1. Call to Order/Roll Call/Welcome ................................................................. 1
2. Reports ........................................................................................................ 2
   a. Chancellor’s Report................................................................................ 2
   b. Interinstitutional Faculty Senate (IFS) .................................................. 3
   c. Oregon Student Association (OSA) ....................................................... 4
3. Consent Item ............................................................................................... 5
   a. WOU, M.A. in History............................................................................ 5
4. Action Items .................................................................................................. 7
   a. OUS Undergraduate Admission Requirements for 2009-10 Academic Year .... 7
   b. OUS, Amendments to OAR 580-023-0005 Criminal Background Checks........ 8
   c. OUS, Adopt temporary OAR Divisions 60, 61, 62, and 63; repeal OAR
      580-040-0100 and 580-042-0005(1)(f), Division 50, OSU OAR 576-008-0200
      through 295; UO OAR 571-040-0010 through 0460; and repeal IMD Sections
      6 (6.100-6.103 and 6.150-0.175) and 7 (7.001 through 7.145) ....................... 9
   d. OUS, Optional Retirement Plan, Amendment 1 .................................... 13
   e. SOU, Revised Mission Statement........................................................... 15
5. Report Item .................................................................................................. 16
   a. Board Schedule and Work Plan – 2008 .................................................. 16
6. Discussion Items .......................................................................................... 18
   b. OUS, Legislative Concept Proposals..................................................... 18
   c. OUS, Strategic Planning ...................................................................... 24
7. Committee Reports ..................................................................................... 24
   a. Standing Committee Reports............................................................... 24
   b. Other Board Committees ................................................................... 28
8. Public Input .................................................................................................. 29
9. Board Comments and Action Item ............................................................ 30
10. Delegation of Authority to Board’s Executive Committee ......................... 30
11. Adjournment ............................................................................................ 30
(This page intentionally left blank.)
1. **CALL TO ORDER/ROLL CALL/WELCOME**

The meeting was called to order at 10:25 a.m. by President Kirby Dyess. The following Board members were present: Kirby Dyess, Don Blair, Hannah Fisher, Jim Francesconi, Paul Kelly, Adriana Mendoza, Dalton Miller-Jones, and Howard Sohn. Directors Preston Pulliam and John von Schlegell were absent due to business conflicts and Director Tony Van Vliet was absent due to illness.

The following institution presidents were present: Mary Cullinan (SOU), Dave Frohnmayer (UO), Dixie Lund (EOU), John Minahan (WOU), Ed Ray (OSU), Michael Reardon (PSU), and Dave Woodall (OIT). Provost Lesley Hallick (OHSU) was also present.

Others present included: Chancellor George Pernsteiner, Neil Bryant, Jay Kenton, George Marlton, Bob Simonton, Marcia Stuart, Susan Weeks, and Denise Yunker.

President Dyess opened the meeting by thanking President Frohnmayer and his wife, Lynn, for their hospitality Thursday evening. She complimented the *a cappella* choir on their music. She also thanked Provost Linda Brady for the campus tour, noting particularly the emphasis on sustainability in every aspect of the campus – even in the arts and architecture. Of special interest is the new Lorry Lokey Science Labs and she applauded the synergy and vision of this project.

President Frohnmayer wanted the Board to know that the UO had a successful meeting with the Ways and Means Committee a few weeks ago and a public input session yesterday; as the Chancellor reported last night, the testimony was unanimously in favor of the Arena Project. The UO has sent letters to every household in the Fairmount neighborhood. He acknowledged the counsel of Director Miller-Jones and noted that UO representatives have met repeatedly with faculty leaders and engaged in debate and discussion in the university senate and that will continue as the project develops with further matters; further, a letter was sent to members of the Oregon legislative assembly dealing comprehensively with the issues and the proposals that the UO has for solutions. He identified parking as one of the biggest issues and hoped that by early March to have a transportation study from consultant David Evans & Associates, a highly qualified and highly respected firm helping the UO on the parking and traffic issues surrounding the arena project. Preliminary discussions and analysis show that two recently acquired parcels of property – the Romania property on the south side of Franklin Boulevard, and the Oregon Department of Transportation property which UO intends to purchase - will provide more than
ample surface parking without the need to construct a parking structure, but the final study will determine how best to integrate arena parking.

He then thanked everyone who was able to take part in yesterday’s campus tour led by Senior Vice President and Provost Linda Brady, describing its focus as something that this Board agreed in its retreat should be the focus of every single institution of higher education: sustainability initiatives that ranged from green chemistry and the College of Liberal Arts to major projects in the School of Business relating to supply chain management and reuse of waste products to the School of Architecture and Allied Arts where the UO is leading the world in terms of architectural design and other subject matters and initiatives related to this overarching subject, concluding the tour with the Lokey Laboratories, noting the latter is a major effort and it is interinstitutional as well as a partnership with industry, as Board members who were present saw very readily. He said that Dr. Rich Linton, Vice President for Research and Dean of the Graduate School and the Chair of the Board’s major efforts reviewed the interdisciplinary and interinstitutional partnerships as well as those partnerships with industry and described the Lokey installation as in essence a significant high-tech extension service to the entire state. He then invited everyone to the official grand opening of the facility on February 19.

President Frohnmayer called to the attention of the members of the Board and presidents to poster displays in and around the ERB Memorial Union which illustrate the UO’s efforts in diversity and internationalization, particularly the East Asia initiative, and the upcoming dramatic production involving veterans called “Telling.”

Finally, he saluted the 40 recipients (so far) of the Fund for Faculty Excellence, commenting that really is the core of what the UO is doing as these recipients are the people whose achievements should be celebrated and more widely known. President Dyess thanked him for his commentary and updates.

President Dyess then announced the confirmation of Dr. Rosemary Powers and Mr. Brian Fox as faculty and student Board members, respectively; Dr. Powers is filling the additional Board faculty member position created during the 2007 Legislative Session and represents a regional institution, Eastern Oregon University. Mr. Fox replaces Adriana Mendoza whose term is ending; he is a student at Southern Oregon University.

President Dyess noted that Director Howard Sohn will be leaving the Board after the March meeting but had indicated his willingness to continue to work on some of the Board committees.

2. **Reports**

   a. **Chancellor’s Report**

Before commencing his report, George Pernsteiner also thanked President Frohnmayer for hosting the Board.
The first item in the report was the new high school diploma requirements tentatively adopted last year and now being implemented by the Oregon Department of Education. This is a joint project of the ODE, college and university faculties, community college faculties and high school teachers, all working to align high school requirements with college admission requirements. He noted it is now time to engage both the Provosts and college faculty in discussions as to how all of these linkages will work and called upon the Unified Education Enterprise Subcommittee of the Joint Boards to carry the project forward.

The second report regards the supplemental legislative sessions and Chancellor Pernsteiner reserved reports on certain developments for Neil Bryant’s presentation. He pointed out, however, that the legislature is dealing with a bad revenue forecast – lower by nearly $200 million than anticipated in the December 2007 forecast and it is unknown yet what this will mean with respect to individual agency budgets, although “it is likely we will be facing some level of budget reduction from the state.” Nevertheless, policy option packages are being developed to support the goals developed by the Board at the December 2007 retreat, to go forward to the Governor and Legislature to be considered in the next regular legislative session.

Neil Bryant then gave a legislative update, leading with the information of a shortfall in the state revenue forecast and the news that the Ways and Means co-Chairs had indicated the Department of Administrative Services recommended the state hold up a portion of the salary package pending updated forecasts in June. He also reported that the Ways and Means co-Chairs asked the System to come up with a 2.5% reduction in general fund funding for services and supplies, an amount of approximately $3.6 million. He also expressed concern about the impact of the tort cap pursuant to the lawsuit involving OHSU which itself was impacted by the $30 million judgment. Finally, he noted there is a tuition cap built into the budget and it cannot be raised without getting permission from the Legislature. He summarized by hoping that the June state revenue forecast is better and then possibly go to the E-Board. Jay Kenton added that the budget shortfall has significant implications particularly where campuses are in the collective bargaining process or have completed the process with 2-year contracts in place.

b. Interinstitutional Faculty Senate (IFS)

Dr. Lee Ayers provided an IFS update, beginning with IFS’ strong concern that we are starting to see a population where the over-35 age group is more educated than the younger members of the general population and IFS believes these issues center around access and quality. In IFS’ meeting with Senator Devlin in December 2007 he said that faculty should focus of outcomes and methods and stressed that higher education is really an investment. In line with this IFS is committed to, and provided input for, development of Oregon’s new high school diploma with greater emphasis on math and science and development of essential skills, standards and assessments. She then listed various upcoming presentations from Mike Burton at PSU (for National Abraham Lincoln Day), from UO Provost Bob Burner on comparators and from John Nichols on new course proposals and online courses. IFS is also considering information the Chancellor brought to it regarding House Bill 3318 and how the campuses will assess and report on how to meet the outcomes described in HB 3318. She concluded by thanking the Chancellor
for his continuing efforts to work closely with IFS and frequent attendance at IFS meetings for ongoing conversations involving faculty.

c. **Oregon Student Association (OSA)**

Ms. Emily McLain provided an overview of the recent annual Oregon Students of Color Conference at OSU, noting that over 250 students attended the conference, where Dr. Dalton Miller-Jones was the keynote presenter and workshop leader, for which OSA particularly thanked him. She then identified the most important issues concerning students for the 2009 Legislative Session gleaned from a survey last fall of thousands of students. Three of the following issues will be chosen as legislative priorities: funding for OUS, OHSU and community colleges; regional university and community college support; expansion of the ASPIRE program; expansion of student parent childcare; and increasing need-based financial aid. OSA’s affiliate board, the Oregon Students of Color Coalition, will choose two of the following issues: cultural competency training, mandatory training for new faculty and staff at universities and community colleges and mandatory training at contract renewal for current faculty and staff; recruitment and retention programs for students of color and underrepresented populations. She expressed the hope that the spirit of cooperation developed during the programmatic fee issue resolution process could continue on the ongoing issues that are of interest to both organizations going forward. And on the fee issue she commended OUS and campus finance administrators on passage of the differential tuition policy as a step forward in making the universities more transparent, affordable and accessible.

