REGULAR MEETING OF THE
OREGON STATE BOARD OF HIGHER EDUCATION

May 19, 1995

ROLL CALL

MINUTES APPROVED

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CHANCELLOR’S REPORT
Legislative Update
SB 271, Higher Education Administrative Efficiency Act
OPEU Strike
Presidential Search, WOSC
Former President R. Briggs, EOSC
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ROLL CALL

The meeting of the State Board of Higher Education was called to order at 9:15 a.m. by President Les Swanson.

On roll call, the following answered present:

Dr. Herb Aschkenasy      Mr. Rob Miller
Mr. Bob Bailey           Ms. Esther Puentes
Ms. Diane Christopher   Mr. Jim Willis
Mr. Bobby Lee             Ms. Janice Wilson

Mr. Les Swanson, Jr.

Mr. Richardson and Ms. Trotman Reese were absent due to conflicts in schedule.

MINUTES APPROVED

The Board dispensed with the reading of the minutes of the April 21, 1995, meeting of the Board. Ms. Christopher moved and Mr. Lee seconded the motion to approve the minutes. The following voted in favor: Directors Aschkenasy, Bailey, Christopher, Lee, Miller, Puentes, Willis, Wilson, and Swanson. Those voting no: none.

PRESIDENT’S REPORT

President Swanson indicated that the legislative session is almost over and he thanked the Chancellor, staff, and Board members for their hard work. "I think we’ve done reasonably well under the circumstances. We’ve learned that it’s an uphill battle to fight against the Governor’s budget, which was laid out with a 14 percent cut before we ever got to the legislature. There’s more to be done. We hope to make further progress, especially with regard to the faculty salary issue."

Mr. Swanson informed the Board that, in addition to the luncheon scheduled with the Board the following week, the Governor plans to attend and participate in a portion of the Board Renewal in June. President Swanson stressed that now is the time to begin laying the foundation with the Governor so that higher education will be well positioned in the next biennial budget.

CHANCELLOR’S REPORT

Chancellor Cox concurred with Mr. Swanson’s assessment of the legislative session. He reported that higher education has been allocated
approximately $13 million in add-backs for the School of Veterinary Medicine, statewide services, and extension and experiment stations. The legislative leadership has added $15 million in General Fund dollars to the State System budget. In addition, if the usual percentages apply, the Governor’s $52 million state employee salary package will translate into approximately $10 million for OSSHE. However, the State System is still $84 million under budget.

The Chancellor reminded the Board that Governor Kitzhaber began with former-Governor Roberts’ budget as a starting point. "It’s my firm belief," stated Chancellor Cox, "that when the first true Kitzhaber budget is put together, higher education will be much more significantly represented. His interest in attending our Renewal session and his invitation to the Board for lunch is an indication of progress in how the Governor views higher education.

"The thing about which I’m most proud this session is that the Governor announced his threatened veto of the initial $100 million in the K-12 budget. The Governor called me that morning to tell me what he planned to do and to ask whether we could generate some support from higher education’s business community friends. That’s a real breakthrough because no other Governor would have referred to the business community as our asset." Dr. Cox recognized the hard work of Dr. Aschkenasy and President Frohnmayer with Associated Oregon Industries.

The Chancellor expressed his sense that it is unrealistic to try to build more local support than the 16 community colleges or K-12 school districts have. Rather, the leverage available to higher education remains with the private sector -- corporate and business Oregon. That’s the fundamental thinking behind recruiting a vice chancellor with just the right skills to lead that effort.

Dr. Cox announced that SB 271, the Higher Education Administrative Efficiency Act, passed out of Ways and Means. As amended, it still retains the requested autonomy in personnel, contracting, purchasing, and printing. The Chancellor thanked Vice Chancellor Ihrig and his staff for the countless hours of writing, revising, editing, and rewriting. "I think that, between what Oregon Health Sciences University was able to accomplish this session in getting full public corporation status, and this step, we have begun the process of re-engineering how we deliver services in this state. We will be prototypes for the rest of state government."
Chancellor Cox also thanked his staff in Salem and the legislative staff on the campuses for their incredible dedication and hard work during this legislative session.

Dr. Cox indicated that, although the contract is not yet settled, employees are back on the job. He expressed his pride in the dignified manner in which all the members of the higher education community conducted themselves.

The Chancellor thanked the Search Committee for adhering to a formidable timetable while finding excellent candidates for the position of president at Western Oregon State College.

Dr. Cox informed the Board that Rodney Briggs, the seventh president of Eastern Oregon State College, passed away. He served from November 1974 until 1982 and was regarded as a dramatic change agent, having made very innovative changes in curriculum and the way the campus serves eastern Oregon. After leaving the College, he became the CEO for the American Society of Agronomy in Madison, Wisconsin.

Dr. Sam Connell, president of the Interinstitutional Faculty Senate (IFS), invited Ms. Martha Sargent from Western Oregon State College to make a statement.

Ms. Sargent indicated that, having served as a member of the Presidential Search Committee at Western Oregon State College, she found the experience to be very positive and the outcome successful. The success is a function both of the representative process, which included Board members, Chancellor's staff, alumni, and campus and community members, and the individuals who chose to serve. "Most impressive was that this was not a case of partisanship or single-mindedness. Board members were concerned with a leadership style that would fit into Western Oregon State College. Faculty representatives were concerned with how candidates would work within the State System. Every member of the Committee was important." On behalf of the Search Committee and faculty at Western Oregon State College, Dr. Sargent thanked Committee Chair Bob Bailey, Diane Christopher, Jim Willis, and Dr. Virginia Thompson for serving.

Dr. Connell conveyed IFS appreciation to Chancellor Cox for the excellent leadership, time, and energy he and his staff have devoted to educating the Oregon legislative leadership about the importance of higher
education. He indicated that faculty welcome direction from the Board and Chancellor's Office about ways in which faculty can be utilized to help deliver that message to campus communities.

In response to the April IPS meeting regarding inadequate funding for higher education, Oregon State University Faculty Senate passed a series of resolutions regarding impending legislative decisions. Those resolutions have been endorsed by Oregon Institute of Technology, Oregon Health Sciences University, and Western Oregon State College. The text of the resolutions follows:

The Faculty Senate of Oregon State University supports Governor Kitzhaber's decision to veto the School (K-12) Funding Bill. It is hoped that this action by the Governor will force the Oregon Legislative leadership to reconsider the funding priorities they established in their budget plan, which failed to properly support higher education and many other essential functions of the State.

The Faculty Senate recommends that the Oregon Legislature approve the higher education funding proposals put forward by the Chancellor of the Oregon State System of Higher Education. The Faculty Senate strongly supports the three priorities of the Chancellor's legislative proposals:

$50 million for increases in faculty salaries. It is of paramount importance that faculty receive salary increases to offset the inflation which has occurred while salaries have been frozen, and that significant progress be made in correcting salary inequities.

Passage of the Higher Education [Administrative] Efficiency Act for the 21st Century, which, by reducing administrative inefficiencies, will permit each campus to direct a greater proportion of its budget to its essential missions of teaching, research, and service to the citizens of Oregon.

Moderate the increases in student tuition, which has increased inordinately in the past four years.
The Faculty Senate also recommends that the "kicker" law be repealed and the funds used to meet the budgetary needs of higher education and other state services.

The Faculty Senate supports the Oregon Public Employees' Union in their negotiations with the State for salary increases. They, like the faculty, have seen their earnings eroded by inflation and the impending implementation of Measure 8, and deserve an increase that will make their income equitable with those in the private sector.

In closing, Dr. Connell indicated his appreciation for the presentation Dr. Gerald Kissler made at the last Board meeting. He suggested that the IFS could assist in distributing those data throughout the communities of OSSHE institutions throughout the state.

Dr. Cox responded that he and Dr. Kissler are working to turn the slide presentation into a video that could be picked up by the cable access stations. In addition, as the Board and Chancellor's staff begin to work with the Governor and industry, there will be opportunities for faculty involvement in that arena as well.

Overview

Emerging occupations related to managing, restoring, and protecting the environment have prompted the development of new degree programs at the State System's colleges and universities in the last few years. These programs reflect the growth in jobs related to the environment requiring at least a baccalaureate.

OSSHE campuses have developed distinctive programs consistent with their respective strategic directions. For example, the University of Oregon and Southern Oregon State College offer Environmental Studies programs with a liberal arts direction that combine coursework in the humanities, social sciences, and sciences. Oregon State University's Environmental Sciences program will develop scientists with the ability to analyze and understand environmental systems, to predict environmental change, and to participate in the management of the environment. The Applied Environmental Sciences program proposed by Oregon Institute of Technology stresses the highly skilled technologies, methods, and practice of environmental assessment needed to design, implement, and interpret the results of measurement programs. The Academic Council is currently
reviewing a proposal from Oregon State University for a new academic program in Environmental Engineering concentrating on sciences, engineering science, and design, which is expected to be reviewed by the Board in the near future.

