REGULAR MEETING OF THE
OREGON STATE BOARD OF HIGHER EDUCATION

January 20, 1995

ROLL CALL

MINUTES APPROVED

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   Resignation, L. Large

CHANCELLOR'S REPORT
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ADJOURNMENT
OREGON STATE BOARD OF HIGHER EDUCATION
MINUTES OF REGULAR MEETING
ROOMS 327/328/329, SMITH MEMORIAL CENTER
PORTLAND STATE UNIVERSITY

ROLL CALL
The meeting of the State Board of Higher Education was called to order at 9:10 a.m. by President Les Swanson.

On roll call, the following answered present:

Mr. Bob Bailey  Mr. George Richardson
Ms. Diane Christopher  Ms. Ronda Trotman Reese
Mr. Bobby Lee  Mr. Jim Willis
Ms. Esther Puentes  Ms. Janice Wilson
Mr. Les Swanson, Jr.

Dr. Aschkenasy was out of state on business and Mr. Miller was absent due to a family emergency.

MINUTES APPROVED
The Board dispensed with the reading of the minutes of the November 18 and December 16, 1994, meetings of the Board. Ms. Christopher moved and Mr. Lee seconded approval of the minutes as submitted. The following voted in favor: Directors Bailey, Christopher, Lee, Puentes, Richardson, Trotman Reese, Willis, Wilson, and Swanson. Those voting no: none.

PRESIDENT'S REPORT
President Swanson extended new year greetings, noting that the state legislature is in session and the Chancellor has already spent a lot of time with legislators. He alerted Board members to the fact that they might be asked to contact legislators.

Rose Bowl, UO
Mr. Swanson congratulated University of Oregon President Dave Frohnmayer and Vice President/Athletic Director Dan Williams for the excellent showing of the football team and others at the Rose Bowl.

Resignation, L. Large
Vice Chancellor Large has accepted the position of vice president at Reed College. Mr. Swanson extended his congratulations and best wishes, thanking him for his excellent service to the State System.

CHANCELLOR'S REPORT
Dr. Cox also recognized the fine work of Dr. Large and presented a certificate of recognition for Board approval.
CERTIFICATE OF RECOGNITION
HONORING
LARRY D. LARGE

Larry Large is truly a product of the Oregon State System of Higher Education. During the past eight years of his association with us, he has more than returned the investment in him.

Larry holds a Ph.D. in education and a master’s degree in history from the University of Oregon and a bachelor’s degree in psychology from Portland State University. During his professional career he served as the University of Oregon’s Director of Financial Aid, Associate and Assistant Dean of Students, Admissions Counselor, Special Assistant to the President for Student Conduct, and as Vice President for Public Affairs and Development. In 1989 he was named Vice Chancellor for Public Affairs for the State System.

During the 18 years of accumulated service to OSSHE, Larry has demonstrated a broad understanding of the complexities of public higher education in Oregon. As Vice Chancellor for Public Affairs, he changed the ways in which OSSHE has interacted with the legislature and leaves a legacy of more open, collegial, and productive relationships with an important segment of our constituents.

Larry is not going far away and we look forward to continuing to work with him for the good of Oregon higher education.

On behalf of the Board and the Chancellor’s Office, we want to thank you for your leadership and dedication to Oregon public higher education, and wish you success and satisfaction in your return to Reed College.

Oregon State Board of Higher Education
January 20, 1995

Mr. Willis moved to approve the Chancellor's recommendation, and Mr. Bailey seconded the motion. The following voted in favor: Directors Bailey, Christopher, Lee, Puentes, Richardson, Trotman Reese, Willis, Wilson, and Swanson. Those voting no: none.
Dr. Cox reported that in the brief period since the legislature began, he and staff have appeared before a number of committees. He restated the four parts to the Board legislative agenda: 1) commitment to maintaining as broad and affordable access to OSSHE institutions as possible, 2) financial stabilization for the institutions, 3) adequate funding for salary adjustments, and 4) passage of the Higher Education Administrative Efficiency Act, which will maximize efficient use of resources.

Chancellor Cox also indicated that he's shared some ideas with Senator Gordon Smith regarding his education endowment concept. With the assistance of Dr. Large, the Chancellor has developed a proposal that will be presented to Senator Smith.

"The outcome of the session is obviously far from being decided. I think that our goals are absolutely honest and straightforward. I think they're in Oregon's best interest, and the case that I have made at every opportunity is that there will be no family wage jobs that don't have educational costs in the present economy as well as the future. There will be no disinvestments in education that don't have social costs down the road. We cannot continue to disinvest in our public university system at the level of 14 percent cuts and still be where Oregon needs to be -- not just in the next century, but now.

"What is at stake is the viability of Oregon's economy, not just for ourselves, but for our children. We have in front of us an effort to persuade Oregon's leadership of our case. I think we must take the position that we will meet with every single legislator to impress our case as hard as we can on behalf of this Board agenda, and we must not be found wanting. What's at stake here is significant and vitally important to Oregon's future."

Dr. Cox indicated that, at the federal level, there is debate about the increasing federal intrusion into higher education and the growth over the last decade of unfunded mandates. Dr. Cox will work with the Oregon delegation urging against both unfunded mandates and the possible institution of a European-model federal ministry of higher education.

The Chancellor announced that Dr. Virginia L. Thompson has been named to replace Vice Chancellor Large as the Chancellor's liaison to the search committee. The committee is formed and Bob Bailey, chair, will regularly report progress to the Board.
The routine evaluation of President Wolf is in progress. Dr. Curt Tompkins, a nationally recognized figure in technology education and president of Michigan Technological University (an institution similar to Oregon Institute of Technology) is assisting with the evaluation. Dr. Cox indicated that a report of the evaluation will be presented to the Board at the February meeting.

Dr. Cox noted that he has deliberated about restructuring the Office of Public Affairs. "We are going to recast the vice chancellor's position and make it into a Vice Chancellor for Corporate and Public Affairs. Why corporate affairs? I believe the university system must relate far more effectively to the private sector than we have in the past. What I have in mind is adding several portfolios to the responsibilities of the vice chancellor, in addition to public affairs. I'm looking for an individual who will be our ambassador, our liaison to the private sector and private sector organizations ranging from Associated Oregon Industries (AOI) to the Oregon Electronics Association to Oregon Economic Development. We must become more of a player in relating to the private sector if we're to build the kind of support for the university that we believe must be present." The Chancellor indicated that, in testing this idea with various individuals from that sector, response has been positive. To that end, staff have placed ads for someone Dr. Cox describes as having "a great appreciation for the academy but is not necessarily a Ph.D. We're looking for a person who can play the role of broker, representative, and liaison to the private sector."

Dr. Cox introduced the newly elected president of the Interinstitutional Faculty Senate, Dr. Sam Connell, assistant provost for allied health in undergraduate articulation, and professor emeritus of cell biology and anatomy at Oregon Health Sciences University.

By way of introduction, I am Sam Connell, Assistant Provost for Allied Health and Undergraduate Articulation and Professor Emeritus of Cell Biology and Anatomy at the Oregon Health Sciences University and the newly elected president of the Interinstitutional Faculty Senate. I have been a member of the OHSU faculty since 1966.

Thank you for giving the IFS this opportunity to communicate our thoughts with you this morning.
At our December meeting the IFS adopted three resolutions that we wanted to share with you. The first resolution dealt with the immediate salary adjustment for OSSHE employees for cost of living and in recognition of demonstrated performance. We thank you for allowing Tony Wilcox, IFS representative from OSU, to present at your December Board Meeting our collective thoughts on this issue. The 150 plus faculty members attending that meeting testify to the concern OSSHE faculty have for the continual erosion in faculty salaries. We believe that this erosion will cause our best faculty to move elsewhere. The recent loss of the University of Oregon Dean of Architecture to a similar job with a significantly higher salary at the University of Washington could herald the beginning of a trend in faculty flight. Salary erosion also badly crimps the State's colleges and universities ability to be competitive in the recruitment of highly qualified talent. We are encouraged by your decision to give the highest priority to working with the legislature to increase the funding of higher education in order to improve faculty and staff salaries and provide access to high quality higher education to qualified students.

The second resolution dealt with increased faculty participation in the development of the OSSHE legislative strategy. We recognize the very difficult work you must do this legislative session to achieve the goal of greater funding for higher education. We therefore offer our support and input whenever appropriate. During the last legislative session faculty from OSSHE campuses effectively testified before legislative educational committees. It is our wish that you will again utilize faculty as legislative resource teams to help communicate our message.

Our third resolution dealt with the addition of two faculty members on the Board and the development of legislation to allow such a change. We have noted the important and effective role the students on the Board have played. They have represented students well and have protected the best interests of the State System. We feel that it is time to consider faculty, too, as part of the team and to consider legislation which would include faculty participation on the
board. We would welcome your thoughts on this proposal and we hope to discuss it further in the coming months. Our goal, as in the past, will be to increase communications between the faculty and the Board. Thank you.

Mr. Swanson thanked Dr. Connell for the participation of faculty during the last legislative session and acknowledged that faculty will constitute an important element of the work this session as well.

Staff Report to the Board

As required by Board Administrative Rule, Portland State University seeks Board approval to adopt new guidelines establishing the means by which student government shall determine the level and allocation of its incidental fee recommendation. Portland State University proposes minor changes, including review and forwarding of the recommendations by the student government president and senate and Incidental Fee Committee procedures and requirements for organizations receiving incidental fees. The administration and student government representatives have worked together on these recommendations. Both President Ramaley and the Incidental Fee Committee have approved the new guidelines. State System staff have reviewed the guidelines to ensure that they are consistent with Board requirements.

Staff Recommendation to the Board

Staff recommended the Board approve the Incidental Fee Guidelines proposed by Portland State University.

PORTLAND STATE UNIVERSITY
INCIDENTAL FEE GUIDELINES AND PROCEDURES

PREAMBLE

A portion of the money to operate Portland State University is paid directly by students as part of the registration process. These charges, generally called fees, are assessed in five major categories: instructional fees, building fees, health fees, resource fees and incidental fees. Instructional fees are used, along with state tax funds, to support instruction and related research. Building fees are used to finance construction or remodeling of buildings, such as student unions, or to retire bonds, the proceeds of which are used for that purpose. Health fees
fund the Student Health Service and student health insurance. Resource fees are used to support student resources such as the campus computer network and individual e-mail accounts. Incidental fees, in accordance with ORS 351.070, are used to fund university programs, that in addition to the academic services provided by traditional elements of the university, provide services that further the cultural or physical development of the students at large. In pursuit of these goals, these guidelines and procedures provide a standard framework for Incidental Fee budget requests. This document is the sole authority for Incidental Fee Budget Policy and Procedure until amended or superseded. Any change in Incidental Fee Policy or Procedure requires approval of the Incidental Fee Committee and the University President. The Incidental Fee Committee, IFC, (the appropriations committee of the Associated Students of Portland State University, ASPSU), is the duly recognized body of student government responsible for recommending Incidental Fee allocations. Unless stated otherwise the Incidental Fee Committee has the authority to interpret these guidelines and procedures subject to appeal to the Evaluation and Constitutional Review Committee, E&CR, of ASPSU, the Vice Provost/Dean of Students, the University President, and the Oregon State Board of Higher Education.

