Academic Affairs; Bob Bruce, Assistant Vice President, University Relations; L.E. Coate, Vice President, Finance and Administration; Kinsey Green, Dean, College of Home Economics and Education; Andy Hashimoto, Head, Bioresearch Engineering; George Keller, Vice President, Research, Graduate Studies, and International Programs; M. Lynn Spruill, Vice President for University Relations.

Portland State University -- Michael Reardon, Provost.

Southern Oregon State University -- Ronald Bolstad, Dean, Finance and Administration; Stephen J. Reno, Provost/Dean of Faculty.

University of Oregon -- President Myles Brand; Carey Drayton, Director, Public Safety; Gerald Kissler, Senior Vice Provost for Planning and Resources, Academic Affairs; Norman K. Wessells, Provost; Dan Williams, Vice President, Administration.

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

Interinstitutional Faculty Senate -- Herb Jolliff, Oregon Institute of Technology; Bonnie Staebler, Western Oregon State College.

Others -- Robin Derringer, ASOSU, Student Advocate; George Edmonston, Jr., Editor, The Oregon Stater; Leslie A. Harper, Gazette-Times; Kathleen Heath, OSU Faculty Senate President; Joe Hendricks, OSU Faculty Senate; Ed Joyce, OPB; Pat Kight, The Oregonian; Robert Nosse, Executive Director, Oregon Student Lobby.
The Board dispensed with the reading of the minutes of the special May 6, 1992, meeting of the Board and the last regular meeting held on July 24, 1992, and approved them as submitted. The following voted in favor of approval: Directors Davis, Dodson, Donahue, Swanson, Richardson, Wilson, Yokota, and Bailey. Those voting no: none.

President Bailey indicated a request had come to the Board for presentations regarding Ballot Measure 7. Speaking in favor of passage of Ballot Measure 7 was Ms. Alice Dale, Executive Director of the Oregon Public Employees Union (OPEU). Speaking in opposition to the measure was Mr. Pat McCormick, representing Oregonians for a Sound Economy.

Mr. Bailey thanked Ms. Dale and Mr. McCormick for agreeing to attend the Board meeting and expressed his appreciation for the professional ways in which they presented their positions on the ballot measure.

Continuing, Mr. Bailey commented that, until recently, it was common practice for the Board to take positions on ballot measures as long as no public funds were expended or staff time allocated to support the Board's position on an issue. However, "In a letter received from the Department of Justice, the Board was advised that no longer is the case. Since we are an appointed Board, therefore, regardless of our belief about the impact of a ballot measure on higher education, the Board will not take a position.

"However, as President of the Board, I want to take this opportunity to reaffirm the Board's commitment to two principles that are fundamental to the very nature of higher education: academic freedom and tolerance of diversity. The essence of academic freedom is the ability of our faculty to think and do research independently and creatively and to reach conclusions that may be unpopular or seem far-fetched. Anything that directs the nature or result of faculty inquiries or dictates the substance of what our faculty can teach inhibits free discussion and inevitably limits the ability of our students to think critically, ultimately weakening our whole educational endeavor."
"Second, and of equal importance, the Board on a number of occasions has repeated its belief that tolerance must be nurtured and that intolerance and discrimination on the basis of stereotyping destroy the atmosphere crucial to providing a positive learning experience.

"On behalf of the Board, I want to take this opportunity to affirm forcefully the Board's position supporting academic freedom and its rules prohibiting discrimination on the basis of sexual orientation."

Mr. Swanson indicated that he was in disagreement with the Attorney General's advice to the Board. Continuing, Mr. Swanson stated, "For that advice to hold, we'd have to be categorized as public employees; and if we are public employees, we must be the poorest ones in any city of our nation.

"Without debating that issue," Mr. Swanson continued, "I would like to state my position with regard to Ballot Measure 9. I strongly oppose the measure that directs higher education in Oregon to assist in setting standards that homosexuality is abnormal, wrong, unnatural, and perverse. Measure 9 is a directive to higher education that the beliefs of those who favor Measure 9 are to be imposed by teachers on students in each of our colleges and universities. It is a clear and direct attack on the principles of academic freedom that underlie the greatness of American and Oregon higher education.

"I oppose Measure 9 because it violates the basic principles of freedom in our state and federal constitutions, because it violates the principle of academic freedom, and because it violates the spirit of the State of Oregon as a place where the talents of all of our young people are valued. Measure 9 violates the spirit of Oregon as a place where people's differences are accepted, where diversity is valued, and where each young person is valued as a person and as a potential contributor to Oregon's community regardless of race, religion, economic status, or sexual orientation.

"Statistics from all people who have studied this issue show us that ten percent of the students in the Oregon State System of Higher Education would
fall into this category of sex orientation. To single out those students and for us to direct that, in some way, those students are deserving of less dignity than the other 90 percent of the students on campus is to perpetrate the very worst kinds of feelings and spirit within our state.

"I do strongly oppose it, and I urge each of you as individuals to join me in that opposition."

Mr. Dodson remarked that he understood the reasons the Board ought not to be diverted from the normal routine of business and become involved in ballot measures. "However, since this one specifically, firmly places on the Board of Higher Education and the State System of Higher Education actions contrary to Administrative Rules and other actions within the last two or three years that are in direct opposition to the measure, I think Mr. Swanson's comments are totally appropriate. I concur with his statement."

Mr. Richardson concurred with Mr. Dodson and added, "I think Measure 9 is a horrible piece of legislation to appear on the ballot."

Mr. Donahue remarked, "I accept the advice of the Attorney General. However, I think this is the type of public issue in which the public looks to people in positions such as we hold and expects at least some guidance, or if not guidance, some courage, because this is a mandated prejudice. Measure 9 is an opportunity to designate a segment of our society for hatred and contempt, and it is the type of thing that reminds us of all the things that have gone on in history.

"Measure 9 refers to the privacy of people's lifestyles. It mandates, it segregates, it legitimizes some of the most basic instincts that people may hold. I'm just horrified by the prospect of it, and I urge you to speak out and act out. I intend to do more, both in an individual and corporate capacity, to make that position known."

Ms. Wilson, Ms. Yokota, and Ms. Davis added their concurrence with the statements of fellow Board members.
CHANCELLOR'S REPORT

Chancellor Bartlett thanked President Byrne and others at Oregon State University for their hospitality during the two days of campus visit and Board meetings.

September 25, 1992

In August the State System met with the Oregon's Future Subcommittee. The work of the Subcommittee is ongoing, and the final implications of the work are yet to be determined. The Chancellor indicated that one of the clear themes that emerged was the importance of higher education maintaining services at the present level, and that to continue to downsize higher education was contrary to the kind of future Oregon wants and needs.

Likewise, there was enthusiastic support for the Board Administrative Review Committee (BARC) and the attitude and approach it represents. A number of members commented on the importance of shifting resources, to the maximum extent possible, to sustain instruction. There were indications of support for extending to a wide variety of state services the process of BARC in examining what business is being conducted and how.

Two additional themes were sustaining enrollment levels and the implications of the state Benchmarks initiatives. One implication of the work of the Benchmarks is that higher education is going one direction while Benchmarks is pointing to another. The divergence represents poor public policy, and there was a great deal of speculation by the Oregon's Future Subcommittee about sustaining higher education according to both explicit and implicit Benchmarks goals.

Chancellor Bartlett indicated that much of the discussion of the Subcommittee centered around "Option C," an arrangement in which current service levels for the coming biennium would be reduced by $30 million. This would require a significant increase in state appropriations beyond the 80 percent budget. It included a provision to restrict undergraduate tuition growth to inflation rates; continuation of the BARC process of diverting resources from administrative and support services to instructional and more narrowly focused academic purposes; increased faculty productivity; and, in the final analysis, maintaining student enrollment at about the present capacity level.
The Chancellor emphasized that during the upcoming legislative session there would be public dialogue about how higher education uses academic resources. The discussion will center on the following questions: What is a faculty workload? How are expectations determined for faculty? How is workload measured? Are the institutions organized to accomplish the "right" goals? How can students get the right classes to proceed through their programs of instruction at a smooth pace without having to take additional terms to complete degree programs?

The Chancellor reported that he is a member of the Workforce Quality Council, which meets on a monthly basis. The work of the Council was stimulated, in part, by funding from five or six federal programs that relate to certain segments of the workforce. The Council has focused a large amount of effort on what broadly might be called technical preparation educational levels (those at the end of high school and beginning of community college). The challenge of a focus of this nature is that it leaves out approximately one-third of the workforce who requires training beyond that level. One of the concerns is to increase and expand understanding of the workforce composition and the role of higher education. Most of those who graduate from institutions of higher education enter the workforce. Therefore, there is a need for a more balanced concept of workforce that includes individuals from all sectors of the education spectrum.

The concerns for thinking more broadly about workforce issues relate also to the need for the state to establish a shared vision of where it is headed and establish coherent policies and directions to support it. A number of decisions made by the State System relate to assumptions about the economy, the society, and the workforce. One example is the International Business MBA program approved by the Academic Affairs Committee. The Chancellor indicated that it is either a more or less strategic program, depending on assumptions about the Oregon economy. Similarly, the issue of language training under consideration by the Joint Boards is premised on certain assumptions that may or may not match those of others within the state.
Meeting #612

PH.D. IN
NEUROSCI-ENCE, OHSU

September 25, 1992

Introduction

Oregon Health Sciences University requested authorization to offer a Ph.D. degree in neuroscience. The proposed degree will be offered through the Neuroscience Graduate Program (NGP) administered by an executive committee under the direction of the Dean of the School of Medicine. A copy of the full proposal is on file in the OSSHE Office of Academic Affairs.

Neuroscience is the study of the nervous system. The field encompasses a broad range of disciplines in the quest to understand how the nervous system is organized, how it functions, and how it controls behavior.

The Neuroscience Graduate Program at Oregon Health Sciences University was approved by the Board in 1987. It was established for the purpose of providing graduate education -- including research opportunities -- in neuroscience for students in a number of disciplines. Under the existing program, a student enters from a basic science department, satisfies the requirements of the department and the NGP, advances to candidacy, and receives a Ph.D. or Ph.D./M.D. degree in the department. The proposed degree program will provide students the additional option of a Ph.D. in neuroscience.