These State System programs provide an array of baccalaureate options for complex and interdisciplinary knowledge needed to address specific environmental issues and problems by scientists, technicians, administrators, policy analysts, and educators. According to the Oregon Employment Department, graduates of these environmental programs have reasonable employment opportunities in Oregon. Graduates are likely to be hired by a variety of public and private sector organizations. Although there is a supply of graduates in biological, physical, chemical, and engineering sciences in the workforce, unemployment tends to be low. Growth in demand for environmental professionals is expected to be slightly faster than the growth in the economy in Oregon as a whole. Further, the interdisciplinary nature of these programs provides the broader focus necessary for the workforce of today and tomorrow as the complex problems we face require intraprofessional examination for their solution. OSSHE graduates of these environmental programs with liberal arts, scientific, or technological directions should be advantaged in a competitive economy.

Staff Analysis

1. Relationship to Mission

The mission of Oregon Institute of Technology focuses on computer-intensive, industry-sensitive education. The proposed environmental program is highly technical and requires extensive mathematical and computer-related skills. The Bachelor of Science in Applied Environmental Sciences (AES) is a degree in science methodology and applied analysis. Oregon Institute of Technology has recently completed a comprehensive strategic plan that gives top priority to implementation of an applied environmental science program.

2. Evidence of Need

Projected enrollment for the first year is approximately 20 students who are high achievers in math and science. Some currently enrolled Oregon Institute of Technology students would transfer
from general studies. The environmental core of six courses has been developed in partnership with Portland State University and two community colleges (Clatsop Community College in Astoria and Lower Columbia College in Longview, Washington) in order to provide opportunities for transfer students. Portland State University recently received a National Science Foundation grant to facilitate the partnership to design and implement some lower division core courses in 1995-96. It is expected that some students who begin at one of the other institutions will transfer to Oregon Institute of Technology's program. The proposed program, when fully operational, can accommodate up to 200 students in total.

Oregon Institute of Technology surveyed 27 businesses to assess the supply and demand for individuals with bachelor's degrees with skills in data acquisition, analysis, computer modeling, statistics, and team-based problem solving acquired in a technically oriented program related to the environment. Survey results support implementing the program leading to a B.S. in Applied Environmental Sciences. The program will serve the regional and state needs of students who seek a strong undergraduate degree with a science, math, and technology emphasis. Although there are several environmental programs in the northwest region, none offers the technical and quantitative emphasis of the proposed program. Graduates of this proposed program are likely to hold jobs as geographic information systems (GIS) specialists, computer modelers, data interpretation experts, scientific consultants, or technical writers.

3. Quality of the Proposed Program

The B.S. degree in Applied Environmental Sciences is rigorous and project oriented. For environmental careers using both sciences and engineering in an applied manner, the proposed program provides the opportunity to acquire relevant knowledge and skills needed in the workplace. The Department of Natural Sciences in the School of Health, Arts, and Sciences would offer the proposed program. The Department of Natural Sciences has recently been reorganized by combining the biology and chemistry faculty of Health Technologies and the physics faculty from the Department of Mathematics and Physics.
4. Adequacy of Resources to Offer the Program

Faculty: The interdisciplinary program builds on basic sciences, mathematics, and environmental cores. Existing courses and course sections will be used in nearly all math and the basic sciences cores. For the environmental core, regular full-time faculty will teach courses in teams with fractional FTEs. Two new faculty would be added in geosciences and environmental sciences in 1996-97 and 1997-98 to implement the proposed program. Adjunct faculty will be used to teach some class modules related to their occupation and to assist with student projects in the field.

Infrastructure Investment. Additional library holdings, supplies and equipment are needed to support the proposed program. Oregon Institute of Technology currently has the buildings and laboratories necessary to offer the proposed program. No special or new facilities are required at this time. Private funds are being sought for equipment purchases.

Budget Impact. No new state funds are needed to implement the program, which has recurring costs of approximately $146,000 beginning in year three. The allocation of resources for materials and staffing is proposed in the current budget, subject to program approval: $20,475 in year one, $89,275 in year two, $145,525 in year three, and $146,025 in year four. No impact is projected on other existing programs and no other programs will lose resources. Resources to staff this program are based on projected savings related to retirements not replaced and shifting faculty from low enrollment courses to realize productivity improvements.

Federal funds will be used in years one and two for a total of $20,000 to develop a six-course block of lower division environmental courses with Portland State University, which was awarded a grant from the National Science Foundation. These courses would be transferable directly to the environmental programs at Oregon Institute of Technology, Portland State University, Clatsop Community College (Astoria), or Lower Columbia Community College (Longview, Washington).
Program Review

The proposed program has been reviewed by all appropriate institutional committees and a survey of employers was conducted to ascertain if the proposed program resonated with their needs. The program proposal was reviewed positively by the Academic Council. Staff review included input received from the Oregon Employment Department.

Staff Recommendation to the Board

Staff recommended the Board authorize Oregon Institute of Technology to establish a program leading to the Bachelor of Science degree in Applied Environmental Sciences, effective fall term 1995, with a follow-up review of the program to be conducted by the State System Office of Academic Affairs in the 2001-02 academic year in conjunction with a review of all other baccalaureate environmental programs offered by the State System to explore further opportunities for collaboration among OSSHE colleges and universities and opportunities for productivity enhancements. The proposal will be placed on the consent agenda for final action at the next Board meeting.

Board Discussion and Action (May 19, 1995)

Ms. Christopher moved and Mr. Miller seconded the motion to approve the staff recommendation and place the item on the consent agenda for final action at the next Board meeting. The following voted in favor: Directors Aschkenasy, Bailey, Christopher, Lee, Miller, Puentes, Willis, Wilson, and Swanson. Those voting no: none.

Vice Chancellor Clark indicated that, in the near future, the Board would be presented with a proposal developed by the Academic Council regarding a change in the program development process. As envisioned by the Council, twice a year during a Work Session, the Board would discuss with the presidents and provosts academic strategies and new areas for program development. Such a change in process would provide the Board an earlier opportunity, (before the full year or two is invested in planning), to interact with campuses about proposals. Dr. Clark reminded the Board, however, that there are currently proposals in the pipeline that are moving according to previously set schedules.
Staff Report to the Board

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

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

Staff Recommendation to the Board

Staff recommended the Board adopt the following bond resolution authorizing the issuance of Refunding Bonds.

RESOLUTION

WHEREAS, the State Board of Higher Education of the State of Oregon (the "Board") deems it necessary pursuant to law, including Article XI-F (1) and Article XI-G of the Constitution of the State of Oregon, and applicable provisions of Oregon Revised Statutes Chapter 286, 288, 351, to sell General Obligation Bonds to refund outstanding Bonds;

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

NOW, THEREFORE, be it resolved by the State Board of Higher Education of the State of Oregon as follows:

Section 1. Issue. The State of Oregon is authorized to issue General Obligation Bonds (the "Bonds"), in such series and principal amounts as the State Treasurer, after consultation with the Vice Chancellor for Finance and Administration of the Department of Higher Education, shall determine are required to refund the Bonds described in Section 2 below. The Bonds shall be designated, dated, authenticated, registered, shall mature, be payable, be subject to redemption, and otherwise contain such terms as the State Treasurer determines, after consultation with the Vice Chancellor for Finance and Administration. The Bonds shall be sold on terms that produce significant savings.
Section 2. Bonds to be Refunded. Bonds may be issued to refund all or any portion of the following series of Bonds, which were originally issued in the following principal amounts: State of Oregon, State Board of Higher Education Facilities Bonds, Series 1975 B in the amount of two million nine hundred sixty thousand dollars ($2,960,000); State of Oregon, State Board of Higher Education Building Bonds, Series 1976 A in the amount of one million two hundred fifty thousand dollars ($1,250,000); State of Oregon, State Board of Higher Education Facilities Bonds, Series 1976 B in the amount of one million six hundred thousand dollars ($1,600,000); State of Oregon, State Board of Higher Education Facilities Advance Refunding Bonds, Series 1978 A in the amount of thirteen million five hundred fifteen thousand dollars ($13,515,000); State of Oregon, State Board of Higher Education Building Advance Refunding Bonds, Series 1978 B in the amount of thirteen million one hundred sixty thousand dollars ($13,160,000); State of Oregon, State Board of Higher Education Building Bonds, Series 1978 D in the amount of two million five hundred thousand dollars ($2,500,000); State of Oregon, State Board of Higher Education Facilities Bonds, Series 1979 A in the amount of seven million five hundred thousand dollars ($7,500,000); State of Oregon, State Board of Higher Education Facilities Bonds, Series 1979 B in the amount of seven million dollars ($7,000,000); and to pay related costs. Issues may be added or deleted from this list as the State Treasurer determines to be in the best interests of the state.