ARTICLE I AUTHORITY AND RESPONSIBILITY

A. By state law, the State Board of Higher Education is empowered to prescribe fees for the State System of Higher Education in general, and for each constituent member institution of that system. The Board has the sole authority as to the amount of fees, whether they are to be increased or decreased, and how they are to be collected, used and accounted for.

B. In practice, the Chancellor and the Board delegate fee assessment, collection, application, and accountability to the President of the University. Thus the President of the University has authority to approve Incidental Fee budgets, subject only to review by the Board.

C. Student participation in the allocation of Incidental Fees is mandated by Oregon Law and required by Oregon Administrative Rule. At Portland State University, in accordance with OAR 580-10-090, Section 2, the Incidental Fee Committee has the authority and responsibility to analyze and appraise budget requests, conduct budget investigations, match program requests for funding with available resources and recommend to the University President, the budgets for those activities, programs and services to be funded by Incidental Fees, including over-
realized Incidental Fees, after obtaining as broad a base of student participation as possible. It is also a responsibility of the IFC to recommend the level of Incidental Fee required to fund the proposed budget, as well as to recommend the allocation of any over-realized Incidental Fees. The Incidental Fee Committee is composed of the following:

1. Six voting student members elected at large by the student body. Only these six members may make and second motions.

2. A chairperson elected at large by the student body. The Chair may vote on items before the IFC.

3. Two non-voting consultants, (liaisons), who participate in all meetings, hearings and deliberations, advise student members, and represent the University Administration.

1.0c The committee will elect from its membership one vice chairperson within 30 calendar days after assuming the duties of office.

1.1c All meetings of the Incidental Fee Committee are subject to the Public Meetings Law ORS 192.610 and notice of meetings will be published/broadcast on KPSU, in the PSU Vanguard, and/or University Sentinel, and posted in the office of the Associated Students of Portland State University one week prior to the meeting. The agenda for irregularly scheduled meetings or special meetings shall be published/broadcast on KPSU, in the PSU Vanguard and/or University Sentinel and posted in the office of the ASPSU four calendar days before the meeting.

1.2c To be eligible for Incidental Fee Committee membership by election or appointment, a student must fulfill the following requirements:

1. A student shall be registered at Portland State University for a minimum of eight undergraduate, or six graduate credit hours per term, each term, with the exception of summer term.
2. Student members must maintain satisfactory academic standing.

3. A student will be disqualified from IFC membership after five unexcused absences from the Incidental Fee Committee meetings or hearings.

4. Membership on the Incidental Fee Committee also carries with it the responsibilities of membership on the ASPSU Student Senate, and the attendance requirements the Senate places on its members, as specified in the ASPSU Constitution.

5. Committee members are expected to complete assigned responsibilities relative to his/her appointment.

1.3c A quorum for the purpose of transacting Incidental Fee business will require the physical presence of a majority of the voting committee membership, 50% +1. Incidental Fee Committee members shall not vote by proxy, nor may they delegate their vote. A Committee member shall abstain from voting on the allocation of Incidental Fee funds for a program if he/she is an officer, director, or coordinator of that program. Resignation from such a position, to establish voting eligibility, shall be 90 calendar days prior to the first hearing of the program's funding request. The only exception is the allocation of funds to ASPSU/IFC.

D. The two non-voting consultants are the Vice Provost/Dean of Students and the Budget Director, or their designates.

ARTICLE II AMENDING AND ADJUDICATION OF THE GUIDELINES AND PROCEDURES

2.0 Approval by the IFC by a majority of 50% +1.

2.1 The IFC Chair will submit any modifications of the Guidelines & Procedures to the E&CR. The E&CR has 10 working days to review and render a decision to the IFC regarding the constitutionality of the submitted Guidelines and Procedures. Should the E&CR find cause to rule against the Guidelines and Procedures, such must be submitted in writing to the Chair of the IFC within the allotted time for revision and resubmission. If no
response is received within the specified time, it shall be deemed that the E&CR does not find any modifications to be in conflict with the ASPSU Constitution.

2.2 The ASPSU Senate shall review the proposed Guidelines and Procedures and submit its recommendations to the IFC. By October 15, the ASPSU Senate will accept or reject each individual proposed change or amendment. Rejection requires a two-thirds majority vote, acceptance requires no action. The amended Guidelines and Procedures shall be presented to the University President for approval. If the IFC fails to present proposed changes or amendments to the ASPSU Senate by October 1, the previous year's guidelines and procedures shall be recommended to the University President for approval. The IFC is delegated the responsibility to negotiate any further changes or modifications with the University President.

ARTICLE III  ELIGIBILITY FOR INCIDENTAL FEE FUNDING

To be eligible for funding from Incidental Fees, an activity, program, or service must satisfy the requirements to be included in one of the three following categories (OAR 580-10-090):

A. Student Union Activities. An activity or program that will be an integral part of the operation of Smith Memorial Center will be the direct responsibility of the Manager of the Center, the Director of Auxiliary Services, and the Vice President for Finance and Administration. The Smith Memorial Center Advisory Board will review all Incidental Fee funding requests.

B. Education, Cultural, and Student Government Activities. Programs and activities in this category must fulfill the requirements of one of the following five groups:

3.0b Programs or activities registered as an on-campus student organization by the PSU Student Organization Committee: The Educational Activities Advisory Board will evaluate and make recommendations concerning these programs.

3.1b Programs or activities providing an educational or cultural experience on-campus for PSU students and not registered as SOC organizations: All such programs or activities must be an integral
part of the Student Development Program as defined by the Vice Provost/Dean of Students, or his designee, and the Educational Activity Advisory Board, who shall evaluate and make recommendations concerning these programs and their requests.

3.2b Programs or activities that provide an on-campus service to PSU students: All such programs or activities must have the written authorization of the University. The program’s advisory board or the Vice Provost/Dean of Students shall evaluate and make recommendations concerning these programs and their requests.

3.3b Student publications: All such publications must have the written endorsement of the Publications Board of Portland State University, which serves as the publisher of all student publications. The Publications Board shall evaluate and make recommendations concerning publications and their budget requests.

3.4b Recognized student government: The organization shall be defined in the Constitution of the Associated Students of Portland State University as approved by the students of Portland State University and the University President. The Vice Provost/Dean of Students shall evaluate and make recommendations concerning the organization and its request.

C. Athletic Activities. These programs and activities shall provide athletic activities for students as participants and spectators in the University’s athletic programs. The Intercollegiate Athletic Board shall evaluate women’s and men’s intercollegiate athletics and make recommendations in the development of and adherence to policies and budgets.

D. In addition, all activities, programs and services funded by Incidental Fees must meet all of the following requirements:

3.0d Only Portland State University students may serve as the elected or appointed officers of student programs, and a list of such officers must be submitted with the budget request to the Incidental Fee Committee, including officers’ Portland State University extensions;

3.1d Any program funded in whole or part by the IFC shall have an equal or majority ratio of students to voting faculty/staff on its
governing board in order to receive funds; provided that the program may be exempted from this requirement by requirements of constitutional committees defined in the Portland State University Faculty Constitution, charter requirements of the Helen Gordon Child Development Center, and external governing bodies such as the National Collegiate Athletic Association.

3.2d A system of accounting must be maintained by all Incidental Fee funded programs, to include a ledger of account balances, to assure the availability of funds.

3.3d Each student program is required to have a faculty and/or staff advisor.

3.4d Activities which are of a partisan political or religious nature are not eligible for Incidental Fee funding.

3.5d All requests must first be submitted for review and recommendation to the program advisor and appropriate parent board, (if applicable).

3.6d Failure to comply with these requirements may result in penalties or, in extreme cases, the loss of access to Incidental Fees.

ARTICLE IV EVALUATION CRITERIA

The following criteria will be used, (but not limited to), in evaluating programs and activities seeking Incidental Fee funding:

- The extent to which a program or activity provides opportunities for students, either by direct participation or by participating as spectators or listeners, to develop new skills, competencies or appreciations not available elsewhere in the University.

- The extent to which there is agreement between that activity's or program's goals and objectives and those of its parent board, as well as the overall mission, goals, and objectives of the University;

- The extent to which a continuing activity or program fulfilled its stated objectives of previous budget years.
- The extent to which a program or activity is of general interest to the University community.

- The extent to which a program or activity provides an appropriate service not available on campus or in the city as conveniently and/or inexpensively.

- The extent to which groups cooperate with one another.

- The extent to which alternative funding has been sought (if applicable).

- The extent to which budget requests reflect actual costs incurred in realizing goals and objectives of a program or activity.

- The extent to which a program or activity supports IFC/ASPSU policies found in the attachments. Program reviews, by way of liaison reports completed by Incidental Fee Committee members, will take place quarterly. These reports bring forward the activities and continuing purpose of each group to the IFC. It should be understood that Incidental Fee support is dependent upon availability of funds, whether from fees themselves or from generated income; and approved budgets may be modified in relation to funds available during the course of the year.

ARTICLE V  BUDGET PROCESS STEPS

A. At the beginning of the fiscal year, July 1, the University Budget Director issues to the coordinator/director of each continuing activity and to the members of the Incidental Fee Committee:

1. The approved budget for the current fiscal year;

2. Budget guidelines approved by the Incidental Fee Committee including timetable and deadlines for the upcoming year.

B. The coordinator/director of each program requesting funding prepares:

1. The program’s statement of goals and objectives;
2. An itemized operating budget designed to meet these goals and objectives;

3. A break-down of non-fee income, identifying the sources, cash-flow, and gross amount anticipated;

4. Job descriptions, selection criteria, and hiring or election procedures for all IF-funded positions to be filled during the budget year;

5. A statement of activities or services the program provided last year, will offer this year, and propose for next year.

C. These documents are presented to the appropriate policy boards and program administrative staff responsible for the evaluation and co-ordination of the recommendations of all activity heads under their jurisdictions, consulting with them as necessary. The programs' budget requests are forwarded concurrently to both the parent boards (when applicable) and the Incidental Fee Committee.

D. The IFC holds public hearings on all budget requests as submitted by program coordinators. Representatives of individual programs are encouraged to attend these hearings to answer any questions and explain any differences between the program budget request and that approved by the parent board. Following the hearings the IFC will communicate in writing to each fee supported program, parent board, ASPSU President, and the ASPSU Senate its preliminary recommendations. After such notification, programs, boards, the ASPSU President and the ASPSU Senate will have one week to appeal to the IFC in writing the Committee's preliminary recommendations regarding their respective programs. Those appealing will be allowed a second hearing after which the committee will release its final recommendations to the individual programs, boards, ASPSU Senate and the University President.

