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

June 24, 1994

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BOARD RENEWAL

REPORT ITEMS

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James Dean

ADJOURNMENT
ROLL CALL

The meeting of the State Board of Higher Education was called to order at 8:40 a.m. by Vice President Rob Miller.

On roll call, the following answered present:

Dr. Herb Aschkenasy  Ms. Karen Madden Evans
Mr. Bob Bailey  Mr. Rob Miller
Ms. Diane Christopher  Mr. George Richardson
Mr. Richard Donahue  Mr. Les Swanson
Mr. Bobby Lee  Mr. Jim Willis

Ms. Janice Wilson was absent due to business out of the country.

Chancellor's Office -- Chancellor Thomas A. Bartlett; Virginia Boushey, Assistant Vice Chancellor, Academic Affairs; Gary Christensen, Assistant Vice Chancellor, Academic Affairs; Andy Clark, Associate Director, Government Relations; Shirley Clark, Vice Chancellor, Academic Affairs; Francesca Clifford, Public Relations Specialist; Thomas Coley, Assistant Vice Chancellor, Academic Affairs; Weldon E. Ihrig, Vice Chancellor, Finance and Administration; Susan Johnese, Executive Secretary, Finance and Administration; Steve Katz, Controller; Larry Large, Vice Chancellor, Public Affairs; Joe McNaught, Attorney-in-Charge, Education Section; Roger Olsen, Director of OCATE; John Owen, Vice Chancellor, OCATE; Stacy Pearson, Director, Internal Audit Division; George Pernsteiner, Associate Vice Chancellor, Finance and Administration; Davis Quenzer, Associate Vice Chancellor, Budget and Fiscal Policies; Vicki Shives, Associate Board Secretary; Lisa Stevens, Public Affairs Officer; Audry Symes, Staff Assistant, Finance and 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.

Oregon Health Sciences University -- President Peter Kohler; Lesley M. Hallick, Provost/Vice President for Academic Affairs.
Oregon Institute of Technology -- President Lawrence Wolf; Martha Anne Dow, Provost.

Oregon State University -- President John Byrne; Roy Arnold, Provost/Executive Vice President for Academic Affairs; John M. Dunn, Associate Provost for Academic Affairs.

Portland State University -- President Judith Ramaley; Lindsay Desrochers, Vice President, Finance and Administration; Michael Reardon, Provost; Brian White, Staff Writer, Office of Public Relations.

Southern Oregon State College -- President Joseph Cox; Ronald Bolstad, Dean, Finance and Administration; James Dean, Provost Designate; Sara Hopkins-Powell, Assistant to the Provost; Stephen Reno, Provost and Dean of Faculty.

University of Oregon -- President Myles Brand; Interim President-Designate Dave Frohnmayer; Edward J. Kameenui, Associate Dean, College of Education; Martin Kaufman, Dean, College of Education; 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 -- Bill Danley, Southern Oregon State College; Jack Cooper, Portland State University; Beatrice Oshika, Portland State University.

Others -- Molly Bartlett; Bill Cooper, KEXL-Radio; Alexa Gronko, KOIN-TV; Robert Nosse, Executive Director, Oregon Student Lobby; Dick Springer, State Senator, District 6; Chip Terhune, Association of Oregon Faculties.

The Board dispensed with the reading of the minutes of the May 27, 1994, regular meeting of the Board, and the June 6, 1994, special meeting of the Board. Mr. Donahue moved approval of the minutes as submitted. The following voted in favor: Directors Aschkenasy, Bailey, Christopher, Donahue, Lee, Madden Evans, Richardson, Swanson, Willis, and Miller. Those voting no: none.
Vice President Miller deviated from the prepared agenda to honor Chancellor Bartlett. "We are not just thanking an Oregon Chancellor," Mr. Miller began. "We're doing much more than that. We are, instead, celebrating a remarkable man and his teammate who have had a lifelong devotion and dedication to higher education. Tom, to me, as well as to members of the Board, has been a mentor, a coach, a cheerleader for the Board, plus a very, very tough and shrewd CEO of one of the largest businesses in the state."

Mr. Miller presented Chancellor Bartlett with the following resolution:

Thomas A. Bartlett returned to his native state as Chancellor of the Oregon State System of Higher Education in 1989. He was attractive to us because of his impressive experience in higher education administration, economic development, and international education.

What we had assumed would be a period of growth and strengthening of the State System turned out, as a result of Measure 5, to be one of unprecedented physical challenge and change. Chancellor Bartlett's dedication to the cause of strengthening and stabilizing higher education in Oregon has resulted in an adaptive and high quality System. His tenure has been highlighted by his devotion to international programs, support of interactions among educational sectors, recruitment of strong, effective leadership, and encouragement of the development of the collaborative programs among the campuses. Through unwavering commitment, Tom has succeeded in sustaining and enhancing the quality and accessibility of public higher education in Oregon. Private support and competitively run government support for research and service have increased dramatically, and new relationships have been forged with business and industry.

Members of the State Board of Higher Education are grateful to Dr. Bartlett for his leadership as he has positioned the State System to move strongly into the future. We extend, with great appreciation, our heartfelt best wishes to him and Molly for a future that will provide them with personal satisfaction and professional opportunities for leadership in American and international higher education.
Mr. Swanson moved that the Board accept the resolution saluting Chancellor Bartlett. Those voting in favor: Directors Aschkenasy, Bailey, Christopher, Donahue, Lee, Madden Evans, Richardson, Swanson, Willis, and Miller. Those voting no: none.

Mr. Swanson remarked that, "Tom has demonstrated during his tenure the kind of discipline, hard work, and devotion to principle, having a moral core that I think is just second to none in any person that I have ever met. Tom has never backed away from his basic principles that have to do with the center of higher education: appropriate amounts of freedom, quality, and cooperation among all of those people who are intimately involved. I have admired him during this process and look forward to working with him during the next six months."

Ms. Christopher added, "I am extremely grateful to Chancellor Bartlett for creating the environment that allowed me to ask questions and share information. The issues are complex; there is a lot to learn. In many ways, you have gone out of your way to create an atmosphere for us who are new to learn. I thank you very much."

Finally, Mr. Donahue indicated that, "The personal contribution that Tom gives to everyday life is his excitement and love of learning, the real intensity with which he approaches things in life, and his vision for the future. It's easy to get bogged down when times are tough; it's tough to stay up all the time. He is a source of inspiration to anyone who comes close to him, and I think Oregon has been very lucky to have him."

President Cox observed that, under Chancellor Bartlett's leadership, the Council of Presidents "has reached a whole new high point of openness and candor and team spirit, the likes of which I've never seen in the three state systems of which I have been a part. I think Measure 5 has tested us, and what has happened is we've been through the fire together, and the steel that was produced was harder, stronger, and better as a result."

In turn, Presidents Brand, Byrne, Cox, Gilbert, Kohler, Ramaley, Wolf, and Provost Cowart thanked the Chancellor for his leadership and presented gifts representative of their institutions.

Chancellor Bartlett thanked the Board and presidents for their recognition. "You know how much you all have meant to me. You have been my family, my personal life, my professional life, my work time, part of my grief, part of my satisfaction for these five-and-a-half years."
"We are largely in our lives the product of what we do. One of the glories of our peculiar profession is that we are shaped by the people around us. I can think of no greater group that I would rather be shaped by than those of us in higher education.

"I want to make some comments in a very selective summing up of reflections of where we've been and where we are. There are a couple of lessons I would want to underline. One is something we have discovered over and over again -- that, in consorting amongst ourselves, there is strength, and individually we do not have the capacity that we represent when we consort.

"At the same time, one of the things that gives the strength to this System is our flexibility to be pragmatic. We can be centralized; we can be decentralized. We can work rapidly; we can work at a more ponderous, slow, gentle, and evolving manner. That ability to be quite different systems at different times is an extraordinary accomplishment. I know of no system in the country that has that same capacity to be as aggressive or as permissive as the situation seems to require. But making that kind of a system work depends on our ability to select or self-select particular kinds of people. Not everybody can work in this environment that I think of as a psychological matrix -- executing responsibilities to individual institutions with passion and commitment and a sense of responsibility and, at that same time, having the ability to work horizontally across the System with other institutions and with other groups and keeping these two psychological processes in harmony. This System has generated the capacity somehow to select people who can do that or to help bring out in each of us our capacity to work simultaneously in this psychological matrix. As the Board looks at leadership transition and hiring for the future, I would urge you to think about finding people who can work in that very special environment because it is the magic of the System.

"When I came to this position, one of the things that the Board and the presidents and I talked about -- or that was brought to me and talked to me the most about -- was the challenge of public opinion in this state. I want to leave this thought with you: we may be looking for something that doesn't exist. We may be pursuing a mirage, and our frustration may be in part that we can never get ahold of that mirage. It may be that there isn't such a thing as public opinion for higher education. Rather, it may be that we have publics with opinions, that we have many, many parts of something that we then abstract into a unity. And, if that be the case, then we might be wise not to flagellate ourselves about our inability to create
a sharp public opinion about higher education. That may not be a realistic goal.

"Instead, we should concentrate on what is most appropriate to us -- reaching our several publics in a very focused, specific, and concentrated way, and then taking our chances with the larger public opinion or public, because for us it is finally the mosaic of very many individual publics.

"I want to speculate a little bit about the future. We all can perceive a future in which there is more efficient and extensive use of technology. We can sense the imperative for higher academic levels of performance for students and faculty. We're going to find ourselves increasingly concerned about higher levels of academic performance and less obsessed with our inner processes because higher education over the last 40 years has become increasingly, steadily more concerned with its own internal processes rather than its internal outcomes, to use an overused word. And those outcomes are finally academic.

"I think it will be a time of searching for local decisionmaking. And I want to put 'local' in quotation marks because local is going to mean a very wide range of things. Local decisionmaking may mean eight campuses; it may be two people in an office; it may mean one person in an office; it may be a department; it may be a unit; it may be two campuses working together; it may be two parts of two campuses working together. What I'm suggesting is that it seems to me the spirit of the times say, 'Where pragmatically can we find the most effective and efficient level on which to make decisions and carry out operations?' And those must be looked at free of ideology and structural constraints. One of the tests of our ability to organize ourselves efficiently will be our ability to think openly and without inhibitions about where the 'local' is for all kinds of decision-making and responsibility.

"We're clearly going to have to be more closely and effectively related to public priorities, better at assessing public needs and priorities than we've had to be. The last 40 years we've been able to run on our internal value systems. And they were good and productive value systems. We all know we are now increasingly, in this time of particular transition, having to gear ourselves more outwardly than before to try to read real public needs. I mean try to understand what are the deep public curves to which we should be trying to relate ourselves.
"Another characteristic of the future is a prolonged period of limited resources. But we are used to that. This is not the first time that higher education has dealt with limited resources. I think I want to pick out a different meaning of that issue for the future, and that is the end of funding simplicity. Not necessarily a very rich environment, but 'simple.' We understood where the money was coming from and where the struggle had to be made, and we either got it or we didn’t, and then we went home. That is to say, it was a much more clear-cut world.

"I think we're going into a time where the complexity of funding and resources is going to be much greater. We're shifting more of our funding to students, which in itself represents a new kind of complexity. We will discover that how we achieve and ration our resources will become more complicated. In this environment, one of the lessons is that our current funding and resource patterns are unstable, and how and what direction they will move is hard to predict. But one of the things we can count on is that, with this increasing complexity of sources of resources, we will see new configurations emerge that we cannot now imagine.

"We will see a different meaning to academic specialization as the lines between administration and teaching are blurred. More people who have thought of themselves as only teachers will increasingly have what are quasi-administrative roles in their academic lives; and more people who have thought of themselves as strictly administrators, will find themselves in academic or quasi-academic roles. One of the reasons for that is our need increasingly to deal with the student as a whole person and not just as an object of a particular discipline or specialty or service.

"When I think about work in progress, the business at hand that I'm leaving behind but that you will be hard at, one that we never really got as far as we wanted to, is the development in international competencies in our students. We made steps; a lot has happened in that area in the last four or five years, but it is only a beginning. When you think about the levels of competence of students and faculty in other industrialized, developed countries and you contrast that with the levels of competency among ourselves, we are either going to be the victims of our own incompetence in a global world economy or we are going to have to catch up. That imperative to catch up in this area is going to be part of the work in progress, just as the continuing redefinition of academic productivity, the search for adequate assessments and accountability in this new environment, the search for evolutions in structures that follow from the 2010 visions that have come on to our screen in recent months.
"One of the great bits of evolution, and in a sense unfinished business, is the development of understanding and processes that relate all of education. It still is hard for people to think about K-12, community colleges, and higher education without regard to the barriers among them, let alone remove those barriers. This is a long process of undoing a lot of history, but it seems to me it is part of the essential business that lies before us and before all of us.

"This is a remarkable Board in its unselfishness and its strong orientation toward the whole public, its ability to avoid being partisans of a place or an institution or an ideology or a particular purpose. That is one of its remarkable strengths and one of its central characteristics. All I can do is urge all of you to try to pass on that tradition to your successors. That leads me to the other concern I leave with you. One of the problems with this public Board, as with many public boards, is the problem of memory and tradition. It is hard for a Board like this to develop a memory and a set of traditions and to pass that on. Yet it is so much a factor of efficiency. If you have to re-create yourselves, your doctrines, your understandings, your *modus vivendi* constantly, it's a lot of strain. The public doesn't understand how much time. Therefore, every time we can find ways of making you more efficient so that you focus on those things that you and you alone can do -- and there's a lot of that, after all -- the better off we are.

"Your role is so crucial in selecting leadership. The most important thing you do finally is to select and, in some sense, oversee the leadership of the System -- the eight presidents, the Chancellor, and the three vice chancellors. Those are your instruments and the keys to the effectiveness of the System from the Board's perspective. One of the crucial characteristics that I want to commend to you is this ability of people to work in our particular environment.

"Finally, I want to end with what I feel very deeply and that is those elements of hope that I think we should all keep in mind. Hope, I am increasingly convinced, is one of the most powerful and fundamental of civilized emotions. Without a sense of the future and the potential of the future -- which is what hope really is -- we aren't going to do very well, we aren't going to unleash our own creativity. And I think we have great cause for hope. For one thing, the profession of learning -- the notion of learning -- is becoming more central than ever to the civilization in which we live. When I was a young person growing up in Oregon, it was harder to make the case that learning, in the sense in which we think about it in
this environment, was that central. Of course, one had to learn the practical ways of everyday life, but the practical ways of everyday life did not involve a whole lot of abstraction. Learning is more central than ever, and that I find to be a hopeful thing.

"Another reason for hope is we've demonstrated over the years that if we know what we're to do, and we have in place incentive systems that fit that, we've been awfully good at doing the things we've said we're going to do. I mean by that creating the most powerful higher education system in the world, the most powerful centers of intellectual competence that have ever existed, and our ability to reproduce large numbers of working scholars. We've been awfully good at that because that was one of the things that our society told us they wanted us to do 40 years ago, and it put the resource structures in place to make that happen. The fact that we have been successful in one way suggests that, if we know what we're trying to do with the incentive systems in place for something else, we have a reasonable prospect of being successful with that.

"One of the things that is true in a cynical and skeptical age is the breakdown of trust and confidence amongst us as a society. I don't believe we in the higher education arena have reason to operate in those same dynamics. I think we have reason to believe in each other, and to a large extent, do much more than we sometimes focus upon. That belief in each other gives us a strength that we could achieve in no other way and, therefore, is a significant cause for hope.

"I believe the public honors what we do. We do live in a cynical and negative age with a great deal of nihilism, particularly in the pop culture of our time. But the fact remains, when you look at the Oregon Business Council surveys, if you look at the aspirations of individual families for their children, if you look at the ways that people behave, and just look at the behavior and people's expressions of their reasons for that behavior, the fact of the matter is that the public does honor and value what we do. That should give us the courage to go on and do it, and do it better all the time. Now that doesn't mean we're going to be, in any sense, free from the cynicism and, to some extent, nihilism of the age, but it does say that in relative scales we have a position from which to work.

"Finally, I guess I would say that the experiences that we bring to our common mission together are our strengths. Those experiences collectively are enormous. That is, to my mind, another reason that I look at higher education, after 40 years, as a very changed environment, a very changing
set of institutional realities, but still our gamble is the future. That’s what education is -- a long gamble on the future. I think we have every reason to be hopeful that our gamble will continue to pay off."

Summary

In conformance with Board action in May, the Board President authorized staff to conclude an agreement with Portland Community College to acquire a facility from Tektronix, Inc., for a price of $4,175,000 and to seek approval from the Emergency Board to establish an Other Funds Limitation and authorize the expenditure of $6,200,000 of Other Funds for the acquisition and improvement of the CAPITAL Center. Staff is seeking approval from the Board for a reimbursement resolution and authorization to sell Article XI-F(1) bonds to finance the acquisition and improvement.

Staff Report to the Board

As discussed in the report included in the May 27, 1994, docket, staff has been negotiating for the acquisition and improvement of Tektronix Building 94 at 185th and Walker Road in Washington County as a home for the CAPITAL Center.

The CAPITAL Center emphasizes technical education of Oregonians from the tenth grade through graduate school at a single site. Upon completion, plans are to house a technical high school operated for six school districts in Washington County, a variety of programs in technical areas offered by Portland Community College, a wealth of programs from several of the OSSHE institutions, plus access to training opportunities for local high technology firms. It is also anticipated that internships would be available for students with the various educational entities at the CAPITAL Center and with the companies participating in the training and research activities offered at the Center.

Building 94 would be the first facility at the CAPITAL Center and would house the Portland Community College and OSSHE programs, as well as provide training areas for local high technology businesses, including Tektronix, Sequent, and Intel. Building 92, a larger facility, is the targeted home for the technical high school.