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

a. The Board shall not take or omit any action if the taking or omission would cause the Bonds to become "arbitrage bonds" under Section 148 of the Code, and shall assist in calculations necessary to determine amounts, if any, to allow the State to pay to the United States all "rebates" on "gross proceeds" of the Bonds required under Section 148 of the Code.
b. Covenants of the Board or its designee in its tax certificate for the Bonds shall be enforceable to the same extent as if contained herein.

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

Section 5. TEFRA Hearings. Section 147(f) of the Code requires that a public hearing be held for certain Bonds that are classified as private activity Bonds by the Code. The Controller, the Bond Accounting Coordinator, or their designee is hereby appointed as a hearing officer for purposes of conducting any hearing that may be required for the Bonds authorized by this resolution or any future series of Bonds issued for the benefit of the Board.

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

Board Discussion and Action

Vice Chancellor Ihrig raised what he described as an obvious question: Why didn’t OSSHE refinance these bonds much earlier? The answer: interest rates were not at a point where refinancing would have saved money. Now the bonds are at an age where they’re callable and there are no extra refinancing fees. There will be a net value savings, after fees, of approximately three percent (about $850,000). The expected interest rates are approximately 4.25 percent short-term to 5.5 percent long-term, and they extend to 2009. The projected sale date is June 1 and the closing date will be June 28, 1995.

Mr. Miller asked how these savings would be distributed. Mr. Ihrig replied that it's a mix of funds based upon the original sale of the bonds. There are general obligation and state bonds, and the state pays the debt service on these, consequently they will receive the savings on those bonds. For the XI-F(1) bonds, on which the State System pays the debt service from either dormitory funds or parking fees, the savings will be split so that future debt service paid by the various organizations is
reduced. In other words, savings are returned to the original obligee of debt service payment.

Ms. Wilson moved and Dr. Aschkenasy seconded the motion to approve the staff recommendation. The following voted in favor: Directors Aschkenasy, Bailey, Christopher, Lee, Miller, Puentes, Willis, Wilson, and Swanson. Those voting no: none.

Staff Report to the Board

The University of Oregon requested Board authorization to use approximately $200,000 of the Constance Dorothea Weinman trust. The University has designated $100,000 of this amount for construction of the Vivian Olum Child Care Center. The completion of the Child Care Center is seen as vital in the recruitment and retention of new female faculty.

The remaining approximately $100,000 of the Weinman trust funds are, as yet, undesignated. The University seeks Board approval to authorize the president of the University of Oregon to designate these remaining funds in a manner that best meets the needs of the University.

Gifts that exceed $100,000 in value require Board approval before funds can be released for expenditure.

The total amount of the Weinman trust to be distributed to the University of Oregon is approximately $450,000. The University of Oregon has concluded that the highest priority for the best use of these funds is to establish a quasi-endowment for $250,000, to be used by the College of Education to support a professorship. Establishment of a quasi-endowment does not require Board approval. Board approval is required for expenditure of the remaining $200,000 of this trust, as described above.

Staff Recommendation to the Board

Staff recommended the Board authorize the University of Oregon to spend approximately $200,000 of the Constance Dorothea Weinman trust in the manner described: $100,000 for construction of the Vivian Olum Child Care Center, and the remaining approximately $100,000 as designated by the president of the University of Oregon.
Board Discussion and Action

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

Staff Report to the Board

Institutional officials at Southern Oregon State College forwarded to the Office of Finance and Administration an option to purchase a parcel of land within the approved campus boundaries. The property is in the west portion of campus and is bordered on all sides by Southern Oregon State College property. The property is within an area identified on the campus master plan as a public/private opportunity area and for college-sponsored housing. The parcel of land contains approximately 0.2 acres and has a 1350-square-foot, five-room (two-bedroom) single-family residence located on it, as well as a garage with attached carport. The property is being offered by the owner for $127,500, a price established as the result of two independent appraisals made on the property. The Ashland housing market is experiencing a significant increase in average sale prices, reinforcing the desirability to act promptly in acquiring the parcel.

The property has always been used as a private residence. The sellers, Robert and Delores Meinke, have attested, to the best of their knowledge, that there are no known hazardous materials on the property. Southern Oregon State College personnel physically reviewed the property and completed the Site Inspection Report required by the Board. There were no signs of any conditions that would indicate a potential problem with hazardous materials or wastes.

The property is currently zoned for medium-density residential use. Southern Oregon State College will use the parcel for family student housing, for which there is a considerable waiting list.

The purchase will be funded from $127,500 of Article XI-F(1) bond proceeds to be repaid from family housing rental income. The purchase is to be made under authority of Chapter 647, Section 2(1), OL 1991 ($13,000) and Chapter 538, Section 1(1)(e), OL 1993 ($114,500).
Staff Recommendation to the Board

Staff recommended the Board authorize the Office of Finance and Administration to purchase, on behalf of Southern Oregon State College, the parcel of land from Robert and Delores Meinke for the option price of $127,500.

Board Discussion and Action

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

Staff Report to the Board

Oregon State University requested that the Board lease to the Oregon State University Alumni Association, Inc., a parcel of land within the campus boundary. The Alumni Association would permit the construction on the parcel of the Oregon State University CH2M Hill Alumni Center, which will be funded entirely from private donations. The facility, which is expected to cost $6.5 million and to total approximately 45,000 gross square feet, will provide meeting, office, and other facilities for the Department of Alumni Relations, students and staff of Oregon State University, and the general public. The facility, to be constructed under the management of the Alumni Association, would be located on 26th Street across from Parker Stadium and Gill Coliseum and would be used to host alumni events taking place during sporting events, as well as many other alumni- and Oregon State University-sponsored events.

The parcel consists of approximately 82,788 square feet, or 1.9 acres. When completed, the parcel will include a building and some adjacent parking and access to additional parking across 26th Street in the Parker Stadium and Gill Coliseum parking lots. The plans and specifications for the facility would be subject to approval of staff of both Oregon State University and the Board. Construction is expected to begin in the summer of 1995.

Oregon State University and Alumni Association officials are prepared to enter into an Agreement for Land Lease that would grant the Alumni Association the right to occupy the land for the purpose of constructing the Alumni Center. Upon completion of the Alumni Center, the lease calls
for the return to the Board of all rights, title, and interest, including possession, of the site, improvements, equipment, and furnishings. The Agreement for Land Lease and an accompanying License Agreement outline the rights and duties of all parties to this transaction. The lease and license agreement have been reviewed and found acceptable by Board's legal counsel.

Staff Recommendation to the Board

Staff recommended that the parcel of land for the site of the Alumni Center be leased to the Oregon State University Alumni Association, Inc., for the time needed to complete construction of the Alumni Center. The lease shall expire if construction has not been started within two years from the beginning of the Agreement for Land Lease.

Board Discussion and Action

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

Staff Report to the Board

The Oregon Department of Transportation requested to purchase a small parcel of land on the Oregon State University Fairplay Farm and the granting of a permanent easement and a temporary construction easement. The deeding of the land (approximately 140 square feet) and the easements are required to allow installation of a traffic light at the intersection of Highway 20 and N.E. Conifer Boulevard. The installation of the traffic light at this dangerous intersection will not only benefit the Fairplay Farm but also is needed to provide more safety for the Fairplay School, located nearby. The Oregon Department of Transportation had an appraisal made of the parcel to determine its value and related costs to restore the Oregon State University property. The value was determined to be $5,500. Oregon State University officials have indicated their concurrence and support for the installation of the traffic light. The permanent easement is for slopes and water, gas, and electric, and communications service lines. The temporary construction easement allows temporary use of a small strip of land for construction purposes.
Staff Recommendation to the Board

Staff recommend the Board authorize the Office of Finance and Administration to sell the small 140-square-foot parcel to the Oregon Department of Transportation and to grant the two easements.

Board Discussion and Action

Ms. Wilson moved and Dr. Aschkenasy seconded the motion to approve the staff recommendation. The following voted in favor: Directors Aschkenasy, Bailey, Christopher, Lee, Miller, Puentes, Willis, Wilson, and Swanson. Those voting no: none.

Staff Report to the Board

Lewis and Evelyn Roth donated a parcel of land containing approximately 52.8 acres located in Yamhill County near Grand Ronde to the Oregon State University Foundation for use by the Oregon State University Department of Botany and Plant Pathology. The Foundation desires to deed the property to Oregon State University for use by the Botany and Plant Pathology Department. An appraisal was made of the timberland by Yaquina Forestry Services, which valued the land at $18,648 and the timber on the land at $758,110 for a total value of $776,758. Dr. Lewis Roth was a professor of forest pathology in Botany and Plant Pathology from 1940 until his retirement in 1975. The land was Dr. Roth’s hobby tree farm, and he took great pride in its good management and productivity. There has been ongoing research and teaching in botany and plant pathology on the property both by Dr. Lewis and other faculty and students from the Oregon State University Department of Botany and Plant Pathology. It is an isolated parcel with very limited access and has an unusual range of ages of plants and trees on a compact parcel. This will allow for a variety of teaching and research opportunities without the disruption that often occurs on the much more public McDonald Forest adjacent to Corvallis. A portion of the timber will be harvested to provide for an endowment to benefit Botany and Plant Pathology students and to fund educational activities. An environmental site assessment was conducted by Oregon State University officials; their report indicated that no evidences of hazardous materials or environmental concerns were found.
Oregon State University officials have informed the Office of Finance and Administration of their desire to obtain this parcel of land for use by students and faculty in the Department of Botany and Plant Pathology.