Ms. McLain then addressed the issue of campus public safety officers being permitted to carry firearms on campus, noting that while students do want to feel safe and secure on campus, the OSA felt that safety is not achieved by the presence of firearms on campus. She made the request that students continue to be involved in the conversations concerning the best way to achieve safety on campus. She pointed out, additionally, that by arming campus public safety officers there would be a fiscal impact on students already overburdened with other funding priorities particularly following the recent ominous state financial forecast. Further fiscal issues involve tuition interest earnings which she pointed out are a logical meeting point for both the OUS Board and OSA and suggested that OSA and OUS together develop new funding mechanisms, such as tuition interest earnings, that could benefit students. She pointed out that OSA agrees with OUS that capital improvements must be a priority because of the adverse effect dilapidated – or unsafe – facilities have on student learning environments and the need for new projects to help campuses stay modern and competitive.

Ms. McLain concluded by welcoming the Board and other campus presidents to the University of Oregon and invited everyone to attend the theatrical event “Telling” put on by the Veterans and Families Student Association.

President Frohnmayer thanked the student leaders for their courtesy in meeting earlier with the faculty.
3. **CONSENT ITEM**

   a. WOU, M.A. in History

**BOARD DOCKET:**

1. *Describe the purpose and relationship of the proposed program to the institution’s mission and strategic plan.*

   The Master of Arts (M.A.) program in History is designed for teachers seeking to strengthen their history content, for students planning professional careers with a background in history, for individuals seeking career advancement or personal enrichment, and for students preparing for doctoral programs.

   Introduction of the M.A. program in History will foster Western Oregon University’s (WOU) reputation as a comprehensive first-choice Liberal Arts institution, facilitate the recruitment and retention of high quality faculty, help promote a campus environment conducive to intellectual inquiry, and foster student-faculty interaction and research. It will raise awareness of the quality of programs and students at WOU and develop ties with other institutions and historical organizations in the Willamette Valley. The History faculty believes, therefore, that the introduction of the M.A. in History is an integral part of the vision for WOU laid out by the Provost and the *University Strategic Plan.*

   

2. *What evidence of need does the institution have for the program?*

   Changes in educational curricula, certification, and the introduction of International Baccalaureate programs have created a need for highly qualified teachers in the state of Oregon. The History faculty believes that this program will satisfy this demand and enhance the ability of Oregon and WOU to meet the changing educational environment. Further, this program will provide a viable option for professionals seeking Master’s level graduate training in the liberal arts to further enhance their competency in information analysis and writing.

   The History faculty routinely receives inquiries about opportunities for graduate study at WOU from educators and prospective students. In order to determine the extent of interest among students, a survey of 150 upper division students and 100 lower division students was taken during Winter 2005. Of the upper division students, 95 (59 percent) planned to go to graduate school; 102 (66 percent) expressed definite or possible interest in a Master’s program in History at WOU; and 99 (65 percent) expressed definite or possible interest in a program offered during the summer. Expression of interest in graduate training at WOU remains strong.

3. *Are there similar programs in the state? If so, how does the proposed program collaborate or complement those programs?*

   The only other terminal M.A. program in History in the Oregon University System is offered by Portland State University (PSU). Although PSU is not strictly comparable to WOU, in 2005-06, the History M.A. program at PSU attracted 20 full-time and 34 part-time students. No non-OUS institution in Oregon offers an M.A. in History nor is a summer-only terminal
M.A. program offered at any institution in the state of Oregon. Masters degrees are included in the graduate programs at the University of Oregon and Oregon State University. Feedback from students enrolled in the terminal M.A. program in Classics at the University of Georgia–Athens, however, indicates that M.A. only students, rather than doctoral students, are attracted to programs that focus on a terminal M.A.

4. **What new resources will be needed initially and on a recurring basis to implement the program? How will the institution provide these resources? What efficiencies or revenue enhancements are achieved with this program, including consolidation or elimination of programs over time, if any?**

The implementation of the graduate program in History will require no investment of extra funds. No member of the History faculty will teach more than two 600-level courses per academic year (no more than one per term and usually one per four quarter cycle). In view of the limited number of graduate-only courses that will be offered by any individual member of the History faculty, no further course reassignment or graduate faculty teaching load reduction will be necessary. History faculty will continue to offer nine courses per academic year (36 units), of which four will be lower division and four will be upper division in addition to one 600-level graduate course. The History Department will raise enrollment in upper division undergraduate courses from 20 students to 25 students to allow for graduate only course offerings.

A limited number of graduate teaching assistant slots available from the College of Arts and Sciences pool will be allotted to graduate students enrolled in the History M.A. program on an as-available basis.

All appropriate University committees and the OUS Provosts’ Council have positively reviewed the proposed program.

**Recommendation to the Board:**
The OUS Provosts’ Council recommended that the Board authorize Western Oregon University to establish an instructional program leading to a Master of Arts in History, effective Fall 2008.

**BOARD DISCUSSION AND ACTION:**

As there were no questions or comments regarding this consent item, President Dyess called for a motion to approve; Director Adriana Mendoza made the motion and seconded by Director Dalton Miller-Jones. Voting in favor were Directors Kirby Dyess, Don Blair, Hannah Fisher, Jim Francesconi, Paul Kelly, Adriana Mendoza, Dalton Miller-Jones, and Howard Sohn, with none opposing. President Dyess announced the motion carried.
4. **ACTION ITEMS**

   a. **OUS Undergraduate Admission Requirements for 2009-10 Academic Year**

**DOCKET ITEM:**

**Background:**
In February of every year, the Oregon State Board of Higher Education policy calls for approval of undergraduate admission requirements for Oregon University System (OUS) institutions. This document is for the 2009-10 academic year. The schedule is necessary for institutional planning, program implementation, publication production, and timely notice to prospective students.

Currently, the Joint Boards of Education has been tasked by the Governor with creating a Unified Education Enterprise, building a student-centered pipeline that maximizes educational opportunity and achievement for all Oregon students. As part of this assignment, OUS continues to examine the current framework of standards and assessments in Oregon to close the gap between high school exit expectations for most students and the proficiency needed to take the next step into post-secondary education.

Although high school diploma standards do not guarantee OUS entrance, the universities’ admission criteria are based on continued performance analysis and retention outcomes of students at each institution. The admission policy of each institution is designed to ensure appropriate preparedness and to increase the likelihood for retention and university graduation within four to six years.

Students who successfully complete an Oregon high school diploma, but who are not admissible to OUS, are encouraged to pursue preparatory coursework and/or remediation at any of the Oregon community colleges. Community college partnerships to support these students are well developed among OUS institutions. Statewide legislative support for statewide P-20 initiatives has improved access to information about alternative pathways toward a baccalaureate degree for students who begin their post-secondary education at Oregon community colleges. A comprehensive electronic source, Articulation Transfer Linked Audit System (ATLAS), will provide students with centralized public access to individual course and program articulation among all public institutions in Oregon. ATLAS is currently available for all seven OUS institutions.

**Recommendation to the Board:**
The OUS Provosts’ Council recommended that the Undergraduate Admission Requirements be approved as updated for the 2009-10 academic year as set forth in the docket item, located at: [http://www.ous.edu/state_board/meeting/dockets/ddoc080208.pdf](http://www.ous.edu/state_board/meeting/dockets/ddoc080208.pdf).
BOARD DISCUSSION AND ACTION:

Dr. Robert Mercer presented the annual admissions requirements set forth above, noting that these have come through the Admissions Council and were presented last month to the Provosts Council. He pointed out there were really minor changes this year with a revision of the introduction for purposes of clarity and the addition of information on the ATLAS project under development. There were other minor changes; for example, prospective students who have been out of high school for 3 or more years will not be required to submit ACT or SAT scores upon admission application. Clarifying language was added to the science requirement at Western; also at WOU is the increase in required transfer GPA from a 2.0 to 2.5 to align WOU with other campuses. UO is reducing its transfer GPA to 2.0 for students who have completed the AAOT, also a change to align UO with other campuses. Western is implementing a comprehensive review process for freshmen who do not meet the minimum requirements. He noted that the UO’s transfer admission policy inadvertently omitted the minimum GPA for out-of-state students applying and he requested it be inserted (required 2.5 GPA).