Staff Analysis

1. Relationship to Mission

The proposed program furthers the assigned mission of the Oregon Health Sciences University to train graduate students in the biomedical sciences.

2. Evidence of Need

There has been an explosive growth in the field of neuroscience in recent years as knowledge of brain function has expanded. A large number of vacant positions in academic, industrial, and government laboratories for persons with advanced training in neurosciences is evidence that demand far exceeds supply.
The growth of the Vollum Institute for Advanced Biomedical Research (VIABR) and the Center for Research on Occupational and Environmental Toxicology (CROET) has fostered the development of a large interinstitutional group of neurobiologists in Portland whose activities have advanced the need for a Ph.D. in neuroscience with a strong clinical component.

3. Quality of the Proposed Program

The report issued following the external review of the proposed program stated that its major strength is the quality of the neuroscience faculty and the breadth of neuroscience research available to students. Another major strength noted is the fact that a well-formulated neuroscience program is already in place at Oregon Health Sciences University. A reviewer deemed the existing program to be "one of the strongest in the Western United States."

4. Adequacy of Resources to Offer the Program

Faculty. Neuroscience faculty are drawn from academic and research units of Oregon Health Sciences University and from affiliated institutions such as the Veteran's Administration Medical Center, Dow Neurological Sciences Institute, and the Oregon Regional Primate Research Center. Clinical experience and research opportunities for doctoral students in the proposed program will be provided through cooperative arrangements with these affiliated institutions.

Library. The library resources of the Oregon Health Sciences University, supplemented by the library of the Vollum Institute, will be adequate for the needs of the proposed program.

Facilities and Equipment. No additional facilities or equipment are required for the proposed program.

Budget Impact. The program will utilize existing courses and resources; therefore, approval of this program will have modest budgetary impact, mainly in assuring assistance in support of first-year students.
5. Duplication

The University of Oregon has graduate level programs in neuroscience; however, the University of Oregon does not offer a Ph.D in neuroscience specifically. The proposed program will supplement and complement the existing programs through course material and research opportunities between basic scientists and physicians, e.g., neuro-pharmacology, neurogenetics, brain receptor cloning, and clinical neuroscience. The Director of the University of Oregon Institute of Neurosciences has expressed strong support for the proposed program and noted the potential for complementary interaction between the two.

Program Review

Dr. Daniel Storm, Professor of Pharmacology at the University of Washington, conducted a site visit of Oregon Health Sciences University's Neuroscience Graduate Program in April 1992 to review and evaluate the proposal for a Ph.D. in neurosciences. Dr. Storm reported that he was very impressed with the current neurosciences program, its faculty and students. Dr. Storm was supportive of the proposed Ph.D. program but noted that lack of stable funding for first-year students is a major weakness. He also noted the lack of a separate study room where neuroscience students can meet and study together.

The concern regarding funding for first-year students is being addressed. Oregon Health Sciences University and several affiliated institutions recognize the problem and are working toward solutions. The Oregon Health Sciences University administration has committed $40,000 per year for three years for training grant support. These funds are from the earnings of a bequest and could be extended if necessary. Commitments have been received from the Vollum Institute, the Neuroscience Division of the Primate Center, and CROET. Two new training grants and two renewed training grants have been obtained that support students in the program, and the Director of the Dow Neurological Sciences Institute is preparing a training grant application that, if funded, also would help support additional students. The current financial situation is sufficient to support five to six
first-year students and approximately 12 more advanced students per year as they progress through the program.

The proposed program has been reviewed by the Academic Council. A follow-up review of this program will be conducted during the 1997-98 academic year.

Staff Recommendation to the Committee

Staff recommended the Board authorize Oregon Health Sciences University to offer a Ph.D. degree in Neuroscience, effective fall 1992.

Discussion and Recommendation by the Committee

Dr. Lesley Hallick, Academic Vice President of the Oregon Health Sciences University, introduced the program request by noting that the program emerged from an existing new field of study. One of the program's leading strengths is the ongoing research activities on campus. Over the past years, it became apparent that many scientists at Oregon Health Sciences University had an interest in neuroscience. At the time the program was approved in 1987, the Vollum Institute for Advanced Biomedical Research was created with an emphasis on neurobiology. Currently the University has approximately $60 million in research activities, one-fourth of which are in the area of neuroscience.

Dr. Tom Soderling, director of the graduate program in neuroscience, indicated that the thrust of the request was to enable students to enter directly a neuroscience degree-granting program for a Ph.D. rather than entering through a basic science department. Dr. Soderling indicated that, in addition to the research, there are outstanding faculty in this area. Dr. Susan Amara of the Oregon Health Sciences University will be named outstanding young neuroscientist in the United States, an honor rarely bestowed on someone outside the Ivy League and California institutions. In addition, the number of papers published by the Oregon Health Sciences neuroscience community in the two top scientific journals over the past year places them in the top ten neuroscience programs in the country. Finally, the Howard Hughes Medical Institute recently visited the University, and it appears
likely that, within a year or two, faculty will be affiliated with this very prestigious organization.

Mr. Dodson asked why the outside reviewer had commented that this was one of the better programs of its kind. Dr. Soderling responded that the diversity and strength of the faculty were undoubtedly the primary reason.

Mr. Swanson asked about organizational structure and funding. Dr. Hallick indicated that the program is not a department, a strength for students since they will not need to answer to two sets of criteria. In addition, the program is self-supporting from research activities, training grants, and private donations that have made student stipends available.

The Committee recommended the Board approve the staff recommendation.

Board Discussion and Action

The Board approved the Committee recommendation. the following voted in favor: Directors Davis, Dodson, Donahue, Richardson, Swanson, Wilson, Yokota, and Bailey. Those voting no: none.

Introduction

Oregon State University requested authority to initiate a concurrent baccalaureate degree program in international studies. The concurrent degree can be awarded only in conjunction with another primary baccalaureate degree. A copy of the full proposal is on file in the OSSHE Office of Academic Affairs.

A concurrent baccalaureate degree program in international studies will allow students and faculty to make international studies an additional yet integral part of any undergraduate major. The use of a concurrent degree is a major innovation in developing a strong international instructional core within a number of undergraduate majors. Development of this degree program already has attracted significant favorable national attention. The proposed program will prepare undergraduate students more adequately for the interdependent world in which they will live and work, and will further internationalize Oregon State
University through the expanded global involvement of students and faculty.

Staff Analysis

1. Relationship to Mission

The proposed program is consistent with Oregon State University's approved mission. As the state's Land Grant, Sea Grant, and Space Grant institution, Oregon State University operates under mandates from both the state and the federal governments to help people in Oregon, the nation, and the world develop and utilize human, as well as land, atmospheric, and oceanic resources.

This program will involve all Oregon State University colleges with undergraduate programs in offering an innovative and rigorous degree that both supports Oregon State University's position as an international university and significantly advances the Board's established priority of strengthening the international dimensions of higher education programs.

2. Evidence of Need

The international dimensions of education are becoming a national priority. Numerous state and national reports, studies, and surveys have emphasized the importance of expanding the international dimension of education to all academic disciplines. A 1990 survey indicated high interest among Oregon State University students in the proposed degree program.

Student enrollment in the concurrent degree program is anticipated to be approximately 50 students per year for the first five years of the program. Student and faculty interest would indicate a higher participation rate, but funding constraints are expected to be a significant limiting factor. External funds will be sought to assist students with expenses of the study-abroad requirement.
3. Quality of the Proposed Program

Requirements for the concurrent degree in International Studies are tailored to provide meaningful and integrated international education and to assure that the degree carries significant academic distinction. The International Studies program has admission and retention standards that are higher than those for the general university. Students must have a cumulative grade point average of 2.75 or higher to be admitted to the program and will complete credits equal to an additional year of full-time study to qualify for the degree. Those credits include four additional courses from the baccalaureate core in the categories of western culture, cultural diversity, and contemporary global issues. Students also must demonstrate achievement or proficiency in a foreign language equal to completion of the fourth year, spend a minimum of one ten-week term abroad in an approved international program, and prepare an integrative senior project that brings to focus an understanding of global issues within the student's primary undergraduate major.

4. Adequacy of Resources to Offer the Program

Faculty. All courses necessary for the implementation of this degree program are presently in place. The pool of courses available eventually will be modified as the need for more courses in the baccalaureate core increases.

The Office of International Education will coordinate the proposed degree program, and the colleges will administer the program under guidelines approved by the Provost and Vice President for Academic Affairs. The program will not require a new or reorganized administrative unit.

Library. No additional library resources will be required for this program.

Facilities and Equipment. No additional facilities or equipment will be required for this program.

Budget Impact. The proposed program will require a budget of $72,500, of which $50,000 will be provided by the University through internal
reallotment. These budgeted funds are for a program coordinator and classified support -- both assigned at .50 FTE; services, supplies, and equipment; and .60 FTE additional language instructors. The remaining $22,500 will be provided from a combination of outside sources and allocations from the Office of Research, Graduate Studies, and International Programs.

In August the National Endowment for the Humanities (NEH) awarded Oregon State University a two-year grant of approximately $160,000 to implement the proposed program. Specifically, the NEH grant will permit the development and implementation of upper division language courses in Japanese and Russian and a revision of upper division Chinese courses. The funds also will support the teaching of content courses in Spanish by faculty in the departments of anthropology, history, political science, forestry, geosciences, and agriculture. Grants also are being sought from the Fund for the Improvement of Post-Secondary Education (FIPSE) and the U.S. Department of Education (Title VI).

During preparation of the budget for the current biennium and at a time of program reduction and elimination, this degree is one of the few initiatives for which funds have been specifically reallocated.

5. Duplication

There are no other concurrent baccalaureate degree programs in International Studies in Oregon. Portland State University, Southern Oregon State College, and Western Oregon State College offer interdisciplinary baccalaureate degrees that combine area and language studies. The University of Oregon offers a B.A. in International Studies that requires 45 credits in the major (24 of which must be upper division), study in three core areas, and three years of foreign language training. The University of Oregon also offers an M.A. in International Studies.