OSSHE programs to be included among the initial tenants of the CAPITAL Center are the Oregon Center for Advanced Technology Education (OCATE), the Oregon Joint Graduate Schools of Engineering, the Oregon
Executive MBA program, the Lintner Center, and the Network for Engineering and Research in Oregon (NERO) project. These programs, most of which are now housed in leased space on the campus of the Oregon Graduate Institute, would occupy 22,000 square feet initially. In addition, the Joint Schools of Business would use 6,000 square feet, the University of Oregon Continuing Education program another 7,000 square feet, and Oregon Institute of Technology 8,000 square feet. Rounding out the OSSHE space would be a 6,000-square-foot student lounge and computer laboratory.

Building 94, a 180,000-square-foot facility constructed in 1970 with an addition dating from 1977, has been used by Tektronix, Inc., for offices and light manufacturing. Its most recent uses have been for offices and employee training. Its appraised value (based upon the average of two independent professional appraisals commissioned by the Chancellor's Office) is about $6,375,000. This includes the building and 17.5 acres of land with landscaping, access roads, and parking.

In May, the Board authorized staff, with the approval of the Board President or designee, to work with Portland Community College to conclude an agreement with Tektronix to purchase Building 94 and its site at a mutually acceptable price. Such an agreement has been concluded, involving a purchase price of $4,175,000 plus another $4,600,000 for building improvements. Approval was sought from the Emergency Board at its June 23 and 24 meetings. Tektronix would donate the remaining "as is" value to Portland Community College and OSSHE. Portland Community College would own about 38 percent of Building 94, with OSSHE taking title to the remaining 62 percent.

Tektronix also would donate $150,000 per year to OSSHE for the first three years of occupancy. It is expected that OSSHE programs will be able to move into the facility by July 1, 1995.

OSSHE programs requiring 49,000 square feet (including common area) would be the initial tenants along with Portland Community College. (Another 13,000 square feet worth of OSSHE programs also is possible for the initial occupancy, depending largely on federal grant funding of program expansions.)

The 180,000-square-foot facility would include 6,000 square feet of common space, 107,750 square feet for current and future OSSHE programs, and 66,250 square feet for Portland Community College. The
State System’s share of estimated costs of general building systems improvements (electrical, mechanical, energy conservation, handicapped accessibility, asbestos abatement, etc.) and tenant improvements totals about $3,025,000. Another $440,000 of furnishings, equipment, and moving costs are anticipated, and a planning advance of $100,000 will be repaid, bringing the total cost for OSSHE to $6,200,000 (including $2,585,000 toward the purchase price). The following table shows the costs for the State System.

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<tr>
<td>Purchase</td>
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<tr>
<td>Improvements &amp; Communications</td>
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<tr>
<td>Repay Planning Advance</td>
<td>100,000</td>
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<td>Furniture/Equipment</td>
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<td>Contingency</td>
<td>50,000*</td>
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<tr>
<td>Closing/Project Management</td>
<td>65,000</td>
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<tr>
<td>Moving Costs</td>
<td>240,000</td>
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<tr>
<td>Total</td>
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*Unallocated contingency only. Other lines also include contingency amounts. Figures do not include donated equipment. Pledges for that purpose stood at more than $230,000 as of May 20, 1994.

Cost estimates were developed from base figures provided by Soderstrom Architects, a Portland firm retained by OSSHE to provide preliminary design work and cost estimates. To Soderstrom’s estimates were added inflation, contingencies, design and permit fees, and project management costs. An environmental assessment of the site and building was conducted by PBS Environmental. A small amount of asbestos abatement work is required, based upon the assessment. This work will be performed by Tektronix prior to occupancy by OSSHE and Portland Community College.

OSSHE programs have committed to rent their space for $14 to $16 per square foot per year (fully serviced and in 1994 dollars). Using conservative assumptions about space rented, a rental rate of $14 per square foot, operating costs higher than the local Building Owners and Managers Association International (BOMA) figures (less property taxes not paid by OSSHE), and debt service on Article XI-F(1) bonds issued to finance the purchase and most of the improvements, the OSSHE portion of the
CAPITAL Center should show a profit from its first year of operation. At no time must more than 77,000 square feet of OSSHE’s space be rented in order to break even. This means that about 31,000 square feet of space can remain vacant indefinitely or await appropriate tenancy. (OSSHE paying tenants will rent 43,000 square feet initially. This amount must increase to 56,000 square feet by 1997 and to 77,000 square feet by 2000 in order to meet financial obligations if the interest rate on bonds is 7.25 percent. Discussions with financial advisors last month indicated that a fall 1994 sale could carry rates of up to 6.75 percent. Rates last fall were less than 6 percent.) In recent years, OSSHE programs have added rental space in the Portland area at a rate of more than 15,000 square feet per year.

The project has been reviewed with the State System’s independent bond counsel, which has agreed with the issuance of Article XI-F(1) bonds to finance it. Bonds yielding $5,900,000 of cash are required for this project. (With the cost of sale/discount, the face amount of the bonds would be about $6,020,000.) The first year’s interest also would be capitalized, adding another $505,000 (including the cost of sale/discount) to the amount of the issue. Cash from nonbond sources would be used for a portion of the telecommunications improvements and for moving costs. The total of such cash is $300,000. The rental rate will be established at $16 per square foot plus annual increases in operating costs based upon actual and projected expenses. Annual operating costs are estimated to be $4.50 per square foot — 75 cents per square foot higher than the State System’s 1994 average operating cost for educational and general space. Operating costs are for the facility only and do not include the costs to operate the programs in the facility. A rent suspension equal to $2 per square foot is expected for 1995-96.

Last month, the Board authorized the staff, with the approval of the Board President or designee, to seek Emergency Board approval to establish the CAPITAL Center project and authorize the expenditure of $6,200,000 of Other Funds for its acquisition and development.

Several additional actions were taken to allow the project to proceed. First, the Board authorized the establishment of a new auxiliary enterprise to acquire, improve, manage, finance, and lease property and equipment. (All current OSSHE auxiliaries, which already have these powers, are tied to specific colleges and universities and are not set up to handle a multi-institutional entity such as the CAPITAL Center.) Second, the Board authorized a reimbursement resolution showing that the Board intends to
issue Article XI-F(1) bonds to finance the project and the first year of interest expense associated with it. Third, the Board approved issuance of bonds and adopted an appropriate bond resolution. Fourth, the Board must authorize staff to negotiate and conclude a joint ownership agreement with Portland Community College.

These were requested actions. The request for bonds (which would be sold in the fall of 1994) was included in another docket item before the Board at this meeting.

The text of the reimbursement resolution for this project follows:

RESOLUTION

Section 1. The Oregon State Board of Higher Education (the "Board") reasonably expects to reimburse the expenditures described herein with the proceeds of debt to be incurred by the Board through the issuance of obligations by the State Treasurer of the State of Oregon (the "Reimbursement Bonds").

Section 2. The expenditures with respect to which the Board reasonably expects to be reimbursed from the proceeds of Reimbursement Bonds are for the acquisition, renovation, and equipping of the CAPITAL Center located in Hillsboro, Washington County, Oregon.

Section 3. The maximum principal amount of debt obligations expected to be issued for the project described in Section 2 is $6,525,000.

Adopted this 24th day of June, 1994.

The CAPITAL Center will provide a unique educational opportunity for residents of the Portland area and, in ways not now possible, will tie together certain technical programs of the high schools, Portland Community College, Oregon State University, Portland State University, the University of Oregon, Southern Oregon State College, and Oregon Institute of Technology. Through the generosity of Tektronix Corporation, which is gifting a large portion of the value of the property and providing
cash gifts during the early years of operation, OSSHE and Portland Community College are able to acquire a facility to provide these educational programs. The OSSHE programs will be able to rent facilities at reasonable rates, and OSSHE will be able to repay the debt needed to finance this project and the costs to operate it even if one-third of the OSSHE space remains vacant in perpetuity.

**Staff Recommendation to the Board**

Staff recommended the Board adopt the foregoing reimbursement resolution in anticipation of the sale of bonds to finance the acquisition and improvement of the Board's share of the CAPITAL Center. Staff recommended, further, that the Board establish an auxiliary enterprise empowered to acquire, improve, manage, finance, and lease property and equipment and to assign to that auxiliary enterprise the responsibility for CAPITAL Center. Staff recommended, finally, that it be authorized to negotiate and conclude an agreement with Portland Community College for the joint ownership and management of the CAPITAL Center.

**Board Discussion and Action**

Vice Chancellor Ihrig summarized the agreements from the May Board meeting and reminded the Board that staff had authorized the Board President to work with staff to bring the purchase together. It was underscored that this is a very favorable purchase, brings together many educational parties, and holds great promise for future growth.

Mr. Bailey asked for further explanation of the joint ownership issue of the building. Mr. Pernsteiner explained that there will be what is known as a "tenants-in-common" agreement with Portland Community College. The State System will have a 62 percent share. Within the agreement there is the ability, if the two parties decide to go their separate ways or fail to reach agreement, to arbitrate disagreements, to buy one another out, or actually formally create a condominium.

Mr. Donahue moved and Ms. Christopher seconded the motion to approve the staff recommendation. Those voting in favor: Directors Aschkenasy, Bailey, Christopher, Donahue, Lee, Madden Evans, Richardson, Swanson, Willis, and Miller. Those voting no: none.
Summary

Staff recommended the Board authorize the State Treasurer to issue this fall $48,740,000 of bonds under authority of Article XI-F(1) and $10,000,000 under authority of Article XI-G of the Oregon Constitution for projects and equipment for higher education.

Staff Report to the Board

The 1993 Legislative Assembly authorized the Board of Higher Education to issue general obligation bonds to finance projects for capital construction and facilities repair and renovation. Last year, the Board authorized the sale of $31,350,000 of Article XI-F(1) bonds and $11,670,000 of Article XI-G bonds. The legislature had granted the Board authority to issue more than $125 million of bonds during 1993-1995.

To make appropriate progress on many important projects, it will be necessary to issue more bonds early this fall.

Article XI-G bonds are matched by an appropriation from the state General Fund and are general obligations of the state.

Last fall, $11,670,000 of Article XI-G bonds were issued to help address the deferred maintenance needs of the colleges and universities. The legislature also authorized the issuance of another $10 million of Article XI-G bonds, to be matched by a like amount of privately raised gifts, for the addition to and improvement of Kerr Library at Oregon State University. Oregon State University officials are requesting that these bonds be issued this fall. They have raised about $4.3 million thus far and are confident that the additional $5.7 million can be raised before the October 1 date for selling the bonds. (If less than $10 million has been raised by that time, the amount of bonds actually sold would be reduced to an amount equal to the amount of gifts actually raised. However, the Oregon State University Foundation has committed to advance up to $6 million to help finance the project.) Approval must be sought from the Emergency Board to accept the gifts into the General Fund and use them to match the bonds.

The sum of the bonds and gifts ($20 million) represents the first phase of a $36 million effort to add to and renovate the library. The second phase will be included in the 1995-1997 capital construction budget request for Board consideration in July.
Article XI-F(1) of the Oregon Constitution authorizes the Board to issue bonds to construct and repair facilities used by self-supporting operations. Such bonds constitute general obligations of the state. Article XI-F(1) has been used to issue most of the bonds the State System has outstanding. Uses have been to construct and renovate student facilities (student unions, health facilities, recreation facilities), housing facilities (residence halls and family housing), athletic facilities (stadiums), and hospital/clinic facilities. In recent years, bonds also have been approved by the legislature for projects to house communications activities and child care facilities.

The 1993-1995 limit for Article XI-F(1) bonds is $107,045,000. This is about the same level of authorization as the State System received for 1991-1993. As noted above, $31,350,000 of these bonds were issued in the fall of 1993.

The colleges and universities have requested that $48,740,000 of Article XI-F(1) bonds be issued in the fall of 1994. This is expected to be the last sale of the 1993-1995 biennium. The purposes for which the bonds would be sold include the acquisition of hospital equipment ($12,240,000) to be repaid from patient fees; repair, renovation, and improvements for the University Hospital and related programs and facilities at Oregon Health Sciences University ($16,320,000) to be repaid from patient fees; continued development of student family housing at the University of Oregon ($9,180,000) to be repaid from housing revenue; the development of a food innovation center in Portland for the Oregon State University Agricultural Experiment Station ($4,475,000) to be repaid from rents and gifts; and the CAPITAL Center at the Tektronix, Inc., site near Hillsboro, Washington County ($6,525,000, including the capitalization of the first year's interest), to be repaid from rents. Project authorization must be sought for the Food Innovation Center from both the Board of Higher Education and the Emergency Board prior to the issuance of bonds. This project may be presented to the Board in July.

The resolution before the Board authorized staff to pursue the sale of bonds for all projects now identified by the colleges and universities as needing bond funding before the beginning of the 1995-1997 biennium. The Article XI-F(1) projects are listed in the resolution. All figures for these projects include a two percent addition for the cost of sale/discount.
Staff expressed confidence that the projects for which Article XI-F(1) bonds are proposed meet the self-liquidating and self-supporting requirements of Article XI-F(1), Section 2 of the Oregon Constitution.

Staff Recommendation to the Board

Staff recommended the Board: 1) authorize staff to seek Emergency Board approval to recognize up to $10 million of gifts into the General Fund and to utilize those gifts to match an equivalent amount of Article XI-G bonds; 2) find that the projects for which Article XI-F(1) bonds are proposed meet the self-liquidating and self-supporting requirements of Article XI-F(1), Section 2, of the Oregon Constitution; and 3) adopt the following resolution authorizing the sale of Article XI-G and Article XI-F(1) bonds.

RESOLUTION

WHEREAS, the State Board of Higher Education of the State of Oregon (the "Board") deems it necessary, pursuant to law, including Article XI-F(1) and Article XI-G of the Constitution of the State of Oregon, Chapter 640, Oregon Laws 1991; Chapter 538, Oregon Laws 1993; Chapter 635, Oregon Laws 1993; 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 equipment; 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 projects. 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, including the designation as Oregon Baccalaureate Bonds, 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. Article XI-F(1) Projects. Bonds are authorized to be sold in the approximate following amounts 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.

<table>
<thead>
<tr>
<th>Article XI-F(1) Projects</th>
<th>Estimated Cost</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>University of Oregon</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Family Housing (Amazon Housing, Phase II)</td>
<td>$9,180,000</td>
<td>28/30</td>
</tr>
<tr>
<td><strong>Oregon State University</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food Innovation Center</td>
<td>4,475,000</td>
<td>30</td>
</tr>
<tr>
<td><strong>Oregon Health Sciences University</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospital Equipment</td>
<td>12,240,000</td>
<td>7</td>
</tr>
<tr>
<td>Hospital Omnibus Improvements and Renovation</td>
<td>16,320,000</td>
<td>20</td>
</tr>
<tr>
<td><strong>State System</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAPITAL Center</td>
<td>6,525,000</td>
<td>29/30</td>
</tr>
<tr>
<td>Total</td>
<td>$48,740,000</td>
<td></td>
</tr>
</tbody>
</table>

Section 3. Article XI-G Projects. Bonds are authorized to be sold to provide funds in the approximate amount of $10,000,000 for the expansion and alteration of the Kerr Library at Oregon State University.

Section 4. Maintenance of Tax-Exempt Status. The Board covenants for the benefit of the owners of the Bonds to comply with all provisions of Internal Revenue Code of 1986, as amended (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 5. Sale of Bonds. The State Treasurer, with the concurrence of the Vice Chancellor for Finance and Administration, shall sell the Bonds as the State Treasurer deems advantageous.

Section 6. Other Action. The State Treasurer, the Vice Chancellor for Finance and Administration, or the Controller of the Department of Higher Education is hereby authorized, on behalf of the Board, to take any action that may be required to issue, sell, and deliver the Bonds in accordance with this resolution.

Board Discussion and Action

Vice Chancellor Ihrig explained that the bonding requests were being presented to the Board earlier than usual because, with the position of interest rates, it is prudent to move forward now.

Mr. Donahue moved and Ms. Christopher seconded the motion to approve the staff recommendation. The following voted in favor: Directors Aschkenasy, Bailey, Christopher, Donahue, Lee, Madden Evans, Richardson, Swanson, Willis, and Miller. Those voting no: none.
SUMMARY

Staff recommended the Board authorize staff to work with the Director of Administrative Services and the State Treasurer to issue Certificates of Participation (COPs) for data processing projects in amounts sufficient to generate $10,770,000 in cash. The projects include the completion of the initial installations of the Financial Information System and the preliminary development of a Human Resources Information System.

Staff Report to the Board

The legislature approved the issuance of Certificates of Participation in 1993-1995 sufficient to generate $20,410,000 in cash for various projects. The fall 1993 sale generated $9,642,000 of cash proceeds for the Financial Information System ($9,080,000) and for computer equipment at Oregon Health Sciences University ($562,000). This leaves a balance of $10,770,000 of unissued authorized Certificates of Participation.

Certificates of Participation are state debt secured by the equipment or system being financed. They have been used by the State System of Higher Education primarily to finance data processing and telecommunications equipment and systems. Some facilities projects have used them, as well. Usually, the term on this debt ranges from five to nine years.

The remaining COPs were authorized for three projects: the second and third years of the Financial Information System implementation ($7,920,000), the Human Resources Information System project ($2,700,000), and telecommunications upgrades at Portland State University ($150,000). Officials at Portland State University have requested that this latter amount not be sold for their project in 1993-1995.

