MINUTES OF THE REGULAR MEETING OF THE
OREGON STATE BOARD OF HIGHER EDUCATION (#801)
PSU, PORTLAND, OREGON
MARCH 7, 2008

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1. **CALL TO ORDER/ROLL CALL/WELCOME**

President Dyess called the meeting to order at 8:48 a.m.

Board members present: President Dyess, Directors Fisher, Fox, Francesconi, Paul Kelly, Dalton Miller-Jones, Rosemary Powers, Preston Pulliams (arrived at 9 a.m.), Howard Sohn, and Tony Van Vliet. Directors Don Blair and John von Schlegell were absent due to business conflicts.

Campus presidents present: Mary Cullinan (SOU), Dave Frohnmayer (UO), John Minahan (WOU), Ed Ray (OSU), Michael Reardon (PSU), and David Woodall (OIT). Provosts Lesley Hallick (OHSU) and Michael Jaeger (EOU) were also present.

Chancellor’s Office staff present: Chancellor George Pernsteiner, Neil Bryant, Ryan Hagemann, Jay Kenton, Marcia Stuart, and Susan Weeks. Mr. Rob Connell represented the Department of Justice in Ms. Robinson’s absence.

Others present included: Representative Larry Galizio, District 35, and from the Department of Education Superintendent Susan Castillo, Salam Noor, and Doug Kosty.

President Dyess announced that this was Director Howard Sohn’s last meeting and recapped his service to the Board, noting he most recently served on the Portfolio Sub-committee. She commended him for his passion for higher education and his open-mindedness and spoke for all of the Board when saying how much he was appreciated and will be missed. Finally, she thanked him in advance for the committee work he offered to continue working on in the future.

Director Sohn replied that the last four years represented an extraordinary opportunity to work with a great group of people and he regrettet the extraordinary outside demands leading to a slightly early end to his official term.

President Dyess welcomed new Board members Dr. Rosemary Powers, Associate Professor of Sociology at Eastern Oregon University, and Brian Fox, a junior at Southern Oregon University, both representing the regional universities on the Board.
2. **CONSENT ITEMS**

a. **Authorization to Award Honorary Degrees, OSU / PSU**

**BOARD DOCKET:**

*Summary:*
The State Board of Higher Education policy permits institutions, with the concurrence of their faculty, to award honorary degrees. Each institution proposing the award of honorary degrees has received the Chancellor’s approval of criteria and procedures for selection that ensure the award honors distinguished achievement and outstanding contributions to the institution, state, or society.

**Oregon State University**
Oregon State University requested that an honorary doctorate be conferred on Dr. Helen Diggs at OSU's June 2007 Commencement.

**Helen E. Diggs, D.V.M.** is Director of the Office of Laboratory Animal Care and the Consulting Veterinarian for the University of California (UC) System, based in Berkeley.

Dr. Diggs received her veterinary degrees from Oregon State University and Washington State University and is licensed to practice veterinary medicine in the states of Washington, Oregon, and California. She is a board-certified specialist in the American College of Laboratory Animal Medicine (ACLAM).

Dr. Diggs grew up in Spokane, Washington, and earned a B.A. in Elementary and Secondary Education from the University of Portland in 1977. She completed her M.Ed. at the University of Portland before working for two years in Alaska, serving as a teacher in Point Hope and Barrow – both communities of fewer than 2,000 people, most of them Inupiat Eskimos.

She returned to Oregon in 1981, enrolling in the Oregon State University College of Veterinary Medicine, from which she graduated in 1985. She moved shortly thereafter to Portland, where she served for seven years as Head Veterinary Medical Officer at the Veterans Administration Medical Center, while also working as an assistant professor of animal care at Oregon Health and Sciences University. Dr. Diggs followed that with a year of service as associate director for Veterinary Care at the University of Texas Southwestern Medical Center in Dallas before being named director in 1995 of the UC Office of Laboratory Animal Care, a post she has now held for more than 12 years.

Last fall, Dr. Diggs was elected vice president of the ACLAM and will serve as president of the organization in 2010. ACLAM is a specialty board recognized by the American Veterinary Medical Association and consisting of 685 active diplomats in the field of laboratory animal medicine. Such specialists work for academic, governmental, and private research
organizations, providing specialized veterinary medical care, research support, and appropriate care for laboratory animals.