Staff Recommendation to the Board

Staff recommend the Board authorize the Office of Finance and Administration to accept on behalf of Oregon State University the parcel of land from the Oregon State University Foundation.

Board Discussion and Action

Ms. Wilson moved and Dr. Aschkenasy seconded the motion to approve the staff recommendation. The following voted in favor: Directors Aschkenasy, Bailey, Christopher, Lee, Miller, Puentes, Willis, Wilson, and Swanson. Those voting no: none.

Staff Report to the Board

The University of Oregon requested that the Board amend a 1948 Lease Agreement between the University and the City of Eugene to provide for increased land to allow the City to construct an addition to an existing fire station. The proposed revisions to the lease would keep the agreement substantially the same but would expand the amount of property leased to the City from 7,000 square feet to approximately 12,000 square feet. Equipment, apparatus, and fire station staffing have changed dramatically since the original lease was signed in 1948. Expansion and reconfiguration of the apparatus bays, driveways, and the interior station space are needed to bring the station up to current standards and to ensure continued efficient and effective operation.

A University-owned rental house is currently located on the property targeted for expansion of the fire station. The City will pay for moving the house to another University-owned site and preparing it for occupancy.

In addition to amending the lease for the increase in property, the original ending date of the lease would be extended for an additional 47 years, providing for an ending date in the year 2094. The lease has been reviewed by legal counsel for the University and by the Board's staff.
Staff Recommendation to the Board

Staff recommended the Board amend the 1948 lease agreement with the City of Eugene to provide for an expanded site for the City fire station and to extend the time period of the lease.

Board Discussion and Action

Ms. Wilson moved and Dr. Aschkenasy seconded the motion to approve the staff recommendation. The following voted in favor: Directors Aschkenasy, Bailey, Christopher, Lee, Miller, Puentes, Willis, Wilson, and Swanson. Those voting no: none.

Mr. Bailey reported that the next meeting of the Working Group would be on June 21, which is after the Board Renewal. Part of the Renewal agenda will be discussion of Joint Boards priorities and follow-up on the conversations of the CEOs regarding working relationships. The goal of the Working Group's June meeting is to have enough information from the individual boards to be able to develop a two-year work plan with identified priorities for the Joint Boards process.

Mr. Bailey reported that the Committee has forwarded three names for the Chancellor's review. Those finalists will be announced in a press release on Sunday, May 21. The Board will meet and interview the finalists on Wednesday, May 23. Mr. Bailey outlined the events surrounding the next step in the search process, noting that the goal is to be able to take final Board action Wednesday afternoon. Mr. Bailey thanked the Committee for their cooperation, commitment, and hard work.

Ms. Christopher echoed Ms. Sargent's earlier comments about the process and especially her appreciation for the time and effort Mr. Bailey has devoted to leading the Committee. Chancellor Cox underscored that selecting campus leadership is the single most important task the Board performs.

President Swanson indicated that the Executive Committee had met in the morning before the Board meeting. During that meeting, the Committee discussed the interim leadership appointments: Interim president at the University of Oregon, Dave Frohnmayer; interim president at Southern Oregon State College, Steve Reno; and Chancellor Joseph Cox.
The Executive Committee recommended that the full Board undertake the following process relative to the interim appointments at the two campuses. First, ask the Chancellor to meet with the incumbents to ascertain whether they wish to continue in those positions. Second, direct the Chancellor, accompanied by a Board member, to visit each campus and meet with the relevant groups -- faculty, staff, alumni, students, community -- to determine whether or not the Board should initiate a full search process to name permanent people to these positions. Mr. Miller would visit the University of Oregon and Ms. Christopher would visit Southern Oregon State College. If the constituent groups express satisfaction, then the request may be forwarded to the Board to suspend the Board’s policy on presidential selection and make these interim appointments permanent. The Chancellor’s report, which would provide the Board with the basis upon which to make a decision, is to be presented at the June Board meeting.

Mr. Swanson noted that the process employed to arrive at a similar decision regarding the permanent appointment of Chancellor Cox will naturally be different than the process used for the presidents. The details of that are not clearly defined at this time, but basically the Board will make the same kind of analysis. "I hope to have that process completed as early as possible," said President Swanson, "so that we can announce whether we will be going through a full-scale search to appoint a permanent Chancellor or whether we have decided to make the interim appointment permanent."

A Joint Report Submitted by the

Oregon Department of Education
Oregon State System of Higher Education
Teacher Standards and Practices Commission

May 1995

In January 1994, the Joint Boards of Education and Teacher Standards and Practices Commission (TSPC) accepted a cooperatively developed Action Plan on Redesigning Teacher Preparation and Licensure. The purpose of this work is to realign teacher licensure and teacher preparation programs available at Oregon’s colleges and universities with reforms called for in the Oregon Educational Act for the 21st Century.

The Action Plan consists of ten policy questions based, in part, on a study of needed changes in teacher education. This OSSHE-funded project was
conducted by Western Oregon State College and Teaching Research in 1992-93. The affected agencies were identified as agencies asked to take the lead for each of the policy questions.

A number of activities for review of the policy questions followed. Information was summarized for the Joint Boards and TSPC in May 1994. This led to the adoption of Action Plan II in September 1994, which outlines a ten-part procedure to research and field test aspects of the proposals assigning various groups responsibility for certain areas. As with Action Plan I, lead agencies have been identified to move implementation initiatives forward.

The following reports on progress since last reviewed by the lead agencies at the Joint Boards' January 1995 meeting. This progress will be reviewed in some detail at the Joint Boards Working Group meeting scheduled for June 14, 1995. Each board is receiving a progress report on these initiatives in order to surface individual board concerns in advance of the June Joint Boards Working Group meeting.

1. **Educational Dissemination Forums**


**Progress in Implementation**

- OSSHE Colleges of Education were asked to take the lead in planning forums. Deans and faculty of Schools of Education worked with the Chancellor's Office to plan and implement the forums.

- A two-day Joint Boards' Forum was held at Oregon State University on April 27-28, 1995, with videotaping of key sessions available to those who could not attend. The first day focused on multi-age primary programs. The second day focused on math/science, and technology/computer networks. Pre-announcements were mailed to nearly 2,000 educators throughout the state notifying them about the conference. Final announcements were
mailed to 500 educators. The Chancellor’s Office identified grant funding and legislative appropriations to cover costs of planning/offering forums: Eisenhower Higher Education grant funds were used for math, science, and technology topics; staff development lottery dollars were used for the multi-age program topic.

A diverse audience of more than 230 attended the Forum: 110 registered at the multi-age grouping session, 125 at the math/science session, and 70 at the computer/technology session. Over 100 copies of the tape sets were requested by participants; Oregon State University’s Communication Media Center is working with the Chancellor’s Office to fill those orders during May. (Videotaping was provided by Oregon State University’s Media Communications staff.)

Many positive reactions were received at and since the Forum. Particularly cited were the opportunity to learn about reforms underway at K-12 schools throughout the state, and the opportunity to share information among a diverse group of educators (K-12, teacher preservice, faculty and students, agency staff, and association staff).

Many asked if there would be future Joint Boards Forums. The staff concurs with comments from many participants at the Forum, that more such opportunities are needed for educators to get together to disseminate information about the latest practices. Reform is affecting all the sectors, K-12 through higher education preservice programs, yet many are unaware of initiatives outside their own sector. However, given the staff time and costs involved in planning and implementing forums such as these, staff recommend that the Joint Boards consider this only when sufficient resources are available for such purposes.

Oregon State University provided leadership through a grant from the National Science Foundation in holding three regional workshops around the state attended by K-12 teachers and higher education faculty to determine what K-12 teachers of math and science will need to teach in 21st Century Schools, and what preservice changes, therefore, need to be made. A report on findings from the workshops was provided at the Joint Boards Forum.
Meeting #640

May 19, 1995

- Oregon State University sponsored a session on the role of counselors on February 10, 1995. Representatives from K-12, the Oregon Department of Education (ODE), Portland State University, and the TSPC attended this session. Follow-up activities are planned.

- Joint initiatives regarding the role of administrators are in the early discussion stages. TSPC has taken the leadership in planning discussion sessions around changes in licensure requirements that may be needed for administrators.