Director Blair commented that although this certainly is vital work he is unsure what value the Board can add to this part of the process, noting he hoped the institutions are spending a lot of time on this; he just does not know how the Board can be accountable for the quality of the institutions in a way that adds value. He wanted to emphasize the importance of the work but challenged the Chancellor’s staff and other Board members how the Board can add value. Director Miller-Jones supported this, noting that Oregon is looking at a new high school diploma and assessments coming out of the Oregon DOE K-12 system which will make everyone examine what a grade point average really means by way of a set of proficiencies. He recalled that university faculties have been consistent in wanting information about what students know and the next time Systemwide admissions requirements are looked at this will need to be factored in.

As there were no further comments, President Dyess called for a motion to approve this item as set forth in the Docket. Director Paul Kelly moved, seconded by Director Don Blair. In a vote the following directors favored the motion: Kirby Dyess, Don Blair, Hannah Fisher, Jim Francesconi, Paul Kelly, Adriana Mendoza, Dalton Miller-Jones, and Howard Sohn, with none opposing or abstaining. President Dyess declared the motion carried and the item is approved.

b. OUS, Amendments to OAR 580-023-0005 Criminal Background Checks

DOCKET ITEM:

Staff Report:
Oregon Revised Statute 181.534 allows the State Board of Higher Education to conduct fingerprint-based criminal records checks for employment purposes. The statute requires "authorized agencies," such as the State Board of Higher Education, to adopt rules governing these fingerprint-based criminal records checks. In June 2006, the Board adopted rules governing criminal background checks pursuant to this statute. Over the course of the past 18 months, there has been some confusion on the part of the campuses regarding the process
necessary to comply with the statute and the rules. These proposed criminal record check rules were drafted to clarify confusion, more closely track the authorizing statute, and delineate a hearing process that an applicant, contractor or volunteer could use if the applicant, contractor, or volunteer were determined to be unfit to hold a position.

**Staff Recommendation to the Board:**
Staff recommended that the Board rescind the current administrative rules in Chapter 580, Division 23, and adopt the proposed rules as temporary rules (full text of the rules is available at: [http://www.ous.edu/state_board/meeting/dockets/ddoc080208.pdf](http://www.ous.edu/state_board/meeting/dockets/ddoc080208.pdf)).

**BOARD DISCUSSION AND ACTION:**

President Dyess called upon Deputy Chancellor for Legal Affairs Ryan Hagemann for details relating to this docket item. He introduced this item by providing its history: in 2005 the Legislature authorized certain agencies to conduct fingerprint-based background checks but a state statute to do this for employment purposes is required by federal law. Though there is a statute, there has been confusion about what is covered by the rules. The OAR amendments proposed track the statute more, focusing on fingerprint-based criminal background checks only, as opposed to computer records checks or similar procedures which agencies can already perform through the state police or a vendor – rules are in place already for that. Director Blair indicated it made a lot of sense and queried how the System approaches the question of when these should be done. Hagemann responded that now the OAR has been amended, as a first step, the campuses can develop their background check policies. In response to a question by President Dyess he said he can immediately begin work with the campuses and report back to the Board on their background check preferences and report back to the Board in 90 days.

President Dyess then called for a motion to approve the item. Director Donald W. Blair moved to approve and was seconded by Director Howard Sohn. A unanimous vote in favor was received from Kirby Dyess, Don Blair, Hannah Fisher, Jim Francesconi, Paul Kelly, Adriana Mendoza, Dalton Miller-Jones, and Howard Sohn, with no one opposing or abstaining. President Dyess declared the motion carried and the item is approved; she then thanked Mr. Hagemann for his input.

c. OUS, Adopt temporary OAR Divisions 60, 61, 62, and 63; repeal OAR 580-040-0100 and 580-042-0005(1)(f), Division 50, OSU OAR 576-008-0200 through 295; UO OAR 571-040-0010 through 0460; and repeal IMD Sections 6 (6.100-6.103 and 6.150-0.175) and 7 (7.001 through 7.145)

**DOCKET ITEM:**

**Summary:**
OUS institutions are requesting the Board review and approve temporary rules to modify current OUS administrative rules that govern procurements of professional services, goods and services, construction services, and purchases of real property. During the January Finance and Administration Committee meeting, staff and Committee members discussed the proposed
rules. Committee members requested staff to make modifications to the rules, which are highlighted below.

Staff recommends that the rule modifications be adopted as a temporary rule, effective February 18, 2008. The temporary rule would remain effective for a maximum of 180 days. During that period, the Chancellor’s Office will conduct public hearings to ensure that the public has an opportunity to comment on the changed business practices prior to final Board adoption.

**Background:**
The Chancellor’s Office has worked with campus personnel, the Department of Justice and the Governor’s Advocate for Minority, Women, and Emerging Small Businesses to develop procurement rules that provide increased transparency, accountability, and flexibility for OUS institutions. Table 1 outlines a contrast of the current rules versus the set of proposed rules for the significant activities and authorities contemplated in the re-write (see [http://www.ous.edu/state_board/meeting/dockets/ddoc080208.pdf](http://www.ous.edu/state_board/meeting/dockets/ddoc080208.pdf)).

<table>
<thead>
<tr>
<th>Topic</th>
<th>Modification to Rules</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delegate more transactions to Chancellor to reduce transactions requiring Board review.</td>
<td>The Chancellor will approve most transactions where the Board previously approved.</td>
</tr>
<tr>
<td>Compliance with Code of Ethics and regular acknowledgement of the responsibility.</td>
<td>Require that employees that purchase sign an annual statement reaffirming the Code of Ethics.</td>
</tr>
<tr>
<td>Leases – Rule did not address the amount of consideration for a lease.</td>
<td>Presidents may authorize if the consideration of the lease does not exceed $5 million. If above, Chancellor will approve.</td>
</tr>
<tr>
<td>Large contracts – Large contracts should be unbundled if feasible to provide more MWESB opportunities</td>
<td></td>
</tr>
<tr>
<td>Sole Source – Ensure that sufficient justification is documented and that is used only as a last resort.</td>
<td>Personal services and goods and services: still authorized; however, institutions must publish on the OUS website a notice of intent to award for at least seven calendar days before awarding.</td>
</tr>
<tr>
<td>Procurement Assessments – Institutions need to develop procurement assessment methods to start benchmarking things such as fiscal efficiencies, customer service, Systemwide cooperative purchasing, and quality control.</td>
<td>Staff proposes that the purchasing and facility directors collaborate to establish goals and methods for conducting procurement assessment.</td>
</tr>
</tbody>
</table>

**Capital Construction:** Presidents authorize up to $1 million cumulative for institution projects throughout fiscal year. Chancellor may approve up to $5 million cumulative for each institution. All other must be approved by Board. Institutions must publish on the OUS website a notice of intent to award for at least seven calendar days before awarding.
Staff Recommendation to the Board:
Staff recommended the Board repeal OAR Chapter 580-040-0100 through 0295, repeal OAR Chapter 580 Division 50 in its entirety, repeal OAR Chapter 580-042-0005(1)(f), repeal OSU OAR Chapter 576-008-0200 through 0295, repeal UO OAR Chapter 571-040-0010 through 0460, delete the below Internal Management Directives, and adopt permanent rules titled: Division 60 – Real Property, Facility, and Campus Planning; Division 61 – OUS Procurement and Contracting Code; Division 62 – Purchasing and Contracts for Personal or Professional Services and Goods and Services; and Division 63 – Capital Construction and Contracting.

Internal Management Directives To Be Repealed:

Section 6 – Gift, Grant, and Contract Management
6.100 Grants and Contracts
6.101 Personal Service Contracts: Definitions, Standards, and Procedures
6.102 Authority to Enter into Personal Services Contracts
6.103 Justification of Personal Services Contracts

Section 6 – Property Procurement/Management
6.150 Assignment of Responsibility – Personal Property
6.155 Purchases to Conform with Department of General Services Regulations
6.160 Purchase of Books and Periodicals
6.170 Responsibility for Review, Retention, and Disposition of Real Property
6.175 Guidelines for Real Property Retention and Disposition Decisions

Section 7 – Planning, Facilities, Physical Plan, and Equipment
7.001 Land Acquisition Policies
7.010 Rededication of Physical Facilities
7.100 Long-Range Campus Development Planning
7.105 Space Use Objectives and Building Planning Standards
7.106 Authorization to Undertake Capital Construction Projects
7.110 Categories of Capital Outlay Expenditures
7.115 Cost Allocation of Utility Services
7.125 Air Conditioning
7.130 Approval of Plans, Specifications, and Contracts
7.140 Acceptance of Buildings
7.145 Plant Rehabilitation
7.155 Use of Facilities for Other-Than-State Purposes
7.160 Lease of Retail Store Spaces in Institutions Buildings
7.170 Board-Provided Housing

BOARD DISCUSSION AND ACTION:

President Dyess then called upon Vice Chancellor Jay Kenton, Director of Capital Construction, Planning and Budget Robert Simonton, and Director of Purchasing and Contracting Services George Marlton, for information regarding this docket item and noted it seemed ready to move
forward based upon previous discussions with the Board. Director Simonton agreed and
recalled the formal process was launched at the January 2008 Board meeting to update the
administrative rules governing capital construction and procurement of goods, services and real
property. He noted that a “first reading” was presented to the Finance and Administration
Committee where the process of obtaining stakeholder consensus was described along with the
three guiding principles of this project: transparency, accountability and flexibility. He described
the goal as achieving a balance of fair and competitive practices with greater campus autonomy
while providing more opportunities for minority, women and emerging small businesses. He
indicated the modifications requested by Finance and Administration had been made and
George Marlton will provide that information.