The Council on Accreditation for the Association for Assessment and Accreditation of Laboratory Animal Care awarded Dr. Diggs’ animal care and use program at UC full re-accreditation in 2007, as well as its fifth gold star. The Council called operations under Dr. Diggs’ leadership “exemplary” – the result, she says, of a 20-year upgrade and enhancement effort.

Dr. Diggs’ research interests are in the area of public health and zoonotic diseases. She is the author of numerous publications and book chapters and has been recognized by, among others, the Berkeley Staff Assembly, the Blue Key National Honor Fraternity, and the Veterans Affairs Central Office in Washington, D.C.

Portland State University
Portland State University requested authorization to award honorary doctorates at Portland State’s 2007 Commencement Ceremony. The University is proud to recognize the achievements of Richard Pimentel, internationally recognized expert on disability management and an architect of the Americans with Disabilities Act (ADA). Mr. Pimentel, once a student at Portland State, has also graciously accepted an invitation to deliver PSU’s 2008 commencement address. The extraordinary challenges Mr. Pimentel has overcome will be an inspiration to PSU’s graduating class and their families and friends.

As a lecturer on motivation, attitudes toward disability, diversity, and career development, Mr. Pimentel emphasizes the special challenges faced by the differently-abled. In 1990, when the ADA was signed into law, he was recognized by the Equal Employment Opportunity Commission as a significant contributor. Author of Working with People with Disabilities in a Job Placement/Job Retention Environment and contributor to many books and training manuals related to disability and diversity in the workplace, Mr. Pimentel is currently developing a training program to support the transition of wounded and disabled veterans from Iraq and Afghanistan into the workforce. The training focus is on posttraumatic stress syndrome and traumatic brain injuries.

Staff Recommendation to the Board:
Staff recommended the Board authorize Oregon State University to award an honorary doctorate to Dr. Helen Diggs and Portland State University to award an honorary doctorate to Mr. Richard Pimentel at their June 2007 Commencement ceremonies.

BOARD DISCUSSION AND ACTION:

President Dyess requested comments or questions. Director Fisher said that Richard Pimentel is absolutely amazing and recommended his movie, The Music Within.
With no further comments or questions, President Dyess called for a motion for authorization to award honorary degrees to Richard Pimentel at PSU and Dr. Helen Diggs at OSU. Director Van Vliet so moved, seconded by Director Sohn. Voting in favor were Directors Dyess, Fisher, Fox, Francesconi, Kelly, Miller-Jones, Powers, Pulliams, Sohn, and Van Vliet. There were no nay votes or abstentions. Motion passed unanimously.

On the topic of honorary degrees, University of Oregon President Dave Frohmayer advised the Board that the UO would be holding a ceremony honoring descendants of Japanese Americans who were interned and unable to obtain their degrees in the World War II era. Now, thanks to the Legislature and the Board, degrees will be awarded on April 6, 2008. President Dyess commented favorably upon this announcement.

3. **Action Items**

   a. **Approval of 2009-2011 Legislative Concepts (Kenton)**

      **BOARD DOCKET:**

      As was discussed at the February Board meeting, it is time to approve Legislative concepts that will be submitted to the Department of Administrative Services (DAS). Such concepts are intended to give the OUS greater flexibility in operations improves efficiency and effectiveness.

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

      (1) **Legal Services (recommended)**

      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 counsels 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 (recommended as a placeholder at this time)**

      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 determines necessary for the efficient and effective operation of the System and individual institutions. Staff recommended that this be filed as a placeholder only at this time, with final direction pending the work of Director Kelly’s focus group.

(3) Campus Public Safety – (not recommended at this time)

At the request of the Chancellor, each campus has completed a conversation with its faculty, staff, and students regarding campus public safety issues. The results of these conversations will be reported at the Board meeting.

(4) Investment Earnings (recommended)

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. In addition, all of these funds are invested in the state’s Oregon Short-Term Fund, comprised of fairly liquid investments. This was the subject of a budget note attached to the OUS 2007-2009 operating budget and, in accordance with this budget note, a study was conducted by the Legislative Fiscal Office (LFO) and the State Treasurer on this issue.

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. In addition, OUS is requesting specific statutory authority for the State Treasurer to consolidate these cash accounts and invest these funds in a discreetly managed portfolio as was recommended by the LFO/State Treasury study.

(5) Risk Management (recommended)

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 DAS. Staff believes 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. OUS, therefore, is 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 (recommended)

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 (recommended)

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 re-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.