- Key Contact: Holly Zanville, Oregon State System of Higher Education

2. **Edit 14 Teacher Functions**

   Edit the 14 teacher functions established in the Western Oregon State College/Teaching Research study to reflect recommendations from reviewers, national reform efforts and various college and university studies, such as the Western Oregon State College research on work samples. Invite specialty area and professional associations to assist in reviewing the existing and proposed subject matter endorsements. Report findings to the Joint Boards and TSPC by May 1995. Lead Agency: Oregon Department of Education

**Progress in Implementation**

- ODE has developed questions for public and professional comment and designed a review process. These have been reviewed with TSPC and the Chancellor's Office. Western Oregon State College and Oregon State University were contacted for research assistance on focus questions. Requests for public and professional review/comment were mailed, with a deadline for return by January 31, 1995, to all ESD and District Superintendents, all Building and Site Council Chairs, all Superintendents and Directors of State Schools, all community colleges, all professional organizations, all Deans of Colleges of Liberal Arts and Sciences and Colleges of Education.

- Two half-day meetings for conference committees to review public and professional comments and applicable research were held on
February 16 and 28, 1995. ODE provided financial assistance to implement this initiative.

Prior to the conference committee meetings, every participant was furnished with both the general definition statements and extended definitions and explanations as provided by the Del Schalock study. Following review of this and other literature, and a thorough review of written comments received by the Department of Education in response to its request for participation, the committee has suggested changes in the wording of the definitions. A copy of the recommended changes will be presented to the Joint Boards Working Group at its June meeting.

Key Contact: Joanne Flint, Oregon Department of Education

3. Establish Developmentally Aligned Endorsement

Proceed with establishing developmentally aligned licensure endorsements, for example, primary, middle level, and high school endorsements suggested by various professional associations and the Western Oregon State College/Teaching Research study. The endorsement would focus on knowledge, skills, and abilities needed at each level. The endorsements should be proposed by February 1995, ready for adoption by TSPC by September 1995. If adopted, they should be incorporated into Oregon teacher education programs by September 1, 1996. Lead Agency: Teacher Standards and Practices Commission

Progress in Implementation

TSPC formed a committee to study developmentally aligned licensure endorsements, particularly a middle level endorsement that would be aligned with the Certificate of Initial Mastery (CIM).

The committee developed proposed language for the endorsements for public comment during spring 1995.

Dave Myton met with the OSSHE Deans of Education on January 23 and March 30, 1995, to review proposed changes and determine readiness of OSSHE institutions to respond when/if new endorsements are put into place.
TSPC has prepared a proposed developmentally aligned licensure structure that is an appendix to this document. Hearings on the proposed structure will be held at five locations in the state in May (Baker City, Medford, Salem, Pendleton, Eugene), with a final hearing scheduled for Salem in September. Administrative Rules to implement the proposed Redesign of Teacher Preparation and Licensure will be available at each of the hearings, and directly from the TSPC.

Key Contact: Dave Myton, Teacher Standards and Practices Commission

4. Plan for Amending Preparation Programs

Request Oregon Association of Colleges of Teacher Education (OACTE) institutions to compare current teacher education programs against the amended 14 teacher functions and the proposed endorsement levels, the PASS (college admission standards), and CIM and Certificate of Advanced Mastery (CAM) standards. Require reports from each institution by November 1995, establishing a timeline for incorporating the amended 14 functions into preparation programs by September 1996. Lead Agency: Oregon State System of Higher Education, Independent Colleges

Progress in Implementation

OSSHE began working on this initiative as part of the Oregon Association of Colleges of Teacher Education (OACTE) in order to work collaboratively with the independent institutions. Work on this initiative began after ODE completed its work on #2 related to editing of the 14 teacher education functions. Joanne Flint and Dave Myton met with the OSSHE Deans of Education on January 23 and March 30, 1995 to review this task. Dave Myton later met with the private institutions to request their involvement. This work is ongoing.

Key Contact: Holly Zanville, Oregon State System of Higher Education
5. **Establish Needed Subject Endorsements**

Review subject matter and/or specialty endorsements needed by teachers at all endorsement levels. If appropriate, establish two or more integrated subject endorsements, such as language arts/social studies and math/science. Consider the petition for an endorsement in Bilingual/ESL/Second Language instruction. Make provisions in licensure for teachers who choose and/or are reassigned to new grade levels. These endorsements should be ready for adoption by September 1995 and incorporated into teacher education programs by September 1996. **Lead Agency:** Teacher Standards and Practices Commission

**Progress in Implementation**

- TSPC formed a committee to review subject matter and/or specialty endorsements needed by teachers, receiving comment on the following: Bilingual/ESL/Second Language, Integrated Math/Science.
- Dave Myton met with the OSSHE Deans of Education to receive input at the January 23 and March 30, 1995 meetings.
- TSPC has developed rules for the endorsements in Bilingual/ESL, for which there are scheduled hearings. TSPC will report on this and other endorsement proposals at the June meeting of the Joint Boards Working Group.
- **Key Contact:** Dave Myton, Teacher Standards and Practices Commission

6. **School Counselors and Administrators**

Review the preparation and licensure for school counselors and administrators in view of the roles they will have in 21st Century Schools and report the findings to the Joint Boards in May 1995 for discussion. **Lead Agency:** Teacher Standards and Practices Commission

**Progress in Implementation**

- TSPC formed a committee to review preparation and licensure for schools counselors and administrators.
Oregon State University sponsored a review session on the Role of Counselors on February 10, 1995. Findings were provided in a March 8 memorandum to TSPC.

Findings will be provided by TSPC to the Joint Boards Working Group.

Key Contact: Dave Myton, Teacher Standards and Practices Commission

7. **Misassignments**

Study the results of TSPC's new (1994-95) revised misassignment procedure for 21st Century Schools and report on staffing patterns in these schools to the Joint Boards and TSPC in September 1995. Lead Agency: Teacher Standards and Practices Commission

**Progress in Implementation**

- TSPC is studying 1994-95 misassignments to determine what impacts school reform has on school staffing and to determine what, if any, changes need to be made in misassignment policies.

- A report will be made to the Joint Boards and TSPC in September 1995.

- Key Contact: Dave Myton, Teacher Standards and Practices Commission

8. **Further Review on Professional Development, Community College Licensing, Student Learning Gains**

Progress in Implementation

- ODE has developed questions for public and professional comment and designed a review process. These have been reviewed with TSPC and the Chancellor's Office.

- Western Oregon State College and Oregon State University were contacted for research assistance on focus questions. Requests for public and professional review/comment were mailed with a deadline for return by January 31, 1995, to all ESD and District Superintendents, all Building and Site Council Chairs, all Superintendents and Directors of State Schools, all community colleges, all professional organizations, all Deans of Colleges of Liberal Arts and Sciences and Colleges of Education. Two half-day meetings for conference committees to review public and professional comments and applicable research were held February 16 and 28, 1995. ODE provided financial assistance to implement this initiative.

- Results from these sessions included direct responses to each of the questions posed and specific and general recommendations in each of the investigative areas. These recommendations developed during the conference hearings of February 16 and 28, 1995, were then assembled by the facilitators or committees, sent out for review to each member, and put into a common format. Specifics of each report will be provided to the Joint Boards Working Group at its June meeting.

- On April 9, 1995, open meetings were held at the Department of Education. All specialists were invited to review the same materials provided to the conference committees earlier, as well as nearly final versions of the conference committee reports. The results of those meetings will be merged into a "white paper" representing the consensus of the professional staff at the Department of Education.

Key Contact: Joanne Flint, Oregon Department of Education

9. One-Stage vs. Two-Stage License

Study the advantages and disadvantages of a one-stage license (Basic only) rather than the current two-stage (Basic and Standard) license.
Discuss the changes that should be incorporated into preparation for the initial license if a second-stage license is not required. Report findings to the Joint Boards and Teacher Standards and Practices Commission by May 1995. Lead Agency: Oregon State System of Higher Education

Progress in Implementation

- Dave Myton met with the OSSHE Deans of Education on January 23, 1995, to review the issues of one-stage versus two-stage licensure. Deans were asked to contact colleagues around the country to determine what sort of licenses are used elsewhere and the benefits/disadvantages in other systems. A discussion session was held with the Deans on March 30, 1995.

- A variety of license options are followed in other states. Many have a one-stage licensure with professional development requirements used as a condition for relicensure. Others have the two-stage license that Oregon follows. Another state cannot be identified that follows a two-stage license that only applied to a portion of the teachers as does Oregon. (Secondary teachers must hold a Basic and Standard, but Elementary teachers are only required to hold the Basic in Oregon, with no professional development requirement. Other states require all their teachers to come under the two-stage licensure where they have that structure.)