Director of Purchasing and Contracting Services George Marlton then referred the Board to
page 37 of the Docket for the list of topics and requested modifications made and
implemented. He briefly outlined these modifications, the first being to delegate more
transactions to the Chancellor to reduce the transactional work the Board is having to do,
aligning this with the overall mission of delegating more to the Chancellor – items such as the
purchase and sale of real property, approving leases, naming buildings, etc.

The second change was an overall reaffirmation of OUS procurement professionals of
complying with the code of ethics that OUS has established; on an annual basis procurement
professionals will all sign a statement reaffirming that they’ve read and familiar with those
codes of ethics. In response to a query by Director Blair, this signed affirmation would agree the
signer has read and is familiar with; in the procurement process the evaluation committee
members individually sign that they have no conflict with that procurement.

George Marlton next discussed the third item, leases. As the rules did not address the amount
of consideration for the lease, it has been added in: above $5 million, the Chancellor will
approve the lease. In response to a question from Director Blair, Marlton agreed if a lease is
under ten years or under $5 million in aggregate it may be signed by the institution president;
over that, the Chancellor must approve. He noted that it is contemplated that truly large
transactions will be brought before the Board by the Chancellor at his discretion. Director Blair
agreed that the formal role of the Board is at a level of the really big strategic issues; the middle
zone of commitments is the Chancellor’s responsibility. Vice Chancellor Kenton suggested that
a reasonable threshold would be $20 to $25 million, which was agreeable with Director Blair,
and with President Dyess’ agreement was set at $25 million in fiscal commitment and, with
input from Director Kelly, twenty years duration. Chancellor Pernsteiner expressed a concern
that at what point does a lease begin to look like ownership – at what point may there be
bonds against it and leasehold improvements. He recalled a “rule of art” that the Department
of Justice used in determining what really was a lease and what looked like something else and
recalled the financial figure at around $15 million but Department of Justice counsel Wendy
Robinson stated she was unaware of any limits from the DOJ. Director Blair then asked how
many projects in a year’s time would exceed this guideline and Vice Chancellor responded it
would be a major facility lease for a fairly long period of time such as the White Stag lease in
Portland. President Frohnmayer noted that the White Stag lease might approach $20 million,
thus needing Board approval, and President Dyess agreed.
President Dyess then asked if this would be a temporary OAR for six months so there is an opportunity to “test drive” it and look at it one more time and Dr. Kenton agreed. She then called for a motion for approval of the temporary rules. Director Adriana Mendoza made the motion and seconded by Director Don Blair. Unanimously voting were Kirby Dyess, Don Blair, Hannah Fisher, Jim Francesconi, Paul Kelly, Adriana Mendoza, Dalton Miller-Jones, and Howard Sohn, with none opposing or abstaining, and President Dyess declared the motion carried.

d. OUS, Optional Retirement Plan, Amendment 1

DOCKET ITEM:

Summary:
Board adoption of an amendment to permit non-spouse beneficiary rollover distributions of deceased participants’ accounts is requested as Amendment 1 to the 2007 Optional Retirement Plan.

Staff Report to the Board:
Until 2007, non-spouse beneficiaries of deceased employees were permitted to withdraw account balances from inherited retirement accounts but could not request non-taxable rollovers to other retirement plans or IRAs. The Pension Protection Act of 2006 now allows retirement plans to offer tax-favored rollover distributions to children and other non-spouse beneficiaries, subject to inclusion of this rollover benefit by the Plan.

Amendment:

Amendment No. 1
To the
Oregon University System Optional Retirement Plan
As Amended and Restated Effective August 1, 2007

The Oregon State Board of Higher Education (the “Board”) amends the Oregon University System Optional Retirement Plan, as amended and restated effective August 1, 2007, by adding the following new Section 5.8(e) immediately after Section 5.8(d) thereof:

“(e) Modification of Definition of Distributee to Include Non-spouse Designated Beneficiary

“This paragraph shall apply to distributions made after December 31, 2007. For distributions made after December 31, 2007, and before March 1, 2008, this paragraph shall apply to distributions from the part of a Participant’s Accounts held by a particular Fund Sponsor only on and after the first date that Fund Sponsor makes a direct trustee-to-trustee transfer under Code Section 402(c)(11) from any Participant’s Accounts. For purposes of the direct rollover provision in this Section
5.8, a distributee includes an individual who is a designated beneficiary (as defined in Code Section 401(a)(9)(E)) of a deceased Employee or former Employee and who is not the Employee’s or former Employee’s surviving spouse. In the case of an eligible rollover distribution for such an individual, an eligible retirement plan is only an individual retirement account described in Code Section 408(a), or individual retirement annuity described in Code Section 408(b), established for the purpose of receiving the distribution on behalf of the individual and that will be treated as an inherited IRA pursuant to Code Section 402(c)(11). The determination of any distribution required under Code Section 401(a)(9) that is ineligible for rollover for such an individual shall be made in accordance with Q&A-17 and -18 of Internal Revenue Service Notice 2007-7, 2007-5 I.R.B. 395, or later guidance by the Internal Revenue Service or in Treasury regulations. For purposes of this paragraph, an individual includes a trust the beneficiaries of which meet the requirements to be designated beneficiaries within the meaning of Code Section 401(a)(9)(E). The last three sentences of Section 5.8(a) (about notice and consent) do not apply to eligible rollover distributions for such an individual.”

Staff Recommendation to the Board:
Amending the Optional Retirement Plan to change benefits is a non-delegable Board responsibility under the OUS Investment Policy Statement and governance guidelines. Board adoption of Amendment 1 is required for addition of this benefit to the Optional Retirement Plan. Staff recommended adoption of this amendment, including the stated effective dates.

BOARD DISCUSSION AND ACTION:

President Dyess called upon Human Resources Director Denise Yunker to discuss the OUS Optional Retirement Plan Amendment 1. Director Yunker described the Amendment as changing a benefit of the plan based entirely upon and in compliance with the Pension Protection Act of 2006 permitting non-spouse beneficiaries to have rollovers, and it must be adopted into the Plan so that vendors are able to process those transactions. As there were no questions or comments, President Dyess called for a motion to approve the item as set forth in the docket. Director Don Blair moved the approval of the amendment and it was seconded by Director Adriana Mendoza. Unanimously voting in favor were Kirby Dyess, Don Blair, Hannah Fisher, Jim Francesconi, Paul Kelly, Adriana Mendoza, Dalton Miller-Jones, and Howard Sohn with none voting against or abstaining. President Dyess therefore declared the motion carried and the item approved.
e. SOU, Revised Mission Statement

DOCKET ITEM:

Background:
In January 2008, President Cullinan introduced for Board consideration Southern Oregon University’s new mission statement. Board comments and suggested changes from that discussion have been incorporated into a revised statement and offered for Board approval.

SOU Mission Statement

Southern Oregon University is an inclusive campus community dedicated to student success, intellectual growth, and responsible global citizenship.

Commitments

Southern Oregon University is committed to

- a challenging and practical liberal arts education centered on student learning, accessibility, and civic engagement;

- academic programs, partnerships, public service, outreach, sustainable practices, and economic development activities that address regional needs such as health and human services, business, and education; and

- outstanding programs that draw on and enrich our unique arts community and bioregion.

Staff Recommendation to the Board:
Staff recommended the Board approve Southern Oregon University’s revised mission statement.

BOARD DISCUSSION AND ACTION:

President Dyess called upon Southern Oregon University President Mary Cullinan for a discussion of the revised SOU Mission Statement. President Cullinan expressed appreciation for the Board’s input at the January 2008 meeting and as a result the second bullet item under “Commitments” has been revised accordingly and, she believes, it has strengthened the mission statement. There being no further comments or questions, President Dyess called for a motion to approve the revised Mission Statement. Director Paul Kelly moved, seconded by Director Jim Francesconi. Unanimously voting in favor were Kirby Dyess, Don Blair, Hannah Fisher, Jim Francesconi, Paul Kelly, Adriana Mendoza, Dalton Miller-Jones, and Howard Sohn. There were no opposing votes or abstentions and President Dyess declared the motion passed and the new SOU Mission Statement “official.”
5. **REPORT ITEM**

a. **Board Schedule and Work Plan – 2008**

*Background:*
As requested at the January 2008 OUS Board meeting, the following is a proposed schedule and work plan for the next 12 months. Please note that this is preliminary as it represents the staff’s best thinking at this time. Inevitably, other issues will arise that will require some modification to this plan (see: [http://www.ous.edu/state_board/meeting/dockets/ddoc080208.pdf](http://www.ous.edu/state_board/meeting/dockets/ddoc080208.pdf)).