(8) Generation and Sale of Energy (recommended)

Several of the OUS universities are exploring the possibility of generating electrical power to meet their energy needs. In some cases, excess power would be sold to local utilities. Possible sources of electrical power include steam (UO), geothermal (OIT), biomass (EOU), wave energy (OSU), and cogeneration facilities, solar, and wind power (multiple campuses). In order to sell excess energy, OUS needs specific statutory authority to generate and sell power and may need to seek federal, state, and local approvals without turning OUS into a utility subject to the jurisdiction of the Public Utilities Commission. In addition, OUS may need specific statutory authority to transfer or sell tax credits to private entities, since OUS cannot utilize the tax credits itself.

(9) Dental Clinics (recommended as a placeholder at this time)

Three OUS campuses (OIT, PSU, and UO) currently have dental clinics associated with their student health centers. ORS Chapter 679 governs the practice of dentistry and dental clinics in the state. OHSU is currently exempted from this statute. Given the concerns with the current tort laws, this is something that should be carefully considered. If campuses wish to continue to operate dental clinics, there will need to be specific statutory exemption. Alternatively, campuses could contract with licensed dental clinics or OHSU for these services. Because of these issues, staff recommends that this be approved as a placeholder only at this time, subject to an investigation of alternatives as outlined above.

Staff Recommendation to the Board:

Staff recommended the Board approve those items for which “recommended” has been placed next to the title of the Legislative Concept. Staff further recommended approval of the items for which “recommended as a placeholder at this time” has been placed next to the title of the concept, subject to either continued work of specific Board work-groups or further
investigation of other alternatives. At this time, staff does not recommend the campus public
safety concept as described above.

**BOARD DISCUSSION AND ACTION:**

President Dyess called upon Vice Chancellor Jay Kenton to discuss the 2009-2011 legislative
concepts. Vice Chancellor Kenton recalled the Board’s attention to the previous meeting where
potential legislative concepts were previewed; they were now presented for approval.

The first concept was relative to legal services and represents a project the System has worked
on for multiple biennia. The System seeks full authority to appoint Special Assistant Attorneys
General and have legal business, particularly intellectual property matters, processed mostly in-
house.

The next concept was delegation of authority from the Board to the Chancellor or presidents,
an overlapping issue with the work of Director Kelly’s working group and was submitted as a
placeholder concept, subject to the outcomes of that work. This concept would modify statutes
and give the Board authority to delegate certain things expressed in the statutes. Chancellor
Pernsteiner explained that this concept gives the Board the ability to delegate certain
transactions to the Chancellor or presidents rather than presented to the Board for decision. It
was recommended that the Board approve this concept as a placeholder with details to be
worked out. Director Kelly agreed with this decision and suggested more concrete
recommendations would come before the Board by the May meeting.

Vice Chancellor Kenton continued with the next concept, campus safety, noting that each
campus recently completed conversations with their respective faculty, staff, and students. He
called upon Deputy Chancellor for Legal Affairs Ryan Hagemann to update the Board. Deputy
Chancellor Hagemann gave a brief overview of the reports from these campus community
conversations, stating that five campuses generally recommended maintaining relationships
with local law enforcement agencies with little, if any, change to campus public safety models.
He reported comments from those five campuses about emergency notification systems and
the issue of public safety officers being armed. Those campuses generally felt safe and were
satisfied with their relationships with local law enforcement.