- Two campus consortia have provided their recommendations to TSPC to date:

The PSU Consortium for Professional Education agreed that Oregon should have a basic license as the "provisional permit" to practice with satisfactory experience resulting in the "permanent license." They would want to look at the validity of the assessment for each stage, however. The concept of beginning teacher mentoring was strongly supported, and there was also very strong support for required continuing professional development. The idea of additional national certification was supported, noting that it should be voluntary and it should be recognized that it is "not for everyone."
The Oregon State University Teacher Education Consortium endorses a two-stage licensure program to include: 1) the completion of an approved teacher education program resulting in initial licensure, 2) individual professional development that meets the requirements of the 14 teacher education functions, to be created and assessed by a collaborative team of peers and administrators, and 3) to achieve permanent status, a teacher must demonstrate continuous improvement and be monitored annually at the district level. A probationary period would be extended from three to seven years. Permanent status would be achieved through an evaluation of a portfolio developed according to levels of performance determined by local, state, and professional standards.

- The discussions held to date have resulted in varied views on whether we should have a one-stage or two-stage license. TSPC has held many discussions on this topic, which has been merged with #3 to develop a proposed Redesign of Teacher Preparation and Licensure (incorporates changes in the stages in licensure with a developmentally aligned structure). Reactions to this proposal will be sought at hearings scheduled by TSPC at five locations throughout the state in May 1995, and at a final hearing in September 1995 in Salem. While OSSHE institutions have and will continue to provide input on this issue, at this stage, it is a TSPC-driven item because of the centrality of this issue to licensure.

- Key Contact: Holly Zanville, Oregon State System of Higher Education; David Myton, Teacher Standards and Practices Commission

10. Staff Collaboration

Direct staff of the Joint Boards/TSPC to meet as needed to implement proposed activities in this action plan. Lead Agency: Oregon Department of Education, Oregon State System of Higher Education, Teacher Standards and Practices Commission

Progress in Implementation

- Holly Zanville, Joanne Flint, and Dave Myton have been meeting approximately every two weeks to review progress in implementing the plan.
Board Discussion

Associate Vice Chancellor Holly Zanville reviewed the background and steps that have been taken by the three entities -- OSSHE, Department of Education, and Teacher Standards and Practices Commission (TSPC) -- leading to this report.

President Swanson asked if the State System's main stake in this undertaking was program changes in OSSHE Schools of Education. Dr. Zanville responded that, beyond what is happening on OSSHE campuses, OSSHE is concerned about the interface with K-12. Since student teachers are field trained, identifying 21st Century schools for student teacher placement is crucial. Stemming from that is the issue of professional development for teachers who are supervising OSSHE student teachers, so the broader issue is developing everyone's skills. She noted that Dr. David Myton, executive secretary of TSPC, indicates that the last time Oregon truly redesigned its licensure system was in the 1960s. In other words, this is a major set of changes that will impact all of the agencies in a number of ways.

Dr. Aschkenasy asked how this restructuring will improve the quality of the output as well as restructure schools. Vice Chancellor Clark reminded the Board that they would be hearing a progress report on Proficiency-based Admission Standards System (PASS) in July. "We're trying to work with successively more pilot schools. Schools want to work directly with us on curriculum revision and implementation of the new standards. So it isn't just through teacher relicensure designs that we're trying to achieve better teaching and better learning. We're also working on the front end of standards and proficiency development with the schools as well. Otherwise, it would be simply a lot of organizational rearrangements without any real effect on what students learn."

Ms. Puentes added that student assessment should be an integrated approach as opposed to compartmentalized. "Also, teachers are lacking information about working with culturally and linguistically diverse students and at-risk students. Students are coming from families that are quite different from 25 or 30 years ago." Dr. Clark responded that that is all part of the goal and included in the dialogue and construction of a design that meets the spirit of HB 3565.
Ms. Christopher asked how accepting K-12 teachers and administrators are of PASS. Dr. Clark replied that there are positive reactions. "We have a long list of schools who want to be chosen as pilot schools. Last fall, we obtained two federal grants, one of which will enable us to build successively higher numbers. We have a grant that will essentially involve the whole Portland Public School System."

Ms. Wilson asked how participating schools are chosen. Vice Chancellor Clark explained that there are multiple criteria. "We want schools in diverse locations with diverse student bodies. Even in the first four, we have a mixture of schools with high versus low numbers of college-bound students because we didn’t want to pick only schools that might be the easiest with which to work."

(No Board action required)
REDESIGN OF TEACHER PREPARATION AND LICENSURE

TSPC has been studying the impact of the 21st Century School Act on teacher preparation and licensure since September 1991. Based upon the work of the Commission, and recommendations from the Joint Boards of Education and from educators from across the State, a new design for preparation and licensure of teachers has been formulated. The Commission is now entering the final stages of preparing the proposal for hearings and possible adoption on September 22, 1995.

As this is being written, the Oregon Legislature is considering changes in the 21st Century School Act. It is possible that major modifications may result, and this raises questions about continuing with redesign of teacher preparation and licensure in view of uncertainty about the 21st Century School Act.

The Commission believes that regardless of the outcome of discussions on the 21st Century School Act, a reformulation of teacher preparation and licensure is appropriate. Schools will be asked to accomplish new tasks in the 21st Century. The inclusion of students with disabilities, within regular classrooms, is altering dramatically teachers' responsibilities. Subject matter is changing as a result of technology and research. Much more is known today about the developmental aspects of childhood and adolescence that undergird teaching and teacher preparation. Educators in the 21st Century will be expected to work in new ways with families, communities and businesses. National efforts are under way to reformulate teacher preparation within schools of education, and national recommendations on goals for elementary and secondary education also are gaining ground.

As a result of these and other factors, professional groups in Oregon have encouraged TSPC to establish a developmentally aligned licensure structure. The following pages outline such a preparation and licensure system.

The Commission invites comments on the proposal either in writing or at the hearings listed on page 4 of this brochure.
THE NEW DESIGN

Entry Into the Profession

1. The proposal makes provision for entry into teaching from a variety of backgrounds including: business and industry, teaching experience in community colleges and four-year institutions; preparation in traditional four-year, five-year and fifth-year teacher education programs; and teaching in other states and countries.

2. The Initial Teaching License would be valid for three years and would be renewable once. During the first year of teaching, the school district would provide orientation and mentoring to assist the beginning teacher.

3. Licenses would be issued for four levels: Early Childhood (including ungraded and self-contained classrooms), Elementary, Middle Level, and High School. Teaching specialties would be noted on the licenses at each level to recognize teachers' competence in subject matter, special education, or other educational specialties.

Beginning Teacher Assessment

4. During the second and/or third year of teaching, the Commission would coordinate the Beginning Teacher Assessment. The beginning teacher would demonstrate competence through a portfolio which would include such items as work samples, examples of pupil learning gains, video tapes of classroom activities, evaluations by administrators, reports of observations by colleagues, etc.

5. Based upon the findings of the Beginning Teacher Assessment, an individualized plan of professional development would be established. The plan might include further preparation in subject matter or pedagogy, planned work experiences in business and industry, training on new programs or curricula at the district level, further mentorships by colleagues regarding integrated curricula, and experiences in social agencies serving school-aged children.

ASSURING COMPETENT TEACHERS THROUGH PREPARATION, LICENSURE, AND RENEWAL OF LICENSURE

**Pre-Service Preparation**
- Approved Programs - 4, 5, & 5th yrs
- Out-of-State Licenses and Reciprocity
- Alternative Entry Based on Educ & Experience, eg. Bus/Ind

**Extended Preparation and Assessment**
- College Recommends Based on Approved Program & Assessment of Student Tchg, incl Two Work Samples
- Licensure Tests of Subject Matter & Prof Know
- Initial Tchg License* Valid 3 yrs
- Initial Tchg License* Valid 3 yrs
- Four Levels:
  - Early Child--Age 3-Gr 4
  - Elem--Gr 3-6
  - Middle--Gr 5-10
  - HS--Gr 9-12
- School Dist Mentor Prog
- Beginning Teacher Assessment Program & Individual CPD Plan
- Reciprocal/Professional Technical License*
- Less 5 yrs
- More 5 yrs
- Additional Requirements, If Necessary

**Continuing Professional Development**
- Successful Experience & Continuing Professional Development
- License Renewal Every Five Years
- Nat'l Board Assessment & Certification (Voluntary)

*Both the Initial and Continuing Teaching License would be endorsed in subject matter, special education, and/or other specialties appropriate to the age level the license. The current list of endorsements would be updated, and English as a Second Language/Bilingual would be added. 
Continuing Licensure of Professional Teachers

6. Upon successful completion of the individualized plan of professional development, the teacher would be issued a Continuing License valid for five years and renewable. Additional specializations acquired as a result of the planned program of continuing development would be noted on the license. Persons holding this license will be encouraged to assume leadership roles on school and/or district committees and in assessing the school's performance in meeting district and State education objectives.