*BOARD DISCUSSION:*

President Dyess called upon Vice Chancellor Kenton for a discussion of the Board schedule and work plan. Vice Chancellor Kenton noted a couple of inadvertent omissions to the schedule that will be added and he wished to briefly address a couple of schedule items; in particular, there was an earlier plan to bring forward a bond sale resolution on the UO arena project; the UO would prefer to do that in April so instead a COP sale resolution – limited type of bond – will go forward in March and the bond sale item will be addressed in April. Also in April the proposals to DAS and the Governor for legislative concepts for statutory changes as those concepts need to be submitted to DAS in April. He also drew the Board’s and Finance and Administration Committee’s attention to the “capital project placeholders” in the event hard-to-predict changes to capital projects occur due to, for example, inflationary costs, and those would require Board action so they have been inserted into the proposed calendar as placeholders.

He continued that on the April calendar Patty Snopkowski would like to modify the policy on financial irregularities; they are forecasting a permanent procurement policy adoption but this would give more opportunity to “test drive” the new policy. He noted that although he had hoped that the Legislature would allocate salary funds, DAS instead will be proposing distribution of that fund to the Legislature during the supplemental session and given the economic forecast it’s likely to be postponed until June or later. He reiterated there would be a UO arena project bond sale resolution in April as well as probably some other XI-F bond-funded projects. He expressed hope that before June WOU will provide an update on the Tuition Promise program as in June the 2008-09 tuition and fee policies will be up for approval; also pending are campus proposals and changes regarding new resource fees and differential tuition. President Dyess said WOU President Minahan indicated the WOU Tuition Promise update would be in May. In response to his suggestion President Dyess indicated the Tuition Promise update probably would be a first report and not something other campuses would be considering; President Minahan also responded that WOU has a lot of data and that about 85 percent of the Fall 2008 enrollments will be in, providing a good picture of how it fits – by May the numbers will look pretty solid and fall numbers can be predicted by category – in-state, out of state, international, level of student, retention rates, and new enrollments. Chancellor Pernsteiner pointed out that if other campuses want to go in that direction relief from the budget note might need to be sought and therefore require a visit to the emergency board.
Vice Chancellor Kenton then asked Susan Weeks about scheduling the annual campus performance report and she confirmed this for a May item because it will flow better with some of the subsequent items coming forward in June. President Dyess agreed, noting that it may be two to three months before all of the presidents can be engaged on a performance review and it works well if performance indicators are fresh in mind as the Chancellor’s presidential reviews commence. President Dyess would like to see the campus performance indicators and the Chancellor’s presidential reviews during the same period of time, with which strategy Chancellor Pernsteiner agreed.

Vice Chancellor Kenton continued with the plan to preview budget policy package requests to give the Board some indication of the areas of interest and priority and begin to refine the proposals in June, for approval in July, on both the operating and capital sides of the budget. Also in June: approval of the 2008-09 tuition and more strategic planning discussions in the previously referred to areas.

Director Francesconi expressed a concern that this is too much – all substantial discussions, and it might be better to focus on one or two and do them right and aim for preparation as opposed to trying to do all three. Susan Weeks pointed out it is up to the Board on hearing those; some are what were called the “bin items” from the December 2007 Board Retreat and there was a commitment to providing at least an action plan of some sort within a few months – it’s at the discretion of the Board. President Dyess agreed with Director Francesconi’s point as valid, nothing these items may be spread between May, June and July rather than trying to do all three at once.

President Frohnmayer added a process note for the June meeting, hoping that the Board is counting on devoting the time block necessary to make the presidential evaluations work as he feels the single most valuable time he spends with the Board is the annual evaluation time, and to shortchange that would be to shortchange a major role of the Board in terms of its supervision of individual institutions. Vice Chancellor Kenton said this is an excellent point. President Dyess suggested taking the issue of the calendar plan under advisement, along with the strategic planning discussion status reports and plans, especially as June is also the time to elect officers. Director Miller-Jones suggested putting some of these issues up for consideration in each of September, October and November, and Susan Weeks concurred with this, noting in addition the academic program review policy is only now getting underway and the September meeting also has a tie-in item related to the missions and goals for the institutions. Director Kelly suggested that the June agenda item for the OIT presidential search might be an optimistic one as there’s no guarantee that target date can be met.

Vice Chancellor Kenton continued that in July there will be the legislative budget approval; following approval everything must be transcribed into formats consistent with the state process and submitted to DAS by the August 31 deadline. Additionally, he noted that Susan Weeks plans to bring a revised report on peer institutions, with recommendations, to the Board. He also said he had been coordinating with Yvette Webber-Davis on a more robust annual diversity report and discussion incorporating interactions with not only students and faculty but employees and vendors in the minority/women-owned and emerging small business
areas. Director Francesconi made the suggestion that instead of terming this an “annual diversity report” it is actually broader than that and is actually an OUS diversity strategy and it would be a good thing to factor in sufficient time for these issues. Vice Chancellor Kenton also pointed out that in July the Campus Safety Task Force findings will be available to the Board so there may actually have to be a marathon meeting or reschedule some of these items. He went on to note that in October the higher ed outreach plan will come before the Board in preparation for the upcoming budget session; he emphasized the importance of delivering the importance of higher education as an investment to editorial boards, and others.

President Dyess commented that some of the policies put in place previously, such as the harassment policy, called for annual status reviews from each campus, so she was thinking that if a campus safety report is coming before the July meeting the campus reports might be coordinated. She commented further that this seems to be a very busy schedule and asked Director Kelly if there was anything he or his committee(s) could think of to take off the agenda. She noted appreciation for President Frohnmayer’s comments and that his comments drew assenting indications from the other presidents so obviously the Board needs to arrange generous time for these reviews.

6. Discussion Items

b. OUS, Legislative Concept Proposals

As was discussed in the January 2008 OUS Board meeting, staff have been investigating legislative concepts that would give the OUS greater flexibility in operations in order to better manage both revenues and expenditures. As was noted in this meeting, legislative concepts are due to the Department of Administrative Services (DAS) in April 2008.

The following concepts for legislative changes are presented for OUS Board consideration for submission in the 2009-2011 Legislative process:

(1) Legal Services

Under Oregon Revised Statutes Chapter 180, the Attorney General and the Department of Justice are responsible for the legal services and representation of state agencies, including the Oregon University System. As a part of this authority, the Attorney General may appoint "special assistant attorneys general" for particular assignments and has done so to provide for the in-house counselors for the Chancellor’s Office, the University of Oregon, Oregon State University, and Portland State University. Because of the unique and multi-faceted nature of a higher education legal practice, however, with particular consideration to capital construction, intellectual property, and contractual agreements, it could enhance System efficiency if OUS and its member institutions possessed statutory authority, outside of ORS Chapter 180, to hire its own legal counsel.

(2) Delegation of Authority from Board to Chancellor/Presidents
As outlined in Oregon Revised Statutes Chapter 351, the State Board of Higher Education possesses broad governing authority. As the Board increasingly engages in transactional, as opposed to policy or advocacy work, it may be required to amend ORS Chapter 351 and, perhaps, Chapter 352 to permit delegation of specific powers, particularly those of a transactional nature, to the Chancellor or the OUS presidents, as the Board deems necessary for the efficient and effective operation of the System and individual institutions.

(3) Campus Public Safety

Oregon Revised Statute 352.385 permits and governs "special campus security officers." Although special campus security officers possess some law enforcement authority, such as "stop and frisk" and "probable cause arrest authority," special campus security officers are not "peace officers" and, as such, do not possess the full compliment of law enforcement authority, including the ability to carry a firearm.

As times have changed, however, it may be necessary to revisit how OUS institutions secure campuses and provide the safest environment possible for students, staff, faculty, and visitors to campus. With statutes governing "special campus security officers" and various definitions of "peace officer" and accompanying authority, the Board can examine and discuss different models of law enforcement and advocate the necessary statutory revisions to implement the model that it prefers. Depending on whether the Board would like to permit individual campuses to organize police departments, manage a police department centrally, or require collaborative agreements with existing law enforcement agencies (such as that with Oregon State University and the Oregon State Police), specific statutory changes might be required to effectuate the model the Board chooses to pursue.