Program Review

The proposed program has been reviewed by the Academic Council. It also has been reviewed and enthusiasti-
cally endorsed by the Joint National Committee for Languages.

The program coordinator and the International Degree Committee will assess the international degree and its evolution and impact by monitoring several outcomes, including students' post-graduate careers and the impact of the program on participation rates in study-abroad programs, foreign language classes, and the relevant baccalaureate core classes. The Chancellor's Office of Academic Affairs will conduct a follow-up review of the program in 1998-99.

Staff Recommendation to the Committee

Staff recommended the Board authorize Oregon State University to initiate a concurrent baccalaureate degree program in International Studies, effective fall 1992.

Discussion and Recommendation by the Committee

Provost Roy Arnold, Oregon State University, introduced the recommended program by indicating that it fits within the greater interest of the University to internationalize many programs. The proposal for the program has the endorsement of the deans of all of the colleges that have undergraduate students -- a first for the institution.

Dr. Keller, Oregon State University's Vice President for Research, Graduate Studies, and International Programs, remarked that the State System was fortunate to have leaders like the Chancellor and President Byrne, who not only are advocates for increasing international programs but are also national leaders in this area. The United States suffers because few students go overseas for international experiences while, on the other hand, large numbers of foreign students come to this country for their higher education experiences.

The program under consideration is designed to bring greater visibility to undergraduates in the area of international programs and develops a parallel degree at the bachelor's level for virtually any student on the campus, regardless of the area. The program enables students to expand their horizons and take additional courses in addition to the major, enabling them to have a parallel degree indicating an emphasis
in a particular curricular area with an international focus as well.

Dr. Jack Van de Water, Dean of International Education at Oregon State University, added that the program would be coordinated from the Office of International Education along with the participating academic offices.

Mr. Donahue asked for an explanation of the meaning of "fourth year language proficiency." Dr. Van de Water responded that it would vary depending on the language and would use existing standardized measures. Continuing, Mr. Donahue asked where contemporary global issues would be covered. Dr. Van de Water indicated that those courses would come from across the curriculum and within the general education requirements of the University. Continuing, Mr. Donahue indicated he was attempting to ascertain the depth of understanding of global issues a student would have at the conclusion of the course of study.

In attempting to clarify the issue, Dr. Van de Water indicated that the international degree requirement would be one course selected from the western culture category; two from the cultural diversity category; and one from the western culture, cultural diversity, and/or contemporary global issues categories that do not focus on the same cultures used in meeting the other requirements.

Mr. Dodson observed that a student would need a guiding hand to find the way through this particular type of course structure and asked whether there would be any additional counseling available. Dr. Van de Water responded that there was not a clear answer since the program has not been authored. The concept is that within each participating department there would be advisors for students taking the international degree. In addition, one of the degree requirements is completion of a senior thesis done under direct supervision of a faculty member of a particular department.

Provost Arnold observed that one of the reasons the program had evolved in the particular way it had was that Oregon State University has a substantial number of faculty scattered throughout the institution who have had international experience through a variety of
Introduction

Staff requested reinstatement of the B.S. degree in Technology Education. The program was cancelled during the 1991 Measure 5 budget reduction process because it was thought that the program, though recently revised from an older vocational education/industrial arts program, did not go far enough in response to HB 3565. The revised program had not yet been implemented. Tenured faculty from the Vocational Education program were subsequently reassigned to other education programs at Oregon State University, some of them to the Training and Development option in the Adult Education Master's degree program.

Although there have been numerous discussions in the past year about needs in professional/technical education, particularly focusing on several occupational strands within the Certificate of Advanced Mastery proposed for development by the Oregon Department of Education, it is still too early in the developmental process to assess exactly what types of professional/technical teacher preparation programs will be needed. Staff leaders from the Department of Education and others recently have expressed strong interest in having Oregon State University provide the B.S. in Technology Education and the Master of Arts in Teaching (M.A.T.) in Technology Education on an interim basis. Although
the B.S. program was eliminated by Board action in March 1991, staff is recommending that the Board reinstate the B.S. in Technology Education for an interim period, not to exceed five years, until further plans can be made that are consistent with program developments in the Certificate of Advanced Mastery and the Tech Prep/Associate Degree programs as these developments unfold.

Overview of the Degree Program

The Technology Education program was revised in name, and substantially in curriculum, from an older Industrial Arts Education program and was reviewed by the Academic Council in September 1990. The field of industrial arts education had evolved from a focus on industrial materials and processes to an emphasis on increasing technological literacy of children, adolescents, and adults. The undergraduate program in Technology Education was designed to fit into Oregon State University's revised fifth year teacher education program and implementation of the M.A.T. program. The undergraduate program provides the academic foundation and the technical subject matter education for those wishing to become technology education teachers through the M.A.T. program.

In the broad sense, technology education is an integral part of the mission of Oregon State University. It evolved from the mechanical arts specified in the Morrill Land Grant Act and is a direct descendant of one of the earliest teacher education programs at Oregon State University.

Oregon State University is the only institution in Oregon authorized to offer programs to prepare certified teachers in fields related to technology education.

Funding

In order to fund the reinstated program, a strategy for reallocation of funds within Oregon State University has been devised. During the last round of Measure 5 budget reductions, Oregon State University recommended eliminating the Training and Development option in the Adult Education Master's degree program. Because of the strong support for this option from some external constituencies, the
Chancellor's Office recommended to the Board and subsequently received approval to maintain the option on an interim basis in order to continue to meet business/industry needs, and to work out a collaborative Oregon State University/Portland State University arrangement.

There has been a year to consider the future of the off-site program; and the belief is that if it continues, it should operate on a self-support basis at Portland State University since that is the closest campus to the majority of students and the business/industry placements. If Portland State University does not wish to assume this activity, it would be offered to Oregon State University. Under any circumstance, appropriate standards and practices of graduate programs must be maintained. If neither institution is able to operate the program on a self-support basis, we would recommend terminating the program.

Staff recommended that the $206,000 General Fund budget now supporting the Training and Development option be reallocated to professional/technical education at Oregon State University with the proviso that the faculty FTE associated with the Training and Development program be reassigned to the reinstated B.S. in Technology Education and the M.A.T. program. These faculty positions, along with faculty returning from leave from international assignments, will constitute a core for the program. The Chancellor's Office also has made a commitment to contribute dollars toward a one-year full-time faculty position in professional/technical education. This position has been funded from the OSSHE school reform budget to cover faculty salary, planning, and project activities in 1992-93, with the intention of providing funds for this position with hard money, pending legislative approval of an OSSHE decision package in the area of school reform. This faculty position would be an important addition to Oregon State University's efforts to reconfigure a new program in response to HB 3565. It should be noted that the undergraduate program in Technology Education will not in itself qualify program completers as public school teachers who may be fully certified by the Teacher Standards and Practices Commission. Students completing this program will complete the fifth year.
Meeting #612

September 25, 1992

M.A.T. program in order to complete their required certification.

Staff Recommendation

Staff recommended the Board reinstate the B.S. in Technology Education at Oregon State University effective January 1993 for an interim period, not to exceed five years, to facilitate concurrent planning with the Department of Education.

Discussion and Recommendation by the Committee

Vice Chancellor Clark reminded the Committee that the program was one that was cut during the 1991 Measure 5 budget reduction process. At the time the program was eliminated, it recently had been revised, though the revision from an industrial arts-type vocational education program had not been implemented. Also, HB 3565 had not yet been enacted. In addition, planning for the Certificate of Initial Mastery (CIM) endorsement in professional/technical fields and more recently for the Tech Prep/Associate Degree has moved along considerably. Word was received recently that one of the Benchmarks decisions packages that would focus on the inservice training of teachers for new models of professional/technical education is still under consideration.

Staff at the Department of Education has urged strongly that the program be continued, and Vice Chancellor Clark concurred with that position. However, the recommendation for reinstatement of the program was presented with the specific qualification of a limited duration of the program. Oregon State University is continuing planning, which is consistent with the school reform initiative and development of the kind of professional/technical program(s) required for full support of the school restructuring agenda.

Dr. Wayne Haverson, Oregon State University's Director of the School of Education, remarked that there is a crisis in Oregon in technical education -- there is no teacher preparation program endorsement area or certification program available. The program under consideration is dependent on community college participation. Oregon State University will be involved with the last two years of the
degree program, which is oriented heavily in science, mathematics, and liberal arts. At the culmination of the degree, the student would be prepared for an initial basic certification to teach in the public schools in Oregon. In addition, they would be required to return to the University and complete work toward a standard certification that would culminate in a master's degree.

Mr. Richardson asked if the terms "professional/technical education" and "technology education" are interchangeable. Dr. Mark Merickel, Assistant Professor of Education, indicated there is a differentiation between the two. Professional/technical education in Oregon is education that includes broad occupational areas such as natural resources, human resources, and industry and engineering systems. Technology education is related more to information technology.

Mr. Richardson asked what Oregon State University anticipated doing after the five-year period. Dr. Merickel replied that two things were anticipated. One, there will be more clarity throughout the education reform effort as to exactly which areas need teacher education. Second, there is hope that by the end of five years, the fifth year M.A. in Teaching Professional/Technical Education will be in place and an applicant pool in the pipeline. In addition, educational reform required in implementing HB 3565 will involve inservice retraining of existing teachers as well as preservice preparation.

The Committee recommended the Board approve the staff recommendation.

Board Discussion and Action

The Board approved the Committee recommendation. The following voted in favor: Directors Davis, Dodson, Donahue, Richardson, Swanson, Wilson, Yokota, and Bailey. Those voting no: none.

Introduction

The passage of the Oregon Education Act for the 21st Century (HB 3565), with its emphasis on early education, will require an increasing number of competent teachers at the preschool through primary
grade levels. Standards for an Early Childhood Education Endorsement recently were approved by the Teacher Standards and Practices Commission (TSPC). Local school districts may use the endorsement on a voluntary basis when 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.

All courses required in the proposed endorsement program currently are taught in Oregon State's College of Home Economics and Education. Board approval of the proposal will enable Oregon State University to organize coursework into a visible, integrated program that has long trained competent teachers in early childhood education.