The Financial Information System is scheduled to be in place at the University of Oregon, Portland State University, and the Chancellor's Office on July 1, 1994. Progress is being made toward that goal and, as of the time the docket was prepared, that schedule seemed realistic. Second-year installations are anticipated for Oregon State University, the three colleges, and Oregon Institute of Technology. Planning is well along for these sites. The implementation of the system at the Oregon Health Sciences University is scheduled for July 1996. Thus far, the project is
on schedule and within budget. Staff recommends that the remaining COPs for this project be issued this fall so that the project can continue uninterrupted.

The Human Resources Information System is intended to replace and improve the existing Budget/Payroll/Personnel System. Work is underway to determine the needs of the colleges and universities and of the Chancellor's Office in these arenas. In addition, the features and capabilities of various software packages are being investigated. The steering committee, representing the colleges and universities in all the functional areas covered by such a system (budget, payroll, human resources/personnel, affirmative action), is scheduled to recommend in August 1994 whether to utilize the human resources package developed by the same vendor (Systems and Computer Technology Corporation [SCT]) who has sold the State System the student and financial information systems or to recommend that a Request for Proposals be issued to acquire such a system in the current marketplace. (The State System already owns the right to use the SCT software product.) Staff recommends that the COPs approved for the first phase of this project be issued this fall so that progress on its implementation can be made during this biennium. Further, because the estimated budget for this system exceeds $18 million, staff suggests that the $150,000 of authority not being sold for Portland State University be transferred to this project so that net cash proceeds of $2,850,000 might be made available for this effort. In the unlikely event that the steering committee recommends that neither the SCT product nor any other software package be installed, these proceeds would be sufficient to convert the existing system from a soon-to-be obsolete computer environment (Bull 8000) to the new DEC Alpha computer acquired by the Chancellor's Office for the implementation of the Financial Information System. Such an action is necessary to help ensure the continued stability of this critical system beyond the next few years.

Debt service for the COPs for the Financial Information System would be shared among Oregon State University, Oregon Health Sciences University, and the Chancellor's Office (on behalf of the colleges and Oregon Institute of Technology) in accordance with the cost allocation approach discussed with the Board in May 1993. A similar approach may be possible for the Human Resources Information System (i.e., universities paying most of the costs associated with their installations and the costs of the colleges being borne centrally). However, that matter has not been discussed yet with the officials of the colleges and universities.
Under Oregon law, the State Treasurer and the Director of Administrative Services actually issue the COPs on behalf of state agencies. The approach used by the Department of Administrative Services, which manages this program for the state, is to include the costs of debt issuance in the amount to be financed and to issue sufficient debt to establish a required ending balance as a reserve. The total of these two items on a debt issue sufficient to raise $10,770,000 of net cash proceeds is about $1,670,000. This makes the amount of debt to be issued approximately $12,440,000 (the total amount authorized by the Legislature for issuance on behalf of the Department of Higher Education in 1994-95). The 1993-1995 budget was prepared using an assumption that an interest rate of between seven and eight percent per year would be associated with the Certificates of Participation. The COPs issued last fall carried an interest rate closer to five percent. Although rates have increased since then, it is unlikely that rates of more than eight percent would be experienced in a fall 1994 sale.

Staff Recommendation to the Board

Staff recommended the Board authorize staff to work with the Department of Administrative Services and the State Treasurer to issue Certificates of Participation for data processing sufficient to generate $10,770,000 of net cash proceeds.

Board Discussion and Action

After listening to a brief summary of the recommendation, Mr. Willis asked the current rate of the COPs. Mr. Pernsteiner indicated they are using the estimate of 6.5 percent to 7 percent.

Mr. Willis moved and Mr. Donahue seconded the motion to approve the staff recommendation. Those voting in favor: Directors Aschkenasy, Bailey, Christopher, Donahue, Lee, Madden Evans, Richardson, Swanson, Willis, and Miller. Those voting no: none.

Summary

The University of Oregon has been offered a parcel of land in Coos County as a gift for use by the Oregon Institute of Marine Biology for research purposes. The parcel contains approximately 2.15 acres of tidelands.
Staff Report to the Board

Officials at the University of Oregon have forwarded to the State System Office of Finance and Administration a request by the children of Arthur and Dorothy Loftus to donate a parcel of land in Coos County for the use of the University of Oregon Institute of Marine Biology. The property would be donated in the name of Arthur and Dorothy Loftus. The property, valued at approximately $300, is located approximately two miles by road from the Marine Biology Station. The parcel has never been developed as it is basically a tideland consisting of wet sand; at high tide it is mostly submerged. The parcel is only a short distance from another parcel that was donated to the University of Oregon and also used for marine research.

An environmental inspection was made of the property, and it has been determined that there are no known hazardous materials existing on the property. The vegetation on or adjacent to the property was reported as healthy and in good condition.

Staff Recommendation to the Board

Staff recommended the Board authorize the Office of Finance and Administration to accept, on behalf of the University of Oregon, the gift of the parcel of tidelands in the name of Arthur and Dorothy Loftus.

Board Discussion and Action

Mr. Donahue moved and Mr. Willis seconded the motion to approve the staff recommendation. Those voting in favor: Directors Aschkenasy, Bailey, Christopher, Donahue, Lee, Madden Evans, Richardson, Swanson, Willis, and Miller. Those voting no: none.

Staff Report to the Board

Officials at Southern Oregon State College have requested that an off-campus parcel of land be declared as surplus and available for sale. The property is a 40-acre, unimproved site located approximately one-quarter mile south of the main college campus. The property was acquired in 1939 from the estate of D. Perozzi and Louise A. Perozzi with the stipulation "that the land and all receipts from it be used exclusively for the Southern Oregon College of Education." It has been used by the College’s Biology Department for many years to study the regrowth of a
burned area and also as a natural field study site. Disposal of the property has been prompted by the increasing residential development on all four sides of the site.

While the College has actively used the property for educational purposes over the years, it is now felt that other options are available to accomplish the educational purposes currently conducted on the Perozzi property. The College has plans to use a portion of the sale proceeds to develop a botanical garden on College-owned property in the Roca Canyon area south of the Science Buildings within the campus boundaries. The Roca Canyon area contains approximately 2.7 acres. The balance of the sale proceeds would go to other educational programs benefitting the College.

Institutional officials are having the property appraised to determine its fair market value. There have been indications that the City of Ashland is interested in the parcel as an open space entry to Siskiyou Mountain Park.

**Staff Recommendation to the Board**

It was recommended by the Office of Finance and Administration staff that the land be declared surplus and made available for sale.

**Board Discussion and Action**

Mr. Donahue moved and Mr. Bailey seconded the motion to accept the staff recommendation. Those voting in favor: Directors Aschkenasy, Bailey, Christopher, Donahue, Lee, Madden Evans, Richardson, Swanson, Willis, and Miller. Those voting no: none.

**Summary**

Oregon State University officials proposed to transfer the campus water distribution system to the City of Corvallis. The City assumes responsibility for maintaining and upgrading the system in return for the system and $360,000 payable over five years. The City has agreed to make at least $585,000 in improvements to the system over the next five years.

**Staff Report to the Board**

Oregon State University officials proposed to transfer the campus water distribution system to the City of Corvallis. The system is in need of repair and improvement and Oregon State University has not had
sufficient funds for this work. The cost of needed improvements to the water distribution system (from the City mains to the water meter vaults) is estimated at $585,000. Another $180,000 is needed for upgrading the system from water meter vaults to buildings.

The City would make the improvements to the basic water distribution system in return for authority over the operations and maintenance of the system and $72,000 per year for five years. Oregon State University would retain responsibility for the water system from the meter vaults to the buildings as well as for water piping within buildings and within the irrigation system. Thus, the City would make $585,000 of improvements and Oregon State would retain the requirement to make an additional $180,000 of improvements. The net savings to Oregon State University is estimated at $225,000 over five years. In addition, the City would take over responsibility for the system in future years.

In order to facilitate the City's operations and maintenance of the water distribution system at Oregon State University, the Board also was asked to grant easements to the City for existing water distribution lines.

City staff, Oregon State University officials, and the State's Department of Justice all have approved the memorandum of agreement transferring responsibilities from the Board to the City and granting easements. The proposed agreement is being considered by the City Council in mid-June, and that body's decision will be known prior to the Board meeting. If approved by both the Board and the City Council, the transfer would be effective July 1, 1994. The rates to be charged to Oregon State University by the City would be no higher than those charged to commercial accounts within the City. Therefore, Oregon State University would not experience any rate hike immediately or beyond the level that it otherwise could expect if the City were to raise rates at a later date. Oregon State is also subject to system development charges from the City at the time water service is introduced to future major new facilities.

In 1990, the Board approved the sale of the electrical distribution system at Oregon State University to Pacific Power and Light Company so that needed improvements and repairs could be made to that system.

Staff Recommendation to the Board

Staff concurred with the request of Oregon State University and recommended the Board authorize staff to execute a memorandum of agreement
with the City of Corvallis to transfer ownership and responsibility for the Oregon State University water distribution system to the City of Corvallis and to grant such easements as shall be necessary for the City to operate, maintain, and improve that system.

Board Discussion and Action

Mr. Donahue moved approval of the staff recommendation. Those voting in favor: Directors Aschkenasy, Bailey, Christopher, Donahue, Lee, Madden Evans, Richardson, Swanson, Willis, and Miller. Those voting no: none.

Executive Summary

As required by Board Rule, the University of Oregon sought Board approval to adopt new guidelines establishing the means by which student government shall determine the level and allocation of its incidental fee recommendation. The University proposed to abolish the Incidental Fee Committee and use three committees made up of Student Senate members. University administrators worked with student government leaders beginning in August 1992 to revise the guidelines. Students approved this structure by vote at a May 1994 general election. Staff has worked with University of Oregon representatives to ensure that the guidelines are consistent with the Board’s requirements.

Incidental Fee Guidelines, University of Oregon

A. Introduction

The student incidental fee has been authorized by the Oregon Legislature to provide for the "cultural and physical development" of students. In authorizing the incidental fee, the Legislature recognized that students have a legitimate interest in participating in the determination of the level and allocation of the fee, and the Legislature also provided recognized student governments the right to recommend fee levels and allocation to the Oregon State Board of Higher Education (OSBHE). The provisions outlined herein follow from ORS and from the Board’s delegation of authority, and assignment of responsibility to the institutional executive administering the affairs of the institution in accordance with the Board’s policies, plans, budgets, and standards; and the Board’s rule (OAR 580-10-090) that representatives of duly organized and recognized student governments shall (1) participate with the institutional executive in the
formulation of guidelines and procedures for budgeting, allocation, and amount of incidental fee income, to be derived at the institution, and (2) shall participate in the decisions on budgetary allocations, and determination of incidental fee income based upon said guidelines. The procedures set forth in this document are based on student government rights and responsibilities under ORS, OAR, policies of the OSBHE and the University of Oregon, relevant opinions of the Oregon Attorney General, and the ASUO Constitution. The University of Oregon President (hereinafter President) and the ASUO, acting through its President and Student Senate, have agreed to these guidelines and procedures in order to achieve clarity and fairness in the fee recommendation process. This document is based on the principles that the responsibility for allocating student incidental fees is an essential interest of a recognized student government and that incidental fee allocation decisions must comply with legal obligations and must not substantially interfere with the University’s ability to carry out its educational mission.

B. Recognition and Delegation

The University of Oregon acknowledges the right of recognized student government, in exercise of its delegated power and through its constitution, to elect a body to make fee recommendations to the OSBHE. That body is now the ASUO Student Senate. Anyone serving on a fee recommending body must be chosen in a fair and equitable manner. There shall also be three Finance Committees each of which shall recommend a lump sum budget to the Student Senate for fee allocations to one of the three Major Programs (ASUO Programs, Erb Memorial Union, and the Athletic Department) as follows: the ASUO Programs Finance Committee for ASUO Programs, EMU Board for the Erb Memorial Union, and the Athletic Department Finance Committee. Election, appointment, and replacement processes for the Student Senate representatives shall be set forth in the ASUO Constitution. The ASUO recognizes the legitimate interest of both the OSBHE and the University administration in maintaining an efficient fee recommendation and establishment process. The administration and the ASUO, therefore, agree that unless disagreements arise: the normal transmittal process will be for fee recommendations to be provided to the University President in writing for approval and transmittal to the Chancellor for compilation and to the OSBHE for approval. The ASUO retains its statutory right to make recommendations directly to the OSBHE. Applicable provisions of state law and OSBHE regulations will be followed in the development, transmittal, and expenditure of incidental fees.
C. Procedures: Meetings and Student Membership

All meetings of incidental fee committees and subcommittees thereof shall be conducted in accordance with the Oregon Public Meetings Law. For purposes of determining application of public meetings law, a subcommittee of the Student Senate is defined as one of the three Finance Committees (ASUO Programs Finance Committee, EMU Board, and the Athletic Department Finance Committee), or any two or more members of the Student Senate, or the Finance Committees meeting to deliberate on an issue before or intended to come before the Student Senate for decision. Notice of all meetings must be provided at least 24 hours in advance to the Oregon Daily Emerald and any other media requesting notice. Public notice of hearings to determine budget recommendations shall be published in the Emerald.

All members of the student senate and all student members of the finance committees, or subcommittees thereof, shall be students maintaining at least half-time status (except summer).

Timelines and Schedules

No later than January 15 of each year, the President (or designee) of the University will notify the Student Senate and the ASUO President of the date by which he or she needs to have fee recommendations for transmittal to the Chancellor and the OSBHE. The Finance Committees shall each establish and publish a schedule of hearings affording at least one public hearing on the budget request of each program under its jurisdiction seeking funding. The Student Senate shall also establish and publish a schedule of hearings affording at least one public hearing on each lump sum budget recommended by the three Finance Committees. Copies of the hearings schedule and notification of any changes shall be provided to the ASUO Executive, the affected program, the Emerald and any other media requesting notification, the Director of the EMU, the Vice Provost for Student Affairs, and the Athletic Director where affected.

Scheduling of hearings shall be at the discretion of the Student Senate and Finance Committees, except that hearings on allocation requests from the EMU and the Department of Intercollegiate Athletics shall be held at a time mutually convenient to those departments and the Finance Committee. Hearings will be held after development of their preliminary departmental budgets and at least three weeks prior to the President's fee recommendation deadline.
Hearing Format

Within the context of the ASUO Programs Finance Committee, the Athletic Department Finance Committee, and the EMU Board hearings process, each program within a Major Program must submit a goal statement which allows each Finance Committee to determine for itself whether the program or activity meets the statutory standard of ORS 351.070(1)(d) which authorizes the OSBHE to collect fees to fund programs for the cultural and physical development of students. Any request for allocation for other than ongoing programs or projects must also be accompanied by a statement of goals which allows each Finance Committee to consider the appropriateness of that request under ORS 351.070(1)(d). The Student Senate and all Finance Committees will only consider funding programs or projects they believe meet the statutory standard.

Other hearings procedures shall be at the discretion of the Student Senate and Finance Committees, and shall be made available in writing to all hearing participants prior to the beginning of the annual budget hearing process. The Student Senate and Finance Committees may each, at its own discretion, hold preliminary hearings for, among other things, seeking information or clarifying goals.

Documents submitted to the Student Senate and Finance Committees and their decisions regarding approval of both programs goals and levels of funding shall be forwarded to the ASUO President and then to the University President (or his or her designee).

Ballot Measures

Multiple-year funding commitments shall be authorized only through the initiative or referendum process and approved by direct vote of the student body. Multiple-year funding commitments can only be approved for services for students provided by agencies or programs external to (not managed by) the EMU, ASUO, and Athletic Department or for capital projects.

Annual and multiple-year funding approved by direct vote of the student body need not submit their budget requests to the Student Senate or Finance Committee. The results of any such vote in favor of funding shall be included by the Student Senate and Finance Committees in their fee recommendations. A vote against such funding does not prohibit any
Finance Committee from recommending annual funding provided such a recommendation is consistent with ASUO policy.

D. Recommendation Format and Criteria

Incidental fee allocation recommendations shall be aggregated by three major categories: (1) EMU activities; (2) educational, cultural, and student government activities; and (3) Intercollegiate Athletics. Each of these categories is considered a Major Program. For the purpose of this document, EMU activities shall be known as the Erb Memorial Union; ASUO educational, cultural, and student government activities shall comprise the ASUO Major Program; and Intercollegiate Athletics shall be known as the Athletic Department. A distinct activity within a Major Program that has been funded for six consecutive years is considered a Traditionally Funded Program (TFP). Capital projects and services for students funded in whole or part with incidental fees typically will be included in the category of ASUO programs (category 2).

A decrease in the level of fee support for any Major Program shall not exceed 10 percent of the preceding year's allocation unless the Program voluntarily requests such a reduction. The 10 percent reduction limit may be exceeded if either the University President or the student body in an initiative or referendum, approve such a reduction. The same criteria shall be applied to recommendations concerning TFPs, except that the allowable reduction shall be 25 percent. A recommendation to reduce by more than 25% shall require the unanimous vote of the Finance Committee responsible for allocating fees to the affected TFP.

The ASUO and the University, recognizing that fiscal stability is essential to long-term planning, agree that in any situation involving substantial budget decreases in Major Programs or TFPs, both the ASUO and the University shall assist the affected program in attempting to find or develop additional sources of funding. This agreement is not a commitment to provide such funding, nor is it intended to interfere with the Student Senate's or any Finance Committee's right or the President's inherent right to recommend a budget reduction for reasons of policy. Any reductions in Major Programs or TFPs shall be made in a manner consistent with the fulfillment of any existing contractual obligations of a program or University department.

As a partial means of helping to realize sound fiscal management, the Student Senate, ASUO Executive, and University administration shall
adopt sound financial practices, including preparation of current service level budgets as a base for consideration by the Finance Committees.