7. Renewal of the continuing license every five years would be based upon teaching experience and participation in continuing professional development activities. The employing district would document both continuing professional development and successful employment necessary for renewal of licenses.

National Board Certification

Certification by the National Board of Professional Teaching Standards will be encouraged. TSPC's proposed licensure system, with its emphasis on self-assessment and continuing professional development, should assist teachers to prepare for NBPTS evaluations. Teachers who achieve NBPTS certification will have met the professional development requirements for the next renewal of their Oregon Continuing Licenses.

REGIONAL HEARINGS

TSPC will conduct public hearings on the above proposal as follows:

May 1, 1995 - 4:30-7:00 p.m. May 2, 1995 - 6:00-8:30 p.m.
Baker High School Library Umatilla ESD Room 106
2500 "E" Street, Baker City 200 SW Nye Ave., Pendleton

May 8, 1995 - 6:00-8:30 p.m. May 9, 1995 - 6:00-8:30 p.m.
Jackson ESD Conference Room Eugene SD Auditorium
101 N. Grape St., Medford 200 N. Monroe, Eugene

May 18, 1995 - 4:00-7:00 p.m. Sept. 21, 1995 - 4:00-7:00 p.m.
Public Service Bldg Basement A Public Service Bldg Basement A
255 Capitol NE, Salem 255 Capitol NE, Salem

Copies of administrative rules to implement the proposed Redesign of Teacher Preparation and Licensure are available from TSPC, Public Service Building Suite 105, 255 Capitol NE, Salem, OR 97310.
Staff Report to the Board

The third quarter investment report of the Pooled Endowment Fund of the Oregon State System of Higher Education for the period January 1, 1995, through March 31, 1995, was presented in two parts: first, a summary report from the Common Fund that describes the performance results of the various funds used by the State System, followed by tables showing the market value and investment performance of the State System Pooled Endowment Fund through March 31, 1995.

COMMON FUND SUMMARY

Equity Fund - ($38.4 million market value.) The fund had a total return of 6.8 percent for the quarter as the U.S. equity markets recovered from the lackluster performance of 1994. The Standard & Poor's 500 Index (S & P 500) had a total return of 9.7 percent. As was the case in 1994, S & P 500 returns were driven by the strong performance of large capitalization stocks during the quarter. The Common Fund's broadly diversified Equity Fund is at a disadvantage whenever this occurs. One measure of the difference in returns between large and small stocks is provided by the returns of the Russell 1000 (large capitalization) Index (9.0 percent) and of the Russell 2000 (smaller capitalization) Index (4.6 percent).

This was also a poor quarter for international investing as foreign markets trailed the U.S. In addition, dollar weakness hurt overseas returns. A bright spot in the Equity Fund was the absolute return sector, which had a 10.2 percent return for the quarter after it had detracted from performance for most of last year.

Bond Fund - ($24.2 million market value.) Fixed income markets also recovered in the first quarter, making up all the damage done in 1994. The Bond Fund had a total return of 6.1 percent compared to the 5.0 percent for the Lehman Aggregate Index. Unlike the equity markets, foreign bond markets were stronger than the domestic market, and the Common Fund's global bond component added relative value to the fund. The core domestic managers did well also. The high yield and private sectors, while posting attractive absolute returns, lagged the other components.

Real Estate - (12/31/94 market value $4,628,000.) Following a complete appraisal of all the properties as of December 31, the market value is $925.62 per share. This represents principal appreciation of 1.6 percent.
for the year. Combined with a yield of 8.2 percent, this appreciation gave this fund a total return of 9.8 percent for 1994 compared to 5.7 percent for the FRC/NCREIF Index.

The best sector in the Common Fund’s portfolio continued to be residential, with appreciation of 6.9 percent. Retail did well with a 3.0 percent appreciation while industrial broke even. The disappointing sector continues to be office, which was down 10.8 percent in market value. The Sanwa Bank building suffered considerable damage in the Northridge earthquake. Although the damage was fully insured, tenants are attempting to renegotiate their leases on more favorable terms. The fund’s Washington, D.C. property continues to suffer from a weak rental market.

Endowment Energy Partners I - (12/31/94 market value $1,206,000.) This figure does not include any value for warrants that the fund holds on the stock of some of the portfolio companies. The fund continues to do well with an internal rate of return of 11.9 percent. With oil and natural gas prices strengthening, the Common Fund anticipates continued attractive returns.

Endowment Partners I - (9/30/94 market value $915,000.) The debt portion had a market value of $168,000 on December 31. The Common Fund has not yet completed the year-end valuation for the equity portion; the September 30 value was $772,000. The debt portion is slowly recovering from the impact of one investment that went sour early in the program. The internal rate of return for this segment is now -3.1 percent. The equity portion continues to do well, and the Common Fund anticipates continued double digit returns when the December 31 numbers are completed.

Endowment Venture Partners I - (12/31/94 market value $862,000.) The Common Fund has drawn down just over 70 percent of OSSHE’s $1 million commitment. In addition to the market appreciation reflected here, OSSHE has received distributions of almost $30,000. The internal rate of return for the investment has been 12.4 percent since inception. The Common Fund considers this very satisfactory for the age of the partnership.

All of OSSHE’s private investments have developed to the point that they are making significant cash distributions. There will be additional capital calls for Venture Partners and Endowment Partners. However, these will probably be less than the total distributions that OSSHE will be receiving.
OSSHE INVESTMENT PERFORMANCE

The following tables present the investment performance results through the third quarter of 1994-95 for the OSSHE Pooled Endowment Fund.

Board Discussion

President Swanson asked if the Common Fund was the only investment manager for higher education. Vice Chancellor Ihrig responded that it is not the only one, but it is by far the largest. The Board requested that Mr. Ihrig proceed with a review of alternatives. Mr. Ihrig indicated that he, too, had decided that it was time to study the competition and had been waiting until the Financial Information System (FIS) project was completed in July so that Controller Steve Katz would be available to study other fund alternatives. Mr. Swanson asked when that report could be delivered to the Board, and Mr. Ihrig suggested October.

(No Board action required)
OREGON STATE SYSTEM OF HIGHER EDUCATION
1994—95  Third Quarter Investment Report
Pooled Endowment Fund
Market Value

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<td>Common Fund, The Bond Fund</td>
<td>23,868,448</td>
<td>24,173,955</td>
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<tr>
<td><strong>OTHER INVESTMENTS</strong></td>
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<tr>
<td>Real Estate Investment Trust</td>
<td>4,507,828</td>
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<tr>
<td>Endowment Energy Partners</td>
<td>1,139,000</td>
<td>1,206,261</td>
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<td>Endowment Partners Fund</td>
<td>846,828</td>
<td>948,080</td>
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<td>Endowment Venture Partners</td>
<td>650,495</td>
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<tr>
<td>Cash</td>
<td>1,107,046</td>
<td>1,212,691</td>
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<tr>
<td>Total Other</td>
<td>8,251,137</td>
<td>8,906,585</td>
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OREGON STATE SYSTEM OF HIGHER EDUCATION
1994—95 Third Quarter Investment Report
Pooled Endowment Fund Investment Performance
Periods Ending 3–31–95
(Based on Total Return)

<table>
<thead>
<tr>
<th></th>
<th>CURRENT QTR</th>
<th>FISCAL YTD</th>
<th>1 YEAR</th>
<th>3 YEARS</th>
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<tr>
<td>TOTAL ENDOWMENT</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>OSSFHE</td>
<td>6.2%</td>
<td>8.8%</td>
<td>6.2%</td>
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<tr>
<td>EQUITY (STOCK) INVESTMENTS</td>
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<tr>
<td>OSSFHE—EQUITY FUND</td>
<td>6.7%</td>
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<td>S &amp; P 500 STOCK INDEX</td>
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<td>15.1%</td>
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<tr>
<td>THE COMMON FUND EQUITY FUND</td>
<td>6.6%</td>
<td>9.4%</td>
<td>9.1%</td>
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<tr>
<td>FIXED (BOND) INVESTMENTS</td>
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<tr>
<td>OSSFHE—BONDS</td>
<td>6.1%</td>
<td>7.6%</td>
<td>5.8%</td>
<td>9.0%</td>
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<tr>
<td>LEHMAN AGGREGATE INDEX</td>
<td>5.0%</td>
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<td>OTHER INVESTMENTS</td>
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<tr>
<td>REAL ESTATE INVESTMENT TRUST</td>
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<td>ENDOWMENT ENERGY PARTNERS</td>
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<td>6.6%</td>
</tr>
<tr>
<td>ENDOWMENT VENTURE PARTNERS</td>
<td>10.9%</td>
<td>24.7%</td>
<td>24.7%</td>
<td>8.3%</td>
</tr>
<tr>
<td>OSSFHE—STOCKS/BONDS COMBINED</td>
<td>6.5%</td>
<td>8.6%</td>
<td>7.7%</td>
<td>9.3%</td>
</tr>
<tr>
<td>WEIGHTED TARGET INDEX</td>
<td>7.8%</td>
<td>11.5%</td>
<td>11.3%</td>
<td>9.1%</td>
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Note: All amounts are net of investment charges.
Chancellor Cox reported on a meeting he had in early May with Senator Mark Hatfield. Dr. Cox noted that the Senator indicated that the federal scene is changing. "Gone are the days when we can all show up with our wonderful projects and shopping lists. This will be the last session for that. More critical will be long-term planning, showing how your university or college projects fit into that longer-term plan. Matching leveraged dollars in financing will be critical. It may well be that private gifts will need to come first, and then be leveraged by federal dollars. Senator Hatfield is personally interested in projects that have interstate cooperation as their hallmark. He's also personally concerned about finding ways for colleges and Oregon Institute of Technology to engage in applied research opportunities that federal funding may offer, particularly in areas where undergraduate research and undergraduate practica can be involved. Finally, the Senator noted his concern over the increasing divisiveness around rural/urban issues in this country. Therefore, he encouraged us to think about projects that touch on that issue as well."

