Minutes

Committee members present: Roger Bassett, Leslie Lehmann, Jim Lussier, Erin Watari, Jim Willis

Chancellor’s Office staff: Andy Clark, Shirley Clark, Vicki Falsgraf, Nancy Goldschmidt, Grattan Kerans, David McDonald, Diane Vines, Alayne Switzer, Holly Zanville, Lisa Zavala

Others: Burr Betts (EOU), Dave Frohnmayer (UO), Judith Ginsburg (SOU), George Kartsounes (OIT), Mary Kay Tetreault (PSU), Les Risser, Paul Risser (OSU), Tim White (OSU)

Call to Order

The meeting was called to order at 8:07 a.m. by Chair Lehmann.

Action Items

Approval of October 19, 2001, meeting minutes

Ms. Watari moved and Mr. Lussier seconded the motion to approve the October 19, 2001, Committee meeting minutes as submitted. The motion unanimously passed.

Consent Item

Confirmation of institutional degree lists

Mr. Willis moved and Mr. Bassett seconded the motion to approve the consent item as submitted and to refer it to the full Board for final approval. The motion passed unanimously.

Report Items

The status of the 1999-00 advanced degree recipients: one year later

Associate Vice Chancellor for Academic Affairs, Nancy Goldschmidt explained that bachelor’s and advanced degrees were evaluated simultaneously when OUS first began tracking the status of degrees. However, it was soon discovered that the post-
graduate circumstances of individuals obtaining the respective levels of degrees were significantly different, therefore, the System began reviewing the employment and satisfaction levels of those students separately. She noted that advanced degrees are often required for public sector positions, therefore more students completing their master’s programs go into public sector rather than private sector positions. Statistics, according to Dr. Goldschmidt, illustrate that former students of OUS institutions are generally satisfied with their education.

Ms. Lehmann asked whether the trend shows that we are making good progress. Dr. Goldschmidt pointed out that the unemployment rate tends to be lower for individuals with advanced degrees, but that the trends tend to be fairly stable. She cautioned, however, that there could be some changes in the statistical results next year as a result of the current recession. Mr. Bassett expressed the importance of identifying in the report the impact of the environment on the statistics.

Mr. Lussier asked for some of the negative comments made by students and whether there are institutional changes that can be made to address students’ concerns. Dr. Goldschmidt explained that some students have expressed disappointment in the availability of internship opportunities and practical experience while others have expressed these opportunities as strong attributes. The Chancellor’s Office has worked toward improving internship programs with the goal that every student will have an opportunity to participate in internship programs.

**Performance 2000-01: System & institution summaries and report cards**

Vice Chancellor Clark briefly discussed the history of the report cards and stated that the System attempts to review performance on a regular basis.

Referring to the handouts, Dr. Goldschmidt identified the shared, or common, performance indicators of the different campuses, demonstrating those campuses showing improvement. She noted that campuses have been focusing on these areas and setting target goals for improvement.

Mr. Lussier asked whether there was a way to illustrate in the document those areas where certain campuses may have peaked, noting that the institutions can’t continue to improve indefinitely. Dr. Goldschmidt agreed that the capacity of the institutions and the amount of resources available do affect the ability to set target goals. She briefly explained how to interpret the information and statistics listed on the handout, pointing out the need to balance access with quality.

Ms. Lehman asked how the report is being distributed and utilized. Dr. Goldschmidt explained that she has been working with Assistant to the Vice Chancellor for Corporate and Public Affairs Bob Bruce on a series of press releases and hopes to focus on different indicators to illustrate areas where specific campuses are making significant improvements.
Mr. Bassett briefly discussed a recent Western Interstate Commission for Higher Education (WICHE) conference, which he and other Board members and staff attended. He explained that the conference focused on the broader subject of accountability, commenting that the State report cards needed improvement. He explained that the focus was on Oregonians’ general need for, and relationship to, postsecondary education of all kinds, with access as a broader question of the State’s investment in financial aid as well as in the Oregon University System. He suggested that the Committee, at a future meeting, should have a discussion regarding the broader issues. He felt there may be a correlation between poor results and the substandard financial investment by Oregonians and suggested that perhaps this is an issue that would be better addressed at a Joint Boards meeting.

Dr. Clark stated that Dr. Patrick Callan spoke at the Regional Accrediting Association Conference in Portland. At the conference, Dr. Callan spoke about current disputes regarding the methodologies for measuring learning and what it means to be measuring up. Dr. Clark agreed that the issues should be addressed by the Joint Boards of Education, especially considering the difficulty in measuring learning and some of the controversy around those methodologies. She suggested that the Joint Boards invite Dr. Callan to talk with them about where he sees Oregon heading.

Noting that the campuses have been on the measurement system for about four years, Mr. Lussier asked how individual campuses view measurement of their performance and whether the legislature is still enthusiastic about the results.

