Minutes

Committee members present: Kerry Barnett, Roger Bassett, Jim Lussier, Erin Watari (arrived 8:27 a.m.), Phyllis Wustenberg, and Leslie Lehmann.

Chancellor’s Office staff: Chancellor-designate Richard Jarvis, Shirley Clark, Susan Weeks, and Diane Vines

Others: Phil Creighton (EOU), Dave Frohnmayer (UO), Paul Risser (OSU)

Call to Order

The meeting was called to order at 8:07 a.m. by Chair Roger Bassett, and roll was called by Board Secretary Vines.

Approval of June 21, 2002, Meeting Minutes

Ms. Wustenberg moved and Mr. Lussier seconded the motion to approve the June 21, 2002, Committee meeting minutes as submitted. The motion unanimously passed.

Action Item

OUS Interinstitutional Student Exchange Program
Dr. Clark explained that the System’s Interinstitutional Student Exchange program was developed four years ago as a pilot program, with the understanding that it would be evaluated to determine whether it should be continued. However, she said that staff recommends against its continuation since student participation in this program was extremely low, with a total of 13 students from all institutions over the four-year period. She explained that the program was difficult to implement and problematic with regard to financial aid and scholarships. She proposed the program be replaced with a simpler alternative whereby a student would transfer, pay the $50 application fee, and, if the student decided to return to the original institution within a 12-month period, the transfer fee to return would be waived. This method, she explained, would resolve many of the financial aid difficulties. She noted that the recommendation to discontinue the program was decided after review and considerable discussion in both the Academic Council and the Student Affairs Council.

Director Lehmann asked whether there are any students who would be adversely affected by discontinuing this program. Dr. Clark noted that there had been very little
interest in the program and the proposed alternative would be better since it is simpler and has the option to allow the student to return. She noted that transfer is an uncomplicated process, offers additional protection, and accomplishes the same end.

Director Lussier asked if there were any major issues that caused the demise of this program. Dr. Clark stated that there were several factors. She felt it had not started with an adequate assessment of need and interest. The pilot was generated by individuals who thought this was a good idea but who had no clear assessment of the interest students would have in this kind of program. She also felt that communication about the program wasn’t adequate. The financial aid difficulties also became problematic in terms of whether places would be held for students wishing to return. She noted that two of the students who did participate did not return to their original institutions. She explained that it would take a lot of effort to continue the program and would result in a very low yield.

Responding to a question by Director Bassett, Dr. Clark said the belief was that there would be higher interest from students at the regional colleges to avail themselves of opportunities at the larger institutions. However, there was quite a bit of spread in the few students who did participate and, consequently, it was difficult to determine whether any pattern emerged.

Director Wustenberg moved and Director Lehmann seconded the motion to accept the staff’s recommendation to discontinue the System Interinstitutional Student Exchange Program and replace it with a streamlined alternative of implementing a provision for waiver of the application fee back to the home campus if the student returns within a 12-month period. The motion was approved unanimously.

Consent Items

OSU Cascades-Campus, B.S., Outdoor Recreation Leadership & Tourism
Dr. Clark explained that the proposed unique program has been custom-made for the OSU-Cascades Campus. She explained that there are four options, or specializations, that would be phased in for the program. She stated that there has already been considerable student interest in the program and there are some unique resources being collected in support of it. She explained that a grant focusing on international ecotourism has been secured and there appears to be strong local industry interest.

PSU Honorary Doctorate
Dr. Clark explained that PSU proposes awarding an honorary doctorate to Norman Daniels, president and CEO of GI Joe’s Sports and Auto, who is a major benefactor and supporter of PSU and many other worthy causes in the greater Portland area.

Responding to a question by Director Lussier, Dr. Clark explained that there is a Board policy that each campus should establish its own criteria for awarding honorary doctorates and have those criteria on file with the Chancellor’s Office. She noted that, while it is an open-ended policy, there must be faculty involvement in the choice of an
honorary degree recipient. Director Lussier asked whether the degrees are bestowed because of an individual’s academic involvement in a university, or if they were more civic involvement awards. Dr. Clark explained that all of those reasons have been utilized to determine the awards and it largely depends on the institution and the time. She stated that some are awarded to individuals of international renown and contribution who may have no particular bonds to the institution, although some institutions are restrictive with respect to that particular focus.