E. The IFC, in releasing the recommendations for the allocation of Incidental Fees, shall clearly and fully set forth conditions which must be met for their use. Once allocated, there shall be no attempt to attach any further conditions or policies concerning their use of such accounts. Once the agencies have fulfilled these conditions for release, they are entitled to the full use of such funds for the established purpose.
5.0e The decision by vote of the IFC shall be the final recommendation from ASPSU to the University President, including full budgetary notes on all amendments or changes, and ASPSU Senate and ASPSU Presidential recommendations.

5.1e Budget and allocation recommendations to the ASPSU Senate and the University President shall be aggregated by three major categories: student union activities; educational, cultural and student government activities; and athletic activities; and shall be submitted in writing.

ARTICLE VI ADJUDICATION OF DIFFERENCES AND ALLOCATION OF FINAL BUDGETS

6.0 The University President shall within ten working days acknowledge and accept in writing the recommendations of the IFC or notify the IFC in writing of any modifications under consideration by the President, including reasons for the proposed modification.

6.1 The IFC shall have ten working days to consider and respond in writing to modifications proposed by the President. If the IFC concurs with the President's proposed modifications, such shall be communicated in writing to the President within the specified time. If no response is received within the specified time the IFC shall be deemed to have concurred in the modifications.

6.2 If the IFC does not concur, such shall be communicated in writing to the President within the specified time. The President (or designee) shall within ten working days then meet with the representatives of the IFC in an attempt to reconcile the difference.

6.3 If the President and the IFC representatives do not reach agreement within ten working days, either party may request a hearing before the Hearings Board. Within five working days of the request for a hearing, the Hearings Board shall conduct a hearing. Within five working days thereafter, the Hearings Board shall make written findings of fact and recommendations for resolution of the disagreement. The Hearings Board shall provide such findings and recommendations to both parties. Both parties shall notify the Hearings Board and each other in writing within
five working days as to whether they accept or reject the recommendations.

6.4 The Hearings Board shall consist of five members. Prior to November 1 of each year the President of the University will appoint two of those members, and the IFC shall elect two members from its own membership. Both parties will compile a list of persons mutually acceptable to sit on the Hearings Board in the fifth position. In the event a hearing is requested, the parties shall select the fifth Hearings Board member from this list.

6.5 The University President and the IFC shall be given notice of the time and place of the hearing at least 24 hours before the hearing. All meetings of the Hearings Board shall be open to the public and appropriate notice shall be given.

6.6 A representative of the IFC and the University President shall at least 48 hours prior to the hearing, present to members of the Hearings Board relevant information which may include, but is not limited to, memoranda, budget requests, minutes, and correspondence.

6.7 The recommended amount of the Incidental Fee for the University shall be made by the University President to the Chancellor. A representative of the Incidental Fee Committee may appeal to the Chancellor the recommendations of the President of the University regarding the amount of the Incidental Fee or the allocation among the three major categories listed in Article V. Allocations among programs and activities within a major category are not subject to appeal. The Chancellor shall order a timely review of the appeal and shall communicate to the parties involved a decision in writing within a reasonable time.

6.8 The Chancellor shall recommend to the Board an Incidental Fee for the University. Representatives of the Incidental Fee Committee as well as other members of the public may appear in support of, opposition to, or to request modification of the recommended Incidental Fee in accordance with the provisions of OAR 580-01-005. The Board will concurrently consider appeals of the substantially unresolved differences in the allocation of Incidental Fees among the three major categories. Except in
extraordinary circumstances or upon its own motion, the Board will not consider allocations within a major category.

6.9 Within ten working days after final action by the Board, the President of the University shall confer with the Incidental Fee Committee in making any adjustments in the allocations, and shall communicate the final action of the Board and the President in writing to the IFC Chair and the Chair of the ASPSU Senate.

Approved by the University President
October 26, 1994; approved by the
Incidental Fee Committee
November 2, 1994

Board Discussion and Action

Vice Chancellor Ihrig explained that the new guidelines represent minor changes in the previous version of Portland State University's Incidental Fee Guidelines. Bobby Lee indicated that he had spoken with IFC leaders and Portland State University administrators regarding a concern about a small part of the guidelines. As a result of that discussion, he continued, they have requested the following amendment to section 1.1c: (Note: addition is underlined; deletion is shadowed)

1.1c ...notice of meetings will be published/broadcast shall be submitted for publication/broadcast on KPSU...

When asked about the reasoning behind the proposed amendment, Mr. Lee responded that the concern was if for reasons beyond IFC control, the item was not published or broadcast, it would delay the work of the committee. He noted that the chair of IFC and Lindsay Desrochers both supported the amendment.

Mr. Lee moved to approve the Guidelines as amended and Mr. Willis seconded the motion. The following voted in favor: Directors Bailey, Christopher, Lee, Puentes, Richardson, Trotman Reese, Willis, Wilson, and Swanson. Those voting no: none.

OSSHE PUBLIC INFORMATION PLAN

Executive Overview

The Oregon State System of Higher Education (OSSHE) plays a vital role in the lives of Oregonians. The publicly supported colleges and universi-
ties guide and educate Oregon’s young adults and Oregonians generally. Educational opportunities and distance learning programs provide lifelong learning resources for people of all ages. Oregon public higher education enriches the lives of Oregonians through the pursuit of knowledge.

OSSHE is a key partner with Oregon communities and businesses. Joint ventures in areas such as agriculture, education, health care, computer technology, forestry, social services, and marine sciences provide valuable public services and generate millions of dollars in commercial activity.

Throughout its history, OSSHE has faced diverse challenges. The System has been responsive in making informed decisions to solve difficult issues while striving to maintain the quality and integrity of Oregon’s public higher education system.

During the last five years, one of the most difficult situations in its history challenged Oregon’s higher education system. The passage of Measure 5 (the property tax limitation) resulted in budget cuts throughout the state. Higher education in Oregon rose to the challenge and strategically reduced programs and administrative costs. The System backed its cuts with actions to generate income through tuition increases, private funding, donations, and grants and research revenues.

As the budget, program, and staff cuts occurred, the media effectively cast higher education as a "victim" of Measure 5. In addition, OSSHE’s response inadvertently perpetuated the victim image. Instead of increasing public concern, the image resulted in public perception of instability, lack of quality academic programs, limited capacity, and tuition uncertainty. Public concern focused more on issues directly affecting the lives of Oregonians such as taxes, crime, and jails. The public perceived these programs in terms of "value" and as matters of personal or community relevance.

After Measure 5 budget cuts, what message did people receive about the value of Oregon’s higher education system? Where was the connection between their life, job, and family and higher education? Administrators spent time and energy defending the System and planning practical ways to achieve budget cuts. During this time, higher education has not been able to establish firmly the applicability and relevance of higher education to the lives and the communities of Oregonians.
Today, the public maintains limited awareness of higher education. Research shows that only ten percent of the public report being very aware of higher education in Oregon. However, the public's awareness of Measure 5 and its perceived impact on higher education rates high public awareness (67 percent). The media and personal communications channels shape most of the information the public receives concerning publicly funded higher education. In most cases, OSSHE cannot control the accuracy and validity of this information. Every press release, news story, or feature item issued concerning OSSHE is subject to media translation and to the public's ability to process available information. OSSHE has minimized its ability to control its own image by allowing the media to control the message.

In recent years, competing colleges and universities have strategically calculated their marketing moves to challenge the perceived weaknesses of Oregon's public colleges and universities. Tuition went up, so competitors targeted price... it was cheaper to go to a community college. Financial aid was in higher demand... so private colleges assembled attractive scholarship packages based on need and achievement. The Board of Higher Education cut academic programs... so in-state competitors filled the gaps in their own programs, while out-of-state schools waved their academic reputations to high achievers from Oregon. Misunderstandings abounded concerning enrollment caps, limited capacity, and grade point averages required for admission to an Oregon public college or university.

Current demographics forecast an increase in demand for higher education. Research figures project the number of Oregon high school graduates to increase over 41 percent between 1993 and 2010. Despite the rising demand for higher education services, OSSHE has experienced a decline in overall enrollment since 1990. During the same period that the number of Oregon high school graduates increased by seven percent, OSSHE's enrollment decreased by 6.6 percent.

Competitive pressures, changes in the market, and low public awareness of Oregon higher education have resulted in a decline in market share for the Oregon public colleges and universities. Community colleges gained and independent college enrollments have maintained stability. Out-of-state colleges are currently capturing one-third of Oregon's top grade-point-average students.

The future holds additional demand pressures on higher education and OSSHE will need to meet the growing needs of nontraditional students and
distance learners. OSSHE also plays a key role in Oregon's ability to meet its Oregon Benchmark goal of "the best educated workforce in America" by the year 2000.

Where Do We Go From Here?

The first step is to take control of OSSHE's public image through a comprehensive communication strategy and public information campaign.

Nonprofit institutions and organizations tend to view marketing as a function of private enterprise, rather than as a tool for nonprofit, public services. Even now, some organizations may view their services as so vitally needed by the public that the service will "sell" itself. In these cases, the organization shapes its programs, then attempts to convince the public of the need for such programs. For some organizations, this may appear to be a safe route to follow. But the market itself creates an inherent flaw in this approach. Markets are not static. A non-marketing oriented organization is rarely prepared for timely responses to these changes. Loss of market share and loss of consumer support for goods and services may be the result.

If an organization is truly intent on serving successfully the needs of its clients, then a marketing orientation is useful. A marketing approach increases the likelihood that programs will be responsive to consumer needs and societal interests. And good communication with the public increases the ability of an organization to achieve its mission. Marketing is not simply advertising and selling. It is a comprehensive process. Genuine marketing considers the needs and wants of target markets in the development, promotion, distribution, and pricing of the organization's product or service.

Plan Goal: Take control of your public image and connect the relevancy of Oregon higher education with the lives of Oregonians.

The goal of this plan is to increase public awareness, understanding, and support for public higher education. Through a proactive public information strategy, OSSHE will build a consistent, positive flow of information to strengthen its public image and reach its overall goal. The goal of the strategy is to connect the relevancy of Oregon higher education to the lives of Oregonians. The plan is divided into three phases. These phases narrow the marketing focus in order to concentrate resources on decisive areas. The objective of phase one is to increase applications from qualified
Oregonians for admission to OSSHE institutions. Phase two emphasizes strengthening OSSHE's connection with Oregon businesses and the Oregon economy, and phase three targets key influential groups in the public environment. The phases are like building blocks. The message awareness and media exposure of each phase will extend over several target markets.

The plan may also have an impact on personal communications channels. As positive public perceptions and awareness of OSSHE increase, personal channels of communication (word of mouth) may increase as well. A proactive approach in shaping this public image of OSSHE increases the potential for effectiveness of these personal communications. The plan may affect internal organizational communications as well. Positive public perceptions of higher education may create more positive perceptions of their jobs for employees and faculty.