Both an appropriated and unappropriated reserve fund shall be maintained. The appropriated reserve fund, or Contingency Fund, shall include an unallocated reserve budgeted by the Student Senate which shall be augmented each fiscal year with ASUO Programs funds which have been appropriated but unexpended during the prior fiscal year or carried over from the prior fiscal year. The Contingency Fund will be used to meet unexpected needs of programs as well as other minor emergencies. Use of the Contingency Fund shall be in accordance with the usual budget procedures of the Student Senate and the ASUO Executive.

An unappropriated Reserve Fund shall be maintained with incidental fee income from any over-realized enrollment, interest earned by any student incidental fee accounts, and any other miscellaneous incidental fee incomes. The unappropriated Reserve Fund should be maintained at a level equal to at least five percent of the current fiscal year's total incidental fee budget to insure against fee shortfalls due to under-realized enrollment and/or other unforeseen contingencies and to be considered as a supplement for the following year's fee collections. An emergency allocation from the Reserve Fund must include certification of the unusual nature of the proposed expenditure(s) and have the recommendation of the Student Senate when sitting and must have the formal approval of both the ASUO President and the University President or his/her designee.

The Student Senate, in making its recommendation regarding the appropriate fee level to provide for the budgeted level of services, shall use enrollment and fee revenue estimates provided by the University. The University will attempt to provide to the Student Senate and ASUO Executive the enrollment and fee revenue estimates by November 15 and March 15 of each academic year. The Student Senate shall transmit its fee recommendations in writing to the University President (or his/her designee).

These procedures and criteria are not intended to limit the right of the student body to require other procedures, or to limit the power of the Student Senate, Finance Committees and ASUO Executive, provided those requirements or limits are not inconsistent with this document and statute.
E. Appeals

The President shall notify the ASUO in writing within seven working days of receipt of the complete incidental fee allocation recommendation as to whether he or she disagrees with any portion of the recommendation and wishes to suggest changes or whether he or she approves the budget. In the event that the President suggests changes, the ASUO President shall respond in writing to the suggestions either affirmatively or negatively within seven working days of receiving them. If the ASUO President does not respond, the President’s suggested changes are accepted by the ASUO and become part of its recommendation. If the ASUO President does not agree with the President’s suggested changes, the President and representatives of the Student Senate and ASUO Executive shall meet and attempt to resolve the conflict. If agreement cannot be reached within ten working days, a Hearing Board then may be requested by either the ASUO President or the President. It shall be constituted pursuant to OAR 580-10-090(3)(h), and its recommendations considered by both the ASUO and the President prior to final fee recommendations being transmitted by the President to the OSBHE and the Chancellor.

Members of the Hearings Board shall not be members of the Student Senate or its staff, members of the Finance Committees or their staff, the ASUO Executive or its staff, the staff or management of the affected program or the immediate staff of the University President, but shall be constituted as required by 580-10-090(3)(h)(A). The Hearings Board shall select its own presiding officer and establish its own rules of procedure subject to the requirements of OAR 580-10-090(3)(h). The ASUO and the President agree that one ASUO representative and one Presidential representative shall be subject (after his or her nomination) to the approval of the non-nominating entity. Both parties shall notify the Hearings Board and each other within five working days and in writing whether they accept or reject the recommendations of the Hearings Board.

F. State Board Action

The President shall confer with the Student Senate in making any necessary adjustments in the allocations, and communicate the final action on the proposed fees by the State Board of Higher Education to the Student Senate in writing within ten working days after the final action is taken.
G. Amendment

This document and the delegation herein may be withdrawn or revised at annual intervals by the President after consultation between the parties or following a request by the ASUO. If the parties fail to agree, appeals may be made in accordance with the applicable provisions of OAR 580-10-090. Revisions shall not be made during the annual budget development process in such a way as to affect the process, except that agreement deadlines may be extended for mutual convenience. In order to insure fairness and equal application of standards during the budgeting process, revisions affecting the process shall be made prior to November 1 of the fiscal year in which the revisions are to have effect.

Staff Recommendation to the Board

Staff recommended the Board approve the Incidental Fee Guidelines proposed by the University of Oregon.

Board Discussion and Action

Ms. Christopher moved and Mr. Donahue seconded the motion to approve the staff recommendation. Those voting in favor: Directors Aschkenasy, Bailey, Christopher, Donahue, Madden Evans, Richardson, Swanson, Willis, and Miller. Those voting no: none. Director Lee abstained from voting because of perceived conflict of interest.

APPOINTMENT OF
DEMONSTRATOR OF
ANATOMY, OHSU

By statute, ORS 97.170, the State Board of Higher Education is required to appoint the Demonstrator of Anatomy from the staff of Oregon Health Sciences University. The Demonstrator determines whether unclaimed bodies shall be used for medical instruction or the advancement of medical science at the University. Professor Reid S. Connell, Ph.D., Professor of Cell Biology and Anatomy, who has served in this capacity, is retiring. Oregon Health Sciences University recommends Bruce E. Magun, Ph.D., Chairperson of the Department of Cell Biology and Anatomy, to be Demonstrator.

Staff Recommendation to the Board

Staff recommended the Board appoint Bruce E. Magun, Ph.D., as Demonstrator of Anatomy, effective July 1, 1994.
Board Discussion and Action

Mr. Donahue moved approval of the staff recommendation. Those voting in favor: Directors Aschkenasy, Bailey, Christopher, Donahue, Lee, Madden Evans, Richardson, Swanson, Willis, and Miller. Those voting no: none.

NEW AND REVISED PROGRAMS IN EDUCATION

Bachelor’s of Arts or Sciences in Educational Studies; Master’s of Science in Educational Policy and Management with Specialization in Instructional Leadership plus Integrated Teacher Licensure, UO

Introduction

The University of Oregon requested authorization to restructure an existing Bachelor’s of Education, Arts, and Sciences degree in a currently inactive Educational Studies major offered through the College of Education; and to offer a new five-year Integrated Teacher Licensure Program to be administered by the College of Education that results in a Master’s of Science in Educational Policy and Management with a Specialization in Instructional Leadership. Both degrees (Bachelor’s in Education in Educational Studies and Master’s of Educational Policy and Management) are currently authorized by the University of Oregon; however, the proposed programs represent significant restructuring to develop new specializations plus a licensure option, which are in demand by students and employers in a variety of education-related areas.

The Bachelor’s program will result in students specializing in one of three areas: Learning Systems Technology; Educational and Social Systems; or Integrated Licensure, the latter of which leads to a Fifth Year Licensure Program and Master’s Degree in Instructional Leadership.

The Integrated Licensure Program differs significantly from previous and existing Teacher Licensure Programs. Graduates of the program would complete all academic requirements to qualify for an Oregon Basic Teaching License with a Standard Endorsement in Handicapped Learner, a Basic Endorsement in Elementary Education, and a Basic Endorsement in one of the following three emphasis areas: Severely Handicapped Learner (diverse and low incidence learner), Reading/Literacy, or Early Childhood.

This proposal is a result of major reorganization within the University’s College of Education brought about by Measure 5 cutbacks in 1991. This
resulted in the elimination of teacher education licensure programs in elementary and most secondary specialties and a reduction in the number of academic tenured-track faculty in the College by 50 percent. The University retained licensure programs for Special Education, Foreign Languages, Music Education, School Psychology, Communications Disorders and Sciences, and Administrators. All other licensure areas were eliminated.

Existing resources within the University of Oregon will be used to support the program. As it phases in, costs will increase incrementally with successive student cohorts from fall 1994 through fall 1999. By design, participating faculty will be drawn from across the College of Education, including a small number of displaced tenured faculty whose programs were closed in the first round of Measure 5.

Staff Analysis

1. **Relationship to Mission**

The proposed undergraduate and graduate programs are supportive of the University of Oregon's mission to provide instruction, research, and public service to advance scientific and humanistic knowledge and service. The University's programs of instruction are designed to provide high-quality education in professional preparation as well as in the liberal arts and sciences. The proposed program provides high-quality education for participating students, improves science and humanistic knowledge, and provides needed services to schools as they address educational reforms affecting them, particularly as they move to closer collaboration with social service agencies.

2. **Evidence of Need**

The restructured Bachelor's program, which results in three specializations, will meet a need of the University to provide more diversity among undergraduate majors required by the increasing number of undergraduate students admitted to the University to offset revenue reductions brought about by Measure 5. The University plans to increase the student population significantly in the future; the availability of a broad array of undergraduate majors with market appeal are essential to serving these students. The University cannot attract many of these students without
offering them a quality undergraduate program in education-related studies, as well as providing a means by which students who wish to prepare as teachers can meet licensure requirements in Oregon.

The Bachelor's specializations are designed to meet a broad array of Oregon and national needs in rapidly changing education-related fields. People are needed who can participate in the integrated delivery of social and educational services, who can work in adult learning contexts in the corporate and public service sectors, and who can be a different type of teacher with multiple licenses to serve a diverse type of student in the early grades. Preparation in these undergraduate specializations will prepare students for entry into a variety of graduate training programs such as special education, social work, psychology, communication disorders and sciences, and school administration.

The proposed Teacher Licensure Program responds specifically to changes underway in teacher licensure in Oregon. Consensus is building for a licensure system based on horizontal rather than vertical structure. A new horizontal structure would prepare teachers to work within a narrower span of age levels but prepare them to serve the needs of a highly diverse range of students within that span. There would be teaching licenses for different age-level spans. This proposal takes into consideration the need for teachers who can better serve primary and elementary level students with a very diverse student population.

The University conducted local demand studies to determine the type of educator needed for future schools, and studies conducted for the Joint Boards of Education ("1992 School Staffing Trends Study") confirmed these findings: that schools will need teachers more broadly trained to serve an increasingly diverse student population. Schools are being required to serve more at-risk students, students with disabilities, students for whom English is a second language, and talented and gifted students, all within a regular classroom setting. The proposed program will result in educators much more versatile than traditionally trained teachers.
3. **Quality of the Proposed Program**

**The Curriculum.** The proposed restructured undergraduate major in Educational Studies will offer three specializations: Learning Systems Technology, Educational and Social Systems, and Integrated Licensure. All undergraduate students will participate in a six-course core sequence and three courses preparatory to the major. These will typically be completed in the freshman, sophomore, and junior years. Additional courses in one of the three specializations will also be taken. The majority of the undergraduate courses are not currently available in the University's curriculum; however, all have been designed, reviewed, and approved by the University Curriculum Committee, and the schedule for phased-in course implementation has been completed. These courses represent significant interdisciplinary offerings.

Courses in the graduate component of the program represent a mixture of existing and newly designed courses. New courses at the graduate level have been designed, reviewed, and approved by both the University Curriculum Committee and the University Graduate Council.

Both the undergraduate and graduate curriculum components were finally reviewed and approved by the full University General Assembly.

**Enrollments.** The undergraduate program is expected to enroll an estimated 80-90 students per year into the Bachelor's of Educational Studies, about 30 in each specialization. After five to six years, a total population of about 300-400 majors is expected to be reached.

The program proposes to admit students as pre-majors with the cohort of approximately 30 students admitted to the Integrated Licensure Program during the sophomore year. The curriculum will be implemented incrementally with the first-year courses offered in fall 1994 and the remaining courses and field experiences phased in each year. By the fifth year, the full complement of courses will be available (1999), the year that the first cohort is scheduled to complete the program.
The external review team (see Program Review section below) felt that the proposed number of students in the Integrated Licensure Program is too small given the likelihood of student mortality, variant field placements, and attrition from programs. They suggested increasing the size of the cohorts admitted and recommended recruiting a mix of students to include both traditional age and older, more experienced students, perhaps from the ranks of paraprofessionals in schools. They also felt that there would be greater demand for the program than the preliminary estimates. The University will have to carefully monitor enrollments in the program and determine the optimum number of students for available resources, both faculty and field placements, as the program is phased in.

Innovative Approach in the Teacher Licensure Component. The proposed integrated licensure program differs in important ways from traditional teacher education programs. The traditional licensure programs are practicum oriented, focus on the classroom, address categories of children, result primarily in a single-function teacher that receives a single endorsement, and emphasize a subject matter major. The proposed Integrated Licensure Program will be field centered, focus on the entire school building, address all (diverse) learners, result in a multiple-function teacher that has an integrated multiple endorsement, and emphasize an educational studies major that includes 90 hours of liberal arts.

4. Adequacy of Resources to Offer the Program

Faculty. Measure 5 cutbacks in 1991 reduced the number of academic tenure-track faculty in the College of Education by 50 percent. Despite those cuts, the College has a significant number of faculty to service the restructured programs. The College currently has 165 academic rank faculty and 160 research assistants and associates. Of the academic rank faculty, 38 represent tenure-line positions. The quality of the faculty is very high; many are national leaders in the educational practices that the program will emphasize.

The external review team commented on the faculty resources by noting that "this is an exceptionally strong, high-quality faculty." Concerns were raised, however, about the suitability of utilizing faculty who are so highly committed to their research and training commitments and other graduate-level programs, who would be
needed in this program to commit significant effort to developing field relationships and providing supervision in the schools. The College of Education will need to carefully monitor the development of this program to ensure that the type of clinical relationships between the University and applied settings are well established and maintained to ensure the quality of the program. Several good ideas from the external team, such as the creation of an Office of Field Placement and Supervision and the formalizing of relationships with schools via contractual arrangements, will be attended to by the College of Education as the program is implemented.

Library. The recent expansion and renovation of the University's Knight Library, which also includes the Instructional Media Center, and the College of Education's Technology Education Center, will provide a variety of print and nonprint learning resources to the programs.

Facilities and Equipment. Additional resources may be needed for physical plant and equipment, particularly for technology upgrades associated with the Instructional Technologies Program. It will likely require the University to upgrade several personal computer class computing platforms, CD-ROM technology, and networking software every few years. Some of these costs are expected to be offset by federal grant projects received by the College of Education, with matching money required to receive these grants coming from either the University or external donor sources.

Budget Impact. The proposed program will be phased in over a five-year period, beginning in fall 1994 with courses freshmen will take and ending with the cohort completing the Fifth Year Teacher Licensure Program in 1999. There will be modest initial budget implications for the undergraduate Educational Studies major of which the Integrated Licensure is a component. The fifth-year component will be heavily field-based, and there will be costs associated with obtaining the services of adjunct faculty (master teachers in schools). These funds will be provided through reallocation of University funds. The College of Education expects to generate revenues of several hundreds of thousands of dollars per year within the next five to six years, attracting students from other undergraduate majors that are experiencing high demand because of the cutback in the availability of undergraduate majors
post Measure 5. Expenses in the program are expected to be significantly lower than revenues.

5. **Duplication**

The proposed programs are unique within OSSHE institutions. Two of the three specializations in the undergraduate major in Educational Studies (Learning Systems Technology and Educational and Social Systems) are not available elsewhere in OSSHE. The third specialization in Integrated Licensure is somewhat related to other multidisciplinary liberal arts majors that prepare students for entry into Fifth Year Elementary Teacher Licensure Programs. However, students in this program will begin coursework in their multiple endorsements during their undergraduate major, enabling the opportunity to begin education-related coursework prior to the fifth year. No other institution offers a five-year Integrated Teacher Licensure Program that results in a student completing multiple endorsements in Special Education; Elementary; and Reading, Severely Handicapped, or Early Childhood. Special Education Programs (standing alone or in concert with regular elementary teacher preparation) are available at Portland State University, Western Oregon State College, Eastern Oregon State College, and Southern Oregon State College. Oregon State University also offers elementary teacher preparation.

**Program Review**

The proposed programs were reviewed by the OSSHE Academic Council at its April and May 1994 meetings. The Council recommended that the OSSHE Deans of Education review the programs as well, which subsequently occurred at the June meeting of that group.

The graduate-level Teacher Licensure Program has been the subject of an external review, including a two-day site visit in May by nationally recognized experts in the field of teacher education. The review team provided a highly favorable reaction to the proposed programs, finding that "the proposed program has the potential to address the ongoing complexity present in public schools." The program was thought to be unlike any program with which the team was familiar, that "It represents a unique contribution to the reconceptualization of professional educators serving students within the school setting." This program was seen to be especially appropriate for a research university because of its need to link
research and evaluation with the development, implementation, and analysis of the proposed program.

The Teacher Licensure Program has been reviewed and approved, conditional upon the approval by the Board of Higher Education, by the Teacher Standards and Practices Commission, which expressed support for this innovative approach to the preparation of teachers.

Staff Recommendation to the Board

1. Staff recommended the Board authorize the University of Oregon, effective fall 1994, to restructure its current Bachelor's of Education, Arts, and Sciences with a major in Educational Studies with three specializations: Learning Systems Technology, Educational and Social Systems, and Integrated Licensure; and to restructure the Master's of Science in Educational Policy and Management to include implementation of a Fifth Year Teacher Licensure Program that results in the student completing the Master's Degree with specialization in Instructional Leadership and completing all academic requirements to qualify for an Oregon Basic Teaching License with a Standard Endorsement in Handicapped Learner, a Basic Endorsement in Elementary Education, and a Basic endorsement in one of three emphasis areas: Severely Handicapped Learner, Reading, or Early Childhood.

2. A follow-up review of both programs should be conducted by the State System Office of Academic Affairs during the 1999-2000 academic year permitting two graduating classes to have completed the bachelor's program and one graduating class to have completed the Fifth Year Licensure and Master's of Science degree program.

3. The proposal should be placed on the consent agenda for final action at the July 1994 Board meeting.

Board Discussion and Action

Vice Chancellor Clark provided further analysis of the request from the University of Oregon. She indicated that the proposal was a set of revised majors within the undergraduate Bachelor of Education degree.