Director Wustenberg asked whether the Chancellor’s Office has ever turned down an honorary doctorate request. Dr. Clark said that all of the honorary doctorate proposals that followed the institutions own procedures have been brought forward and staff has not made another set of judgments about the recommendations. Referring to the strategic planning efforts, Director Lehmann felt that, when bringing forward the proposed reforms, the Board would address these types of approvals to determine whether they should come to the Board and what the criteria would be for bringing routine items to the Board. Director Bassett agreed that the action items on the Board’s agenda should be reviewed in the strategic planning process. He noted that seeing a baccalaureate degree such as the one proposed by OSU-Cascades Campus is easily reconciled to the unique identity of the Cascades Campus, both by location and purpose.

Director Lehmann moved and Director Lussier seconded the motion to approve the consent calendar as submitted. The motion was unanimously approved.

**Discussion Item**

**Strategic Planning Process**

Director Lussier felt that, with new leadership, the Board has some great opportunities to reposition the System. He felt it was possible to discuss transformation of the System and stressed the need to have a compelling vision, not only for individual universities, but for higher education and the System.

Director Bassett stated that, in choosing the list of suggestions that came from the presidents as the focus, the larger issues of affordability, access, and mission distinction would be addressed in the process. He felt they would find that those larger issues also have a policy basis of their own that will find their way to the agenda. He noted that, in moving swiftly to address the legislative session, the Board will have to make some assumptions, rather than solid decisions, regarding the connection between affordability as a policy issue and the value of having the universities decide their own tuition rates. While those assumptions are necessary, he felt they should also be separate issues to be readdressed in the future. Director Lussier commented that proactive decisions are better than reactive decisions and developing relationships and targets in relation to strategic planning is more effective than a passive Board that is only reacting to what might be brought to them. He addressed the relationships with community colleges as well, noting that as OUS changes admissions requirements or talks about affordability, community colleges are directly impacted.
Director Barnett stated that there needs to be a forum for inviting dialog and comment from the broader public on the work of the ad hoc group. Dr. Vines pointed out that the town hall meetings are scheduled for September and October and that Chancellor Jarvis is planning on participating. The Board will be invited to attend as well. Director Barnett stressed that they should give careful consideration to how that dialog occurs. He pointed out that a town hall meeting satisfies certain needs, but it won’t satisfy others. He felt the Board needs to think about specific constituencies and how to bring them into the process in a way that is a little more thoughtful and even more dynamic than what can be accomplished at a town hall meeting.

Director Lussier agreed, adding that the Board may wish to invite the State Board of Education representatives and some college presidents to talk about how they are affected by the decisions. Director Barnett added that the discussion will be extremely valuable in the context of some specific policy decisions and proposals, but he felt that they should avoid another round-table discussion in the abstract, stressing that they need to work on the specific issues.

Director Lehmann agreed, adding that the input received from constituencies during the Chancellor’s search has been reflected in the planning process. Director Wustenberg pointed out that, if OUS raises tuition, it will greatly impact the community colleges. Director Lehmann expressed the importance of including the budget discussions in the process. She felt this could be an opportunity to help educate people about the budget and to lay out as a preface that the Board is considering changes. Director Lussier stated that a lot of the feedback the Board received from citizens during the Chancellor’s search was less about the new Chancellor and more focused on the System changes they would like to see occur.

Director Bassett said it was important for the work group to have a detailed work plan because of the high stakes and short timeline involved. He felt the work group wouldn’t have the focus it needs unless it has a work in progress that signals, both by content and direction what path it plans to take. Director Lehmann pointed out that they also have the opportunity with the Joint Boards to focus on system integration.

President Frohnmayer explained that the presidents’ letter was intended to bring the discussion from the level of general policy, which sometimes runs the risk of never attaching itself to any outcomes, to specific proposals. He felt that the agenda ought to reflect long-range interest as well as immediate actions to be taken. He noted that there is considerable division of opinion by the Board about how governance might devolve to a local level, particularly in how certain obstacles, either state legislative or state government procedures, can be removed for OUS to operate at maximum efficiency. He stated that whatever individual discreet actions can be taken, they should not be diluted by being taken separately without a strategic framework and a sense of a compelling vision that shows that business as usual is not an option. He observed that, if the Board agrees with the presidents that tuition decisions need to be made to reflect individual campus circumstances, their markets, capacity to price, and the needs of their students, then the System’s method of budgeting for the next
biennium is not well suited to making those decisions, either as a matter of legislative advocacy or before the governor and fiscal offices.