Because the schools function in their own competitive environments and attract specific target markets for their programs, this public information strategy is to increase public awareness for the System as a whole. By increasing this awareness, the campaign will support the current efforts and activities of the Office of School Relations and the admissions and public affairs departments at the individual campuses.

By working together to shape public perception and strengthen OSSHE’s positioning in the market, this plan seeks to create a more favorable environment to enhance the marketing effectiveness of all the member schools. The campus admissions teams are the front-line activists. They have direct contact with the students, parents, and guidance counselors. These people diligently traverse the state with the true message about Oregon higher education. Their personal interactions allow them to tell the whole story, to sell the strengths of the Oregon schools and clarify any misconceptions. The Office of School Relations stretches its resources to reach as many Oregonians as physically possible to carry out their mission and support the schools for whom they work.

This marketing plan gives OSSHE an opportunity to be proactive in positioning itself in the minds of its consumers and the general public. The plan presents avenues to strengthen OSSHE’s present position by emphasizing positive attributes of the member schools and conveying a sense of fiscal and academic stability. This positioning requires de-emphasizing budget cuts and funding limitations and putting a positive focus on areas in which the schools and the System as a whole excel.
Plan Objectives:
• Increase fall 1996 admission applications by qualified Oregon high school graduates for OSSHE colleges and universities.
• Increase public awareness and understanding of OSSHE.
• Strengthen OSSHE’s position to serve the projected increase in Oregon high school students.

Target Markets:
Target a creative message, that incorporates OSSHE’s positioning strategy, to Oregon high school students, their parents, nontraditional students, and community college and high school guidance counselors.

Media Mix:
The media mix proposals:
• Statewide daily newspapers: Six insertions. Total circulation over the campaign period: 4.5 million
• High school newspapers: Approximately 60 schools throughout the state, three times each
• Community colleges: Six newspapers, three times each
• Statewide television: Reach 80 percent of adults and 60 percent of teens throughout the state, an average of 6.7 times
• Statewide radio: Reach 65 percent of adults an average of 4.6 times. Reach 70 percent of teens an average of eight times
• Collateral: Produce a positive public information brochure covering every aspect of OSSHE and its vision of the future (print 50,000)

Creative Strategy:
The creative message emphasizes OSSHE’s educational advantages. Among the primary benefits are:
• A quality education that can have a profound affect on your life and career success
• Being close to home, while still having an environmental and cultural adventure
• Price: OSSHE is less expensive than both in-state and out-of-state four-year schools
• OSSHE offers a high-quality education with over 300 baccalaureate degree programs

Slogan: "Go far, without going far away."
This slogan emphasizes the ability to get a quality education without leaving Oregon.
Budget Requirements:
Production and media costs combined: (amounts to be determined)
- Newspaper
- Radio
- Television
- Public Information Brochure
- Research
- Coordination of Responses
- Postage and Mailing

Summary

The campaign results will be assessed by reviewing 1996 admission applications and through a public awareness survey. Once phase one has been evaluated, we will propose implementing phases two and three.

The summary of the proposal to be presented to the Board represents in excess of two years of work by the Board's Public Information Committee. There have been substantial investments of time and resources by campus personnel, Board members, and the Chancellor's Office. The Committee feels that now is the time for OSSHE to be proactive in shaping its own public image. Focus on the System's strengths. Be a part of Oregon's solutions. Achieve institutional missions. Provide affordable access to high-quality, postsecondary education to all qualified Oregonians.

It is important that the Board continue to take an active role in the discussion of this plan and proposals for actively proceeding to implementation.

Board Discussion

Vice Chancellor Large highlighted aspects of the background work and the plan for implementation. In addition, he shared with the Board materials that could be considered representative samples of possible television and print ads.

Ms. Trotman Reese asked if the campuses have the capacity to receive increased numbers of students if the campaign is successful. Her concern is that, particularly for students ambivalent about returning to school, if they respond to the advertising only to learn that the classes they need are
closed or programs are not available, the campaign will have undermined its own goals.

Dr. Large indicated it was a valid concern. However, implementation of the plan would occur in concert with Board leadership and campus development of the 1995-1997 budget strategy. "Over the last four years, the campuses have become very sensitive and very concerned about students as customers. They understand the importance of access to the State System institutions. And I think they're prepared."

Ms. Puentes raised the issue of cultural and linguistic diversity. She noted that not only is the population of high school students increasing, but in such high schools as Hillsboro, Woodburn, Gervais, Northeast Portland, Nyssa, Ontario, Klamath Falls and many others, they are a more diverse set of students than ten or 15 years ago. Her concern is that they are not proportionately represented within State System institutions. With that in mind, Ms. Puentes asked how the plan addresses reaching those students.

Vice Chancellor Large indicated that is a consideration, but there are complicating factors such as economics. "If you look at the profile of students in those high schools, you would also find them at a lower economic base, on average, than you would have ten or 15 years ago. The diverse ethnicity, culture, and economics make for a real challenge. But I think the campuses are sensitive to that. All of them have diversity goals, and they're working very hard to not have those issues as barriers." Dr. Large added that another factor for students not entering the State System schools is the perception of instability and higher costs.

Ms. Puentes also commented about the significance of a supportive environment for inclusion and retention of those students. Dr. Large responded that those issues were not addressed in the plan but rather are institution-specific activities.

Ms. Christopher supported the plan and the spending of resources for its implementation. "I think it's naive of us to think we can have the results we want without spending any money. Word-of-mouth advertising is ultimately the best, but you have to get to that point. I fully support you. You've done a wonderful job. I'm glad we're moving forward with it, and I really think we should not be afraid to spend the money if we feel good about what we're putting out."
Ms. Wilson pointed out that none of the individuals portrayed in the sample video or ads were people of color. She stressed the importance of diversity as an essential component to this campaign. Ms. Wilson also commented about some additional agendas for this plan. "We are a business, and we need to run ourselves in that manner because we are selling and marketing a product. Hopefully, we're developing a strategy in our legislative presentation that will support this approach, because some people may not be as comfortable with it as we are."

Dr. Large noted that "there is a collateral benefit that we imagined but cannot document, that is, that there will be a morale benefit among faculty and staff if they see themselves being presented in a way that's respectful, interesting, stimulating, and current. When it comes to the financing, it's no longer my place to make recommendations. But among the things I would exhort you to consider include special fundraising efforts; some gifts-in-kind, both from commercial television, radio, and newspapers, and from heavy advertisers along the lines public broadcasting uses. Instead of selling you a product for the next 20 seconds, XYZ Company would like to bring you the following message from higher education because they think it's important."

Dr. Cox invited input from institution presidents. President Frohnmayer asked Dr. Large to expand on the estimated ten percent rate of public awareness of the State System. "That is not consistent with other polling data I've seen, which shows a much higher level of awareness and, for that matter, pride in Oregon institutions. Is there a public/private difference? Does awareness mean some level of sophistication about what the institutions do?"

Dr. Large referred to the 1993 poll conducted by Tim Hibbitts. "This particular ten percent indicated the respondent acknowledged any significant awareness of the State System or the institutions. People weren't asked to name the institutions, but to match up the names of real schools with the System. On other indices, there are measures that show they are more aware. They have a generally high regard for the way in which we have managed resources, but clearly see us as a victim of Measure 5. Our objective to move from ten percent to 25 percent would be to try to test that by recreating a similar question at the end of this period and see whether there is any difference. You can break this out and get different readings on that. It is clear to me that there is an inadequate level of knowledge about the System and the connection that a vital, healthy State System has in the lives of Oregonians."
President Reno noted that, for the last three years, Southern Oregon State College has been accelerating its out-of-state recruitment. Although visitations to schools have decreased, they have revamped their publications and are seeing a return on that. Dr. Reno underlined that it takes time to establish the name and reputation of the institution in new markets. It isn't achieved in a short period of time.

Mr. Swanson thanked Dr. Large for his work on the plan. Beyond targeting students, there's the benefit of impacting the general citizens, reminding them of the importance and presence of the State System. Mr. Swanson asked when the Board could expect to see a financial plan to support the campaign. Dr. Cox suggested it could be prepared by the February Board meeting.

(No Board action required)

The OSSHE financial statements for the fiscal year ending June 30, 1994, have been audited for the first time by a private audit firm, Deloitte & Touche LLP, Independent Public Accountants. The use of Deloitte & Touche was authorized and monitored by the State's Division of Audits. The auditors concluded that the financial statements present fairly, in all material respects, the financial position of OSSHE and issued an unqualified opinion. Copies of the financial statements have been previously mailed to Board members. In addition, Deloitte & Touche will provide to Board members a management letter that includes comments and recommendations for improvements in internal controls. Responses to the internal control recommendations from OSSHE institutions and the Chancellor's Office are included in the management letter.

Board Discussion

Vice Chancellor Ihrig introduced Don Waggoner from the Division of Audits, who provided a brief summary of how Deloitte & Touche had been selected as the auditing firm. He, in turn, introduced Tom Ihlan, a representative from Deloitte & Touche, who summarized the report. Mr. Swanson asked that, if the State System were going to receive a letter grade, what it would be. Mr. Ihlan responded that when the firm first accepted the engagement, they were hoping to be able to assign the letter "C." However, after the end of the year, they were "extremely satisfied, and with the quality of people the System has at all levels and the financial reporting process, it would be a lot higher than that -- closer to an 'A.' We're very pleased with the way things have gone from the standpoint of
Meeting #637

January 20, 1995

our firm in our dealings with the Division of Audits and with the Chancellor’s Office."

Ms. Wilson extended her thanks and congratulations at the innovative concept, partnership, and outcome. Mr. Swanson added that Mr. Waggoner and Mr. Ihlan invite Board member questions and views if there is a particular area of operation they believe deserves closer scrutiny.

(No Board action required)

SEMI-ANNUAL AUDIT REPORT

The Internal Audit Division’s Semi-annual Audit Report, included within the supplemental materials, summarizes internal audit activity for the six-month period July 1, 1994, through December 31, 1994. A brief description is provided for the major projects completed for the last six months. This semi-annual report is submitted to the Chancellor, members of the Board, and to the State of Oregon Department of Administrative Services.

Board Discussion

Ms. Christopher asked about the section relating to I-9 forms (employee eligibility to work in the United States). She noted that this is frequently an area requiring more attention in the private sector. Ms. Stacy Pearson, Director of Internal Audit, responded that most of the recommendations made were procedural in nature. The requirements for I-9 forms are fairly strict and the federal Immigration and Naturalization Service (INS) can issue penalties. "We believe those have been cleaned up. Three institutions are in this report, but the previous year we completed the other institutions, so all the campuses have now been audited."