Staff Analysis

1. Relationship to Mission

The proposed endorsement is consistent with the Board's approved role for Oregon State University of offering comprehensive high quality instructional research and service programs associated with selected professions. The College of Home Economics has as its mission the development and provision of instructional, research, and service programs that promote the well-being of individuals and families throughout the life span. The School of Education has as its mission the development and provision of instructional, research, and service programs associated with teacher preparation.

2. Evidence of Need

The Teacher Standards and Practices Commission established standards for an Early Childhood Education Endorsement in response to the needs of Oregon's school districts and preschool programs to employ teachers who are prepared with a focus on early childhood education. In addition, kindergarten became mandatory in Oregon public schools within the past five years. Oregon's preschool and Head Start programs, a variety of day care arrangements, human services departments, state-funded preschool, and employer-supported child care centers will
require competent staff with expertise to work as teachers, administrators, and consultants. At least 25 students are projected for enrollment in the program as it begins.

3. Quality of the Proposed Program

The proposed Early Childhood Education Endorsement will focus on preparing teachers for involvement in the delivery of educational services to young children, preschool through age eight, with the purpose of facilitating their optimal childhood development. Requirements for the endorsement will include 34 undergraduate credit hours, as specified by the Teacher Standards and Practices Commission, in Human Development/Early Childhood Education and a graduate level practicum in a kindergarten setting. The Early Childhood Endorsement will not be awarded to students until they have completed their Master of Arts in Teaching (M.A.T.) degree requirements. In addition, once the portion of the National Teachers Examination (NTE) on Early Childhood Education is developed, students also must pass this section of the examination to be awarded an endorsement. The proposed endorsement meets accreditation standards of developmentally appropriate practices established by the National Association for the Education of Young Children and adopted by various education agencies.

4. Adequacy of Resources to Offer the Program

Faculty. Faculty teaching the courses for the endorsement are already on staff. A total of eight faculty members, of which six hold tenure-track appointments, have balanced representation in Human Development, Education, and Family Studies.

Library. Current library holdings meet the requirements for the proposed program. Additional library support will be necessary only to update bibliographies required for courses as new research and information in the field become available. Continued ongoing support for updating the library on a yearly basis is required and anticipated.
Facilities and Equipment. New physical facilities will not be needed to accommodate the program. The Child Development Center contains up-to-date classroom equipment and research facilities to support the program.

Budget Impact. The proposed endorsement program will require no additional financial support beyond current operational costs. There will be no shifting of assignments or reallocation of resources for the program.

5. Duplication

Specialty courses in early childhood are available at several public and independent institutions offering preparation programs for elementary school teachers. These programs vary in content and level. Portland State University has a graduate level program. The recent Board-approved endorsement programs at Southern and Western Oregon State Colleges require both undergraduate and graduate level courses. Concordia, Linfield, and Warner Pacific Colleges have essentially undergraduate programs.

The proposed Early Childhood Education Endorsement at Oregon State University is distinguished from other programs in that students will complete their undergraduate degrees in Human Development/Early Childhood Education, then go on to the M.A.T. program in Elementary Education. This program is designed to extend competence, knowledge, and skills for those students with requisite undergraduate preparation.

Program Review

The program was reviewed by the Academic Council in June 1992. (The program has been submitted to the Teacher Standards and Practices Commission for its approval.)

Staff Recommendation to the Committee

Staff recommended the Board authorize Oregon State University to initiate a new instructional program leading to an Endorsement in Early Childhood Education in the M.A.T. in Elementary Education, effective fall 1992.
Meeting #612 September 25, 1992

Discussion and Recommendation by the Committee

Vice Chancellor Clark indicated that the endorsement requested by Oregon State University relates directly to Oregon’s long-term education reform goals. The request under consideration is part of the Systemwide and systematic attention being given to early childhood education.

Provost Arnold indicated that the endorsement was built on the long history of the Department of Human Development and Family Studies and the College of Home Economics and the commitment to early childhood education. The formal linkage between these two entities provides a natural base upon which to build the endorsement.

Mr. Swanson asked if he was correct in assuming that the preschool work would be done during the bachelor's degree program; and, when the student had finished the fifth year of a M.A. in Teaching, they would receive the endorsement. Professor Alan Sugawara indicated that the assumption was correct except that one of the practicums at the M.A.T. level has to be in the kindergarten classroom. Practicums at this level are for a minimum of 15 weeks of full-time experience in a public school setting.

Continuing, Dr. Haverson indicated that the endorsement is a way that Teacher Standards and Practices (TSPC) recognizes the specific training required in elementary education, including human and early childhood development.

Mr. Richardson questioned how much flexibility the institution has in designing curriculum to meet the TSPC requirements. Dr. Halverson responded that there is a great deal of flexibility as long as standards are met. In addition to the coursework and practicum experiences, teachers must pass the National Teachers Examination.

Mr. Richardson continued by indicating his interest in curriculum that address diversity and multicultural issues. Professor Sugawara added that the issue of multicultural curriculum is of great importance in early childhood. The practicum at Oregon State University is a laboratory preschool with an international and culturally diverse stu-
RESOLUTION
FOR SALE
OF ARTICLE XI-F(1)
BONDS

Meeting #612

September 25, 1992

dent population. One of the primary research projects being conducted examines how student teachers interact with children from different cultures and what teachers understand about diversity, including gender diversity.

The Committee recommended the Board approve the staff recommendation.

Board Discussion and Action

The Board approved the Committee recommendation. The following voted in favor: Directors Davis, Dodson, Donahue, Richardson, Swanson, Wilson, Yokota, and Bailey. Those voting no: none.

Staff Report to the Committee

In 1991 the Oregon Legislature authorized the Board to issue $107,770,000 of Article XI-F(1) bonds during the 1991-1993 biennium. These bonds were needed to finance all or part of 23 capital construction and hospital equipment acquisition projects approved by the Board and the legislature between 1987 and 1991.

In July 1991 the Board authorized staff to request the State Treasurer issue sufficient bonds to yield $32,110,000 of proceeds. The Treasurer, however, imposed a moratorium on the issuance of new state debt and did not issue any bonds for the Board until early in 1992. At that time, bonds totaling $19 million were sold to help finance construction activity at the University Hospital. The remaining bonds were not issued.

Staff continued to seek the Treasurer's approval to issue additional bonds in 1992-93. In June the Treasurer approved the issuance of $10,520,000 of bonds. These must be sold before the end of 1992. College and university officials have reviewed their needs for bonds and have determined that proceeds totaling $7,465,000 are necessary to permit projects to continue until fall 1993. With appropriate costs of sale, discounts, and reserves, the estimated amount of the bond sale would be $8,190,000.

The projects for which bonds are requested include the design and construction of storage for the
residence halls and the construction of pedestrian safety improvements at Southern Oregon State College, the planning and design of the major new student housing complex at Portland State University, the construction phase of the Hoke Hall addition at Eastern Oregon State College, and the design and construction of the Health Services addition to Werner College Center, Western Oregon State College.

The last two projects are funded from the student building fee. The Portland State University housing effort is funded from housing revenues at Portland State University. The projects at Southern Oregon State College are financed from the consolidated dormitory pool. All projects meet the self-liquidation and self-support requirements of Article XI-F(1) of the Oregon Constitution.

It is anticipated that bond proceeds will be available for use in December.

The Portland State University student housing project and the Hoke Hall addition at Eastern Oregon State College were among those to be financed with the bonds authorized by the Board in July 1991. The projects at Southern Oregon State College and Western Oregon State College were approved by the Board for 1991-1993 and had not been scheduled to receive bond funding until fall 1992.

The resolution now before the Board authorizes staff to pursue the sale of bonds for all projects now identified by the colleges and universities as needing bond funding during the current biennium. Therefore, staff does not intend to continue to pursue the sale of bonds authorized by the July 1991 resolution.

Staff Recommendation to the Committee

Staff recommended the Board: 1) find the listed projects meet the self-liquidation and self-support requirements of Article XI-F(1) of the Oregon Constitution, and 2) adopt the following resolution authorizing the sale of Article XI-F(1) bonds.
RESOLUTION (Article XI-F(1) Bonds)

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, Chapter 647, Oregon Laws 1991, Enrolled Senate Bills 5520 and 5577 of the 66th Oregon Legislative Assembly, and applicable provisions of Oregon Revised Statutes Chapter 286, 288, and 351, to sell general obligation bonds to fund the costs of certain capital improvements; and

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 fund the projects described in Section 2, below. The Bonds shall be designated, dated, authenticated, registered, shall mature, shall be in such denominations, shall bear such interest, 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 maximum net effective interest rate for the Bonds shall not exceed ten percent per annum.

Section 2. Projects. Bonds are authorized to be sold in the following amounts in order to provide funds for the following projects or other projects, as may be authorized by the Oregon Legislature, and as may be revised by the Vice Chancellor for Finance and Administration:
### Article XI-F(1) Projects

<table>
<thead>
<tr>
<th>Term</th>
<th>Construction</th>
<th>Acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOSC Residence Hall Storage 28/30</td>
<td>$1,080,000</td>
<td>$0</td>
</tr>
<tr>
<td>SOSC Pedestrian Safety Imps 28/30</td>
<td>$265,000</td>
<td>0</td>
</tr>
<tr>
<td>PSU Student Housing 28/30</td>
<td>4,480,000</td>
<td>0</td>
</tr>
<tr>
<td>EOSC Hoke Hall Addition 28/30</td>
<td>2,100,000</td>
<td>0</td>
</tr>
<tr>
<td>WOSC Health Services Addition 28/30</td>
<td>265,000</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$8,190,000</strong></td>
<td><strong>$0</strong></td>
</tr>
</tbody>
</table>

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") that are required for Bond interest to be excludable from gross income for federal income taxation purposes (except for taxes on corporations), unless the Board obtains an opinion of nationally recognized Bond counsel that such compliance is not required in order for the interest to be paid on the Bonds to be so excludable. 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 that are 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 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 which may be required to...
issue, sell, and deliver the Bonds in accordance with this resolution.

Discussion and Recommendation by the Committee

The Committee recommended the Board approve the staff recommendation.

Board Discussion and Action

The Board approved the Committee recommendation. The following voted in favor: Directors Davis, Dodson, Donahue, Richardson, Swanson, Wilson, Yokota, and Bailey. Those voting no: none.