(4) Investment Earnings

Currently, the investment earnings generated on student tuition and fees and other university operating revenues accrue to the state’s General Fund and not to OUS. We believe this to be fundamentally unfair. Our students have been forced to bear a greater and greater share of their higher education costs, while the investment earnings on their tuition and fees, which has grown as a result of the State’s disinvestment, is not able to be used for improving student instruction and other student services. Additionally, OUS has identified new cash, investment, and debt management techniques that can generate significant incremental revenues to the state and reduce its debt service costs through the prudent use of variable rate debt. Without retaining the investment earnings on the operating revenues of OUS, such as student tuition and fees, these new treasury management techniques cannot be implemented in a cost-effective manner. OUS is requesting the authority to retain the investment earnings on all of its funds for the purpose of generating additional revenues to hold down tuition costs and improve services to students.

(5) Risk Management
Currently, OUS has delegated authority only to purchase student-related coverage (other than for liability) and fine arts coverage. OUS has benefited greatly from developing relationships with brokers and insurers, thus ensuring timely renewals and the best rates available. All other insurance coverage is provided or purchased by the Department of Administrative Services (DAS). Staff believe that statutory ability to contract for all of its insurance coverage with other insurance agencies or groups created uniquely for universities, such as WICHE, will result in a more efficient, cost-effective system for obtaining insurance coverage. There are strong indications that other university systems save substantially by obtaining their insurance through such groups. We are therefore seeking statutory authority to purchase all insurance coverage directly in the marketplace, as opposed to having DAS do this for OUS.

(6) Payroll Deduction Authorization

ORS 292 specifies all payroll deductions that can be authorized by a State agency. From time to time, campuses would like to add voluntary payroll deductions for local non-profits or other reasons. This legislative concept would modify ORS 292 to authorize the OUS Chancellor to, where warranted, approve voluntary payroll deductions if requested by OUS or its member institutions.

(7) Non-State Funded Capital Projects

This Legislative Concept would increase the delegation from the Legislature to the Board to establish Other Funds limitation for new projects or supplement existing projects without further Legislative approval. The Legislature would set an overall Other Funds limitation each biennium that could then be subsequently allocated by the Board to specific projects. This concept would provide the campuses with greater flexibility in managing their donations by allowing more gift opportunities to support the educational mission of the universities. This change would maintain accountability to the Legislature and Board, but would provide a timely and entrepreneurial focus on results rather than process.

BOARD DISCUSSION:

President Dyess then called upon Vice Chancellor Jay Kenton for legislative concepts, noting that the Board is getting its first look at these and is encouraged to whittle down the numbers of these if any no longer fit the agenda based on the state economic forecast heard earlier in the meeting. Vice Chancellor Kenton referred the Board to the docket for seven concepts and noted two more recent arrivals.

The first concept relates to legal services and Vice Chancellor Kenton called upon Deputy Chancellor for Legal Affairs Ryan Hagemann to address this legislative concept. Hagemann pointed out that ORS Chapter 180 specifies that the Attorney General is the provider of legal services for state agencies but OUS would like in some capacity to get out of ORS Chapter 180 to provide its own legal services – particularly in regard to issues relating to intellectual
property. In response to an query from Director Kelly, Hagemann defined his role as “special assistant attorney general” (as are other campus-based attorneys) under ORS Chapter 180, governed by a lengthy agreement between the Oregon University System and the Department of Justice for legal services, and all of the SAGs report to the Attorney General in some capacity under that agreement. Director Francesconi pointed out that coincidentally one of the AG candidates raised the issue of the need to beef up the intellectual property side of the AG’s office and that perhaps a special effort could be made, with Neil Bryant’s assistance, to educate candidates about this issue’s importance. President Dyess pointed out Research Council’s concerns with keeping legal help on IP issues particularly where tech transfer is involved – legal help which should take 30 days is taking nine months and that just doesn’t work. In response to a question from Director Kelly, Neil Bryant indicated that this particular legislative concept would not please the current Attorney General, Hardy Meyers, even though the Governor supported the concept that higher education would be exempt from ORS Chapter 180 and able to hire needed counsel; in fact, a hearing was held before the Senate Judiciary, following which an intergovernmental agreement was negotiated for the individual campuses that worked well, with additional SAGs and more authority. The current need is arising from the intellectual property side so the current AG may believe there is not a problem as it hasn’t been discussed with his office in the last year or so. President Frohmayer clarified that traditionally the AG’s office doesn’t like these proposals, preferring consolidated legal services under ORS Chapter 180, but there is a pragmatic concern that service just is not prompt enough particularly when dealing with intellectual property and a high tech environment, and this justifies and motivates the high level of continuing interest in going in the proposed direction.

The second legislative concept, continued Hagemann, is the delegation of authority from the Board to the Chancellor and campus presidents, an issue which Director Kelly’s group is working on with the possible need for statutory changes to reflect appropriate goals. Director Kelly asked about the calendar and deadline for submitting to DAS, which Vice Chancellor Kenton characterized as the calendar adopted for all state agencies. Items can go in as placeholders and be fleshed out later, with the final deadline late in the summer. Director Kelly felt it was important to include this legislative concept, and Vice Chancellor Kenton suggested asking that the statutes be modified to give the Board the ability to delegate that – get the flexibility into the statute and bring it back on a case-by-case basis.

Hagemann continued with the third concept, campus public safety, referring to House Bill 3318 and noting that the Chancellor has asked the campuses to engage students, faculty employees and staff concerns about this issue; this information from the campuses is expected later in the month. He pointed out that there had been issues with whether special campus security officers can adequately protect the campuses or whether a different model is called for to achieve campus safety. Chancellor Pernsteiner added that each campus currently has public safety officers who have limited authority with regard to police activities and are not armed but the campuses have the ability to contract with a police agency to supplement its public safety officers; if the Board is comfortable with that then additional statutory authority would not be needed and it can be suggested to campuses to review their own arrangements and make appropriate decisions. A statutory change would be required if the campuses or system proposed setting up university police departments for the individual campuses that were under
control of the university and subject to university policies. President Dyess commented that there were budget considerations and she would rather see the dollars spent on access and retention and in addition it sounds as though students are not in favor of armed police on campuses. Director Mendoza agreed, saying what students want is a better way of sending out information about what is happening on campus as opposed to increased force. Director Miller-Jones suggested that we have to be especially mindful about communication to avoid the disastrous mistakes happening in other parts of the country, a sentiment with which President Dyess concurred, noting that she would also like to see the input and recommendations of the safety committee. Chancellor Pernsteiner responded that the communications issue is before the campus safety forums at this time and will be part of the reports expected back from the presidents mid-month. In response to a question from Director Mendoza, Neil Bryant pointed out a bill sponsored by SEIU passed the house and died in the Senate that was most likely a reaction to the Virginia Tech shootings but he thought there would be another bill similar to the last one and it will be very important to have the information coming out of the campus forums and meetings, noting that even if the issue is improved communications there might be some dollars involved in it, and information will need to be provided to both the Legislature and the special committee. In response to Director Fisher’s comment about combating a bill rather than creating a bill, Neil Bryant said the idea is to be pro-active and the decision may, after hearing from the campuses, be that there is no statutory change needed or it can be done by rule. President Frohnmayer requested the issue be kept as an agenda item and not try to act on it without further dialog and the results of his campus’ internal consultation.

Vice Chancellor Kenton went on to the next concept, investment earnings, characterizing it as a repeat of the last time, which resulted in a budget note and a study supporting OUS assertions regarding investment earnings in different ways of investing funds and the bigger policy question about retention of earnings. He expressed the hope of greater success this time.

Next on the list of legislative concepts is risk management, also an issue Vice Chancellor Kenton reported was brought up in the last session without getting anywhere though he believes there may be some opportunities on the tort, workers compensation, or property sides of the equation as, he reports, many higher ed associations around the country have self-insurance policies that offer pooled self-insurance that he believes could save significant dollars – millions of dollars per biennia. He suggested OUS may need to defer to the Governor’s office on this because there may be some kind of statewide solution available. Director Blair asked if there is a way to embed a proposal that puts some sort of standard against some of the state assessments and focuses them on the OUS educational mission; in other words, a concept saying these assessments need to be ones advancing the educational mission as opposed to some of the other assessments which may not go that way. Vice Chancellor Kenton asked if this pertains to debt service and Director Blair responded with the example of the IT assessments relating to systems OUS does not use and Vice Chancellor Kenton replied that those IT assessments were later corrected, resulting in a major reduction in that area. Director Blair indicated he wanted to ensure that we establish a principle saying we’re either buying services that are at market or efficient price or that what we’re buying is something connecting to the missions of educating students and creating knowledge. President Dyess suggested perhaps the allocation should more closely match the percentage of funding received from the state.
As a housekeeping item, with regard to voluntary payroll deductions where from time to time campuses or OUS may want to participate in charitable activities, as it stands today Vice Chancellor Kenton stated we have to give specific, express statutory authorization for that and what is being proposed is requesting a broad-based statutory adjustment that would provide authority to approve voluntary payroll deductions where appropriate.

The seventh legislative concept brings back a similar concept from last session, on non-state-funded capital projects such as the Goss Stadium project which was initially funded by gifts but due to inflation, and other interests, the project exceeded the approved authorization resulting in going back to the legislature to ask for authorization to spend more gift money. Vice Chancellor Kenton suggests that this time we ask the legislature to give the Board a limitation of other funds which could be allocated to projects within some macro level to each project thereby making it more efficient for campuses to fundraise, carry out donors’ desires, etc. He indicated he and Ed Ray met with Senator Schrader regarding this concept and that Senator Schrader indicated interest in assisting this if the concept were crafted correctly so “may have better luck this time if we run that concept.”