(No Board action required)

Vice Chancellor Ihrig introduced George Kozitza, the new administrative dean at Western Oregon State College. President Swanson welcomed him to the State System on behalf of the Board.
The headcount enrollment of 59,416 for fall 1994-95 remained steady from the previous year, within 129 students of the 59,545 students enrolled in fall 1993-94. Targeted headcount enrollment for each year of the 1993-1995 biennium was 60,209. Western Oregon State College, Southern Oregon State College, and Oregon Health Sciences University exceeded their targeted headcount enrollments for fall 1994, while the University of Oregon, Oregon State University, Portland State University, Eastern Oregon State College, and Oregon Institute of Technology did not meet their targeted fall headcount enrollments. Tables A and B provide the 1994-95 enrollment statistics.

Table A. HEADCOUNT ENROLLMENT 1994-95

<table>
<thead>
<tr>
<th></th>
<th>1993-94 Fall</th>
<th>1994-95 Planned</th>
<th>1994-95 Fall</th>
<th>Dif Plan vs Fall 94</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate Resident</td>
<td>39,385</td>
<td>39,630</td>
<td>38,258</td>
<td>(1,372)</td>
</tr>
<tr>
<td>Undergraduate Nonresident</td>
<td>7,949</td>
<td>7,781</td>
<td>8,900</td>
<td>1,119</td>
</tr>
<tr>
<td>Graduate Resident</td>
<td>9,618</td>
<td>10,060</td>
<td>9,354</td>
<td>(706)</td>
</tr>
<tr>
<td>Graduate Nonresident</td>
<td>1,482</td>
<td>1,572</td>
<td>1,769</td>
<td>197</td>
</tr>
<tr>
<td>Law Resident</td>
<td>309</td>
<td>295</td>
<td>250</td>
<td>(45)</td>
</tr>
<tr>
<td>Law Nonresident</td>
<td>98</td>
<td>128</td>
<td>171</td>
<td>43</td>
</tr>
<tr>
<td>Vet Medicine</td>
<td>65</td>
<td>100</td>
<td>68</td>
<td>(32)</td>
</tr>
<tr>
<td>Prof Med/Den Resident</td>
<td>609</td>
<td>604</td>
<td>592</td>
<td>(12)</td>
</tr>
<tr>
<td>Prof Med/Den Nonresident</td>
<td>30</td>
<td>39</td>
<td>54</td>
<td>15</td>
</tr>
<tr>
<td>TOTAL</td>
<td>59,545</td>
<td>60,209</td>
<td>59,416</td>
<td>(793)</td>
</tr>
</tbody>
</table>
Table B. SUMMARY OF ENROLLMENT CHANGES 1994-95

<table>
<thead>
<tr>
<th></th>
<th>Targeted Headcount 1994-95</th>
<th>Actual Headcount Fall 1994</th>
<th>Dif Targeted vs Actual Fall 1994</th>
</tr>
</thead>
<tbody>
<tr>
<td>UO</td>
<td>17,078</td>
<td>16,680</td>
<td>(398)</td>
</tr>
<tr>
<td>OSU</td>
<td>14,485</td>
<td>14,131</td>
<td>(354)</td>
</tr>
<tr>
<td>PSU</td>
<td>14,530</td>
<td>14,428</td>
<td>(102)</td>
</tr>
<tr>
<td>WOSC</td>
<td>3,650</td>
<td>3,871</td>
<td>221</td>
</tr>
<tr>
<td>SOSC</td>
<td>4,435</td>
<td>4,535</td>
<td>100</td>
</tr>
<tr>
<td>BOSC</td>
<td>1,993</td>
<td>1,931</td>
<td>(62)</td>
</tr>
<tr>
<td>OIT</td>
<td>2,738</td>
<td>2,444</td>
<td>(294)</td>
</tr>
<tr>
<td>OHSU</td>
<td>1,300</td>
<td>1,396</td>
<td>96</td>
</tr>
<tr>
<td>TOTAL</td>
<td>60,209</td>
<td>59,416</td>
<td>(793)</td>
</tr>
</tbody>
</table>

It should be noted that OSSHE has amended its definition of resident and nonresident students to reflect more accurately each student’s fee status. Until this year, the resident category included students for whom fees were remitted, students under WICHE agreements, students on overseas exchanges, etc. The amended definition takes those students who are also "nonresidents" out of the resident category and counts them as nonresidents. The above charts reflect the new definition in the actual fall 1994-95 numbers.

However, for comparison with previous years, it is necessary to use 1994-95 numbers as previously defined. Using those numbers, resident enrollment for fall 1994 is down 2.3 percent from fall 1993. A decline in the number of resident undergraduates, down 2.2 percent from fall 1993, can be attributed primarily to two factors: continuing concerns pertaining to higher education budget cuts and the effect that those cuts may have on academic program offerings, and increasing tuition rates. Nonresident undergraduate enrollment is up nearly 9 percent from fall 1993. The growth comes despite significant tuition increases (nonresident undergraduates pay the full cost of their education) and tighter residency rules. The University of Oregon, Oregon State University, Portland State University, Western Oregon State College, and Oregon Institute of Technology, in
particular, have seen dramatic growth in their numbers of nonresident undergraduates with increases of 11 percent, 7 percent, 25 percent, 16 percent, and 13 percent, respectively, over fall 1993.

OSSHE welcomes nonresident undergraduates while maintaining its policy of accepting all qualified residents. Because nonresident undergraduates pay for the full cost of their instruction, they are not a burden to the Oregon taxpayer. However, nonresident enrollment makes it possible for institutions to maintain academic programs, therefore benefiting Oregonians and maintaining the academic infrastructure of the institutions.

Resident graduate enrollment continues to decline slightly, while nonresident graduate enrollment climbed a significant 21 percent from fall 1993 to fall 1994.

While the fall term enrollment is our benchmark, during the 1993-94 academic year OSSHE actually served close to 200,000 students. The academic year unduplicated headcount number from summer 1993 through spring 1994 was 101,111 for all students enrolled in credit courses, either in regular campus courses or through self-supported courses. Additionally, OSSHE served an estimated 95,000 students in noncredit courses. Noncredit courses include noncredit offerings aimed at upgrading skills and maintaining licensure; noncredit courses offered through the Oregon State University Extension Service; programs aimed at youths and seniors; professional development activities such as conferences; and community education and personal development courses.

Summer 1994 enrollment figures are shown in Table C. They reflect a 3.2 percent decrease from summer 1993.
Table C. SUMMER 1994 HEADCOUNT ENROLLMENT
(excluding OHSU)

<table>
<thead>
<tr>
<th></th>
<th>Undergraduate</th>
<th>Graduate</th>
<th>Total 1994</th>
<th>Total 1993</th>
</tr>
</thead>
<tbody>
<tr>
<td>UO</td>
<td>4,319</td>
<td>2,229</td>
<td>6,548</td>
<td>6,803</td>
</tr>
<tr>
<td>OSU</td>
<td>2,940</td>
<td>1,471</td>
<td>4,411</td>
<td>4,476</td>
</tr>
<tr>
<td>PSU</td>
<td>6,155</td>
<td>9,254</td>
<td>15,409</td>
<td>16,093</td>
</tr>
<tr>
<td>WOSC</td>
<td>720</td>
<td>1,154</td>
<td>1,874</td>
<td>2,100</td>
</tr>
<tr>
<td>SOSC</td>
<td>1,144</td>
<td>987</td>
<td>2,131</td>
<td>2,015</td>
</tr>
<tr>
<td>BOSC</td>
<td>456</td>
<td>532</td>
<td>988</td>
<td>861</td>
</tr>
<tr>
<td>OIT</td>
<td>756</td>
<td>0</td>
<td>756</td>
<td>823</td>
</tr>
<tr>
<td>TOTAL</td>
<td>16,490</td>
<td>15,627</td>
<td>32,117</td>
<td>33,171</td>
</tr>
</tbody>
</table>

Board Discussion

Vice Chancellor Ihrig summarized the report, underlining the fact that the State System, which receives approximately 20 percent of its resources from the state, is reaching about one million people out of the 3.3 million in the state of Oregon. Beyond the 60,000 degree-seeking students enrolled in three terms are those students attending summer term, noncredit programs, those who have contact with the cooperative extension service, and those who receive medical care.

(No Board action required)

SUMMARY OF FACILITIES CONTRACTING ACTIVITIES

Staff Report to the Board

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

Contracts for Professional Consulting Services

Award of Construction Contracts
Basic Science Building, P-3 Lab, Cooling and Humidification Project, OHSU
On October 25, 1994, Arctic Sheet Metal, Inc., was awarded a contract for this project in the amount of $48,231. Financing will be provided from building use credits.

Langton Hall ADA Upgrade Project, OSU
On January 5, 1995, Morris P. Kiely General Contractor was awarded a contract for this project in the amount of $76,550. Financing will be provided from state funds.

Pacific Hall Energy Conservation Retrofit Project, UO
On November 16, 1994, F M Sheet Metal, Inc., was awarded a contract for this project in the amount of $161,549. Financing will be provided from capital repair funds.

Women’s Building ADA Upgrade Project, OSU
On January 4, 1995, Dale Ramsay Construction Company was awarded a contract for this project in the amount of $169,900. Financing will be provided from state funds.

Acceptance of Projects

Center for Housing Innovation Project, UO
This project is complete and was accepted on December 7, 1994. The final direct construction costs were $356,756. Financing was provided from Article XI-F(1) bonds.

Office/Laboratory Building at the OSU Southern Oregon Experiment Station (SOES), OSU
This project is complete and was accepted on December 7, 1994. The final direct construction costs were $365,734. Financing was provided from donations and other funds available to the Agricultural Experiment Station.

University Hospital South, 7B Occupational/Physical Therapy Project, OHSU
This project is complete and was accepted on December 7, 1994. The final direct construction costs were $468,470. Financing was provided from Article XI-F(1) bonds.
University Hospital South, 3B Remodel Project, OHSU
This project is complete and was accepted on December 7, 1994. The final direct construction costs were $288,345. Financing was provided from Article XI-F(1) bonds.

University Southgate Improvements Project, UO
This project is complete and was accepted on December 7, 1994. The final direct construction costs were $103,147. Financing was provided from institutional parking reserves.

Women's Building Rooms 6/7 Remodel Project, OSU
This project is complete and was accepted on October 28, 1994. The final direct construction costs were $75,978. Financing was provided from state funds.

(No Board action required)

Mr. Swanson reported that Diane Christopher, who has given excellent service on the Joint Boards Working Group, has accepted the assignment of serving on the Western Oregon State College Presidential Search Committee. With this added responsibility, she has requested that the chair appoint another Board member to the Working Group. Esther Puentes has expressed interest in serving as a member of the Working Group. Mr. Swanson thanked Ms. Christopher for her continued commitment to the work of the Board committees, and welcomed Ms. Puentes to that group, noting that she brings considerable expertise to that area of Board work.

Bob Bailey indicated that the Joint Boards were meeting that afternoon. 
"I'd like to make a comment. In some ways during the last year, the work of the Joint Boards Working Group has been somewhat frustrating. I'm not sure where we should put the concern, but we dealt with fairly specific issues -- like the second language issue -- and we found that very rewarding and have worked through other issues eagerly. As we approach the more complex issues, such as teacher education and how it fits into all the different agencies, Working Group members from the two boards have found it frustrating that things don't happen quickly, and they feel it's difficult to get input from a policy standpoint.