Grattan Kerans, director of Government Relations, summarized the latest events in the legislative session. SB 2 passed the House unanimously and went to the Governor for signature. SB 271, the Higher Education Administrative Efficiency Act, passed out of the Joint Ways and Means Subcommittee on Education without objection, will go to the full committee, and then will be passed by the Senate and the House. As amended, SB 271 allows OSSHE complete authority over areas of personnel, purchasing, contracting, and printing. Removed from the bill was the cash management incentive, which allowed OSSHE the ability to retain interest earnings. Also deleted from the original version was the removal of unlimited funds from budgetary authority of the legislature.

Regarding other legislation, Mr. Kerans noted that all six of the bills submitted by OSSHE have passed. A small, but important one is a PERS amendment that allows faculty to choose an optional retirement system. Mr. Ihrig noted that it provides institutions a very valuable tool when recruiting faculty. "The key is that faculty at other institutions around the country can elect to retain their pension programs from those institutions. It provides portability."

SB 5554, the State System budget, passed the Senate. As it stands, the budget has $28.1 million greater funding than recommended by the Governor. That $28.1 million represents the $13.1 million for statewide public services at Oregon State University and the Veterinary Medicine program, and $15 million identified as faculty salary funds. In addition,
there is approximately $10 million potentially available in the Governor's salary package for academic salaries.

Mr. Kerans reported on the other appropriations decisions being made. It appears K-12 will get an additional $100 million. Another $100 million, which is essentially the Governor's priority list, is undergoing negotiation. Approximately $22 million would go for the new Oregon Health Plan addition, $11 million for community mental health, $11 million for human resources budget, and the salary package the Governor wanted. The Republican leadership has identified another $15-20 million add-back package of its own. Higher education does not feature on either the Governor's or the legislature's list. According to Mr. Kerans, "The big thing on that list is $7 million for community colleges, above the Governor's recommendation. That would take care of some annexation problems and other issues for which the community colleges have been lobbying. The one that is difficult to accept is $3 million for private colleges' need grant addition to maintain the status quo among private colleges, community colleges, and public higher education in need grant distribution." Mr. Kerans indicated that there will be a "round three" add-back, which is the current focus of OSSHE staff communication with the Governor and the legislative leadership.

The Board discussed details of Mr. Kerans' report and what has been learned in this session. In response to Ms. Wilson's concern that we lack adequate constituency to have a strong enough voice in the legislature, Chancellor Cox noted that OSSHE has lost some strong supporters in the legislature and they haven't been replaced. Mr. Kerans indicated that there has been an attitudinal change in the legislature. There is better understanding of the productivity and value of higher education. The problem this session was that the Governor's budget was the starting point, and it was set too low. It's difficult to break through that initial ceiling.

President Swanson raised the issue of higher education mounting an initiative campaign to stabilize funding. Mr. Kerans cautioned that state agencies can't initiate measures. However, friends of higher education can, and he suggested that the easiest way would be to initiate formula funding. Mr. Kerans explained that "formula funding could be similar to the structure used to fund K-12 and community colleges. The public could decide whether there will be parity among the levels of education by devising formula funding. Then we open the doors and let the same number of people in that we did before in percentage terms, and our bottom line goes up."
Mr. Miller wondered if the next session wouldn’t turn out to benefit higher education because it had been left out of the last few sessions. Mr. Kerans agreed that, under normal circumstances, one might expect that. "However, the problem with the next biennium is the $1 billion dedicated to the criminal justice infrastructure — prisons, doubling the prison population, creating a brand new juvenile youth offender criminal justice program, building it, staffing it, and running it. 1997 is a prison budget; it won’t be a higher education budget."

Mr. Miller asked what strategy Mr. Kerans would suggest for the next session. "I would start with the Governor," replied Mr. Kerans. "You do not advance in the budget unless the Governor’s priorities start you there. For the legislature, they get about $200 million — $100 million for K-12 and $100 million for other priorities — out of an $8 billion budget. Legislators deliver back to the Governor a budget that is within one or two percent of the overall recommendation. It starts with the Governor. If the Governor doesn’t post you high on the priority list, it’s impossible to leap-frog over others in order to get there.

"You can do several things at once, all leading to the same place. They’re not mutually exclusive. The legislative strategy, the gubernatorial strategy, the statewide support strategy, the business strategy, which we are clearly developing. All of those strengthen each other and create a very stable and very strong approach."

Dr. Aschkenasy added that, although it starts with the Governor, it doesn’t end with the Governor. "We have a couple of years to do a better job of building bridges with people who are our natural supporters — business and industry being one of them. We need those people to understand and value higher education. And bear in mind that most of them are never going to get any. We are a minority group, and we need to sell the value of what we offer to people based on their overall self-interest. Maybe their kids will need a higher education. Maybe economic development of the state is important to them."

In another vein, Ms. Wilson asked about the status of amendments to HB 3565. Mr. Kerans explained that the amended bill is in conference committee. The version of the bill that passed the House essentially dismantled the Educational Reform Act. The Senate version is a much more positive version. When pressed for his opinion on what may happen to the bill, Mr. Kerans responded that both sides are quite entrenched and
the most likely outcome would be that there ends up being no bill. That would move it into the next election cycle.

The Board discussed possible strategies that would focus greater legislative attention, understanding, and financial decisions in higher education's favor. Mr. Bailey indicated that the Board's strategy to date has been to inform the legislature and keep working as good stewards within the decreasing fiscal framework. "We decided not to create a crisis, and I think that’s the responsible thing to do. But then we hear, 'If you’ve still got the wheels on, what are you yelling about?' People tell me, 'You’re doing a great job; you’re managing wonderfully. Why are you down here?' That’s the problem." So by not creating a crisis, the difficulties that OSSHE faces are minimized in the eyes of the legislature. Mr. Bailey also pointed out that the two biggest and more immediate crises are faculty salaries and student access.

(No Board action required)

SUMMARY OF FACILITIES CONTRACTING ACTIVITIES

A 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 Acid Waste Neutralization System Project, OHSU
On March 15, 1995, Hydro-Temp Mechanical, Inc., was awarded a contract for this project in the amount of $74,400. Financing will be provided from Article XI-G bonds.

Acceptance of Projects

Campus Condensate Return System Replacement Phase I Project, OSU
This project is complete and was accepted on March 31, 1995. The final direct construction costs were $614,506.66. Financing was provided from capital repair funds.
Campus Drive Renovation/Beautification Project, OIT
This project is complete and was accepted on April 13, 1995. The final direct construction costs were $258,117. Financing was provided from capital repair and state funds.

Dental School Periodontology/Endodontology Clinic Remodel Project, OHSU
This project is complete and was accepted on March 31, 1995. The final direct construction costs were $336,834. Financing was provided from state funds.

Primary Service Electrical Upgrade Project, OIT
This project is complete and was accepted on January 11, 1995. The final direct construction costs were $110,727. Financing was provided from capital repair funds.

(No Board action required)

Mr. Lee indicated that the campuses are doing a lot of work as an outcome of the Student Life Forum held at a recent Board meeting. At the University of Oregon, there has been a shift in how career planning is handled that will increase capacity and eliminate user fees. In addition, Mr. Lee thanked the Executive Committee for their excellent suggestion about the interim positions.

Ms. Christopher thanked the Board for sending her to the national Association of Governing Boards conference in Seattle last month.

Dr. Cox indicated that President and Mrs. Frohnsmayer are in Maine at a meeting of the Fanconi Anemia Foundation. Their daughter, Kirsten, is out of the hospital in Minneapolis. Everyone is optimistic about her prognosis and she hopes to be able to attend her graduation at Stanford.
ADJOURNMENT The meeting adjourned at 12:10 p.m.

Virginia L. Thompson
Secretary of the Board

Les Swanson, Jr.
President of the Board