President Risser felt that refining the policies will be helpful in dealing with the small details. He noted that the Board will likely discover some details that may appear overwhelming and he urged the Board not to be dissuaded from making the necessary changes. Director Bassett noted that, historically, there has been a heavy emphasis on the Board to carry the agenda during Board or committee meetings, but noted that discussion is moving to a stage where the interaction with staff is becoming necessary.

Regarding the budget process, Director Lehmann proposed that the Budget and Finance Committee address the point made by President Frohnmayer, recognizing that it could be a difficult task as it would involve addressing the legislative issues. Director Bassett noted that the Board hasn’t raised the fundamental question about the budget in its current state and expressed uncertainty on how best to address that. He felt it should become a discussion item for the full Board. He noted they need to raise the question of whether the viability of the RAM model is at issue, or if it’s a more fundamental question of whether the state, with declining revenues, should give up some of its control. Director Lussier suggested there might be a way to calculate the relationship between the variable approaches to tuition, affordability issues and enrollment management. He noted that with the current model and increasing enrollment, the cell value continues to decline as we reach a finite limit to state funding. Director Bassett asked staff to make suggestions on how the Board might best address this problem.

**Report Items**

**Follow-up Reviews Conducted in 2001-02 of Selected Programs**
Dr. Clark explained that programs are reviewed five years after implementation. She noted that items would fall under the context of program accountability and these become a feature of discussion if more campus discretionary power, with respect to establishment of academic programs, is determined. She underscored the importance of tracking the productivity of the programs and determining the reception of the market to the program.

**Western Undergraduate Exchange Annual Summary, 2001-02**
Dr. Clark explained that staff annually provides an update on the Western Undergraduate Exchange program relating to student access and affordability. She explained that Oregon is a major participant in this program in which 14 of the 15 WICHE states participate. She stated that the purpose of the program is to enhance mobility, choice, and access, although state fund support has declined under this program and, therefore, lacks the ability to expand.

**Selective Undergraduate Admissions for 2003-04 at UO**
Director Bassett asked if Board action will be needed on this item in the future. Dr. Clark said there would be no further action, explaining that it is within the prerogative of
the institution. She said that the Chancellor's Office reviews the program against Board policy, and a report is then made to the Board.

**Where Have Oregon’s Graduates Gone**
Dr. Clark explained that this is the fifth version of the study initiated in the early 1990's to identify what choices high school students of the previous spring have made in the year that followed their high school graduation.

Susan Weeks, OUS Chief Information Officer, noted that Senior Institutional Research Analyst, Ruth Keele, was the chief author of this study. Ms. Weeks explained that the telephone survey has been conducted biennially since the class of 1993 and is a random sample of 1000 Oregon high school graduates. She explained that an over-sample on ethnic minority students and high achievers was also conducted. The survey identifies the percentage of high school graduates attending college in the fall or winter terms following graduation, identifies the type of college chosen, and the reasons for the choices. She noted that some new questions were added to this survey related to financial aid and explained that the analysis includes demographic variables of gender, race, ethnicity, region, and parents’ education.

She explained that college participation rates have been growing steadily, exceeding the national rate. Almost 69 percent of the class of 2001 enrolled in fall term compared to a net fall 2000 national rate of 63 percent. She pointed out that, while Oregon's rates have been increasing over the period, the national rates have declined. She said that by winter term, 75 percent of the class of 2001 had enrolled in some form of post secondary education and most of that additional increase was from students attending community colleges. She explained that enrollment demographics include gender, ethnicity, and high school GPAs and it was discovered that significantly more women than men are enrolling. She stated that the disparity has been growing and is now a national concern. She said enrollment rates for the class of 2001, by ethnic group, are higher than for the class of 1999 in every category. For the first time in this survey, she noted that parents’ education level with at least one parent with a four-year degree more than doubles the chance that their child will attend a four year college. She noted that the percentage of adults in Oregon with a bachelor's degree has been growing in the past decade. In 1990 it was just under 21 percent; in 1996, it was 29 percent, primarily as a result of rapid in-migration bringing in people with bachelor's degrees. Now at 27 percent it is higher than the national average.