"I'm frustrated and concerned because I think it's such an important role we need to play relative to working with our other constituencies in education. I think we need to recognize that all these constituencies look to us for leadership and to set a standard. The work of the Joint Boards
-- how we work together, articulation -- is always going to be an issue with the legislature. So for both the Working Group and the Board as a whole, you need to help us focus the issues. The staffs have been wonderful about working with these very challenging issues. It would be easy to avoid the tough issues, but I think that's what we're here to deal with. I would encourage everyone to participate."

Mr. Swanson concurred that the staffs are working well together. "Where we are the weakest is participating as Board members and setting policy directives for what our staffs are doing." President Swanson acknowledged that perhaps part of the problem is limited expertise or knowledge to appropriately direct staff and, to that end, he encouraged Board members to ask questions at the afternoon Joint Boards meeting as needed.

Ms. Wilson suggested that perhaps the work session format utilized during her tenure as Board president would facilitate discussions such as direction of Joint Boards.

Ms. Trotman Reese added that, especially if the State System proceeds with the advertising campaign, it's important that other educational sectors be involved as well.

Chancellor Cox provided the Board with a brief history of teacher education, an ongoing topic of concern and discussion for the Joint Boards. As the State System responded to the over production of teachers in Oregon by limiting those programs, independent colleges responded to the sustained student demand for such programs. It put the State System into the position of having to respond to the question of why such a high percentage of teachers are being produced in private colleges, implying a lack of responsiveness on the part of the System.

Board policy relative to the presidential search process specifies that the Board, in consultation with the search committee, will "develop a statement of preferred qualifications in consultation with the search committee."

To facilitate the search process and assure moving the work of the committee forward in a timely fashion, the committee, under the leadership of Chair Bob Bailey, and upon consultation with Chancellor Cox, prepared the following description for approval by the Board.
The Oregon State Board of Higher Education invites applications and nominations for the position of President of Western Oregon State College. The President, the chief executive officer of the College, serves under the general direction of the Chancellor according to policy set by the Board. The appointment will be effective summer, 1995.

Western Oregon State College provides close to 4,000 students the benefits of a small college opportunity. A comprehensive liberal arts college, Western offers 30 undergraduate and three graduate degree programs through its two schools -- the School of Education and the School of Liberal Arts and Sciences. The College emphasizes high-quality instructional, research, and public service programs and is committed to educating the whole person. Through the concept of a Public Service Park, the College has been developing itself as a leader in the promotion and development of cooperative relationships among higher education, governmental agencies, and business.

Western employs approximately 500 faculty and staff, with an operating budget of over $42 million. The 135-acre campus combines the charm of historic 19th century structures with modern facilities for science, performing arts, and athletics, accented by award-winning landscaping that captures the beauty of the green Willamette Valley. A community of almost 11,000, Monmouth/Independence is just 15 miles from the state capital, Salem, and is midway between the state's two largest cities, Portland and Eugene. Western is just a short drive from the state's most valued resources, the famed Oregon Coast to the west and the majestic Cascade Mountains to the east.

Western Oregon State College is one of eight colleges and universities within the Oregon State System of Higher Education.

**Qualifications:**

- An earned doctorate or other appropriate terminal degree; record of scholarly research, creative work, or professional distinction; and faculty experience.
- A strong belief in the importance of a liberal arts undergraduate education.

- A commitment to award-winning graduate and undergraduate education programs.

- A record of progressively responsible and effective leadership in the senior-level management of a college or university.

- Demonstrated ability and experience in attracting external funding.

- The ability to provide leadership in an environment of shared governance to promote excellence in teaching, learning, and scholarly/creative endeavors.

- A commitment to and understanding of equal opportunity and affirmative action.

- An appreciation of and sensitivity to the virtues and needs of a diverse student population, a willingness to involve students in campus affairs, and a commitment to improving the quality of student life.

- The ability to nurture the relationships among business, governmental, education, and community groups to meet the academic, cultural, economic, and social needs of the College and the region it serves.

- The ability to establish inter-educational relationships among private and public schools, community colleges, and other higher education institutions.

- An understanding of the issues and opportunities facing the population the College serves including the role of technology and lifelong learning.

- The ability to communicate the institution's mission and goals to external groups to build support.
APPLICATIONS:

To assure full consideration, nominations and applications should be received by March 13, 1995. All materials should be addressed to:

Robert Bailey, Chair  
Presidential Search Committee  
345 North Monmouth Ave.  
Western Oregon State College  
Monmouth, OR 97361

The Oregon State System of Higher Education is an Equal Opportunity and Affirmative Action employer. Women, minorities, and members of underrepresented groups are encouraged to apply.

Staff Recommendation to the Board

Staff recommended the Board approve the position announcement proposed by the search committee.

Board Discussion and Action

Mr. Bailey reported that the search committee, which includes Board members Diane Christopher and Jim Willis, had met twice. He indicated that the meetings have been positive and there appears to be a high level of trust among community members, alumni, faculty, and administrative staff. The timeline calls for having a new president selected by the end of spring quarter.

Mr. Bailey moved and Mr. Lee seconded the motion to adopt the staff recommendation. The following voted in favor: Directors Bailey, Christopher, Lee, Puentes, Richardson, Trotman Reese, Willis, Wilson, and Swanson. Those voting no: none.

Background

In a 1994 national competition, top Innovative Management Achievement Awards from the National Association of College and University Business Officers (NACUBO) were made to Oregon State University and Portland State University. The National Association of State Universities and Land Grant Colleges (NASULGC) invited leading administrators at both Oregon State University and Portland State University to present a session on
innovative management, re-engineering, and productivity improvement at the annual meeting in November 1994. The session afforded national visibility to these successful efforts at redirection in the Oregon State System of Higher Education and was well received by participants in the NASULGC meeting. Chancellor Cox asked the two award-winning institutions to prepare condensed versions of their NASULGC presentations for the Board as we begin a series of monthly presentations focusing on implementation of campus productivity and innovation plans.

**NACUBO Innovation Management Achievement Awards**

In 1994, the National Association of College and University Business Officers (NACUBO) initiated the Innovative Management Achievement Awards (IMAA) program, supported by Barnes and Noble Bookstores, Inc. The IMAA program is designed to recognize college and university achievements in improving quality and reducing the cost of higher education programs and services. Awards are presented in three categories: Innovative Management Initiatives, Innovative Revenue Enhancement, and Innovative Cost Reduction.

The Innovative Management Initiative category recognizes broad-based or institution-wide management programs designed to improve service quality, streamline administrative structures, and/or significantly reduce costs in the areas of academic affairs, student services, or business and finance. Evaluation criteria for the management segment of the program are modeled after the nationally recognized standards for total quality management (TQM) as established by the Malcolm Baldrige National Quality Award Program.

In its initial year, the IMAA program received 225 award submissions from eligible higher education institutions. Monetary awards ranging from $3,000 to $10,000 were presented to eight institutions, and five institutions received honorable mention recognition. The top two awards were both in the Innovative Management Initiative category, and both of these were awarded to OSSHE institutions, with Oregon State University receiving the first-place award and Portland State University receiving the second-place award in the 1994 IMAA program.

**Oregon State University**

The IMAA first-place award was presented to Oregon State University for innovative management initiatives in total quality management and
business process re-engineering. Oregon State University's four-year program resulted in coordinated process simplifications and cost reductions in many areas of campus operations.

Oregon State University's total quality management initiative started in the University's administrative operations as a way to improve administrative efficiency, resulting in documented service improvements and cost savings in several areas, including Facilities Services, Staff Benefits, Admissions, Business Affairs, and Student Housing.

Following the development of a five-year implementation plan for TQM at Oregon State University, significant training in TQM principles was conducted for Oregon State University faculty, staff, and academic administrators. Examples of the application of total quality and continuous improvement principles subsequently emerged in academic areas of the University. By 1992, Oregon State University had developed a major initiative to integrate TQM principles into curriculum development, research, and teaching within the Colleges of Business and Engineering in partnership with IBM. A $1 million, five-year grant from IBM is providing financial support for this initiative.

In 1993, business process re-engineering concepts were applied to 14 administrative and academic support functions selected from the business processes identified in the KPMG-Peat Marwick/Administrative Review Committee report for Oregon State University. Implementation of process re-engineering recommendations emanating from University Process Review (UPR) teams focused on these 14 business processes resulting in significantly improved services, streamlined processes, and reduced costs. Documented annual savings to date total $1.6 million, with greater savings expected in the future. Two important factors in the realization of full savings potential for these business processes are implementation of the Financial Information System (FIS) at Oregon State University (scheduled for July 1, 1995), and elimination of redundant administrative requirements proposed for legislative enactment of the Higher Education Administrative Efficiency Act for the 21st Century. Re-engineering opportunities for five additional business processes are currently under consideration by UPR teams.

Examples of academic impacts encompass academic support, academic culture, and academic program areas. Significant improvements in enrollment services and information services functions have resulted from major restructuring in these areas. The development of a co-curriculum
concept for student services programs originated in administrative structure and process discussions. Similarly, institutional emphasis on continuous improvement has stimulated important changes in academic culture within Oregon State University, including increased emphasis on undergraduate education, incorporation of University outreach functions within academic units in an innovative Extended Education model, attention to instructional productivity by academic units, and consideration by faculty governance of revisions in scholarship expectations and promotion and tenure guidelines for faculty.

Within academic colleges and programs, several examples of successful application of quality and continuous improvement principles in the classroom have been demonstrated. Important outcomes of the IBM partnership in Business and Engineering to date are increased collaborative efforts between the two colleges (including a joint systems course), a new graduate level total quality Engineering course, changes in the Accounting core curriculum, systematic collection of data from students and recognition of students as customers, and focus on customer-driven measurable outcomes.

In addition to the monetary award from Barnes and Noble, a certificate from the U.S. Secretary of Education, and NACUBO and public recognition, the IMMA program provides selection committee feedback to participating institutions on strengths and weaknesses in relation to the program’s review criteria. The committee’s feedback to Oregon State University acknowledged significant strengths in criteria elements of leadership, information analysis, benchmarking, strategic quality planning, human resource development, management of process quality, quality and operational results, and satisfaction of customers. Development of relationships with suppliers in relation to quality was identified as an area for improvement.

Portland State University

New leadership at Portland State University has inspired a vision of transformation and has set the agenda for the University community in both academic and administrative productivity. Faced with decreased revenues and a traditionally structured university, Portland State University has embraced the opportunity to position itself as a model urban institution with an administrative infrastructure better suited to the times and its unique mission and a new more efficient, yet higher quality approach to the curriculum beginning with general education. In effect,
the University has undertaken the re-engineering of both the academic and administrative sectors.