The Board was provided evidence of need in the docket materials and further explanation of the relationship of the current proposal to teacher
education reform and school reform underway in Oregon. Recommended changes in licensure would call for a more horizontal structure that is less oriented to specific subject matter and would enable the teacher to work with the many different kinds of students in the same classroom -- typical students as well as those who may be at risk for any number of reasons and students with various learning disabilities.

Dr. Clark pointed out that the severe program eliminations occasioned by the first round of Measure 5 greatly impacted human service programs and education and have resulted in a flood of enrollments in some of the more broad social science majors at the University of Oregon.

Dr. Aschkenasy asked for clarification about the objective of training teachers more thoroughly and more broadly in terms of a chronological slice of students as opposed to subject matter training.

Dr. Clark responded that the Certificate of Initial Mastery requires schools to use generalists more than specialists. The generalist, however, has to be competent in a number of specializations. What the University of Oregon proposal does is combine several specializations, thereby achieving the kind of breadth that the new licensure system is attempting to accomplish.

Dr. Kaufman, Dean of the School of Education, explained further that schools are requiring that personnel be more flexible in meeting the multiple needs of all children. The expectation is that a person with this training will make schools more successful for all children. "It takes a building, working with its community, working with its parents, to succeed. The building needs all of its professionals," Dean Kaufman continued.

Ms. Christopher asked if the move on the part of the University of Oregon was in direct response to HB 3565. Dean Kaufman responded, "Absolutely. In other words, with school site councils, the school building is becoming the building block for change. You try to build the capacity of those schools."

In recalling discussions with the Joint Boards of Education, Mr. Bailey asked Dr. Clark if the State System was increasing its capacity to produce teachers or potential teachers and how that related to the demand for teaching jobs. Vice Chancellor Clark responded that this new program helps rebuild some of the capacity that had been savaged by Measure 5.
cuts. "We are way below the caps or targets that were set in the late 1980s for the production of newly licensed teachers. We are at a place of encouraging our teacher education programs to take on more students. Graduates of our fifth year programs are being hired, so we do not have a problem at the present time of an excess production of teachers."

Provost Wessells pointed out that HB 3565 drives some of the program planning; however, "the important thing is that the function of the public school as a social agency is becoming a reality. We hear loud and clear from the review committee that these kinds of teachers are needed all over the country. This program is going to be looked at because there isn’t any other program like it in the United States."

There was general agreement that the Board needed more time for discussion and for clarification of some of the questions. Mr. Miller proposed that the Board move the proposal to the consent agenda and that Board members who have further questions convey them to Vice Chancellor Clark.

Mr. Donahue moved and Mr. Bailey seconded the motion to move the proposal to the July consent agenda. Those voting in favor: Directors Bailey, Christopher, Donahue, Lee, Madden Evans, Richardson, Swanson, Willis, and Miller. Those voting no: none. Dr. Aschkenasy was out of the room at the time of the vote.

Mr. Bailey reported that the Board Nominating Committee met in Klamath Falls at 8:15 p.m. on May 26, 1994. Members of the Committee were Bob Bailey, Chair; Diane Christopher; and Rob Miller.

The Nominating Committee recommended the following slate of officers for the year July 1, 1994, to June 30, 1995: President, Les Swanson; Vice President, Herbert Aschkenasy; Executive Committee, Les Swanson, Herbert Aschkenasy, Robert Bailey, Rob Miller, and Janice Wilson.

In addition, the Nominating Committee recommended that the Board Administrative Review Committee (BARC) be disbanded.

Board Discussion and Action

Mr. Bailey moved and Mr. Miller seconded the motion to accept the recommendation of the Nominating Committee. Those voting in favor: Directors Bailey, Christopher, Donahue, Lee, Madden Evans, Richardson,
Swanson, Willis, and Miller. Those voting no: none. Dr. Aschkenasy was out of the room at the time of the vote.

Dr. Aschkenasy reported that the process of obtaining public acceptance for the Public Corporation is moving forward. Periodic meetings have begun with legislators, the Board of Directors of the Oregon Student Lobby, and other publics. "Little by little, we are trying to get people to understand the issues, where they fit, and how to support the recommendation. The major issue appears to be the name by which the 'thing' is called. It has been suggested that we are attempting to distance ourselves from the state in ways in which we were not. I would ask you, Mr. Chairman, to encourage me to look into finding other descriptors for this activity since 'public corporation' is likely to continue to be misunderstood."

Mr. Miller introduced Senator Dick Springer who had joined the Board meeting.

Senator Springer welcomed the Board to Senate District 6. "I have promised the folks at Oregon Health Sciences University to keep an open mind on this topic. I hope the majority of my colleagues will also, but I think there are significant questions yet to be resolved."

Mr. Miller expressed great appreciation to all of those who had worked with BARC over the past several years. "Weldon Ihrig has also taken on yet another load in helping to create accountability and create methods of monitoring the implementation of BARC's work. I appreciate that very much, Weldon. You've worked very hard on it."

Chancellor Bartlett expressed enormous admiration and appreciation to Mr. Miller for his leadership in the BARC work over the past months and years. "I can't think of any member of the Board in my time who has put more time and effort into a System purpose than you have put into BARC. It has been an enormous service. It has been a monumental effort, and I think the System has profited enormously by what has been a difficult process that you have led."

Mr. Donahue reported that the Committee had tried "to determine what would speak to Oregonians about higher education and how to go about it, including addressing concerns within the System and talking to the public by way of polling and other mechanisms. With the great assistance of Dan Weiden of Weiden and Kennedy, we have developed a proposed
theme for a statewide public information campaign to increase public knowledge of the Oregon System of Higher Education.

"As agreed by the Committee and the Board, I am responsible to approve on your behalf the proposed theme, which is, 'Go far without going far away.' Prototype messages were developed in conjunction with the theme that will be used to communicate the potential, the quality, and the stability that exists within Oregon's System of Higher Education. The theme and underlying messages can be tailored by each institution to publicize its specific courses, extracurricular, and other unique offering it desires. The theme and draft story boards were presented to members of the Student Affairs and Legislative Affairs Council held in conjunction with the May Board meeting in Klamath Falls.

"In thinking about the need to identify the most credible spokespersons to communicate the message to our target audience of college-bound high school graduates and their parents, the following profile was developed:

Graduates of OSSHE institutions who are interesting, successful, and leading productive lives, and have completed their degree within the last 10 years. To help identify alumni who may be available to serve as spokespersons, the Office of Public Affairs has contacted OSSHE institutional alumni directors with a request to provide a list of alumni who fit the profile.

"As a next step, a marketing plan that outlines recommendations, focus groups, production, and marketing mix to include cost estimates will be developed by Larry Large and members of the Public Affairs staff. They will meet with Dan Weiden and his team at Weiden and Kennedy as soon as a meeting can be arranged. Execution of the marketing plan will be dependent upon the availability of financial and other resources. The budget for the plan will include a fundraising component, designed to secure corporate sponsorship for portions of the media mix. The marketing plan will outline the strategy to take place over a period of up to 24 months, with a limited media campaign to be undertaken during the fall of 1994."

Mr. Bailey indicated that the Joint Boards Working Group had met to follow up on the meeting held in May. The next Joint Boards meeting is scheduled for September at which time a report will be made to the Governor.
Mr. Swanson indicated that the July 22 Board meeting would be at Portland State University. At 11:30 or 11:45 a.m. the Board will adjourn to the School of Nursing at Oregon Health Sciences University to begin the Renewal Work Session at noon. The afternoon agenda will continue until approximately 5:30 p.m. and will center on planning for 1994-1995, the biennium, and getting to the year 2010. Following dinner, there will be an evening work session focused on the legislative agenda.

**Background**

Last fall, staff offered to provide the Board with more frequent reports regarding federal issues. The following provides some additional information about indirect costs.

When grants are provided to an institution, it classifies the expenses associated with performing the research function in two ways: direct and indirect costs.

Direct costs are those fixed or measurable expenses a school incurs while doing research. Costs that can be directly attributed to a research project, such as supplies, salaries, and wages, are examples of direct costs.

Indirect costs are harder to assign to a specific project. They include such items as office or service functions needed for ongoing research. Each institution is responsible for allocating its various research costs and for further dividing its indirect costs into seven categories or cost pools: operations and maintenance, building and equipment, general administration, departmental administration, sponsored projects administration, libraries, and student services administration.

Indirect costs are calculated as a percentage of total federal funds. The rate at which an institution may calculate its indirect costs depends upon the source of the funds. Some federal agencies, such as the Department of Education, the Department of Energy, and the Agriculture Department, impose varying caps on indirect cost rates. Other federal agencies allow institutions to propose their own indirect cost rates.

**Present Initiative**

In an attempt to trim the FY95 federal budget by $150 million, the Clinton administration proposed a pause in the amount of reimbursement for indirect costs associated with federally supported university research.
for institutions that receive more than $10 million for federally funded research.

The Chancellor's Office worked with representatives from these OSSHE institutions to educate members of the Oregon congressional delegation on the issue of indirect costs and the projected impact of the pause.

The "pause" proposal generates several concerns for higher education. A primary concern is equity, since it singles out universities with well-established research programs as a solution to budget problems. In addition, such an approach penalizes institutions currently experiencing growth in federal grants by disproportionately affecting those institutions whose federal funding will increase in FY94. For example, Oregon Health Sciences University, whose full indirect cost rate is 46 percent, estimates that its FY94 funding will increase by approximately $3 million. If a pause were to go into effect, Oregon Health Sciences University would lose approximately $1,380,000 in indirect costs ($3 million x 46 percent) of what it otherwise would have received.

Indirect cost rates used by higher education institutions engaged in federally funded research are far lower than the rates used by industry and other federal contractors. Therefore, the higher education community believes that any policy discussion on the principles and procedures of indirect costs must include all sectors involved in government-sponsored research.

The university community analysis is that it is unfair to single out indirect costs for cuts and proposes that an across-the-board cut in federal funding for university research is a more equitable way to achieve the necessary budget cuts.

The reason the effort to impose a pause is likely to fail this year is the result of a disagreement between the Office of Management and Budget (OMB) and the Congressional Budget Office (CBO) over whether such a pause would actually result in savings in FY95.

In addition, the efforts of OSSHE institutions and other higher education institutions across the country appear to be effective. Following mark-ups by most House appropriation subcommittees, no bill contained language to enact the pause, and there appear to be no plans to include a pause provision in the remaining House appropriations bills or in any Senate authorizing bills.
The higher education community is concerned that this pause would only represent the first in a long series of cutbacks in indirect cost reimbursements. Higher education officials observe that members of Congress fail to take a broad enough look at the total picture of higher education funding to realize fully the impact of these and other cuts on the system's long-term health.

**Solomon Amendment**

Representative Solomon (R-NY) has drafted an amendment to prevent institutions from receiving federal funds if they have a policy or practice of prohibiting military recruiters access to the campus or relevant documents. Solomon's original target was to limit funds granted by the Department of Defense (DOD), but he has since expanded his focus to include bills reauthorizing National Science Foundation (NSF) funds and may look to prohibitions to be applied to other funding sources. The amendment appears to be in reaction to a New York Supreme Court ruling that bars military recruiters from campuses because of the military's discriminatory policy on gays.

OSSHE responded to requests from its Washington, D.C.-based education associations to provide information on which, if any, OSSHE institutions would be impacted by the proposal. No OSSHE institution has a policy in place that bars military recruiters from campus and, therefore, would not be impacted by the amendment.

However, the Solomon amendment raises the issue of whether a university's research activities should be restricted or shut down as a result of its policy on issues unrelated to research being conducted.

(No Board action required)

**LEGISLATIVE REPORT**

Dr. Large reported that the Joint Legislative Audit Committee had met and reviewed some of the work of BARC. Vice Chancellor Ihrig reported that the Committee spent several hours reviewing the status reports of Oregon State University, Portland State University, and the Chancellor's Office.

The Board and the Chancellor's Office will continue to monitor the results of the BARC process, as well as implementation of the budget reductions. Mr. Ihrig reported that the System is on target regarding budget reduc-
tions. "Many of the cuts were made in administrative support services beyond the narrow recommendations of the BARC report."

A meeting, requested by Senator Lenn Hannon, with legislators to discuss the Public Corporation initiative was held and was quite successful. The State System will meet with the Higher Education Review Task Force in August.

A vistation was conducted to Eastern Oregon State College Ackerman Laboratory School and was a very successful event. Senator Catherine Webber, Senator Shirley Gold, and Representative Marilyn Dell drove to the campus with members of the Chancellor's staff.

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<td>A summary of facilities contracting activities within the Office of Finance and Administration is presented below:</td>
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**Contracts for Professional Consulting Services**

**Steam Master Plan Update, OHSU**
On February 11, 1994, Pacific Energy Systems, Inc., was awarded a contract for this project in the amount of $13,000. Financing will be provided from state funds.

**Award of Construction Contracts**

**Erb Memorial Union Reroofing Project, UO**
On May 4, 1994, Snyder Roofing & Sheet Metal, Inc., was awarded a contract for this project in the amount of $269,361. Financing will be provided from bond proceeds to be repaid from building repair reserves.

**Parker Stadium Grandstand Seating Assembly Project, OSU**
On May 10, 1994, Outdoor Aluminum, Inc., was awarded a contract for this project in the amount of $210,790. Financing will be provided from an OSU Foundation loan and operating funds.

**University Hospital South, C-Wing Expansion and Tenant Improvements, OHSU**
On May 18, 1994, Andersen Construction Company, Inc., was awarded a contract for this project in the amount of $11,660,000. Financing will
be provided from auxiliary bonds, gifts, and funds available to the University Hospital.

**Women's Building Rooms 6/7 Remodel, OSU**

On February 8, 1994, Morris P. Kielty General Contractor, Inc., was awarded a contract for this project in the amount of $68,820. Financing will be provided from institutional funds.

(No Board action required)

**INSTITUTIONAL PLANS TO MODIFY ACADEMIC CULTURE; ACADEMIC PERSONNEL POLICIES & PRACTICES**

**Background**

In October 1993, the final report of the Board’s Committee on Academic Productivity (BCAP) included a recommendation that the Board request the Chancellor to report within six months recommending improvements in the total tenure process from pre-tenure to post-tenure, giving particular attention to performance appraisal and management incentives. As a result, all OSSHE colleges and universities were asked to examine their academic personnel policies and practices to ensure that there are incentives for productivity and innovation and that the balance between teaching and scholarship is appropriate to their respective missions.

Campus reports identified current academic personnel practices and recent changes, as well as changes in reward structures and career management procedures under discussion. The campuses are at varying stages of identification, development, and implementation of changes to refine and improve processes for evaluating faculty performance. At those institutions that bargain collectively with faculty (Portland State University, Southern Oregon State College, Western Oregon State College), changes in policies and procedures related to faculty rewards and incentives are negotiated.

Changes in managing faculty career structures under consideration at OSSHE institutions reflect national trends to optimize faculty productivity and contributions in teaching, research, and service. Many of the campuses are exploring better ways to gather evidence about the quality of instruction in the classroom (most notably through the use of teaching portfolios) and better ways to support the development of teaching skills. Another approach taken (or being examined) by some institutions has been to broaden the range of faculty activities that are most rewarded (beyond research and publications) and to embrace Ernest Boyer’s expanded definition of scholarship to include discovery, integration, application, and teaching. The adoption of this widely discussed and debated interpretation
of scholarship, coupled with other changes proposed (e.g., evaluating faculty performance, formalizing mentor relationships, and rewarding collaborative efforts), has potential to modify the faculty career structure and to have far-reaching implications for individual faculty and institutions-as-a-whole. Such an approach would permit more specialization and differentiation of faculty work roles within institutions. The availability of resources to support a modified faculty reward system is critical to enhancing efforts to give a higher priority to teaching.

Summaries of key aspects of campus proposals to modify the academic culture that have been completed are presented below for Board consideration. Oregon Health Sciences University will report at a later date.

**Eastern Oregon State College**

The Faculty Assembly at Eastern Oregon State College adopted the recommendations of a blue ribbon panel to emphasize instruction in personnel decision making. Consistent with this emphasis, Eastern Oregon State College will use teaching portfolios, classroom observations, and alumni evaluations to obtain information needed to evaluate professors.

- **Teaching Portfolio.** Faculty undergoing personnel evaluation reviews will assemble a portfolio collection of material depicting the nature and quality of teaching and learning. The portfolio will include (a) a statement of an individual’s teaching roles and responsibilities, teaching philosophy, and important educational outcomes, (b) student evaluations for courses taught in the last two years, (c) course syllabi, (d) student advising caseload for past two years, and (e) other descriptive information. These portfolios will be reviewed by the personnel committees at Eastern Oregon State College.

- **Promotion and Tenure Reviews.** In addition to developing a portfolio, faculty will be observed in the classrooms and evaluated by two different individuals. A protocol has been developed to focus observation on communication skills, knowledge and enthusiasm for subject matter and teaching, and attitudes toward students. Three alumni (selected from a list of eight former students supplied by the faculty member) will be queried regarding the overall effectiveness of a given faculty member.
Oregon Institute of Technology

Policies and procedures for academic rank and promotion for instructional faculty were approved by the Faculty Senate and President's Council in the spring 1992. These include categories for demonstrating competency in teaching. Recent changes in policy implemented to enhance productivity include:

- **Post-Tenure Review.** To insure the long-term performance of faculty, tenured faculty are reviewed at least once every five years. As a result of this review, faculty excellence is recognized. This year, Oregon Institute of Technology identified three exemplary faculty to receive a $2,000 award each.

- **Summer Productivity Grants.** Faculty compete through a proposal process for stipends to support innovative curriculum development projects over the summer.