Dr. Clark pointed out that the System is in the business of measuring, educating and evaluating, therefore the process of evaluation and assessment are not new concepts. However, this has been a difficult area to address since the approaches taken with respect to ensuring more public accountability go beyond those processes that the System has historically utilized. She emphasized the importance of measuring those things most relevant and using the best possible methodology to produce accurate results. Unfortunately, obtaining accurate information from a broad spectrum of former students is difficult since the years following graduation are frequently the most mobile period in their lives and, therefore, the sample tends to be skewed. This presents a significant challenge to obtaining accurate and useful information, and the Academic Council has been working with other individuals to address these issues.

OUS Director of Government Relations Grattan Kerans noted that there is considerable legislative interest in the measurement of performance. The System, he explained, is working to provide the most accurate information available in response to legislative interest. He stated that this is an ongoing, continuing process and, while they will continue to raise the methodological questions and environmental issues, the System is committed to this project.
Andy Clark, OUS Senior Associate Director for Federal Affairs, explained that included in the docket are pre-proposals for individual campuses and an advanced look at the FY 2003 appropriations projects that campuses are considering to present next year. The pre-proposals are the result of a request from the State Board of Higher Education to have an opportunity to review campus federal project proposals prior to submission so that any conflicts or issues related to those projects could be worked out prior to formal presentation to the Board for action in February 2002.

Mr. Clark reviewed each of the proposals noting that they are subject to change should campuses wish to amend or modify their projects. He noted that the Oregon University System had initially submitted a project but has opted to postpone submission of a proposal for a collaborative research institute project pending further review. Mr. Clark explained that he would provide a full report in February 2002.

**Consideration of legislative concepts for the 2003 legislature**

Mr. Kerans explained that one of the proposals before the 2003 legislature is a housekeeping item clarifying that the System has the same authority as does the Department of Administrative Services under the contracting law as authorized under SB 271.

A larger item proposed to go before the 2003 legislature pertains to the issue of deferred maintenance and will be discussed at the Joint Committee meeting for referral as an action item at the February 2002 Board meeting. He explained that the proposal is the product of a long series of efforts over the last four years to try to find a way to replace State support lost when Measure 5 passed. Prior to Measure 5, the State System had approximately 5-6 percent of the asset value of all its education and general structures in the deferred maintenance category. Currently, 20 percent of the asset value is in deferred maintenance. At 400 percent of the national average, this represents a serious crisis to the System.

Mr. Kerans recommended the Board articulate the seriousness of this crisis by submitting a proposal to the Governor and legislature requesting a $500 million General Obligation Bond authority dedicated exclusively to this purpose, to be sold over ten years with a maximum return of 30 years. This strategy would allow the System to buy down the deferred maintenance backlog to pre-Measure 5 levels.

The two main issues to present to the next legislature and Governor are the bonding measure and the funding of Oregon students through the Resource Allocation Model (RAM). Mr. Kerans noted that we are currently below the cell funding we had in the 1999-2001 biennium and briefly discussed the current budget crisis.
Ms. Lehmann noted that the proposals are reflective of the priorities previously set by the Board. She asked whether there has been any discussion with the legislature regarding the deferred maintenance issue. Mr. Kerans stated that they addressed this issue in the 1999 session, but did not bring it forward as an action item because they were struggling to get the RAM funded and approved. However, he said that he later met with Jean Thorne, and a new coalition was developed consisting of K-12 school boards, Confederation of Oregon School Administrators (COSA), and the Community College Association to try to find a way to fund public education as well as deferred maintenance. Unfortunately, he added, they were unsuccessful at that time in identifying a revenue stream to meet the bonding authority. He explained that there was considerable resistance on the part of the legislature over adoption of local bonded debt with regard to the school districts and community colleges. He explained that, at the time, it was felt that a coalition of public education representatives would have a greater chance of succeeding, but because of the unwillingness of the legislature to back local public education, the recommendation before the Board at this time will be to move forward with a proposal independent of the other public education sectors.

Mr. Kerans pointed out that, should this proposal move forward, a broad-based coalition will be suggested to include members of the Board, campus presidents, students, alumni associations and advocates to provide an ongoing systematic education and advocacy program. The coalition would target gubernatorial and legislative candidates, presenting to the legislative leadership the enormity of this substantial issue. He opined that the deferred maintenance issue is reaching a critical stage. Mr. Bassett asked whether bonding will be viewed as a way to fund other projects. Mr. Kerans affirmed the possibility and noted that bonding would grant the authority to immediately employ a number of people, thereby creating jobs.

Noting that this is an under-funding problem, Mr. Lussier asked whether General Obligation Bonds were more expensive than if funding for deferred maintenance were budgeted out of the General Fund. He also asked whether any effort has been made to calculate and illustrate to the legislature the difference in cost between these two methods. Mr. Kerans agreed that this is a stewardship issue that has become too big to absorb the costs on a current budget foundation. On the other hand, he noted that interest rates are favorable since it would be a General Obligation Bond which is the lowest rate available. If approved, the difference in cost wouldn’t have a great impact, he stated.

Ms. Watari asked whether OUS has an alternative plan to address the issue of deferred maintenance if the bonding isn’t approved. Mr. Kerans conceded that there is no alternative plan at this point and noted that the current $560 million in outstanding deferred maintenance is accumulating annually because the operating budget can’t support the increases.

**Adjournment**

The Committee meeting adjourned at 8:55 a.m.