Administrative transformation has been guided by a new management paradigm. The new paradigm aims for a less hierarchical, more knowledge-rich and technologically sophisticated organization, which relies on employees for greater participation in decision making, invests in employees as the primary organizational resource, and which is more open to the environment for purposes of customer satisfaction and joint opportunities with other organizations.

The preliminary process began in 1990, with broad-based deliberations regarding assessment of the University culture and a Strategic Planning Process. The following year, as follow-up to the campus’ new Strategic Plan: Phase I, the campus underwent a complete administrative review. An analysis completed by Introspect, Inc., an independent consulting firm, working with a Portland State University co-consultant team, provided a blueprint for campus administrative restructuring and redirection. Portland State University’s administrative transformation is now underway through a multi-strategy approach. Key features are: consolidation of units, streamlining of the middle management structure, a Quality Initiative program, broadly increased staff training and development, technological conversion of the campus, and joint ventures with Oregon Health Sciences University.

Portland State University’s academic transformation has focused on both the content and delivery of the general education program. The faculty involved in redesign of general education undertook their analysis in light of the urban mission of the University as articulated in the 1990 Strategic Plan. The study of, and eventual redesign of, general education sought to create cohesion and integration of the curriculum and to eliminate the broad potpourri of courses that reflected more faculty preferences than student needs. Additional aspects of the curriculum will also undergo such review.

In both re-engineering exercises, a key feature has been the close cooperation of the academic and finance/administration sectors of the University. All actions are pointed in the direction of synchronization between these sectors.
A final area for review and re-engineering will be the student services area. The goal will be to increase efficiency of such services and to tie them more directly to the academic program.

Comprehensive Re-Engineering: A University Story

The following essay, written by Lindsay Ann Desrochers, will appear in the national Peat Marwick newsletter in February 1995.

At Portland State University in Portland, Oregon, the agenda is change -- change in the administrative infrastructure of the institution and change in the curriculum. Driven at least in part by a precarious budget environment, Portland State University, beginning in 1990, set a course that would more clearly define and target the institutional mission, take a very high road approach to state mandated budget reductions and indeed improve the quality of the educational product delivered.

Portland State University which began as an extension center for returning GI's from World War II, became a University in 1969. In its short life as a University, Portland State experienced rapid, almost tumultuous growth. Buildings could not go up fast enough in the 1970's to keep up with enrollments. The demand for both undergraduate education and a wide variety of master's and doctoral programs in the growing urban area was great. But in the early 1980's, the state of Oregon experienced a serious economic recession which slowed down the full development of the young university. Then in 1991, a state ballot initiative, Measure 5, Oregon's version of the famous (or infamous) Proposition 13 in California, passed. Measure 5 set the state of Oregon on a course of multiple year budget reductions in various state supported programs as the terms of the initiative required the state fund to make up for local property tax revenue losses to school districts. Portland State University, like many public institutions of higher education during the past four years, faced a choice; would we simply continue to shave off curricular program capacity and administrative support or would we squarely face the question: How can the core functions of the
institution and the administrative infrastructure be reshaped to respond to the new reality?

Budget distress is not unique to Oregon. Budget reductions and shifts in the revenue mix have become common through much of the country in both public and private institutions in the mid-1990's. The comment has been made by many national leaders that higher education is experiencing a "sea change" in its financing base. In Shakespeare's *Tempest*, the great movements of the sea produced a changed oceanic phenomenon. In higher education, waves upon waves of finance-related changes have now culminated in a truly changed environment. State support has dwindled to new lows in many states. Student tuition has risen to new highs. Federal research support is in serious jeopardy and lagging due to the end of the Cold War and rethinking of the indirect costs policies of the last several decades. Private fundraising has become a "must do" agenda item for university presidents and the field is getting crowded. These changes raise many sobering questions for all in higher education. Foremost amongst them are: Can we sustain the capacity level we currently have in higher education, let alone increase capacity for larger numbers of students expected in the later nineties and into the next century? Can students bear the burden of the significantly increased price of higher education and what are we doing to their future by allowing this price to rise to such heights and large personal debts to accrue? How do we respond to the demand for a return to quality undergraduate education given this increasing price which students pay? Are we doing everything available to us to operate administratively efficient and effective institutions?

Portland State University is one institution which has chosen to look at the very fabric of the institution in order to meet the challenges implied in the questions rehearsed above. The strategy has been to assess and reshape the academic program beginning with general education and to thoroughly assess and reshape the administrative infrastructure. Through a close working partnership between the officers for the academic and administrative/finance units, the University has undertaken what, in effect, is the re-
engineering of both the academic and administrative sectors. A recent column in The Economist, (Michael Hammer, November 5, 1994) clarified that re-engineering is simply, "the radical redesign of a company's business processes, reinventing the way the business operates in order to meet the demands of the modern economy." The university analogy is twofold. In those areas which are administrative in substance, re-engineering is much like it is in the business sector: administrative processes are redesigned, often compacted, to eliminate any non-value added components. In the academic area, primarily instruction, the content of instruction, its packaging and the mode of its delivery will be radically redesigned.

With respect to the curriculum, defined as both the content of the coursework offered and the means of delivery of the program (classes, schedules, pedagogical methods etc.), the beginning approach at Portland State University was to enlist a representative group of faculty in an analysis of the general education curriculum. This group was given substantial freedom to think creatively, substantial support in researching their topic and a firm commitment from the provost to seriously entertain their recommendations. They were to undertake this analysis in light of the urban mission of the university as articulated in the Strategic Plan of the University in 1990. The group's task was to unpack the general education curriculum and redesign it. Like many institutions, Portland State University has lived with the "distribution method" of meeting the general education need -- a large potpourri of course offerings from which the student selected. Over the years, the potpourri has grown, largely as a matter of faculty preference. What this historical model lacked was a cohesion and integration which produced a meaningful liberal education in the traditional sense. The committee did take a radical approach which has resulted in a complete replacement of the general education program with a freshman and sophomore "inquiry" sequence built around themes and teams taught by faculty from both the liberal arts and sciences and professional schools to small groups of entering students. The pedagogy, in addition to team teaching, was to rely much more heavily on computer technology to supplement
the work of professors and to emphasize writing skills. The general education sequence was to culminate with a "community learning" experience which again will emphasize teams, with students working in the local urban environment on projects as jointly defined by faculty members and community organizations in various sectors. Questions of administrative support for this radically changed approach are now the object of analysis and planning at the institution -- and here cooperation between the academic and administrative sides of the university has been essential. In coming months and years, the Portland State University provost and faculty will begin an analysis of the other main components of the curriculum with the intention of true re-engineering.

Somewhat before the Portland State University curricular analysis and reform began, the University leadership's lens focused on the administrative infrastructure and the need to respond to budget reduction mandates particularly in administration. The effort began with university-wide strategic planning in 1991, moved to a special, comprehensive study of the administrative nature of the institution, and culminated with the implementation of a multiple strategy approach involving several key, and some quite radical techniques for change.

The multiple strategy approach, which is in the most macro sense organization re-engineering, involves:

- consolidation and elimination of many organizational subunits;
- streamlining of middle management;
- quality teams and benchmarking;
- technological conversion to new computerized information systems;
- campus wide training and professional development; and
- joint ventures with a sister institution.

Standing alone, no single strategy is adequate to produce the scope of administrative change Portland State University's leadership envisioned. Quality teams, which have
become a major way to re-engineer work processes, necessitated careful planning for the training of staff. Implementation of a new computerized financial information system, designed to facilitate more localized decision-making, also required extensive training. The reduction of middle management positions necessitated by serious state budget cuts required the consolidation or elimination of a number of organizational units. This interrelated group of strategies provided an intensive and comprehensive approach to administrative transformation. All of the strategies were launched within the same general time frame and were pointed at achieving a new paradigm of administrative operation which would better serve the newly framed and targeted urban mission of the institution.

The administrative paradigm involved decentralization of decision-making; a much broader involvement of staff at all levels in decision-making; an information rich environment; a continuous learning environment which provides adequate training and professional development for staff; a focused customer orientation; and an entrepreneurial approach to collaboration and partnership with the external organizations.

The success of these multiple strategies in achieving the new administrative paradigm has depended on the continuing leadership of the University and especially the cooperation between the academic and administrative sides of the house. As with the academic transformation which is underway, the University is building in the support structure to assure continuation of the process. For example, a quality coordinator reports directly to the Vice President for Finance and Administration to ensure the continuous use of monitoring of quality teamwork. Campus-wide plans for technology enhancement and for staff training and professional development are living documents which will be updated annually. Financial information systems support have become a primary responsibility of the business office. There are numerous other examples.

As the higher education community faces daunting financial challenges and public scrutiny of our community increases,
it is well worth assessing and planning a comprehensive strategy on the campus level. Tinkering with small pieces of the campus operations or programs and dabbling with the individual strategies will not suffice for the fundamental change needed to adjust to the new realities.

Board Discussion

Oregon State University Provost Roy Arnold and Portland State University Vice President Lindsay Desrochers presented condensed versions of the innovative management sessions prepared for the NASULGC annual meeting.

Ms. Christopher asked Dr. Desrochers how faculty are adjusting to these changes. Dr. Desrochers responded that, overall, "we have more and more converts to the new type of approach. It's very important to talk about the support for faculty, to provide opportunities to attend conferences and workshops and learn how to use new technology to work with teams. That's what we're working on now for faculty." Dr. Desrochers added that staff are responding positively to the opportunity to be involved with work design and decision making. In addition to improving work, there is a positive impact on staff morale as well.

Mr. Swanson congratulated Oregon State University and Portland State University for this signal honor.

(No Board action required)

Background

At the January 28, 1994, meeting, the Board of Higher Education adopted the standards contained in the Proficiency-based Admission Standards Study (PASS) report as a policy direction for the Oregon State System of Higher Education (OSSHE). The Board charged staff to gather input and reactions to the proficiencies and return to the Board at the May 27, 1994, meeting, at which time the revisions were adopted. The Board endorsed these proficiency-based standards as the basis for developing the assessments and performance levels necessary to determine proficiency in operational terms. These proficiencies will serve as the basis for development of new admission procedures that enhance the alignment between high schools implementing CIMs and CAMs mandated by House Bill 3565 and higher education admission. Beginning in 1999, freshman
students will be admitted to OSSHE institutions based on their demonstrated proficiency in six content areas and nine process areas.

Subsequent to the Board's actions in May 1994 and further in July 1994 on foreign language proficiencies, letters and materials explaining these policies were sent to all Oregon school superintendents and principals of middle/junior and high schools.

Implementation Steps

Over the past six months the following activities have advanced development of the proficiency-based admission system. In brief, the PASS Project Director and staff have:

- Been awarded two federal grants totaling $1.5 million over three years from the Fund for the Improvement of Postsecondary Education and the Fund for Innovation in Education, both units within the U.S. Department of Education. Grants are for the purpose of developing the assessment system, addressing logistical and admission issues, and developing a statewide network of trainers and training sites.