Ms. Weeks reviewed the number of students attending OUS institutions, community colleges, and private colleges. She explained that most students attending Oregon community colleges have indicated they are likely to transfer to an OUS campus, which is consistent with actual enrollment patterns from community college transfers. The top majors for these students are business, natural sciences, education, social sciences, engineering, liberal arts, humanities, and undeclared. She noted that there was a significant drop in the proportion of students selecting computer science as a major, possibly in reaction to the softening in the IT employment market.
Ms. Weeks explained that the primary reason given for choosing a four-year college was academic reputation, followed by a combination of cost-related factors that include tuition rates, the cost of attending college, financial aid availability, and the receipt of a scholarship. She explained that among the types of four-year options, there are differences in how important those reasons are. The affordability of OUS relative to other four-year college choices was ranked as second priority. For those choosing independent or out-of-state colleges, being offered a scholarship was the number two reason for making that choice. She stressed how important scholarships have become and explained that, in fall 1998, OUS campuses offered some new merit scholarship programs, which had a real impact on students and their choices. She stated that, beginning in 1995, about 29.7 percent of the high school high achievers have attended OUS. She said that the percentage has steadily increased to 2001 with over 38 percent attending an OUS campus, noting that high achievers historically chose to attend college out-of-state. In 1995, 42 percent were going out of state and that percentage has steadily declined with only 31 percent going out of state from the class of 2001.

Director Watari asked if there is a further, five-year follow up. Ms. Weeks explained that they have tried to do some follow-up with the survey. She pointed out that, because this is a sample, they have been able to do some matching later on, but they haven’t gone back and surveyed the same respondents with a separate survey. Efforts are made to track as much as possible with the specific sample. Director Watari asked why they chose to sample such a large percentage of high achievers, stating that it wasn’t a true indication of Oregonians. Ms. Weeks explained that they took several samples. There is an overall general stratified sample of students drawn from the database of the “post high school plans survey,” administered to all high school juniors. In addition, there is an over-sample of the high GPA students, but in recording this, they re-weight the responses so they still have the regular distribution based on the overall sample. Director Barnett asked whether they would expect significant differences looking at these students four years out or if they have a sense of how much shifting there is after the initial decision of whether or not to go to college. Ms. Weeks noted that this survey is of students who are currently enrolled. With respect to the community college transfers, she explained that the numbers are consistent with actual transfers into OUS.

Regarding the gender gap and, particularly, the lagging participation of Latino students, Ms. Lehmann asked what the contributing factors might be and what the System is doing to address those issues. With respect to the gender differences, Ms. Weeks stated that it has been a national growing trend over the past decade. At first, she explained, it was viewed as a positive thing as more and more women were involved in higher education, which had historically been male dominated. However, she noted it is now raising some concern and questions about why it is occurring. Referring to the question regarding Latino students, she said she would research it and provide that information later.

President Frohnmayer pointed out how dramatic the figures are, particularly in the short period of time in which the high achievement drain has been reversed. He stressed
that this is relevant to the kinds of messages we have been sending to the public and the legislative assembly over the past few sessions. The theory, he said, is that legislative action really matters and that changing the funding model, giving institutions responsibility for their own tuition, managing their own finances and, therefore, being able to adjust tuition rates for some of the high achieving students, had a very high payoff. He felt that, what OUS is doing strategically in terms of telling the legislature it will achieve outcomes in return for economy, works. He noted, however, the bad rap Oregon got nationally for low high school participation rates. He pointed out that this study is a sampling only of those who graduated from high school and doesn’t address the drop-out rate.

Director Lussier noted that, when he was on the community college Board, they debated a lot about some of the questions raised by President Frohnmayer and the drop-out rate, which four years ago was about 25 percent. He stated there was additional information indicating lower literacy rates and noted the great impact this has on community colleges since they are taking resources away from college preparation classes to provide remedial classes. He argued that this trend enforces the need for integrating the programs from K-12, community colleges, and universities. Director Bassett stated they are going to have to propose to the Oregon public that the aspiration to achieve some level of college needs to be higher than it is, stressing that the population is greater than just the high school graduates. Director Wustenberg observed that traditionally the Board has felt that once a student makes it to a four-year university, that is when its job begins, but she felt it is really responsible for the whole education system in the state, even preschool.

Director Lussier stated it would be useful to create a one-page talking paper from the information. He referred to the point that President Frohnmayer made about the impact of legislative policy. Director Watari stated that this report says that 75 percent of Oregon high school graduates are attending college, and then it was stated earlier that, in the past, 29 percent of our population were college graduates and it has dropped to 27 percent. She observed that, even though enrollment is up, the System is not necessarily producing graduates. She cautioned that we note how the economy influences these trends. Director Bassett said they need a report entitled, “Where Have Oregon’s General Funds Gone.” He said that, in the context of budget and planning decisions, we need a similar sense of where things would go if we just ignored them.

Adjournment

The meeting adjourned at 9:36 a.m.