Oregon State University

Oregon State University has a number of policies and procedures that focus on issues related to recruitment and hiring, performance appraisals, promotion and tenure, salary adjustments, and tenure relinquishment. The guidelines and processes for conducting faculty promotion and tenure reviews revised in 1988 are under review at present. Several changes to refine and improve processes for evaluating faculty performance at Oregon State University have been implemented recently. These include:

- **Peer Review of Teaching Performance.** Teaching portfolios (includes course outlines, required readings, rigor of assignments and exams, and relevance of course material) and observations of in-class teaching are being used by peers to assess teaching performance.

- **Impact Statements.** Faculty with off-campus appointments emphasizing community and public services to the University, state, and region are providing information about the nature of the problem (i.e., service needed), efforts to respond to the problem, and documented outcomes.

In addition, a committee of faculty and administrators are reviewing Oregon State University's guidelines for promotion and tenure (which
were last formally reviewed and revised in 1988) and will be proposing recommended changes as appropriate in fall 1994. Some items under consideration in the review of promotion and tenure guidelines include rewarding team efforts, expanding the notion of scholarship, and rewarding faculty efforts in extended education programs and services.

- **Team Efforts.** The challenges and opportunities facing society require interdisciplinary efforts crossing academic departments. To encourage and reward collaborative efforts, changes in the promotion and tenure dossier that will allow faculty to report and document team efforts and collaboration are being considered.

- **Forms of Scholarship.** A statement has been prepared to suggest the various forms of scholarship that recognize the full range of faculty talent and the diversity of functions higher education must perform. This statement incorporates the ideas of contemporary critics and leaders of higher education and plays a central role in the revision of Oregon State University's current promotion and tenure guidelines.

- **Extended Education Programs and Services.** All departments are committed to extending services to Oregonians. Therefore, changes are needed in the faculty recognition and reward structure for participating in extended education programs and services.

**Portland State University**

Portland State University completed an extensive revision of policies and procedures for promotion, tenure, and merit increases in 1991. That revision incorporated a broad view of scholarship. In these current guidelines a number of issues are addressed, including achieving a balance between teaching and research, properly evaluating teaching, and providing faculty with the opportunities to define their activities throughout their careers.

As part of an ongoing review, school and college productivity committees at Portland State University have made recommendations related to the use of faculty portfolios. Portland State University's productivity plan calls for the creation of two new service centers to assist faculty in the improvement of instruction, in curricular development, and in establishing community-based teaching and research. An example of how Portland
State University's academic culture is changing is reflected in a provision in the 1993 collective bargaining agreement to convene a joint faculty-management committee to recommend opportunities for academic productivity increases in undergraduate education.

Southern Oregon State College

The central feature changed in the faculty review process adopted by Southern Oregon State College is the notion of shared responsibility for accountability.

- **Faculty Planning and Reporting.** Beginning fall 1993, faculty will complete the Faculty Professional Activity Plan (FPAP) and Report (FPAR). These instruments are used as a basis for departments/colleagues to consider holistically the work of peers with respect to goals, resources, and circumstances of the unit. They are intended to assist faculty members and colleagues in planning for the effective use of resources (e.g., time, money, equipment, supplies). The work plan and work load of each tenured and untenured faculty member will be reviewed and adjusted annually. Allocation of resources, including professional development funds, travel monies, equipment, and other benefits will be tied to this review.

The 1993 collective bargaining agreement between the Association of Professors at Southern and the College includes a Memorandum of Agreement regarding this new accountability requirement.

University of Oregon

The principles and procedures used to assure optimal career development and performance of faculty include (a) the mentoring of assistant professors and developing connections to the academic professions by senior faculty colleagues; (b) periodic and episodic reviews of faculty performance at the time of initial reappointment to the second three-year term as an assistant professor, for promotion to a tenure associate professorship, promotion to full professorship, and at five-year intervals for faculty in a post-tenure review; (c) a service designed to help teachers of all levels of accomplishment improve their instructional skills; (d) faculty rewards including promotions, granting of tenure, merit pay increases, leaves/sabbaticals, teaching or research awards, endowed
professorships/chairs; and (e) mechanisms for dealing with problem situations. Changes under discussion at the University of Oregon by the Faculty Rewards and Development Commission include:

- **Flexible Career Options.** The University of Oregon is considering flexible assignments of tenured faculty to accommodate fluctuating interests and activities related to teaching, research, and service during faculty careers. Until now, the expectation for the faculty role was that individuals would divide their attention among these basic activities in the same proportions throughout their careers. Flexible arrangements would allow greater specialization of individual faculty roles to meet the University’s basic missions. For instance, a faculty member who has completed a major research project and finished related writings might agree to concentrate on teaching and public service for several years as a way to consider how this knowledge might be integrated with existing knowledge, applied to consequential problems, and shared with students in ways that will extend and transform its meaning.

**Western Oregon State College**

The policies and procedures related to faculty personnel were revised in 1993 and included as part of the collective bargaining agreement covering December 27, 1993, through June 30, 1995. Three major changes to that agreement are related to faculty productivity. First, the College recognizes it shares with faculty the responsibility for appropriate accounting of time and effort, as well as for the development and improvement of faculty performance. Second, for the first time faculty will prepare an annual Faculty Professional Report. The report will include completed activities related to teaching, course and curriculum development, academic advising, scholarship, service to the College, and service to the community and will be submitted to the Dean of the relevant School. Third, if a faculty member’s primary job assignment is other than teaching, that assignment shall be regarded as being of equal importance to teaching in all evaluations.

**Board Discussion**

Vice Chancellor Clark indicated that the report was a response by the campuses to the challenge to review and examine the procedures for faculty evaluation and reward and to assure there is a balance so that
attention and value for instruction, research, and service are appropriate relative to individual campus missions.

"The attention campuses have been giving to the matter of instructional productivity and giving teaching its due," Dr. Clark continued, "has been ongoing for some time. This is a dynamic situation related to the national changes that are associated with the much larger conversation about faculty productivity. There is quite a bit occurring relative to refocusing efforts on teaching and achieving a re-balance. It is in a somewhat fluid state because this involves considerable consultation with faculty, committee work, and decisions to be made about it."

Mr. Miller commented that he has a great interest in the tenure, promotion, and evaluation systems. "I am still a little bit concerned that I don't see in the descriptions much, if any, review of performance standards, particularly related to tenure and productivity that is outside of the institution.

"The best way to get at that, if it is still a problem, is to make sure that, in all cases, there is some kind of outside-of-the-institution evaluation, rather than just peer review input. I'm still concerned that is not happening."

Dr. Clark responded that it was a very important point. "Some of the campus reports did address that. We will pull those parts together and give you a display of them. We probably have not focused very much on that because I think the attention was a little more toward the instructional than toward the service or research activities."

(No Board action required)
Background

The State System has undertaken activities to support efforts to increase academic productivity and implement educational reforms related to national developments in the area of academic productivity and the April 1993 recommendations of the Board's Committee on Academic Productivity (BCAP). The approach taken stresses systematic planning, incentives, and accountability at the campus level to encourage faculty and administrators to increase higher education productivity by reducing costs and improving quality. First, campuses developed comprehensive plans that included changes in faculty, students, curriculum, service delivery, and/or fees in order to increase the number of students served in quality instructional programs within existing resource constraints. These plans were submitted to the Chancellor in spring 1994 and were summarized for the Board at the May 1994 meeting. Second, funds were set aside ($500,000) to encourage campuses to experiment with innovations likely to lead to productivity increases related to educational reform. A Request for Proposal (RFP) process was used in fall 1993 to select 12 projects from more than 30 submitted for the first round of funding, for a total expenditure of $255,000. These projects identified for the Board in January 1994 are well underway; a report to the Board on project outcomes will be made in late 1994.

Request for Proposal Process

A second RFP for Academic Productivity and Educational Reform was issued on February 14, 1994, with a deadline for proposal submission on April 18, 1994. The purpose of the RFP was to fund "demonstration projects with potential impact that goes beyond a single institution to enable OSSHE institutions to increase their academic productivity and enhance higher education reform through the use of developing technologies." Projects were sought in three priority areas: (a) student self-paced learning projects related to technological developments, (b) distance education collaborative degree/curricula projects, and (c) faculty capacity projects. The amount available for funding projects in this second round was $250,000.

Twenty proposals were submitted by the campuses in response to the February RFP, for a total of $775,803. Following a review of these proposals by the Office of Academic Affairs and the Chancellor, 13 projects were selected for funding, for a total expenditure of $250,070. The proposals selected for funding meet the priorities established and are
aligned with the productivity goals and objectives of the institutions. Several address delivering instruction more efficiently (using new educational technologies, large group instruction, different instructional strategies) as greater demand is coupled with dwindling resources in areas where demand is already high (introductory classes in philosophy, statistics, astronomy) or in those disciplines expected to increase as a result of policy changes (foreign languages). Others are concerned with facilitating student progress toward degrees in high demand areas by smoothing program articulation for community college transfer students (journalism) or increasing student learning outcomes through organizing instruction differently (integrated science and math for non-majors). In addition, two internal conferences will be sponsored by the State System to examine the problem of diversity in college skill readiness levels in computer applications and mathematics.

These campus projects provide opportunities to use different approaches and analyze the relative costs and effectiveness of the alternatives. The amount allocated to this effort is a small portion of the State System’s budget, but represents an important investment in careful experimentation that shows promise for improved productivity.

Projects Funded in Round-Two RFP

- Eastern Oregon State College, "A Demonstration Project to Replace the Traditional Course Format with Mastery Learning," $16,000

Examines and uses different strategies, including mastery learning to deal with the problem of diversity of preparation (and need for remediation) of entering freshmen in mathematics. The project will both increase student learning productivity and enable faculty FTE to be used in more productive ways.

- Oregon Health Sciences University, "Self-Paced Learning and Collaboration for On-Campus and Distance Nursing Education," $17,500

Develops and uses innovative strategies (self-paced modular learning, asynchronous computer conferencing) in one nursing course to teach large numbers of students at multiple campuses, providing maximum flexibility for baccalaureate nursing students to progress through the program without increasing the cost of the program.
• Oregon Institute of Technology, "A Program to Enhance the Development of Multimedia Alternative Course Delivery in Oregon," $22,750 (Phase 1)

Develops faculty expertise in multimedia approaches (including computer-assisted instruction) needed to develop technical course modules in engineering technology to enhance student learning outcomes and faculty productivity.

• Oregon State University, "The Virtual Classroom: Introduction to Philosophy," $35,000

Enhances design and content of a high-enrollment introductory philosophy course common to several OSSHE institutions using interinstitutional Internet-based course (text-based electronic environment, student-centered pedagogy) to be offered for credit by spring 1995 at participating institutions.

• "Remedial Mathematics Summit," $5,000

Supports Mathematics Summit attended by faculty at all interested campuses for the purpose of sharing information on the problem of the diversity in college skill readiness levels in mathematics, and sharing solutions and strategies (self-paced, peer tutoring, software) to increase student efficiency and reduce faculty FTE devoted to prerequisite skills in mathematics. An institution(s) to host the Mathematics Summit will be named soon.

• Portland State University, "Implementation of Educational Technology in Large Classrooms to Improve Student Learning Productivity," $28,300

Builds faculty capacity by training faculty from six to eight departments to redesign existing courses using multimedia applications for delivery in very large classrooms (150+) to reduce unit cost in some programs and demonstrate a model for enhanced student learning productivity and student access to effective teaching in such settings.
• Southern Oregon State College, "Microcomputer Applications I," $8,100

Redesigns one computer science course into self-paced format using existing materials from national sources and creates a senior literacy exam in order to increase student efficiency and reduce faculty FTE in Computer Science Department to achieve learning outcomes in basic computer skills.

• Southern Oregon State College, "OSSHE Computer Science Summit," $5,000

Supports Computer Science Summit attended by faculty at all interested campuses for the purpose of sharing information on the problem of the diversity in college skill readiness levels in computer applications (use of microcomputers, software, word processing, spreadsheets, databases), and sharing solutions and strategies (self-paced, peer tutoring, software), to increase student efficiency and reduce faculty FTE devoted to prerequisite skills in mathematics.

• Southern Oregon State College, "Increasing Faculty Productivity and Student Learning in Elementary Statistics," $9,800

Restructures introductory statistics course to take advantage of available technology by including self-paced tutorial modular components (Quant Systems software) which would increase section size by 50 percent resulting in accommodating 13 percent more students without increasing faculty FTE.

• University of Oregon, "The Electronic Universe: Moving Toward a Statewide Astronomy Curriculum," $13,460

Impacts large-enrollment astronomy course at two campuses and potentially others by developing course activities (multimedia animation of key concepts, modern database of astronomical information, digital archive of astronomical images, self-paced electronic supplement) that will be delivered through the Internet using the World Wide Web as accessed by MOPAIC.
• University of Oregon, "Journalism Education on the Fast Track: Distance Learning at OSSHE Schools and Community Colleges," $34,160

Delivers three 200-level journalism courses, via ED-NET and computer networks, required for admission for the journalism and communication major to OSSHE institutions and Oregon community colleges in order to increase transfer student productivity (e.g., reduce time to degree, greater retention).

• Oregon Institute of Technology, Oregon State University, Southern Oregon State College, and University of Oregon, "Lingua-Techna: An Interinstitutional Proposal for Enhanced Technology-Delivered Foreign Language Instruction," $30,000

Builds capacity of faculty at multiple campuses to develop and implement technology-based and technology-driven foreign language instruction in order to meet increasing demand for foreign language education at the college level without increasing faculty FTE.

• Western Oregon State College, "Reforming the Teaching of Entry Level Science for Non-science Majors," $25,000

Designs a thematically organized interdisciplinary 12-credit block for instruction in mathematics/computer science/biology for approximately 60 students (non-science majors) using mastery learning strategies to achieve greater student outcomes and reduce faculty time devoted to teaching math and computer science content in science courses.

Board Discussion

Vice Chancellor Clark recalled for the Board that one recommendation of the Board Committee on Academic Productivity (BCAP) was that funds be set aside for incenting more experimentation with projects that would fulfill both the need for greater productivity and education reform at the same time.

"We have now been through two rounds and allocated $500,000 of funds reserved for Requests for Proposals. The first selections were made in November. The second round of proposals was made in April and the
selection process is completed. Abstracts of the projects that will be funded are provided for the Board."

Mr. Swanson remarked that the list was very impressive and exciting. "In working on the BCAP as we had these discussions and looked toward the future as to how education might be delivered in different ways and making progress in finding new ways of doing business, it seems like they are all reflected in these projects. One of these projects that catches on, like a statewide astronomy program, can turn out to be a model for a statewide program in another area. I think that, if time allows during the next year, it would be appropriate to have one or two of these projects reported and demonstrated to the Board so that we can actually experience some of these changing ways of thinking."

(No Board action required)

Student Perceptions of Campus Climate

Background and Method

This report highlighted student perceptions of campus climate on OSSHE campuses as defined by those activities and programs that have an impact on student diversity by race/ethnicity and educational success in general.

To assess student perceptions of campus climate variables, a mail-out survey was developed and distributed during winter term 1994. More than 3,100 surveys were distributed to randomly selected students on the eight State System campuses. Efforts were made to create representative subsamples from each campus by undergraduate- and graduate-level standing and selection by race and ethnicity. In the case of minority group students, an oversampling technique to account for smaller percentage of representation was used to ensure a significant number of responses. As a result, 48 percent of the sample were students of color.

The survey response rate was 28 percent: 880 responses out of 3,165 distributed surveys. The response rate is higher or comparable to results in other states administering climate surveys: University of Nevada, Reno, was 20 percent; Colorado was 23 percent; and UCLA, 29 percent. At least a 50 percent response from the sample survey was projected. So, while the response rate was comparable to other institutions' efforts, the projected goal was not reached. The breakdown of responses follows: African Americans, 39 (4.6 percent); American Indians, 46 (5.4 percent);
Asian/Pacific Islanders, 151 (17.7 percent); European Americans, 497 (58.1 percent); and Hispanic Americans, 108 (12.6 percent). Minority groups represented 41.9 percent of the responses.

The survey was distributed by staff in February, with follow-up letters from the Interinstitutional Minority Affairs Committee (IMAC) representatives in March and April. The climate survey focused on students’ perceptions in areas focusing on demographic information: feeling welcome to participate in student activities, need for diversity in majors, rating campus’ diversity issues, and importance of various student support services. At the end of the survey, students had the opportunity to comment on what can be done to improve campus diversity and their overall perspectives on campus experiences. Since the results are reported at the Systemwide level, it is important to note that statistical tests indicated the pattern of response rates by all ethnic groups did not vary across institutions. In essence, no single campus had responses that were significantly different from the overall pattern of responses.

Staff have included in this report an overview of the survey results and highlighted those areas that offer promise for further consideration at the System level. Additional campus-specific reports will be prepared and presented to faculty, staff, and students on each campus in fall 1994.

Survey Results

In the analysis of the data, staff selected a cutoff of five percent of variance predicted, with a .002 alpha, as a test for significance. Data analysis by race and ethnicity indicated differences between minority groups and European Americans. For example, respondents from minority groups were less likely than European Americans to think that minority groups are given financial aid preference. In addition, minority group students, more than European Americans, agreed that:

- there are no role models for them in their major,
- diversity was needed in their major,
- faculty members are insensitive to minority group students, and
- racial discrimination exists on campus.

It should be noted that while the difference between minority and non-minority group respondents was statistically significant, the variance in differences was rather low. In short, the gap between differences shows
greater convergence of opinion on perceptions among students than might be expected.

Since the responses on the first three questions were often similar, 10 categories were created for issues of diversity, 10 categories for issues of college life, and 5 categories for plans after school.