- Hired a project coordinator and are negotiating to hire a second coordinator in the Portland metro area.

- Identified and begun work with four "partnerships" consisting of a high school, community college, and OSSHE institution. Partnerships are:
  - David Douglas High School, Mt. Hood Community College, Portland State University
  - Jefferson High School (Portland Public Schools), Portland Community College, Portland State University
  - North Eugene High School, Lane Community College, University of Oregon
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Ashland High School, Rogue Community College, Southern Oregon State College

- Made multiple visits to partnership high schools and identified and contracted with on-site coordinators for all partnership members (high schools, community colleges, four-year institutions).

- Made numerous presentations on PASS, and scheduled four regional meetings to provide more information.

- Contracted with an evaluator to determine effects and efficacy of proficiency-based admissions.

- Established a joint steering committee with Portland Public Schools to help the district utilize PASS as a broad framework for curriculum development to support the CIM and CAM.

- Provided assistance to the Department of Education as it works to define the CAM.

- Established a process for developing the performance standards that define the proficiencies in greater detail and enable assessment of them.

- Began developing a database of assessment tasks and tools that might be employed to determine proficiency.

- Met regularly with representatives of The College Board and American College Testing to share information. The College Board will be proposing a number of specific areas where they might work collaboratively on the development and demonstration of new assessment approaches with us.

- Helped initiate a national network consisting of ten states interested in proficiency-based admissions sponsored by the Education Commission of the States. The first meeting will be in Denver on February 17. Participating states include: Oregon, Wisconsin, Minnesota, California, Washington, Colorado, Kentucky, Illinois, New York, and Florida.
Board Discussion

Chancellor Cox asked Dr. David Conley to respond to a frequently asked question he receives. "If my son or daughter is thinking of applying both to a State System school and to an out-of-state school, does that mean two totally different and unrelated admission procedures and processes?"

Dr. Conley responded, "No. The reason why is that what we’re planning to do in Oregon is now being considered by a number of other states as well. What we’re doing here with our project is using it as a kind of catalyst to bring together a variety of states from around the nation. We’ve listed ten states with which we’re working to develop an emerging national network of other state systems of higher education that are interested in this similar technique. By 1999 (the point at which we will implement this fully), we will have transportability of transfers. In the meantime, if we go through a period of transition, it is not unusual already for higher education institutions to use basic techniques to translate and process transcripts that look slightly different. So I don’t think there should be any problem while we’re transitioning. And, in the long run, we have a strategy to bring together other states and reach agreements before the point that this occurs."

Dr. Cox raised another common question: Won’t this result in the need for additional staff in admissions offices to handle portfolios, whereas in the current system they review SATs and GPAs?

Dr. Conley indicated that this misconception is expressed over and over again. Portfolios will not be submitted in raw form. Rather, at the heart of the State System’s vision is that the proficiency determinations occur in the high schools. What will arrive at the institutions are scores on a number of different areas. He underlined that, in terms of human resources required to process admissions, the goal is to remain about the same.

Ms. Christopher asked that, in the afternoon Joint Boards meeting, Dr. Conley address how community colleges might also intend to use this system in their institutions. In addition, she is interested how this system will continue or change if anything changes related to HB 3565.

Ms. Wilson asked about the legislature’s understanding of this issue. Dr. Cox explained that the issue for legislators is not proficiency-based admissions, but rather HB 3565. That leads to the question, if the CAM
process slows, what is the effect on PASS? Dr. Conley underlined that PASS is not an attempt to drive reform in the high schools independent of legislation. The schedule for PASS is very adaptable. Dr. Cox reiterated three points. "As we appear before the Senate and House Education Committees, we're going to reassure them that 1) this will not result in dramatic increases in state cost; 2) we're working hand-in-glove with high school counselors and high school staff to certify some of these requirements; and 3) no Oregon high school student will be disadvantaged through this process."

Ms. Wilson asked how teachers will be prepared to use this system. Dr. Conley referred to one of the two federal grants received. "Part of it is to create the materials that would allow teachers in the State System to be trained and able to use it. When they left our System, they would be able to know how to use proficiency-based standards when they work with kids."

(No Board action required)

**Background**

In April 1994, OSSHE received a $498,000 grant from the Sasakawa Foundation in Tokyo to improve and expand the teaching of Japanese at all levels in Oregon. This initiative comes at a critical time as Oregon seeks to become a major player in the emerging Pacific Rim international economy while, at the same time, restructuring its education system. The project aspires to be a model for cooperative statewide ventures between college and pre-college level educators. It will also place Oregon at the forefront nationally in Japanese language education.

**General Goals**

1. To enable Oregon students at all levels to become the most knowledgeable and educated population in the country regarding Japanese language and culture.

2. To provide a model for cooperative development efforts between K-12 and higher education.

3. To provide a model for restructuring other content areas to meet the challenges of CIM and proficiency-based admission standards (PASS).
Specific Goals

1. To develop specific benchmarks and assessments for Japanese language relating to CIM and PASS standards.

2. To develop a standard Japanese language curriculum that will aid teachers trying to bring students to benchmark proficiency levels.

3. To provide professional development opportunities so that every Japanese language teacher in the state understands the proficiency standards and how to use the standard curriculum.

4. To link every teacher in the state via a computer network and to an electronic data base of Japanese language teaching materials.

Measurements of Success

This project will have succeeded when:

- 100 percent of Japanese students attain the CIM standards.
- 80 percent of students taking the Japanese college entrance assessment pass.
- 20 percent of students taking the college entrance assessment attain the equivalent of Intermediate-Low on the American Council of Teachers of Foreign Language (ACTFL) scale of oral proficiency.

Implementation Strategies

1. Working groups. Each of the specific goals stated above will be pursued by teams of teachers and administrators working together in small groups (see following lists of participants). By involving educators representing all levels from kindergarten through higher education, articulation is built into the development process and also creates a model for cooperative development projects.

2. Partnerships. This project will seek regional and national partners with similar goals. Oregon is not the only state undertaking educational reform, nor is it the only state to realize that the Pacific Rim is crucial to its economic and social future. By sharing
ideas and responsibilities with colleagues in other states, the effectiveness of our efforts is multiplied. We are already working closely with counterparts in Washington State and belong to national networks of Japanese language teachers.

3. **Professional growth and mentorship.** Re-tooling Japanese language education for proficiency requires that teachers become more familiar with the conceptual and technical aspects of proficiency-based instruction. The traditional approach to professional development has been to have an expert tell practitioners how to do something. Since we are breaking new ground with this project, there are no true experts. A core group of dedicated educators will develop the standards, assessments, and curriculum that are the backbone of this initiative, and in the process become experts themselves. This core group will then form a natural group of mentors for other teachers who were unable or unwilling to participate in the development phase of the project.

**Concrete Accomplishments to Date**

1. Appointed a project director, Dr. Carl Falsgraf, who began duties in September 1994.

2. Established an electronic bulletin board ("NIHONGO") linking all Japanese language teachers who have Internet access.

3. Convened meetings of curriculum, benchmarks, and assessment working groups who have begun development efforts.

4. Provided financial support to 32 teachers attending oral proficiency assessment training.

**Key Participating Groups**

1. **Board of Directors**  
Kazuko Ikeda, Pacific University  
Hiroko Kataoka, University of Oregon  
Elizabeth King, Department of Education  
Hitomi Tamura, West Linn High School  
Russ Tomlin, University of Oregon  
Suwako Watanabe, Portland State University  
Kate Yonezawa, The Catlin Gabel School
2. Assessment Working Group
Deanne Balzer, Richmond Elementary School
Sandra Gray, Forest Grove High School
Atsuko Hayashi, University of Oregon
Hiroko Nelson, Central Catholic High School
Takako Yamaguchi, Portland Community College

3. Benchmark Working Group
Susan Tanabe, Sprague High School
Sheila Baumgardner, Beaverton High School
Becky Haskins, Sheldon High School
Joyce Iliff, Richmond Elementary School
Elizabeth King, Department of Education
Suwako Watanabe, Portland State University

4. Curriculum Working Group
Noriko Roberts, Tigard High School
Mary Bastiani, Portland School District
Kyle Ennis, Aloha High School
Michiko Hern, Centennial High School
Kazuko Ikeda, Pacific University
June Mura, Cleveland High School
Kate Yonezawa, The Catlin Gabel School

Board Discussion

Ms. Christopher asked for clarification regarding the CIM and CAM requirements relative to foreign language and how that related to entrance into a State System institution. Dr. Falsgraf responded that the CIM-level of proficiency would not be high enough to satisfy college admission standards.

Ms. Puentes asked if this work could serve as a model for other languages. Dr. Falsgraf noted that not only does the potential exist to serve as a model for other languages, but for other content areas as well. He and Dr. Conley engage in ongoing discussions to coordinate and evaluate strategies.

Mr. Lee and Ms. Wilson applauded the work of Dr. Falsgraf and the goals of the project.

(No Board action required)
Mr. Grattan Kerans, director of Government Relations, reviewed a cover letter of a report on higher education from John Schoon, chair of the House Higher-Education Task Force Review Committee. In summary, Rep. Schoon's report was very complimentary of public higher education in Oregon.

Board members received copies of the higher education legislative notebooks that are being distributed to each legislator. The Chancellor will personally meet with the top 11 leaders in the House and Senate to give them their notebooks and presidents are scheduling visits with as many legislators as possible.

Mr. Kerans indicated that approximately 106 faculty have been identified to participate as part of the faculty information team project. They will assist as needed during the legislative session.

Mr. Kerans announced that the weekly Legislative Report would be delivered via e-mail starting Friday, January 27. Also, bill tracking will be handled electronically during this session.

Mr. Richardson praised the work of staff in developing an excellent legislator notebook. He also requested being alerted to bills that impact higher education and the hearing dates.

Ms. Lisa Stevens noted that there is a large freshman class in Congress, so there is opportunity and need for education. She indicated that at the top of the federal agenda are budget cuts, particularly indirect or overhead costs, as well as research funds. Student loans are also being examined. "There are some loans that do not accrue any interest while the student is in school. This is estimated to be a $9.5 million savings over the next five years, so it is very attractive for people looking for spending cuts. Other programs at risk are SSIG, another campus-based student loan program. The Direct Loan Program is also going to be examined." Ms. Stevens noted that opposition appears to be from the lending institutions. There is also talk within the Pell Grant program of changing the funding structure and moving approximately 30 percent of the funds to the Department of Labor for a skills grant to be used for vocational programs.

Ms. Stevens concluded her report by noting that the OSSHE federal priorities list for funding is still under development.
Mr. Lee asked for clarification on how the federal "Contract With America" program affects higher education financial aid. Ms. Stevens responded that, within the contract, programs that primarily have an impact on spending (like the balanced budget amendment) have a domino effect on all programs.

ADJOURNMENT The meeting adjourned at 12:20 p.m.

Virginia L. Thompson
Secretary of the Board

Les Swanson, Jr.
President of the Board