Staff Report to the Committee

Oregon Revised Statute 352.385 authorizes the Board to designate up to 20 special campus security officers who shall have probable cause arrest authority and the accompanying immunities as set forth in ORS 133.310 when acting in the scope of their employment. Such officers shall not be authorized to carry firearms and are not considered police officers under the provisions of the Public Employee Retirement System (PERS) or state labor relations statutes. The Administrative Council has voted to ask the Board for authority to implement the provisions of ORS 352.385.

The institutional security directors agreed upon allocation of the 20 positions as follows:

Oregon State University 2
University of Oregon 3
Portland State University 3
Oregon Health Sciences University 3
Southern Oregon State College 3
Eastern Oregon State College 0
Western Oregon State College 3
Oregon Institute of Technology 2

One position will be held for Eastern Oregon State College if that school decides to implement the special security officer status.

The Board on Police Standards and Training provides training for State System security officers, and the training already provides the knowledge necessary for the special security officer designation.
Staff Recommendation to the Committee

Staff recommended the Board authorize System institutions to implement the special campus security officer designation as provided in ORS 352.385.

Discussion and Recommendation by the Committee

Assistant Vice Chancellor Ron Anderson reported to the Committee that personnel from all of the campuses have reviewed the proposal and unanimously support it. The analysis of the proposal is that there would be no increase in salary, no change in status in terms of continuing strike eligibility, and no increases in fringe benefits.

Ms. Davis asked if the individuals covered under this proposal had special training. Carey Drayton, Director of Public Safety, University of Oregon, indicated that all of the present officers had completed a modified version of the police academy training specifically designed for campus security officers.

Mr. Bailey raised a question about the levels of officers on the campuses. Mr. Drayton responded that there would be entry level officers with no or limited prior security experience and none on a college campus. Also, individuals might have transferred from another campus outside Oregon, or from another Oregon state agency.

Ms. Davis inquired as to how many women security officers there are in the System. Mr. Drayton indicated that at the University of Oregon there are 16 security officers, eight of whom are women. Data were not available at the meeting to respond to the question for all of the institutions.

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 Davis, Dodson, Donahue, Richardson, Swanson, Wilson, Yokota, and Bailey. Those voting no: none.
Staff Report to the Committee

The past few years, University Hospital has been investing in its facilities to help ensure adequate patient care and to make it a reasonable and attractive care provider for patients. This strategy contributed to the hospital reversing its pattern of operating losses and launching it into profitability last year. It follows the approach outlined in the 1986 University Hospital and Clinics Capital Development Plan.

The 1986 plan included hospital additions as well as the rehabilitation of existing facilities. One of the new improvements was a five-floor addition to the C-Wing of University Hospital South. This $25 million effort recently was approved by the Board for inclusion in the 1993-1995 capital construction budget request.

Officials at the Oregon Health Sciences University already have undertaken planning and design work for the C-Wing addition. They are ready to proceed with construction in early 1993 for the shell of the entire addition, the retrofit of the existing nine-floor C-Wing structure to meet new seismic requirements, completion of the new 10th and 11th floors for use by the Imaging Department, and completion of the 12th and 13th floors for use by Perinatal Services. These aspects of the C-Wing expansion project are expected to cost $17.7 million. The full project will include additional mechanical system improvements, the completion of the 14th floor, and the acquisition of equipment. Work will be undertaken on these items later since it is related largely to providing space for operations displaced by other hospital renovation activities to be undertaken in 1993-1995.

The original $25 million project was to have been financed through the sale of Article XI-F(1) bonds paid from hospital revenues. The $17.7 million first phase includes bonds valued at $6.9 million (sold earlier this year for hospital purposes), $4.1 million from gifts to the Doernbecher Children's Hospital, and $6.7 million cash from hospital operations. The $7.3 million second phase still is slated to use Article XI-F(1) bonds.
Oregon Health Sciences University officials believe that gifts in the various Doernbecher Children's Hospital accounts can be expended for these purposes. The Controller will determine whether they can be so used if the Emergency Board approves the project and Oregon Health Sciences University formally requests the use of these funds. If funds cannot be spent from those accounts for this project in accordance with Board rules, the matter will be brought to the Board. No construction contract requiring the use of the gift funds will be executed without an affirmative determination by the Controller or the Board, as appropriate.

The C-Wing expansion will permit the University Hospital to consolidate radiology and cardiology imaging services in one modern location. Currently, these services are offered in six locations across the Oregon Health Sciences University campus. Most of these facilities have not been updated since the 1960s.

The 12th and 13th floors will be occupied by the neonatal intensive care unit, labor and delivery, postpartum, and related maternal and child health care functions. The gift funds (and some of the cash) will be utilized for these improvements.

The financial projections for additional revenue associated with the services offered in the C-Wing addition indicate that the University Hospital should make these investments. Hospital administrators estimate that incremental net patient revenue will have exceeded the cash outflow needed for construction and debt service (exclusive of gift funds) by the end of the 1995-1997 biennium. Net cash flow (after debt service) is expected to be nearly $4 million per biennium thereafter. All the net patient revenue is attributable to expected increases in imaging services.

Oregon Health Sciences University officials are proposing that $17.7 million of existing Other Funds limitations already approved by the legislature be transferred to this project. These include $6,706,000 of unexpended and unreleased limitation from the University Hospital renovations project (1989-1991) and $10,994,000 from unexpended and unencumbered balances associated with three 1991-1993 projects (University Hospital omnibus renov-
tions [1991-1993], Outpatient Clinic omnibus renovation, and Hospital utilities rehabilitation [1991-1993]).

The University Hospital was able to utilize cash from operations to fund $2.75 million of repairs originally included in the $19,250,000 approved for those three projects. Another $8.3 million of rehabilitation efforts either have been completed already or remain in the hospital's capital plan for 1991-1993. The $450,000 intended for Ear, Nose, and Throat Clinic (ENT) renovations was placed on indefinite hold. Of the work at the outpatient clinic, $5 million was associated with improvements needed to meet the expected demand occasioned by the implementation of the Oregon Health Plan authorized by Senate Bill 27. That program has not received federal approval yet, so the improvements are being held in abeyance. The remaining work (seven maintenance projects) has been deferred until next biennium due to operational considerations. (The 1993-1995 capital construction budget includes large projects for hospital and outpatient clinic renovations.)

Staff Recommendation to the Committee

Staff concurred with the request of Oregon Health Sciences University and recommended the Board authorize staff to request Emergency Board approval to establish an Other Funds limitation of $17,700,000 for Phase I of the C-Wing Expansion at the University Hospital through the transfer of $17,700,000 of Other Funds limitations from various 1989-1991 and 1991-1993 projects at the University Hospital to Phase I of the C-Wing Expansion and authorize the expenditure of those funds for the construction of the improvements associated with Phase I of the C-Wing Expansion. Staff further recommended that the Board authorize staff to amend the 1993-1995 capital construction budget request through the substitution of Phase II of the C-Wing Expansion with an Other Funds limitation of $7,300,000 for the project entitled C-Wing Expansion.

Discussion and Recommendation by the Committee

Mr. Pernsteiner reminded the Committee that this is a project authorized by the Board in July for the
1993-1995 biennium. The proposal before the Committee was to seek permission to break the project into two phases and to begin construction of Phase I in the current biennium. The cost of the construction is $17.7 million, of which only $6.9 million will be bond-funded. The remainder of the costs will be paid from cash on hand from operations or from monies from one of the various gift accounts. The proposal seeks permission to divide the project into two segments and to grant permission to go forward to the Emergency Board.

Continuing, Mr. Pernsteiner indicated that the first phase of the construction is a sound financial investment in that, by the end of the 1995-1997 biennium, it would begin to return approximately $4 million a biennium in positive cash flow back to the University after the debt service has been taken into account. The monies would be generated from the expanded imaging service activities.

Vice Chancellor Ihrig explained that James Walker, Chief Fiscal Officer for the hospital, has made projections of revenue and expenses at various patient loads to the end of the decade. This has been done, in part, to assure that any debt added to the hospital can be covered by revenues. With this particular project, there is more of a downside to not proceeding.

Ms. Wilson asked for clarification on the use of operating funds for capital construction projects. Vice Chancellor Ihrig explained the difference between education-in-general funds and funds for auxiliary enterprises, of which the hospital is one.

The Committee agreed that the Board should approve the staff recommendation.

**Board Discussion and Action**

The Board approved the Committee recommendation. The following voted in favor: Directors Davis, Dodson, Donahue, Richardson, Swanson, Wilson, Yokota, and Bailey. Those voting no: none.
Staff Report to the Committee

In 1989 the Oregon Legislature appropriated $17 million of General Fund and established an Other Funds limitation (for gift funds) of $9,620,000 for the design and construction of additions to and alterations of the Knight Library at the University of Oregon. The project was divided into two phases -- construction of building additions and renovation of the existing library.

In January 1991 the Executive Department "unscheduled" $306,000 of the General Fund appropriation. In other words, only $16,694,000 of the appropriated amount can be spent. Shortly after these funds were frozen, the University of Oregon indicated that it would seek to increase the $9,620,000 of gift funds by $306,000 in order to keep the project's construction, renovation, and equipment acquisition scope intact.

Most of the remaining General Fund was designated to fund the construction of the 134,000 square feet of additions, begun in mid-1991. The gift funds were targeted for the renovation of the 237,000-square-foot existing facility.

Construction of the additions is scheduled to be completed by the end of 1992. This will permit a portion of the library's operations to be moved into new space so that the renovation efforts can begin. Design work on the renovations is nearing completion.

The University of Oregon wants to proceed with the renovation portion of this project early in 1993. Sufficient gift funds have been secured to permit the renovations to move forward. The cost of design and construction for the renovations stands at $8.6 million. Approximately $1 million of General Fund remains available, and approximately $7.6 million of the gifts and other funds (such as a National Endowment for the Humanities grant) already have been received.

Staff Recommendation to the Committee

Staff concurred with the request of the University of Oregon and recommended the Board authorize staff to seek the approval of the Emergency Board to in-
crease the Other Funds limitation for the Knight Library additions and alterations by $306,000 and authorize the expenditure of $9,926,000 of Other Funds for the design, alteration, and equipping of the Knight Library, provided that no funds will be committed beyond the cash available at the point of commitment.