**Follow-up and Further Plans**

Staff will work to refine the survey and to develop effective means of communicating results to academic and student affairs departments. Areas for further consideration:

- include greater opportunity for collecting information focusing on sexual orientation, students with disabilities, faculty/staff;
- develop ways to relate survey data to data already available on student records and to information about institutional programs, i.e., type of students, staff/faculty served, support available given stated needs, etc.;
- work with campuses to incorporate the survey information and related materials in orientations on diversity for first-time freshmen, transfer, and graduate/professional students, and for faculty/staff;
- develop Systemwide policies where needed or appropriate to encourage greater campus diversity and better assessment of campus achievement, such as incentives for recruitment and retention of minority group faculty, adoption of Systemwide policy/ethnicity classifications, and refinement of student fee remission policies.

Staff will work with the IMAC to develop a work plan to expand the use of the survey results. Furthermore, staff will visit each campus during fall 1994 to discuss the survey and campus needs/interests relative to campus climate.
Board Discussion

The Board agreed they wanted more time to discuss the report, and it will be placed on the July agenda.

Mr. Miller commented, "Many of us on the Board are very interested in this report and the one on Minority Group Faculty Representation. One of the advantages in moving these reports forward to the next meeting is to give us more time to think about them and react to them." Mr. Miller invited other Board comments.

Mr. Richardson reported that he had attended his first WICHE meeting as a commissioner. One of the items that was on the agenda was the WICHE Institute of Ethnic Diversity. In briefly reviewing the project, Mr. Richardson remarked that the Institute of Ethnic Diversity was completing a three-year project in December of 1994. In the final year of the project, five Oregon community colleges, in conjunction with the Office of Community College Services, participated in the Institute process.

"A couple of questions arise for me," Mr. Richardson continued. "First, where was OSSHE in the first three years of the Institute? Why didn't we participate? Since they will be expanding the Institute, how do the goals of the Institute fit with OSSHE's plans and should we be applying to participate?"

Mr. Lee requested raw data be given to the Board prior to the July Board meeting.

(No Board action required)

Background

In May 1992, staff reported to the Board that minority group faculty representation increased from 3.5 percent in 1980-1981 to 5.1 percent in 1990-1991. At the time of the report, members of the Board expressed concern over the relatively low minority group faculty representation. Since 1990-1991, the System has experienced a modest increase in minority group faculty. Data for 1993-1994 indicate a 6.5 percent representation of faculty from racial/ethnic minority groups, for a 1.4 percent increase (28 new minority faculty appointments) over the past three years. Nevertheless, the low representation remains a major concern.
Two approaches that have proven to be effective for increasing minority group faculty representation are 1) targeted pools of financial support to recruit, hire, and retain minority group faculty (states such as Maryland, Illinois, and Wisconsin have used this type of initiative to increase minority group faculty at the institutional level), and 2) a forgivable loan program that encourages minority group graduate students through the educational pipeline to a faculty appointment. This approach has been particularly successful for the California State University System. The Compact for Faculty Diversity, organized by a consortium of regional higher education organizations, including the Western Interstate Commission for Higher Education (WICHE), is planning to apply this approach on a national level.

Two programs based on these approaches are being planned as additional efforts within the System to encourage greater minority group representation among faculty. A brief overview of each program follows:

1. **Faculty Diversity Targeted Excellence Program**  
   The goals of the program are to increase representation of faculty from diverse racial/ethnic backgrounds, target increased representation in academic areas of priority to the campuses, and provide incentives for campus-demonstrated commitment for achieving diversity.

   The State System would establish a pool of funds in the Chancellor's Office as an incentive to support increasing minority group faculty representation on its campuses. A campus request for funds for tenure track and tenured faculty would be made on a matching basis for up to 50 percent of the salary and benefits. Campuses would be expected to provide for faculty research set-up support (if relevant to campus mission) as part of the appointment. Financial support from the Chancellor's Office fund would be for no more than three years and may be provided in declining proportions after the first year. Campuses would be responsible for full support at the end of three years. The OSSHE funds would then revert to the Chancellor's Office to support new appointments. Preliminary plans are to build the Chancellor's Office fund to $500,000. With matching funds from the campuses, more than $1 million would be potentially available to recruit and support minority group faculty.
The immediate benefit to a campus is an additional source of funds available on a competitive basis to hire minority group faculty. The new faculty would be hired in areas the campus has identified as academic priorities. The targeted funds should stimulate discussion among faculty at the departmental and institutional levels about campus goals for increasing diversity and programmatic quality. Institutions would be expected to develop mentoring strategies and research and instructional support to foster the professional success of minority group faculty members.

This program would extend rather than replace campus commitments to achieve a more ethnically diverse faculty.

2. The OSSHE Doctoral Scholars Program

The goal of this program is to enlarge the pool of underrepresented minorities for college and university teaching, based on a forgivable loan strategy. During the start-up period, State System support would cover first-year student stipends of an amount to be determined, plus tuition waivers for four years. Upon completion of their doctoral programs, Doctoral Scholars would agree to teach in an OSSHE institution year-for-year of such support or make partial repayment for their financial awards. The OSSHE Academic Affairs Office would work with campuses to develop the program (e.g., encourage institutional participation, assist the graduate schools, allocate OSSHE resources, and facilitate Scholars’ placements on faculties).

State System universities enrolling Doctoral Scholars would assure that Scholars serve at least one year in a research or scholarly mentoring relationship with a faculty member from the Scholar’s academic department. A Systemwide mentoring program would further broaden these students’ experiences. Students who accept Doctoral Scholar awards would agree that, upon completion of the doctorate, they will accept a full-time faculty or academic staff appointment in an OSSHE college or university if an appropriate position is offered. This service commitment would continue for the number of years the person received a stipend as a Doctoral Scholar.
Issues and Implementation

The Targeted Excellence Program and the Doctoral Scholars Program could be implemented separately. However, when established together, the two approaches provide multiple options for addressing student and institutional needs, from graduate program completion to career employment at a State System institution. In conjunction with these programs, the Board will have a basis for setting Systemwide goals for minority group faculty representation and benchmarks against which to assess progress.

These program proposals are in the conceptual stage of development at present. Additional information about similar initiatives in other states and systems is being sought. Preliminary consideration of this direction and these proposals by groups such as the Council of Presidents and the Council on Academic Affairs has been very positive. Advice and reactions from Board members are sought. Next steps would include appointing a small interinstitutional committee to recommend guidelines for the programs, devising strategies to provide resources for the programs, relating or integrating the Doctoral Scholars Program with the emerging WICHE initiative (Compact for Faculty Diversity Consortium), and phasing into program implementation and setting goals against which to assess outcomes.

(No Board action required)

Background

At the present time, the only professionally accredited program in Architecture in Oregon is located in the School of Architecture and Allied Arts at the University of Oregon. This program, established in 1914, is recognized by the National Architectural Accreditation Board (NAAB) to offer first professional degrees at both the undergraduate and graduate levels. For the past five years, the University of Oregon has maintained a small one-year Urban Architecture Program in Portland, which has concentrated on design for community and urban development. Students in this program have utilized educational resources at Portland State University in the areas of Fine Arts, Structural Engineering, and Urban Planning/Design. In addition, for 30 years Portland State University has offered an architectural concentration within the Department of Fine Arts for students who are interested in pursuing graduate education in Architecture. It should be noted that Washington State University has been
exploring the possibility of offering a professional degree in Architecture at the new Washington State University campus in Vancouver.

The Need and Value of the Program

The Oregon State System of Higher Education provided funding in the 1993-1995 biennium to support development of a new program to provide architectural education in Portland. The need for such a program was documented in studies of higher education in Portland, including the report of the Portland Commission, and has been strongly supported by the architectural and environmental design professions in Portland. In 1992 the Chancellor appointed a planning committee, chaired by University of Oregon Associate Vice President Carl Hosticka, to draft an agreement between the University of Oregon and Portland State University to develop a new joint degree program to be located in Portland and to propose a budget and time schedule for program implementation. The collaborating units have been led by Dean Jerry Finrow, University of Oregon, and Dean Richard Toscan, Portland State University.

Planning Committee Recommendations

The Planning Committee recommended that the new program be a true collaborative venture involving the University of Oregon, Portland State University, and the professional community of Portland in the form of a "four-plus-two" degree leading to a graduate first professional degree (Master of Architecture). This particular program configuration does not now exist in Oregon and was judged to be the most suitable for development in Portland. The undergraduate part of the four-plus-two degree would be based on strengthening the existing architecture concentration in fine arts offered at Portland State University. The graduate degree would be jointly developed by the University of Oregon and Portland State University.

It was decided that the program would be designed to provide professional education primarily to Portland placebound students and to provide significant community and urban design assistance to the metropolitan Portland region through class projects carried out by students as part of their education. The economic value of one design-studio class directed by program faculty working on community design projects could be as much as $50,000 in professional services to city, county, and other nonprofit clients served by the program. In one academic year, with half of the six design-studio courses offered in the program engaged in community design

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activities, a total of up to $150,000 in community planning and design benefits could be provided. These services will be of significant economic value to the Portland metropolitan area and contribute to enhancing the livability of Portland, which is a key factor in the continuing economic development of the region.

Students seeking a traditional residential university experience at either the undergraduate or the graduate level would be encouraged to attend the Architecture Program at the University of Oregon. The existing one-year Urban Architecture Program at the University of Oregon in Portland would provide additional faculty resources to assist the new joint four-plus-two degree program. It is envisioned that the new program would seek accreditation from the National Architectural Accrediting Board. In the interim period before accreditation would be awarded, students in the program would be offered the University of Oregon Master of Architecture degree (accredited). Approval to do this was secured from the National Architectural Accrediting Board in the 1993-1994 academic year.

Students and Faculty

It was anticipated that the first cohort of graduate students would be admitted to begin their education in fall 1993, but formal approval was too late to allow student and faculty recruitment for the program. Because of this, the 1993-94 year was used for program planning and recruiting with the first class of entering graduate students to arrive in fall 1994. This class should graduate in the spring of 1996. When fully developed, the joint graduate program will have as many as 32 students with about 12 to 15 students graduating per year. More than 25 students applied for the first 16 positions available in the entering class. Admission was granted to 18 students with the goal of an entering cohort of 12 to 16 students. Funding for two new faculty positions was included in the program budget. During the 1993-1994 academic year, the University of Oregon and Portland State University have been recruiting for one additional faculty member each to service this program. Those recruiting efforts, drawing more than 60 applicants to each search, will ensure high-quality faculty appointments expected to be made by July 1, 1994.

Facilities

In addition to recruitment, the availability of the 1993-1994 academic year for planning has been useful in resolving the issue of finding proper
program facilities. It was feared that the program would have to use inadequate rented space in downtown Portland, but in May a major breakthrough occurred when space for this program was found in Shattuck Hall on the Portland State University campus. In addition, space is provided by part of the four-year Portland State University undergraduate program and for the Urban Architecture Program of the University of Oregon. It is anticipated that, in the second year on the Portland State University campus, additional space will be provided in Shattuck Hall to bring all program facilities together.

The concentration of students and faculty for all of the professional architectural programs in Portland should have a very positive effect on program coordination. Space is being refurbished and furniture is being purchased over the summer of 1994 in preparation for the opening of the program in the fall of 1994. Design-studio classrooms, review spaces, and faculty offices will be provided and equipped. In addition, a resource room will be available that will include networking computer connections to a broad array of reference materials and bulletin boards. A new Computer-Aided Design Laboratory at Portland State University has been fully equipped and will be open to students in the program beginning in the fall of 1994.

Future Activities

Two new faculty and up to 16 students, supported by courses available from the University of Oregon (Urban Architecture Program faculty) and from various departments at Portland State University, will begin the joint program in the fall of 1994 as part of the University of Oregon accredited graduate degree program. Planning is currently under way to hold a fall term mini-conference coordinated by Richard Toscan, Dean of the School of Fine and Performing Arts at Portland State University, to facilitate program planning. This one-day conference will bring the architectural and community design profession and higher education together to acknowledge the formal beginning of the program and to assist the program planning effort. Detailed curricular program planning will continue toward the objective of an accredited new graduate degree program. In the 1995-1996 academic year, the second cohort of students will enter the program, thus completing the buildup in the program to its planned capacity of around 30 students. Ongoing program funding is anticipated in the 1995-1997 biennium, with expected yearly ongoing cost (net of tuition) to the State System of less than $100,000 per year, assuming that enrollment targets are met. The number of applications to
the program suggests that there is significant interest in professional architectural education in Portland.

Board Discussion

Vice Chancellor Clark reported good progress on the Joint Architecture Program, which had its beginnings with recommendations of the Portland Commission. What has emerged is a very effective plan.

(No Board action required)

FOLLOW-UP REVIEWS OF SELECTED PROGRAMS APPROVED BY THE BOARD: 1985-1989

Staff Report to the Board

In November of 1990, the Board approved a policy directing the Office of Academic Affairs to conduct a follow-up review of each degree program or significant new option within an existing degree program approved by the Board subsequent to January 1, 1983. Follow-up reviews provide information to the Board about the status of new programs after they have been functioning for a period of time -- ideally five to six years after implementation.

The Office of Academic Affairs began reviewing the backlog of new programs approved since January 1, 1983, during the 1990-1991 academic year. The current reviews are of programs approved between October 1986 and July 1987. Under the established schedule, follow-up reviews will be up-to-date by July 1996.

Follow-up review reports include information about program implementation, program characteristics, student enrollments, degrees granted, available resources, problems, and prospects.

Nine programs were scheduled for review in 1993-1994; of those, two are not operative and one is in transition. A program leading to a Professional Doctorate in Pharmacy, to have been offered collaboratively by Oregon State University and Oregon Health Sciences University, was approved by the Board in January 1987 but never implemented due to lack of funds. Oregon Health Sciences University’s Rotating Master’s in Nursing was approved by the Board and implemented in 1987, but eliminated four years later in the first wave of Ballot Measure 5 program reductions. A third program, scheduled for review during 1993-1994, is a non-degree-granting instructional program in Molecular and Cellular Biology at Oregon Health Sciences University approved by the Board and imple-
mented in 1987. This program is being reviewed in conjunction with a proposal to make it a doctoral-granting program.

During the 1993-1994 academic year, the following six programs were reviewed:

**Oregon State University**
- M.S. and Ph.D. in Plant Physiology
- M.S. in Health and Safety Administration
- M.S. in Home Economics

**Western Oregon State College**
- B.A./B.S. in Public Policy and Administration

**Portland State University**
- M.S. in Administration of Justice
- M.S. in Engineering Management

**1993-94 Follow-up Review Reports**

**M.S. and Ph.D. in Plant Physiology, Oregon State University**

Graduate training at Oregon State University in plant physiology leading to the M.S. and Ph.D. degrees was approved by the Board in 1987. Program objectives are to (1) establish a comprehensive and coordinated graduate curriculum in plant physiology; (2) focus faculty expertise and resources to improve the quality of graduate training and research in plant physiology; (3) provide visibility, strengthen institutional recruitment and retention of faculty and students, and enhance the procuring of external funds; and (4) improve communication, cooperation, and promotion of activities and programs offered by the various colleges and schools at Oregon State University that relate to plant physiology.

There are 32 faculty associated with the program; the program has no funded or allotted faculty FTE. Three of the faculty are courtesy appointees employed by federal agencies. Most of the faculty (25) have full faculty rank, six have associate professor rank, and one has assistant professor rank. The faculty FTE offering instruction is expected to decline in the short term and budget constraints have caused some retirement vacancies to remain unfilled. Oregon State University anticipates that some vacant positions in units associated with the program will be filled from areas other than plant physiology. With such developments in mind,
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the University is planning a full graduate review of the plant physiology program.

The program has been funded by the Colleges of Science, Agricultural Science, and Forestry. Prior to 1991, the annual support for the program was approximately $6,000 and was used for secretarial salaries, supplies, mailing, and a seminar program. Since 1991, the seminar program has been reduced and programs have declined accordingly. In 1991-1992, the total expenses were approximately $3,000, and in 1992-1993, $1,350. There are no funded grants.

Currently, the plant physiology program has three majors and has graduated two Ph.D. students and three students with M.S. degrees. Those receiving Ph.D. degrees have moved on to postdoctoral or research associate positions. The program's emphasis on breadth of curriculum is very attractive to potential students, and recent requests for information from potential applicants have increased. Oregon State University notes that a significant number of applicants are interested in investigating plant functions (plant physiology) through molecular biology, genetics, and newly developed instrumentation.

M.S. in Health and Safety Administration, Oregon State University

Oregon State University was authorized by the Board in November 1989 to offer the M.S. degree in Health and Safety Administration. The program, housed in the Department of Public Health, was designed to respond to state and national needs for professionals trained at the Master's level in the areas of (1) health promotion, (2) safety studies, and (3) health care administration.

There are 11 full-time (1.0 FTE) tenured or tenure-track faculty in the Department of Public Health who provide instruction in the program. Four part-time faculty offer at least one required or elective course each, and faculty from other Oregon State University departments offer either required or supporting coursework depending on the student's course of study. Two new tenure-track positions have been authorized by the Department of Public Health. Hiring for these positions will occur during the 1993-1994 academic year. One position will be dedicated to the Master of Arts in Teaching Program in Health Education; the other position will emphasize environmental health with some FTE in the Health and Safety Administration Program. The off-campus component of the
program was eliminated as a result of fiscal constraints associated with Measure 5 reductions.

There have been 31 students majoring in the program since it was initiated; currently, there are 12. Four students have graduated from the program during the past three years. The four graduates have been placed in the Employee Health Center, Colorado State University; Director, Minority Health Programs, Woodridge, California; President, Kline Safety Services; and Safety Manager, Hewlett-Packard, Corvallis, Oregon. Oregon State University has provided substantial information on the array of available employment opportunities for graduates, ranging from postgraduate administrative fellowships to employment opportunities in health care settings, medical supply companies, private insurance companies, and federal health-related agencies.