A concept not in the docket came up the day prior to this meeting. Vice Chancellor Kenton noted a number of campuses are becoming involved in self-generation of power and sustainable systems including geothermal, biomass, steam power, etc., including a wave energy project as well as a co-generation facility being installed at OSU; to be able to re-sell excess power there must be specific statutory authority to do so and he believes this will be a well-received concept as the Governor has been very supportive of these innovations and included funding for a number of sustainable projects in the last budget. He indicated he would be bringing this back before the Board in more complete form at a future meeting.

Finally, he said he had just been informed shortly before the meeting that Oregon Revised Statute 679 requires that if dentistry is practiced on campuses there may need to be statutory authorization to do so; currently, three campuses have dental clinics as part of their student health centers and there may need to be some statutory housekeeping to obtain the authority to continue to operate these clinics.

President Dyess then asked for questions or comments. Director Fisher indicated her concern with tuition equity; despite understanding the reason for not proceeding with adopting policies or seeking legislative statute due to the political climate, she does not feel the political climate is ever going to be “right” – tuition equity is a recommendation that came out of the Board’s Student Participation and Completion Subcommittee, Dalton Miller-Jones, Chair, and Director Fisher felt strongly this should not be dropped or forgotten. President Dyess responded that rather than having to do with political climate it is more of a budget situation and there are just some things that don’t mesh with cutting budgets across campuses. Director Francesconi indicated there may be other reasons than budgets not to proceed but proposed discussing the issue at the next Board meeting. Director Miller-Jones contributed that the issue had not been dropped but as it requires special strategies that the Board’s subcommittee is still trying to sort out.
Director Francesconi then requested assistance from President Dyess regarding lessening the number of line items before the Legislature, noting that there have been Governor’s Office conversations about not having 6,500 line items. Chancellor Pernsteiner responded that this is not embedded in the statute; rather, it is a procedure the state uses (commented upon and generally confirmed by Bill McGee from DAS, in the audience).

c. **OUS, Strategic Planning**

**BOARD DISCUSSION:**

President Dyess called upon Vice Chancellor for Strategic Programs and Planning Susan Weeks for an update on the “bin list” items from the December 2007 Board Retreat.

7. **COMMITTEE REPORTS**

a. **Standing Committee Reports**

President Dyess then called upon Directors Francesconi and Miller-Jones to report on their committees.

Director Francesconi began this section of the meeting with an update on the Portland Higher Education Initiative Committee, which is now a smaller group going forward along with the Provosts’ Council and along with private sector representatives. He particularly thanked Vice Chancellor Jay Kenton and Planning Analyst Charles Triplett from Strategic Programs and Planning for their knowledge and energy brought to this work; he also acknowledged Lesley Hallick for her activities on this agenda, and called out for the recognition of Director Pulliams, WOU President Minahan, OSU Provost Randhawa, OIT President Dave Woodall, UO Provost Linda Brady, PSU Vice President Lindsay Desrochers and PSU Provost Roy Koch. All of these people and more have developed specific goals: tracking new industries to support business development; the specific goals are in the detailed report in the Board docket; in summary, what they are is to attract new industries, support business development and measure it with externally sponsored research expenditures and measure the graduate programs that are directly related to the research strengths and goals of the greater Portland metropolitan region. The second goal is to increase the number of degrees produced annually in Portland with a two-fold focus – underrepresented populations and degree programs which serve the region’s workforce needs. The third goal is to increase the number of what he termed external “champions” of higher education in the Portland region – to raise significant new resources from local, regional, federal and private sources to supplement legislative requests, to help the Portland region reach it’s share of the statewide goal of 40 percent of the population with associate degrees and 40 percent with bachelor or higher degrees. In developing the Portland vision for higher education, he reported, as the committee work expanded it became clear that we need to utilize the capacity of the community colleges and the special strengths of OHSU and the other OUS institutions in strategizing to meet the benchmarks noted above, and part of this also is building relationships between and among institutions as well as the business
community and local governments. The main focus will be sustainability and the life sciences and it may well follow the Vice Chancellor Jay Kenton’s concept of an “innovation quarter,” a concept already referenced in a recent Oregonian editorial and integrated into the Portland comprehensive plan. As he stated, “the idea of raising Portland’s IQ is the brand” or as Chancellor Pernsteiner interjected, “the mark of genius.”

Director Francesconi continued that capitalizing upon Portland’s strengths, including OHSU’s Marquam Hill and South Waterfront, PSU’s University District and South Waterfront, UO’s White Stag in Old Town and OSU’s Pharmacy Program possibly locating at South Waterfront, plus the area’s robust system of community colleges, all point to a multi-institutional state of the art life sciences complex incorporating the institutions and working with OTRADI and OIT health professions, in a comprehensive instructional and research facility for which a specific capital budget request will be made. He pointed to the City of Portland’s Economic Development League and the Portland Community Foundation as joining this effort along with BEST and along with Senator Wyden’s staff in contributing a federal strategy. Businessman Mark Edlen has also been spending considerable time on this effort. He noted also that even the private educational institutions in Portland wished to participate, particularly in strategically partnering with the business community, and that he and Chancellor Pernsteiner have already met with the presidents of two of the independent colleges in Portland.

He summarized that this concept fits sustainability, diversity and the Portland targeted industries of manufacturing, product design, and business/finance. He said the next steps would be to convene a smaller committee with public meetings and notice and public records, the details of which he will present at a future Board meeting. He concluded with suggestions of who might serve in the different identified areas but this has not been finalized; He added that he wanted to put Director von Schlegell’s name on this work and follow by drafting supportive policy packages and continuing to re-form the overall plan. He followed by generally describing how this overarching plan will tie into the other Board mandates such as K-12 alignment and higher education, access, diversity and participation, which Director Miller-Jones will be addressing next.

Director Sohn stated he was very impressed that this plan integrates the principal outcomes of the strategic initiatives effort in an extraordinary and ambitious and he thinks it is really going to pay off. President Dyess also indicated she is very impressed with what has come together in this work. Director Blair contributed that the vision is really outstanding but cautioned Director Francesconi to jealously guard the focus against the temptation to get a little something for everybody—it is important to stay sharply focused in integrating these multiple goals and not allow them to become diffused. He also raised the question of the appropriate vehicle to bring all these elements together. Director Francesconi addressed this with a clarification of the contribution of institutions and the business community in collaboration and noted the importance and impact of this Portland regional work statewide.

Director Miller-Jones took the floor to address participation, success and completion, reminding the Board of the goals as set forth in the Board’s report on 2020. The initial and number one goal is to increase the number of Oregon students academically prepared for post-secondary
education, enroll in college and persist to graduation – particularly underrepresented students such as first generation, rural, and students of color from various cultural backgrounds. He pointed to the need for each of the higher education institutions to set specific goals for the increase in enrollment as well as getting the faculty significantly connected to K-12 education and feels that is what the new Oregon high school diploma and assessments are pointing to and cited the report from the Chronicle of Higher Education's perception gap report on student preparation. He felt this gap can be closed by greater collaboration between universities and high schools so that we achieve something like a K-20 system. He identified the second goal as addressing access through affordability, expressing hope that the Oregon Opportunity Grant will become fully funded and noting there is currently a great deal of outreach to disseminate information of this financial aid’s availability. As a corollary, he felt based on community feedback from reservation schools, rural schools and inner city schools that there needs to be unusual efforts to advise prospective students not only of this financial aid but also about the possibilities of going to college; the Committee will come back with follow-up work and specific proposals for this. He cautioned the Board that if tuition increases aren’t managed the numbers will fall even further behind as the increasing tuition to take up the slack in state funding has disproportionately burdened students and called out WOU’s Tuition Promise and UO’s Pathways programs as having significant positive impact and make significant statements to the communities that there is a strong effort to make college a possibility.

Back on the topic of better college preparation, he called out a fairly extensive number of programs working hard in this area – SMILE, GEARUP, ASPIRE, MESA, and a surprising number of community organizations, all trying their best to communicate to diverse background students that college really is part of their future view. He felt there needed to be ways to provide more support to these programs through better coordination, feedback and monitoring relating to where these students show up in post-secondary education, as well as increasing the capacity and outreach of these programs. He pointed out the need for Chancellor’s Office involvement, specifically citing the opportunities for Systemwide grants that are most logically and best applied for through the Chancellor’s Office as opposed to one of the campuses trying to do that and then trying to coordinate it across the system. A further need was cited on implementation of the integrated data transfer system (IDTS) which when fully working will have complete information about 80 percent of the state’s students so more could be learned and measured regarding courses taken, backgrounds, participation in the above programs, etc; he felt that a data-capturing and monitoring function out of the Chancellor’s Office, Systemwide, is essential for what his committee has been doing and wants to continue doing.