Discussion and Recommendation by the Committee

Mr. Pernsteiner reviewed the recommendation, indicating that the University of Oregon was requesting permission to increase the Other Funds limitation by $306,000 from gift monies. Second, the University seeks authorization to go to the Emergency Board to release the gift money for the construction of the renovations.

The Committee recommended the Board approve the staff recommendation.

Board Discussion and Action

The Board approved the Committee recommendation. The following voted in favor: Directors Davis, Dodson, Donahue, Richardson, Swanson, Wilson, Yokota, and Bailey. Those voting no: none.

Staff Report to the Committee

The Charles Dotter Memorial Institute for Interventional Radiology at Oregon Health Sciences University, which combines radiological research with instruction and patient care, will host a symposium on interventional radiology in September 1993.

When the Board adopted the 1993-1999 capital construction budget in July, it approved the expansion of the building housing the Dotter Institute. Construction work on this gift-funded addition was scheduled to begin in September 1993.

Officials at Oregon Health Sciences University wanted to accelerate the construction of the Dotter Institute expansion so that the facility is complete prior to the start of the symposium next September. Therefore, they requested establishment of the project through the Emergency Board as a 1991-1993 effort. This will permit construction to be underway early in 1993. The accelerated schedule
Meeting #612

also permits Oregon Health Sciences University researchers to utilize the facility earlier.

Oregon Health Science University's plans call for a 4,500-square-foot addition costing $800,000. This is a somewhat larger facility than the one originally considered by the Board, and the cost is $100,000 higher, as well. However, it reflects more complete programming and design efforts and may obviate the need for another expansion in the near future.

Gift funds will be used to pay for designing, constructing, and equipping the addition. If the expansion of the Dotter Institute is approved for 1991-1993, the 1993-1995 project will be deleted from the Board's capital construction budget request.

Staff Recommendation to the Committee

Staff concurred with the request of Oregon Health Sciences University and recommended the Board authorize staff to seek approval from the Emergency Board to establish an Other Funds limitation of $800,000 and authorize the expenditure of that amount for the construction of an expansion of the Dotter Institute. Staff further recommended that the Board authorize staff to request the Dotter Institute Expansion be eliminated as a project in the 1993-1995 capital construction budget request.

Discussion and Recommendation by the Committee

Mr. Bailey asked if the gift money to be used on this project has been obtained. Mr. Pernsteiner responded that the monies in hand are sufficient to cover, but that an earlier start-up of the Project will provide an opportunity to raise additional gift money.

The Committee recommended the Board approve the staff recommendation.

Board Discussion and Action

The Board approved the Committee recommendation. The following voted in favor: Directors Davis, Dodson, Donahue, Richardson, Swanson, Wilson, Yokota, and Bailey. Those voting no: none.
The University of Oregon Library requested authorization to spend the Johanna Eppling quasi-endowment fund (50-432-3035) for critical equipment needs for current library activities. These expenses, which are within the scope of the restrictions expressed by the donor, will help sustain library services efficiently through the next biennium and beyond.

This quasi-endowment account, established last fiscal year, has a book value of $230,806 and a market value of $237,989 as of June 30, 1992. The requested funds would be transferred to account 50-265-8015, Library Gifts, for expenditure.

Quasi-endowments that exceed $100,000 in value require Board approval before such funds can be released for expenditure.

Staff recommended the Board authorize the transfer of the Johanna Eppling quasi-endowment fund to provide for the acquisition and installation of equipment for the University of Oregon Library.

The Committee recommended the Board approve the staff recommendation.

The Board approved the Committee recommendation. The following voted in favor: Directors Davis, Dodson, Donahue, Richardson, Swanson, Wilson, Yokota, and Bailey. Those voting no: none.

The Internal Audit Division's (IAD) Annual Audit Report: Fiscal Year Ended June 30, 1992, summarizing audits completed during 1991-92 and fourth quarter results, was submitted to the Chancellor, Board, and to the Oregon Executive Department as required by Executive Department Administrative Rule 15-001-03.
The Internal Audit Division's Annual Audit Plan: Fiscal Year Ending June 30, 1993, summarizing IAD's risk assessment of the State System's "audit universe," was submitted to the Chancellor, Board, and the Oregon Executive Department as required by Executive Department Administrative Rule 15-001-03.

Discussion

Dr. Peter Hughes, Director, Internal Audit Division, expressed appreciation to management for support of the work of the Audit Division and efforts to streamline operations.

Ms. Wilson complimented the Internal Audit Division for the innovations that have occurred in this area, indicating that the six-year plan is built on a risk assessment matrix that takes the major 38 items that need to be examined, prioritizes them, shifts resources within the division, and arrives at a number of creative ways to look at management of the work load. The staff has an approximate 33 percent flexibility factor built into the plan to focus on specific issues that need attention.

Dr. Hughes pointed out that during the current year, resources have been redirected from intercollegiate athletics because the departments have made marked improvements in the internal controls. During the year, an audit was completed of the property equipment. In that regard, a proposal is being developed to apply the "80/20 rule" that is applicable to property equipment. The premise of the rule is that the total value of equipment lies in under 20 percent of the items. This approach assures maximum review of the items most costly to the State System.

Ms. Wilson asked Dr. Hughes to describe the structure of the risk assessment tool used. The ten risk factors include the materiality of the operation, liquidity of the assets (either in terms of cash or convertible equipment), time and interval of the last audit, nature of the audit findings, changes in management, organizational structure, or rules and regulations.

Ms. Wilson indicated that the work of the Division is "creative and fits well in the Board Administrative Review Committee (BARC) philosophy of deploy-
Staff Report to the Board

Officials at Oregon State University have reported to the Office of Finance and Administration the donation of four parcels of land to Oregon State University. The parcels originally were donated to the Oregon State University Foundation, and the Foundation now has deeded all of the land to Oregon State University.

One parcel, in Yaquina Bay, was given to the Oregon State University Foundation by Robert E. Barber and Margaret J. Barber. The parcel consists of approximately five acres of tidelands that the Oregon State University Coastal Oregon Marine Experiment Station will use for oyster research. The parcel was appraised at $11,600.

Parcels two and three were donated to the Oregon State University Foundation by McLane Fisher. Both parcels border the McDonald Forest and are to be used in support of teaching and research activities of the College of Forestry. The total area of the two parcels is 22.2 acres, with an estimated value of $16,310.

Parcel four is a piece of land called the Narnia Tract and was donated to the Foundation by John W. and Phyllis G. Heggen. The parcel has 54.2 acres and is located in the Oak Creek area northwest of Corvallis. It will be used jointly for the benefit of the College of Forestry and the College of Agricultural Sciences. The parcel is valued at approximately $44,800.

(No Board action required)

Introduction

The 1992-93 Operating Budget allocations are based on program eliminations and reductions approved by the Board at the meeting on March 1, 1991. This action was in response to an 11.4 percent, or $85.4
million, reduction in the General Fund as a result of the passage of Measure 5. The Governor's budget reductions subsequently were modified by 1991 legislative appropriations. At the September 27, 1991, meeting, the Board determined program allocations and approved funding policies based on legislative appropriations for 1991-1993. At the same meeting, the Board established policies for the following:

- Reallocating base dollars for special program adjustments
- Funding an endowment match program
- Funding of faculty retention
- Funding of student enrollment
- Funding capital repair
- Funding of the Portland Initiative
- Funding the Joint Engineering Program
- Funding unclassified salary adjustments

The Operating Budget for 1992-93

The Operating Budget for 1992-93 continues the program allocations and funding policies begun in 1991-92.

The Base Budget

The base budget for 1992-93 reflects inflationary adjustments to services and supplies and equipment of 4.2 percent. Medically related services and supplies have been inflated by 6.4 percent.

Enrollment

Three-term FTE funded enrollment for 1992-93 is 47,879 (60,480 headcount). This enrollment level takes into account the additional 4,000 headcount students added by the legislature to the Board's planned enrollment level for 1991-1993. The budget allocation for 1992-93 also takes into account the additional $10 million ($5 million per year) in General Fund support to assist in funding the 4,000
students. Staff continues to recommend, as it did in 1991-92, that these enrollment funds be applied in a manner that will minimize recurring expenditure requirements. Thus, if tax reform is not forthcoming, these funds can be applied to required budget cuts in 1993-1995.

The following table indicates that actual headcount enrollment for fall 1991 (at 59,440) was over 1,000 students below the targeted level of 60,480. Early indications are that headcount enrollment for fall 1992 may not exceed 57,500 -- or 3,500 students below the targeted level for this biennium. With the budget cuts and tuition increases required by Measure 5, staff in March 1991 predicted that enrollment levels in 1991-1993 would be around 56,500 headcount. During the budget process, the legislature indicated its desire for the System to add 4,000 students to that planned level. However, during the legislative budget process, programs were not restored, and the tuition surcharge was reduced only slightly ($600 to $500). Thus, there has been concern regarding the System's ability to attract all of the additional 4,000 students. This uncertainty in enrollment is the reason staff recommended in 1991-92, and is again recommending for 1992-93, that two-thirds of the tuition money represented by these additional 4,000 students not be allocated in the initial budget.

An interesting but as yet unexplainable situation seems to be occurring as potential fall 1992 enrollment levels are analyzed by institutions. It appears that virtually all of the enrollment drop is occurring at the three universities. The colleges and Oregon Institute of Technology appear to have stabilized enrollment at fall 1991 levels, with Western Oregon State College continuing to turn away qualified students because enrollment demand exceeds targets.

The Board authorized the University of Oregon to assess an additional $450 annual surcharge on all nonresident students in 1992-93. The allocation for 1992-93 takes into account the additional income to be generated by this surcharge.