Budget allocations to the Department of Public Health are not distributed to specific programs. However, the department received $1.25 million in 1993-1994 to fund administrative personnel and supply/services. The Health Safety and Administration program was funded through reallocation of funds resulting from the elimination of the formal program in industrial hygiene and a reduction in teacher education-related instruction. The department has received a grant of $10,000 per year for five years for student research projects from the Portland Chapter of the American Society of Safety Engineers (ASSE) and a $10,000 Education Resource Support Grant; a $2,500 grant from the National Institute for Occupational Safety and Health to evaluate occupational health and safety workshops for faculty in Colleges of Engineering; and a $10,528 grant from the Oregon Department of Insurance and Finance to evaluate the use and effectiveness of occupational health and safety consultative services in Oregon.

The Health Care Administration component of the program is initiating a self-study directed toward obtaining Associate Graduate Membership in the Association of University Programs in Health Administration (AUPHA). This associate membership is the first step toward obtaining accreditation by the Accrediting Commission on Education for Health Services Administration (ACEHSA), and after obtaining the associate membership, the program will apply for formal accreditation by ACEHSA.

The Occupational Safety component of the program is reviewing and revising graduate course descriptions and content areas as part of a preliminary self-study en route to seeking accreditation with the Accredita-
tion Board for Engineering and Technology. There is no national accrediting body that accredits the Health Promotion component of the program.

The expectation regarding the future of the program is for managed growth up to approximately 25 students each year. The original enrollment estimates were considerably higher (more than 100 students each year). The difference between projected, actual, and planned enrollments stems from the department’s decisions to initiate a statewide Master’s of Public Health (MPH) program in conjunction with Oregon Health Sciences University and Portland State University, and to nationally accredit all of its undergraduate academic programs, both of which require faculty resources that might have been devoted to the current program. Several of the MPH tracks offered by the department include areas that serve the needs of some students whose only previous option was to enroll in the M.S. Program in Health and Safety Administration. In particular, the MPH tracks in Occupational Health and Safety, Health Policy and Management, Health Behaviors, and Health Promotion meet the needs of some students who might otherwise have enrolled in the M.S. program.

**M.S. in Home Economics, Oregon State University**

In June 1987, the Board approved Oregon State University’s request to initiate a new instructional program leading to a Master of Science in Home Economics to replace the Master’s in Home Economics program. The program incorporates graduate coursework from Family Resource Management, Human Development, and Family Studies to provide strong unifying concepts in home economics of management and human development. As envisioned, graduates from Home Economics at the M.S. level will have developed a strong professionally oriented background with the leadership capability to advocate for the family.

At this time, there are no faculty who have their primary assignment in the Home Economics M.S. degree program. A faculty member in Human Development and Family Sciences serves as major advisor to students who select the program for graduate work. No courses are specifically offered for the program. The courses essential to this program can be taken by students in other graduate programs. One student is currently seeking to complete the requirements; there have been two graduates since the program started. One graduate returned to Kenya to the Ministry of Health and has taught in the Brinda College of Agriculture. The other graduate is working and studying in France. Job opportunities for graduates include
teaching and administration where it is appropriate to have a general content knowledge of home economics rather than an area of specialization.

Student demand for and interest in this degree has been modest to date. The focus of students in Home Economics appears to be acquiring a specialization. The institution suggests that student demand may increase if access to specializations of choice become limited. According to Oregon State University, it is important to maintain this degree option for international students who are less likely to have a commitment to a specialized area. Also, the M.S. degree in Home Economics is mentioned as the recommended degree for subject matter specialization for teacher training. Currently, there is no separate budget for the M.S. program. The supplies and services required to support the program are minimal and are easily covered within the department budget, given current enrollment. Library resources and facilities/equipment are considered adequate.

Oregon State University believes it is possible that this degree program was ahead of its time. The profession of home economics is in dire need of managers and administrators with skills in administration, public policy, program evaluation, and with understanding of these issues in developing countries. The degree emphasizes these competencies. Since the program does not require the provision of any components that are unique to it, Oregon State University proposes to continue to offer a program that it believes is needed within the profession of home economics. The Office of Academic Affairs will continue to monitor the program over the next three years to evaluate its development and basis for continuation.

**B.A./B.S. in Public Policy and Administration, Western Oregon State College**

The B.A./B.S. degrees in Public Policy and Administration at Western Oregon State College were authorized by the Board in December 1986 after extensive institutional and Board staff analysis of the likely demand for the program. The staff concurred with Western Oregon State College that, based on a survey of various governmental agencies and offices, there was sufficient interest in the program to generate 3.0 FTE as projected within the program request.

Although the program initially called for hiring two full-time faculty members, there are currently three faculty FTE assigned to the program. In 1987, the program was assigned to the Political Science Department,
which had 1.0 FTE prior to Board approval of the program. Two additional full-time faculty were hired between 1987 and 1988. These faculty also service the political science major approved by the Board in 1991.

The current student enrollment in the program is approximately 75 FTE, with approximately 100 headcount. The majority of students are full time. The program was proposed as a means of reaching state government employees in Salem, but over the years, Western Oregon State College has found that the number of off-campus enrollments is limited and not in great demand. Presently, Western Oregon State College is offering two classes through the education program’s Instant Replay. Both part-time and full-time students seem to prefer to attend classes on campus in Monmouth, and this is also true of state employees. The state employees often receive release time to attend classes, reduced workloads, or attend night or late afternoon classes in order to complete the requirements for a degree. In recognition of these scheduling constraints, certain courses are always scheduled for evenings. The enrollment has been stable for the past three years.

The distribution of Bachelor’s degrees granted since the beginning of the program is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>2</td>
</tr>
<tr>
<td>1990</td>
<td>6</td>
</tr>
<tr>
<td>1991</td>
<td>16</td>
</tr>
<tr>
<td>1992</td>
<td>18</td>
</tr>
<tr>
<td>1993</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>62</td>
</tr>
</tbody>
</table>

Among the 62 graduates are two who were awarded summa cum laude status, in addition to one female and one male student cited as the College’s outstanding graduates.

Graduates have received a variety of opportunities for employment and professional educational advancement: law school, a doctoral program in Natural Resource Management, employment with federal land agencies and the Environmental Protection Agency in general administrative positions, employment with Selective Service, a position with Wasco County in local government planning, law enforcement employment
throughout the Willamette Valley, employment in state social service agencies, and various other entry-level positions in business.

Western Oregon State College considers its library resources for the program to be nominally adequate. Limited holdings require students to rely on the microfilms and the interlibrary system to complete research assignments. The addition of access to Internet during the past 12 months has strengthened student access to materials, but no major acquisitions are expected, due to budget constraints. According to Western Oregon State College, the program would benefit from an enhanced acquisition of books and related professional periodicals. No facilities, equipment, or construction projects are needed at this time. The annual budget of $155,509 includes 3.0 FTE faculty.

Western Oregon State College considers the program to have reached the optimal size as proposed to the Board. The demand for the program has been stable since the 1990-1991 academic year. While a substantial number of students enter as first-time freshmen, the program receives many majors who transfer from the state community colleges or who are state employees completing their education. There are no plans to add more faculty FTE to the program at this time.

M.S. in Administration of Justice, Portland State University

Portland State University’s Master’s of Science degree program in Administration of Justice was approved by the Board in April 1987, for implementation the following fall. However, because the necessary resources were unavailable, actual implementation was delayed until fall of 1990. The program has been in operation for four years.

The budget proposal included in the 1987 program approval request reflected that funds would be made available through internal reallocation to support one additional full-time faculty member and library acquisitions. The total budget request was for $20,000 in the first year plus annual increases of $5,000 over a period of four years. Because of limited resources, funds for the faculty position were not made available until 1990 and funds for additional library acquisitions have not been provided.

Administration of Justice is a department within Portland State University’s School of Urban and Public Affairs. Graduate study in Administration of Justice prepares students for administrative careers in the adult criminal justice system. Students examine the complex interactions among various
parts of the criminal justice system (i.e., lawmaking, law enforcement, adjudication, and treatment of criminals by public and private agencies). Students also examine major social forces that influence the performance of the system.

There are currently 14 students admitted to the graduate program and actively pursuing a degree. Demand for the program is higher than enrollments would indicate. The department receives between 500 and 700 inquiries per year and approximately 15 applications from highly qualified applicants. However, limited resources have necessitated restricting the number of incoming students to no more than five per year. Two students have graduated from the program and two more are expected to graduate by the end of summer term. One of the program graduates is enrolled in a doctoral program; the other is currently seeking employment.

The Administration of Justice department has five faculty with 4.16 instructional FTE. All but one of the five department faculty teach graduate courses, in addition to undergraduate courses, because the department offers an undergraduate major as well. Approximately 340 students are currently admitted to the undergraduate program.

The graduate program in Administration of Justice is meeting a significant student demand for education in criminal justice, not only for its majors, but also for graduate students of Public Administration and Urban Studies. Because of limited resources and the ongoing budget problems in Oregon, graduate enrollments will continue to be limited. Demand for the program is growing and admission requirements will be raised to ensure program quality.

Internal reallocation of resources to meet the needs of this program have not been at the level initially indicated by Portland State University. Therefore, the Office of Academic Affairs will continue to monitor this program over the next three years to evaluate its academic strength and basis for continuation.

M.S. in Engineering Management, Portland State University

Portland State University's Master's of Science degree program in Engineering Management was approved by the Board and implemented in October 1986.
The M.S. in Engineering Management is offered by the School of Engineering and Applied Science with the assistance and cooperation of the School of Business Administration. The program is designed to meet the needs of engineers and scientists who have advanced to management positions in which they must play dual roles as engineer/scientist and manager. The Engineering Management Program offers students the opportunity to study the human, technical, organizational, and analytical aspects of management.

Students admitted to the Engineering Management Program (EMP) must hold a degree in engineering or a related discipline and have a minimum of four years professional experience in their field.

EMP faculty include two full-time faculty, six adjunct faculty, and a number of participating faculty who hold appointments in the School of Business Administration, the departments of Psychology and Economics, and the Systems Science Program.

At the time of Board approval, national enrollment demand for graduate programs in Engineering Management was reported at 100 students per year. The Portland State University program anticipated a maximum enrollment of 30 students during the first five years. Student demand has been greater than was anticipated, and actual enrollments in the program have been as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987-88</td>
<td>13</td>
</tr>
<tr>
<td>1988-89</td>
<td>44</td>
</tr>
<tr>
<td>1989-90</td>
<td>59</td>
</tr>
<tr>
<td>1990-91</td>
<td>74</td>
</tr>
<tr>
<td>1991-92</td>
<td>64</td>
</tr>
<tr>
<td>1992-93</td>
<td>52</td>
</tr>
</tbody>
</table>

Demand in this field is growing. Nationally, there were 22 degree-granting programs in Engineering Management in the mid-1970s; that figure is now between 160 and 180. And as the growth in technology continues, the demand will continue to grow. A proposal has been made to hire two additional faculty members with joint appointments in the Engineering Management Program and the School of Business Administration to help meet this growing demand.

In addition to on-campus enrollments, EMP courses are also sponsored by the Oregon Center for Advanced Technology Education and offered in
cooperation with the Oregon Joint Schools of Engineering and via distance learning technology.

Graduates of the EMP program are typically sponsored by their employers and are usually promoted upon completion of the program.

In September 1990, Portland State University received approval from the Office of Academic Affairs to establish Engineering Management as an option within the Systems Science Ph.D. program.

Departmental resources are adequate to meet the needs of the program. Library holdings are limited but program faculty have made their collections available to EMP students. The Engineering Management Society has provided a grant for subscriptions to research journals, which will be available to EMP students. EMP has received the equivalent of $471,550 from external sources since its initiation in 1987. These funds include support for teaching, research, and service. The EMP has also generated in excess of $200,000 in registration fees from 600 attendees of the Portland International Conference on Management of Engineering and Technology held in October 1991. The Conference brought significant recognition to the program.

(No Board action required)

IFS REPORT

Dr. Bill Danley, president of the Interinstitutional Faculty Senate (IFS), added his thanks to Chancellor Bartlett and Presidents Myles Brand and Dick Meyers. In addition, he congratulated those who would be replacing them -- Joe Cox, Steve Reno, and Dave Frohnmayer. Dr. Danley indicated that the IFS would have more comments at the July meeting relative to the Public Corporation and other new initiatives.

President Ramaley's Review

Chancellor Bartlett called the Board's attention to his letter to President Wilson summarizing the review of Dr. Judith Ramaley, president of Portland State University. "We were fortunate to have had an excellent person, Dr. Barry Munitz, chancellor of the California State University System, to assist with the evaluation. Not surprising to anyone in the room, Dr. Ramaley's evaluation came through very positively.

"I tried to touch on some of the high points very briefly in the letter. I think that one of the advantages of this process is the set of communications that I suspect will continue between President Ramaley and
Chancellor Munitz and some other people in American higher education in a dialogue of professional development," Chancellor Bartlett added.

"President Ramaley has made such a major, strong contribution in her time at Portland State University that it's exciting to see. I think we can only conclude from the evaluation that we can look forward to continued outstanding leadership from President Ramaley."

Vice President Miller called the Work Session to order and indicated that the major item was a continued discussion of the 1995-1997 budget that will come before the Board for action at the July meeting.

Vice Chancellor Ihrig reminded the Board that at the May meeting he indicated that the State System must cover $81 million in education in General Fund cuts through instruction fee increases and/or new funding sources. "Our major goals are to not reduce academic program opportunities for students and to sustain access for Oregon residents to the degree possible within the limitations of state funding. We have gone as far as we can this biennium in cuts in administrative support services. We cannot sustain any more cuts in these areas in the short term.

"In our planning, if we took half of the $81 million (or $41 million) in additional cuts in program operations, we think we could achieve that amount. This means further reductions in the cost of doing business and improvements in academic productivity and not losses of additional programs. That would leave half of the $81 million amount to be addressed through tuition. In other words, student tuition levels would be somewhere around nine percent per year with approximately 20 percent of the resident undergraduate monies available for student aid to assist resident students who do not have the resources."

In describing the guidelines for the resource fees, Vice Chancellor Ihrig indicated that the overriding guidelines for the resource fees would be that they be retained at the institution where they are assessed. The rate would be set at an amount to provide 20 percent of the resources in student financial aid for the students that need financial assistance, and the institution would meet its enrollment target while charging the resource fee.

Mr. Miller asked for a general description of the enrollment figures for 1994-1995 and whether the State System had any range of figures relative to the state's income projections for the coming year.
Mr. Ihrig indicated that there might be $278 million more available in the General Fund, which would be a combination of two things. The Governor, in dealing with the budget targets given to the State System with the 13.8 percent reduction, had $137 million undistributed for priorities. In addition to that, the projections for the next biennium are $141 million, which makes $277 million that the Governor has available in making budget planning decisions. Furthermore, the lottery proceeds are up approximately $285 million in estimated income for the next biennium making a total of more than $500 million.

Relative to enrollment figures, Mr. Ihrig observed that the campuses are watching this with great interest. By tightening nonresidence rules, there is shifting still occurring on the campuses because individuals who started as nonresidents could, in the past, convert to residents. The change in rules is now hurting enrollment numbers. "My optimism is that we might get a little higher because institutions have been working hard to recruit resident students."

Presidents reported that, overall, their increased recruiting efforts were beginning to pay off. Some campuses have also focused a great deal of effort on retention efforts and those, likewise, are beginning to have results.

Mr. Ihrig restated the position he has taken with the Governor's staff: If there are new resources available, the State System's primary priority is to reduce student tuition.

Chancellor Bartlett added, "I just want to underline Weldon's comment about our hope that, as the revenue picture improves, we will be able to concentrate on that tuition element, since there seems to be a great deal of coming together on that point. That is an important element of hope in all this. We really face the situation where we either try to sustain or increase enrollment and get our productivity increased that way, or we face the opposite, which is to cut back and then meet our targets by the saving emphasis, saving money through reduction. Between those two, it seemed much more desirable to try to get our productivity increased by sustaining or increasing enrollment. At that point we run into the question of tuition as an obstacle to enrollment, and therefore it follows that a critical part of the strategy of sustaining or increasing enrollment is to do whatever it can to restrain tuition increases. We've made that point with the Governor."
Rob Nosse indicated he wanted to make a comment for the record. "At least at this time, this looks like a strategy that I feel is do-able and workable, depending on what kind of weird ballot measures pass or get on the ballot. Depending on who the leadership is, I think this is a strategy that is saleable and works. I'm not excited about nine percent tuition increases, but I like the idea that it is the first priority. I like the idea that, if there is money out there, that's what it would go for. I think that's what legislators want to pay for. This is workable enough to me that I think it beats back some of the high tuition/high aid talk that we're constantly hearing from people. That, 'No, we don't need to do something radical like that to get through; we'll manage.' I have to go back to my board and sell them on it, but I feel like this is a workable strategy."

Rob Miller recognized this as the last Board meeting for Board member Karen Madden Evans and President Myles Brand. He expressed his gratitude and appreciation to both for their tremendous contributions.

Ms. Madden Evans thanked everyone for the all-too-short stay and indicated hope that the opportunity to serve would be available when she returned. "I fully intend to pay back all of the effort that has been put into me for six months by serving again if that opportunity is available."

Board members congratulated the campuses on their very successful commencement exercises and once again added their best wishes to Chancellor Bartlett, President Brand, and Board member Karen Madden Evans.

President Cox introduced Dr. James Dean, new interim provost at Southern Oregon State College.

The Board meeting and work session adjourned at 12:20 p.m.

Virginia L. Thompson
Secretary of the Board

Janice Wilson
President of the Board