He continued with the information his committee had received about college information needing to be disseminated even to elementary schools as well as campuses organizing campus visits for high school juniors and seniors. He pointed out the need for development of planning guides and websites and pointed to Western Oregon University’s approach, that of having college freshmen write the brochures that go to the high schools. He also noted the need to support, increase and continue the middle school and high school career visitation and mentoring programs that have piloted in Portland as well as pre-college motivation and preparation programs. All of these efforts need greater partnering between K-12 and higher education. He particularly liked Southern’s and Easterns’ outreach efforts through university
centers; faculty need to be encouraged to take advantage and participate in these outreach centers because it says a lot to their communities about the stake higher education has in economic and community development and there has been positive feedback from the various communities on this.

Going forward, he said, his committee plans to determine the best approaches to capacity building, pre-college preparation and awareness, and on-campus retention. The committee wants to continue convening an annual symposium such as that in October 2007 with these goals: to share best practices; to expand outreach to include working with other partners, other groups, with foundations and with the Governor’s office; to share data monitoring; to report out on the committee’s efforts; and to develop creative and effective ways to deal with barriers and maintain high participation. Finally, he said his committee plans to continue coordinating with the Portland Initiative as their and his committee’s goals are essentially conjoined, and some of the committee participants will actually overlap. The short term goals of his committee are to continue to refine the participation and completion agenda and draft policy option packages.

Director Francesconi concurred with this presentation and further offered a possible plan to have some four-year degree programs on certain community college campuses to take advantage of existing facilities, but which may require some additional faculty and staff resources. He also introduced the concept of an “ICAN” program, essentially an inter-college access network, involving K-12, the community colleges, higher education, the business communities and citizens working together.

President Dyess commended Directors Miller-Jones and Francesconi on the work of attracting qualified, well-prepared students even going through to the grade schools. She drew attention to the great need to get the message out on the Oregon Opportunity Grant and it may take different ways of communicating to succeed in disseminating this information.

As an additional topic, Director Miller Jones identified the immigration status question and President Dyess called for more factual information as being helpful in understanding this issue.

Director Francesconi noted that teacher education is another area the private colleges, such as University of Portland, want to be involved in.

President Dyess then called upon Director Blair for his report on the Finance and Administration Committee proceedings. Director Blair stated that the institutions are doing a good job of managing their resources and he called out both EOU Interim President Dixie Lund and SOU President Mary Cullinan, both of whom are making great progress in their plans for their respective institutions. In addition, Director Blair urged the Board to continue focusing on resources even if there ends up a budget cut – the most important thing to do is focus on directing the available resources in driving results for the students; to hold OUS accountable and challenge ourselves to do it. President Dyess commended this as well said.
b. Other Board Committees

President Dyess called upon Directors Blair and Kelly for reports on their committees’ activities.

**Finance and Administration Committee**: Director Blair presented the results of his committee’s regional schools analysis, stating that the goal was finding a sustainable economic model that allows the regionals to prosper. While recognizing that the smaller institutions are vital to the state and have a tremendous role to play, nonetheless there have been a number of challenging economic issues over the last few years. He believes the focal point has been to redirect resources toward enrollment growth and student success at these institutions, and try to build opportunities to enhance these out of support services and functions. The meetings are continuing and he is hopeful some tangible plans for this will be generated.

**Governance and Policy Committee**: Director Kelly reported that his group had identified some of the issues and is reviewing materials provided by Deputy Chancellor for Legal Affairs Ryan Hagemann on the current organizational structure and pertinent statutes, rules and Board policies. His group will also may try to get some consulting help from the Association of Governing Boards regarding various structural alternatives and what may be being done in some other states. He suggested his group will have more to report at the next Board meetings.

President Dyess asked if anyone had questions or comments for Directors Blair or Kelly. OSU President Ed Ray noted that if we double our higher education student population we would have to double our built capacity and there is no model in this state to accommodate that and we need a different conversation about how Oregon would provide the built capacity needed to accommodate the higher student population goal. President Dyess acknowledged this as a valid point and noted that the Board’s and committee work so far has focused on fully utilizing system and connected facilities. Director Miller Jones thanked President Ray for recognizing this and noted one model (University of Minnesota) has a distributed education mechanism which includes online education, but he agreed OUS has to be creative about this.

President Dyess then called upon Chancellor George Pernsteiner to address the meeting regarding research and graduate education. Chancellor Pernsteiner reported that conversations with various groups have begun around research and graduate education proposals and linking those to past efforts with OregonInC and ETIC. He identified the big challenge is to get the term “graduate education” into the state’s lexicon where it has not been before; he referenced the difficulty experienced with getting the state to understand the need for associate or baccalaureate education and “ramping up the conversation to include graduate programs is going to be a long haul.” However, he firmly stated that this is the key to the research enterprise and the key to Oregon becoming competitive in the world. He has begun the conversation already during the Supplemental Session in Salem by deliberately talking about both undergraduate and graduate students because it is important that they understand the definition of “student” is broader than “undergraduate” and the discussion needs to deepen and support for students be provided at all levels. He looked forward to the Provosts and Research Councils bringing forward some proposals on this.
Director Francesconi appreciated Chancellor Pernsteiner’s comments, agreeing that this educational process may take a longer journey but needs to begin now.

8. **Public Input**

President Dyess noted that three people had signed up for public input.

Greg Marks stated to the Board that he is a campus public safety officer at Portland State, and he encouraged the Board to continue to keep the campus safety dialogue going, noting the need for a statutory change to provide more training and resources. He stated it’s hard for campus public safety officers to ensure campus safety when the officers themselves are incapable – from lack of training and resources - of doing the job that the Board and the universities ask them to do. Director Miller-Jones asked Officer Marks to help the Board understand why the Board should go in the direction of turning campus security into police departments and indicated his availability for a meeting to go into this in greater depth than possible at this meeting.

Next to speak was Royce Myers who stated he has been a public safety officer for nine years. He discussed campus safety when it involved contracting with municipal police. This model doesn’t always provide the coverage needed due to the municipal police understaffing challenges; as well, campus policies are often different than municipal police policies, and he cited an example where the campus would rather provide education than enforcement – there’s a difference in community standards and the institution’s mission may be different than law enforcement codes.

Crystal Bowes stated she is a UO public safety officer and formerly was an officer with the Portland Police Bureau and seconded Royce Myers’ comments on contracting with municipal agencies. She gave a lengthy specific example where a seemingly low-level call resulted in a homicide arrest on an outstanding warrant. She also pointed out the lack of training and resources, particularly a problem where dangerous situations arise or dangerous people come onto the campus. She expressed appreciation of the Board’s willingness to continue the conversation and would like the campus community to be aware of the people and incidents that can arise on a campus and be more aware of their own safety on campus.

Director Kelly opined that this issue sounded more to him as a human resource problem rather than to arm or not to arm campus officers. He also identified questions of resources and the lines of authority for campus security officers versus municipal police. He said he would like to understand more of these issues if this topic is revisited. President Dyess would like to hear what the Safety Committee and the Governor’s Office says before the Board takes any action on these issues.
9. **BOARD COMMENTS AND ACTION ITEM**

President Dyess noted that this is Adriana Mendoza’s last meeting as her term is expiring. That leaves a vacancy on the Executive Committee and she felt it is an excellent idea to have one student member as well as one faculty member on the Executive Committee, and Hannah Fisher is willing to be a part of that. She called for a motion to replace Adriana on the Executive Committee with Hannah Fisher. Director Miller Jones moved, with grateful acknowledgment of Adriana’s contributions and service to the Board, seconded by Director Blair. Unanimous approval was heard from Kirby Dyess, Don Blair, Hannah Fisher, Jim Francesconi, Paul Kelly, Adriana Mendoza, Dalton Miller-Jones, and Howard Sohn with no abstentions or nay votes, and President Dyess declared the motion to replace Adriana Mendoza with Hannah Fisher on the Executive Committee carries, with deepest thanks and well wishes extended to Director Mendoza for her service to the Board and its committees.

Director Francesconi wished to bring the attention of the Board to Hannah Fisher’s astute and relevant question posed on behalf of higher education to the University of Portland event “Focus the Nation on Global Warming.” Hannah was one of the questioners selected from Portland State University and the first question she directed to the panel – actually the Governor – was “what is the role of higher education in the sustainability/global warming issue and how can we get more research dollars to the universities?” And her second question, directed to Congressman Blumenour (which Director Fisher interjected that she got into BIG trouble for asking) was pointing to the lack of diversity in the Focus panel and how social justice and diversity components could be included in the sustainability considerations. Director Francesconi really wanted the Board to know of Director Fisher’s efforts in this regard.

President Dyess then called the Board’s attention to OHSU Board activities.

10. **DELEGATION OF AUTHORITY TO BOARD’S EXECUTIVE COMMITTEE**

A motion was made and carried to delegate authority to the Board’s Executive Committee as presented in the docket material.

11. **ADJOURNMENT**

With no further business, the meeting was adjourned at 2:27 p.m.

Kirby Dyess  
Board President

Ryan J. Hagemann  
Board Secretary