The 1992-93 funded enrollment levels are the following, which are the same levels budgeted for 1991-92:
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FTE</td>
<td>Headcount</td>
</tr>
<tr>
<td>UO</td>
<td>14,146</td>
<td>16,935</td>
</tr>
<tr>
<td>OSU</td>
<td>13,226</td>
<td>15,097</td>
</tr>
<tr>
<td>PSU</td>
<td>8,863</td>
<td>14,504</td>
</tr>
<tr>
<td>WOSC</td>
<td>3,295</td>
<td>3,860</td>
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<tr>
<td>SOSC</td>
<td>3,622</td>
<td>4,538</td>
</tr>
<tr>
<td>EOSC</td>
<td>1,433</td>
<td>1,840</td>
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<tr>
<td>OIT</td>
<td>2,097</td>
<td>2,666</td>
</tr>
<tr>
<td>Total</td>
<td>46,682</td>
<td>59,440</td>
</tr>
</tbody>
</table>

**Unclassified Salary Policy**

For 1992-93 the State System was provided, as part of the Legislative Salary Adjustment Appropriation for the biennium, sufficient funds to grant a three percent cost-of-living adjustment effective May 1, 1993, for all employees performing satisfactory service.

The Board, at the meeting on September 27, 1991, authorized a two percent performance-based salary adjustment and a one percent faculty retention plan for 1991-1993. Each institution submitted plans to the Chancellor outlining the implementation criteria. These salary plans will be implemented for 1992-93 in accordance with those plans. The effective date for these two plans is mid-contract for faculty members, i.e., January 1, 1993, for 12-month contracts and February 1, 1993, for nine-month contract employees.

Funding for graduate assistant salaries increased three percent beginning in September 1992.

**Summary**

The following schedule summarizes the allocations for each institution and statewide public services. In summary, the schedule displays the 1991-92 base
budget approved by the Board on September 27, 1991, and significant additions to that base for 1992-93.
## ATTACHMENT A

### 1992-93 OPERATING BUDGET

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Base &amp; Salary</td>
<td>Regional Libraries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Univ. of Oregon</td>
<td>114,887,270</td>
<td>6,487,660</td>
<td>413,000</td>
<td>1,142,181</td>
</tr>
<tr>
<td>Oregon State U.</td>
<td>122,178,477</td>
<td>6,638,308</td>
<td>835,000</td>
<td>122,930,111</td>
</tr>
<tr>
<td>Portland U.</td>
<td>68,263,711</td>
<td>2,894,284</td>
<td>1,000,000</td>
<td>72,659,995</td>
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<tr>
<td>West. Oregon U.</td>
<td>21,181,308</td>
<td>796,454</td>
<td></td>
<td>21,977,762</td>
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<tr>
<td>South. Oregon U.</td>
<td>23,290,236</td>
<td>908,563</td>
<td></td>
<td>24,198,799</td>
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<tr>
<td>East. Oregon U.</td>
<td>12,505,976</td>
<td>497,869</td>
<td></td>
<td>13,003,845</td>
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<tr>
<td>Oregon Inst.</td>
<td>17,535,163</td>
<td>746,918</td>
<td></td>
<td>18,282,081</td>
</tr>
<tr>
<td>Oregon Health U.</td>
<td>60,482,186</td>
<td>1,917,086</td>
<td></td>
<td>62,399,272</td>
</tr>
<tr>
<td>Or. Ctr. Advanced</td>
<td>1,635,918</td>
<td>70,717</td>
<td>750,000</td>
<td>2,456,635</td>
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<tr>
<td>Centralized Activities</td>
<td>13,436,198</td>
<td>428,812</td>
<td></td>
<td>13,865,010</td>
</tr>
<tr>
<td>Capital Repair</td>
<td>5,329,167</td>
<td>220,261</td>
<td></td>
<td>5,528</td>
</tr>
<tr>
<td>System-wide TBA</td>
<td>(9,613,834)</td>
<td>(112,547)</td>
<td>(1,000,000)</td>
<td>6,001,287</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-total Educ. &amp; Gen.</td>
<td>470,339,444</td>
<td>21,494,385</td>
<td>0</td>
<td>1,142,181</td>
</tr>
</tbody>
</table>

### Additional Notes

- **Agri. Exp. Station**
  - Enroll. Uncertainty: 4,350,000
  - Endow. Match Res.: 777,560
  - Regional Libraries: 250,000
  - Planning & Policy Studies: 623,727

- **Extension Service**
  - 25,276,315

- **Forest Res. Lab.**
  - 5,838,239

- **Hospital**
  - 18,723,349

- **Child. Dev. Rehab. Ctr.**
  - 11,016,593

- **Dental Clinics**
  - 2,381,797

**The 1992-93 System-wide to be allocated consists of:**

- Enroll. Uncertainty
- Endow. Match Res.
- Regional Libraries
- Planning & Policy Studies
Staff Recommendation to the Board

Staff recommended the Board approve the institution and statewide public services budget allocations as summarized on Attachment A. In addition, staff recommended the Board approve the enrollment levels and unclassified salary policy as outlined above.

Board Discussion and Action

Vice Chancellor Ihrig reminded the Board that the operating budget for the fiscal year just beginning is the last year of the current biennium (1991-1993). The budget follows Board guidelines established for the biennium and that were begun during the first year. No changes were recommended in the budget development guidelines and the policy allocations set for the biennium.

The operating budget included the standard inflationary adjustments of approximately 4.2 percent for general supplies and equipment, and 6.4 percent for medically related services and supplies. The biggest "unknown" in the budget, according to Mr. Ihrig, is the enrollment and the amount of resources to be gained from tuition revenues.

Although precise enrollment figures will not be known until January, initial enrollment figures from Eastern and Western Oregon State Colleges indicate that enrollments are up; Portland State University is approximately at the same level as last year; and the University of Oregon and Oregon State University have declined slightly.

In the category of salaries, the legislatively approved salary adjustments include one for a cost-of-living adjustment effective May 1, 1993, and authorization to provide two percent performance-based salary adjustments and a one percent retention plan for each year of the biennium.

Mr. Richardson asked President Gilbert if the enrollment increases relate to the tuition policy or to some other factors. Dr. Gilbert indicated he could not respond definitely to the question but assumed that some of the increase was a result of concerted efforts to recruit as many Oregonians as possible. What was not clear was the number of returning students.
President Bailey commented on salaries for senior staff. "Vice President Wilson and I have met with the Chancellor and Vice Chancellor Ihrig," Mr. Bailey reported. "We are in agreement that the Chancellor and senior staff, including presidents, have continued to perform above expectations and deserve merit increases.

"However, during these difficult times, it is agreed that it is more appropriate again to limit awarding compensation for meritorious performance to faculty and support staff below the rank of vice president or executive dean. If there is no objection, passage of the budget will incorporate approval of the Chancellor's and presidents' salary increases limited to the three percent cost-of-living adjustment authorized for all state employees."

Mr. Richardson and Dodson agreed that it was unfortunate that for too long this same comment has been made and thanked the Chancellor and presidents and other affected staff for staying with the system.

The Board approved the staff recommendation. The following voted in favor: Directors Davis, Dodson, Donahue, Richardson, Swanson, Wilson, Yokota, and Bailey. Those voting no: none.

Staff Report to the Board

In accordance with Board regulations, the following members represented the Board in approving candidates for degrees and diplomas for the graduating classes at the various institutions during the 1991-92 academic year and summer session:

- Eastern Oregon State College
  Janice J. Wilson

- Oregon Health Sciences University
  Rob Miller

- Oregon Institute of Technology
  Robert L. R. Bailey

- Oregon State University
  Mark S. Dodson
Staff Recommendation to the Board

Staff recommended the Board confirm the actions of the Board members in approving degrees and diplomas.

Board Discussion and Action

The Board approved the staff recommendation. The following voted in favor: Directors Davis, Dodson, Donahue, Richardson, Swanson, Wilson, Yokota, and Bailey. Those voting no: none.

Staff Report to the Board

ORS 526.225 provides that the Board of Higher Education shall appoint a Forest Research Laboratory Advisory Committee composed of 15 members, nine of whom are to be individuals engaged actively and principally in timber management of forest lands, harvesting, or processing of forest products; three of whom are to be individuals who are the heads of state and federal public forestry agencies; and three of whom are to be individuals from the public-at-large. Although the statute does not prescribe the terms of the committee members, the practice has been to make appointments for a period of three years. Those who are performing actively and effectively traditionally have been recommended for reappointment to a second three-year term, with all members replaced at the conclusion of a second term.

Dr. George W. Brown, Director of the Forest Research Laboratory, with the concurrence of Presi-
dent Byrne and Chancellor Bartlett, recommended the following appointments for the terms indicated:

Appointment of Thomas C. MacDonald to a three-year term as an industry representative on the Advisory Committee. Mr. MacDonald is Vice President for Manufacturing with Contact Lumber in Prineville, Oregon. He will replace Mr. Bond Starker, who has completed six years of service on the Committee.

Appointment of Mr. John E. Lowe, Regional Forester for the Pacific Northwest Region of the Forest Service.

**Staff Recommendation to the Board**

Staff recommended the Board approve the above appointments to the Forest Research Laboratory Advisory Committee.

**Board Discussion and Action**

The Board approved the Committee recommendation. The following voted in favor: Davis, Dodson, Donahue, Richardson, Swanson, Wilson, Yokota, and Bailey. Those voting no: none.

**Staff Report to the Executive Committee**

Oregon State University must contract for the preparation of drawings and specifications for the specialized demolition of a portion of the Industrial Building as a result of a fire that occurred July 13, 1992. The drawings and specifications for the specialized demolition needs for the initial clean-up of the fire damage are urgent and will need to be accomplished on a time and materials basis to avoid unnecessary delay and further hazard to the remaining portion of the building. ORS 279.015(3) and (4) authorizes the Board to declare an emergency allowing Oregon State University to contract for the services of DEVCO Engineering, Inc., Corvallis, Oregon, for the services described above.

**Staff Recommendation to the Executive Committee**

Staff recommended the Board declare that the need to contract for preparation of drawings and speci-
fications for the demolition services is an emergency as described in ORS 279.015(3) and (4).

Decision of the Executive Committee

The staff recommendation was approved unanimously by the Executive Committee on August 18, 1992.

Board Discussion and Action

The Board approved the recommendation of the Executive Committee. The following voted in favor: Directors Davis, Dodson, Donahue, Richardson, Swanson, Wilson, Yokota, and Bailey. Those voting no: none.

Staff Report to the Board

The Board's grievance procedure for unclassified employees, Oregon Administrative Rule 580-21-050, requires each institution to report annually the number, basis, and outcome of all formal grievances filed under the institutional procedures adopted pursuant to the Rule. In addition to the grievances reported here, other grievances were filed under procedures contained in collective bargaining contracts. The institutions reported as follows for the 1991-92 academic year:

Eastern Oregon State College
No grievances were filed.

Western Oregon State College
No grievances were filed.

Oregon Institute of Technology
Two grievances were filed.

One grievance challenged a faculty member's denial of promotion to full professor. Although the grievance was denied at lower levels of review, the President upheld the grievance and promoted the grievant to full professor.

The second grievance challenged a fixed-term faculty member's non-reappointment. The President denied the grievance. At the June 1992 meeting, the Board affirmed the President's decision.
Oregon State University
One grievance was filed.

A part-time, fixed-term faculty member challenged the termination of the faculty member's position. The President adopted the recommendation of the Faculty Grievance Committee, denying the grievance.

Portland State University
Three grievances were filed.

One grievance alleged harassment in course workloads, course preparations, and by remarks of the department chair. The grievance was settled with an agreement regarding course assignments for the 1992-93 academic year.

A second grievance alleged that a position scheduled for elimination under Measure 5 cuts still exists. The grievant was offered a contract for 1992-93.

The third grievant alleged prohibited discrimination on the basis of race and color. A request for Chancellor's review was not filed by the grievant within the appropriate time. The grievant then filed a civil rights complaint on the basis of national origin, which currently is pending.

University of Oregon
Two grievances were filed.

One grievance challenged denial of promotion and tenure. The President adopted the Promotion/Tenure/Retention Appeal Committee's recommendation to deny the grievance.

The second grievance was suspended when the grievant filed a complaint with the Oregon Bureau of Labor and Industries.

Oregon Health Sciences University
Two grievances were filed challenging nonrenewals of fixed-term contracts. Informal mediation was held in both grievances.

One grievance proceeded to a formal hearing, and the committee recommended the grievance be denied. The President accepted the committee's recommendation.
The second grievance was withdrawn by the grievant.

**Southern Oregon State College**
No grievances were filed.

(No Board action required)

### SUMMARY OF FACILITIES CONTRACTING ACTIVITIES, OFFICE OF FINANCE AND ADMINISTRATION

| Mechanical & Electrical Consulting Svcs, OSU | An agreement was negotiated with Carson Bekooy Gulick Kohn, Engineers, Portland, for mechanical and electrical consulting services not to exceed $50,000.00. Financing will be provided from state funds. |
| Engineering & Consulting Svcs, OSU | An agreement was negotiated with Devco Engineering, Inc., Engineers, Corvallis, for engineering and consulting services not to exceed $50,000.00. Financing will be provided from state funds. |
| Mechanical & Electrical Consulting Svcs, OSU | An agreement was negotiated with Interface Engineering, Inc., Engineers, Milwaukie, for mechanical and electrical consulting services not to exceed $50,000.00. Financing will be provided from state funds. |
| Engineering & Consulting Svcs, OSU | An agreement was negotiated with K & D Engineering, Inc., Engineers, Albany, for engineering and consulting services not to exceed $50,000.00. Financing will be provided from state funds. |
| Steam/Boiler Control Consulting Svcs, OSU | An agreement was negotiated with Steam Engineering, Engineers, Portland, for steam/boiler control consulting services not to exceed $50,000.00. Financing will be provided from state funds. |
Meeting #612

Award of Construction Contracts

Todd Hall
Masonry
Restoration Project,
WOSC

On August 4, 1992, Pioneer Waterproofing Company, Inc., was awarded a contract for this project in the amount of $83,391.00. Financing for this project will be provided from capital repair funds.

Environmental Computing Center Project, OSU

On August 6, 1992, Dale Ramsay Construction Co., was awarded a contract for this project in the amount of $1,266,393.00. Financing for this project will be provided from XI-F(1) bonds.

FRL Scanning Lab Relocation Project, OSU

On June 23, 1992, Terry Hackenbruck Construction was awarded a contract for this project in the amount of $58,329.00. Financing for this project will be provided from gift and state grant funds.

McAlexander Fieldhouse Painting & Roof Recoating Project, OSU

On August 12, 1992, Dale Ramsay Construction Co., was awarded a contract for this project in the amount of $103,056.00. Financing for this project will be provided from state funds.

Memorial Union Piping Replacement Project, OSU

On August 4, 1992, Terry Hackenbruck Construction was awarded a contract for this project in the amount of $133,900.00. Financing for this project will be provided from state funds.

Milam Auditorium Seating Replacement, OSU

On July 13, 1992, Dale Ramsay Construction Co., was awarded a contract for this project in the amount of $77,400.00. Financing for this project will be provided from capital repair funds.

Chemistry Lab Bench Repair Project, SOSC

On August 4, 1992, McLaughlin Plumbing & Heating Co., was awarded a contract for this project in the amount of $194,405.00. Financing for this project will be provided from capital repair funds.

September 25, 1992

529
<table>
<thead>
<tr>
<th>Project Description</th>
<th>Date of Award</th>
<th>Contract Amount</th>
<th>Financing Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Churchill Hall Exterior Repair, SOSC</td>
<td>June 30, 1992</td>
<td>$193,400.00</td>
<td>Capital Repair Funds</td>
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<tr>
<td>Bean Hall Lighting &amp; Smoke Detector Upgrade Project, UO</td>
<td>August 10, 1992</td>
<td>$65,529.00</td>
<td>Housing Reserve Funds</td>
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<tr>
<td>Hamilton Hall Exterior Restoration Project, UO</td>
<td>July 14, 1992</td>
<td>$149,697.00</td>
<td>Housing Reserve Funds</td>
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<tr>
<td>Law Center Addition &amp; Renovations Project, UO</td>
<td>August 11, 1992</td>
<td>$208,900.00</td>
<td>Capital Repair Funds</td>
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<tr>
<td>Onyx Bridge Science Bldg, Organic Chemistry Lab Mech Work Project, UO</td>
<td>July 6, 1992</td>
<td>$190,250.00</td>
<td>Parking Reserve Funds</td>
</tr>
<tr>
<td>Onyx Parking Improvements Phase II Project, UO</td>
<td>August 12, 1992</td>
<td>$109,750.00</td>
<td>Housing Reserve Funds</td>
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<tr>
<td>Riley Hall Roofing Replacement Project, UO</td>
<td>July 15, 1992</td>
<td>$54,378.00</td>
<td>State Funds</td>
</tr>
<tr>
<td>Basic Science Bldg, 6th Floor Autoclave Lab Remodels Project, OHSU</td>
<td>July 15, 1992</td>
<td>$12,000</td>
<td>Law School Fee Account</td>
</tr>
</tbody>
</table>
On July 15, 1992, Todd Hess Building Co., was awarded a contract for this project in the amount of $54,378.00. Financing for this project will be provided from state funds.

On July 7, 1992, John May Construction Co., was awarded a contract for this project in the amount of $58,183.00. Financing for this project will be provided from state funds.

On August 19, 1992, John May Construction Co., was awarded a contract for this project in the amount of $322,895.00. Financing for this project will be provided from state funds.

On August 12, 1992, Hydro-Temp Mechanical, Inc., was awarded a contract for this project in the amount of $478,600.00. Financing for this project will be provided from state funds.

On July 13, 1992, Russell Construction Inc., was awarded a contract for this project in the amount of $86,503.00. Financing for this project will be provided from state funds.

On July 13, 1992, Copenhagen, Inc., was awarded a contract for this project in the amount of $285,000.00. Financing for this project will be provided from state funds.

Acceptance of Projects

This project is complete and was accepted on August 5, 1992. The estimated total project cost remains at $133,569.00. Financing for this project was provided from capital repair funds.
Meeting #612  

Rosenfeldt Lab & Feed Barn Bldg Reroof, OSU  

This project is complete and was accepted on August 3, 1992. The estimated total project cost remains at $14,789.00. Financing for this project was provided from capital repair funds.

Tennis Court Renovations Project, OSU  

This project is complete and was accepted on July 24, 1992. The estimated total project cost remains at $92,754.00. Financing for this project was provided from state funds.

Cascade Cafeteria Addition & Remodel, SOSC  

This project is complete and was accepted on April 6, 1992. The estimated total project cost remains at $1,649,181.44. Financing for this project was provided from housing reserve funds.

Artificial Turf, Autzen Stadium, UO  

This project is complete and was accepted on August 12, 1991. The estimated total project cost remains at $429,000.00. Financing for this project was provided from the Autzen turf reserve funds.

(No Board action required)

ITEMS FROM BOARD MEMBERS  

Mr. Dodson, Ms. Yokota, and Ms. Wilson thanked President Byrne and members of the College of Forestry for the informative tour and presentation.

Ms. Wilson reported on the activities of the Board Administrative Review Committee, underscoring the positive reception of the Oregon's Future Subcommittee to the work of the Committee. The report of Peat Marwick on the Chancellor's Office will be made within the next few weeks. At that point, BARC will determine how to expand the review to the other campuses.

PRESIDENT'S REPORT  

President Bailey added his thanks to President Byrne and members of his staff for the informative events planned for the campus visit.

Reporting on the meeting of the Joint Boards with Governor Roberts, Mr. Bailey indicated it had been an open and frank discussion covering a range of topics. The Chancellor and Mr. Bailey, through the Joint Boards process, will be meeting on a more regular basis with the Governor between now and the beginning of the legislative session.

President Bailey reminded Board members of upcoming important meetings. The Board will be meet-
Meeting #612

September 25, 1992

ing in La Grande at Eastern Oregon State College on October 22 and 23. In November, the Joint Boards will meet the morning of November 20, followed by the regular meeting of the Board of Higher Education. At the conclusion of that meeting, the Board will meet in a Renewal Work Session that will continue until around 11 a.m. on Saturday.

ADJOURNMENT

The Board adjourned at 11:30 a.m. and continued the campus visit to Oregon State University through lunch until 1:45 p.m.

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

Robert L. R. Bailey
President