However, two of the seven campuses felt different models should be considered. The common
denominators were to emphasize local control and reflect their community’s uniqueness. Mr.
Hagemann believes a Legislative proposal should not be recommended at this time because of
these reports, because of the Board’s impression upon first presentation at the February
meeting, and also because the Governor’s Task Force on Campus Safety will be generating
recommendations. Chancellor Pernsteiner agreed, further clarifying that the Governor’s
Commission will be making its own recommendations and, if legislation is necessary, it can
propose that to the Governor. Director Miller-Jones indicated he wanted this concept as a
placeholder while there is a major conversation about the whole package – including emerging
violent and tragic campus incidents and how campuses can be preventive and responsive
around this. Mr. Hagemann responded that emergency notification systems are being updated and “beefed up” on the campuses. Chancellor Pernsteiner added that appropriate training and education of campus public safety personnel is something to be considered in a policy option package to be brought forward in June or July, possibly including other components such as notification systems. As a policy option package, this would run on a separate track from legislative concepts. Director Miller-Jones asked if there will be anything concerning faculty orientation around disruptive behavior or potentially violent episodes and Chancellor Pernsteiner conceded this point and agreed to convey these concerns. Director Fisher recalled the Board had decided to leave this as a legislative item because of the fear of having someone else, such as the unions, bring the issue to the legislature in an untenable form the Board would have to defend. Chancellor Pernsteiner said the Governor’s Campus Safety Task Force is considering all of the public safety dimensions (including counseling and interventions as well as the roles of officers) in making recommendations. President Dyess identified what appears to be some sort of “wall between police departments and campus safety officers” relative to access to databases, especially during emergencies or investigations when access to information is critical. In response to a question posed by Director Fox, Mr. Hagemann identified Portland State and the University of Oregon as campuses dissatisfied with the current system. Both of these institutions want a law enforcement model reflecting the fact they are urban campuses. The executive order forming the Governor’s Task Force expires June 30, 2008, with a report expected at that time.

Recommended for approval by Vice Chancellor Kenton was the legislative concept around investment earnings. He identified this as a continuation of the effort begun in the last biennium, House Bills (HB) 2188 and 2199, allowing the issuing of variable rate debt and synthetic fixed-rate debt, noting the complement of that is having the ability to invest all funds, predominantly tuition and auxiliary revenues paid by students. Though the bill did not pass, there was a budget note requiring a study, which was done by the Legislative Fiscal Office and the state Treasury, submitted to the Ways & Means Interim Subcommittee December 2007. The study affirmed the conclusions that a discretely managed portfolio would yield higher investment earnings and described a “policy decision” where the state would allow the System to retain investment earnings. Dr. Kenton opined the assumption was that the System would return this biennium as the groundwork is laid and there is support for this concept. The recommendation was for the concept to move forward.

The risk management concept was also recommended to be tried again this biennium, giving OUS authority to purchase all insurance coverages needed to cover worker’s compensation, tort liability, and property insurance. He reminded the Board that with the OHSU Clarke case, the tort cap has been challenged. This concept should be pursued, at least as a placeholder, while opportunities are being considered, for example, the pooled insurance WICHE program, which might save upward of $1 million annually in premiums.

Vice Chancellor Kenton recommended a housekeeping concept to allow processing of voluntary payroll deductions under ORS 292 for appropriate charitable contributions, as determined by the Chancellor (as opposed to approaching the legislature each time).
Dr. Kenton advised that DOJ had pointed out the need for authority to sell surplus power generated by some of the innovative campus activities and to resell tax credits. Since OUS has no taxable income, campuses can sell tax credits to entities that do. He pointed out opportunities, especially at OIT, to take the campus entirely off the grid through innovations. DOJ cautioned that there might need to be some statutory authority for this. The Public Utilities Commission is unsure whether this is needed but he recommended this as a placeholder in the event it does become an issue.

Another “housekeeping” concept relates to three campuses that have dental clinics. Two of these are through student health centers, one through curricular activities. DOJ had recommended that the System obtain statutory exemption from the statutes governing the practice of dentistry and Vice Chancellor Kenton recommended filing this concept as a placeholder while exploring alternatives, such as contracting with pre-existing dental clinics or OHSU.

The day prior to the Board meeting, a concept was drawn to the Vice Chancellor’s attention: renaming of student “incidental fees” to another designation more appropriately capturing the nature of those fees. “Incidental fees” are written into ORS 351 and Vice Chancellor Kenton proposed changing this statute and labeling the fees “student activities fees.”

In summary, Dr. Kenton said these represent all of the legislative concepts submitted for Board approval at this time. The Department of Administrative Services filing deadline is April 4th. President Dyess called for any questions or comments.

On the topic of Attorney General (AG) legislative concepts, Director Fisher asked about the possible effect that hiring independent counsel would have on student government in potential conflicts with universities. Deputy Chancellor Ryan Hagemann replied that student governments are an arm of the state agency and, under ORS 180, they must be represented by the DOJ. In a conflict between student government and any state agency, the AG can evaluate the situation on a case-by-case basis and, if necessary, appoint outside counsel. That question could be addressed in a change of legislation. Chancellor Pernsteiner added information from two sessions ago when this issue arose and it was acceptable to the Attorney General to go to the DOJ if student government was in conflict with a campus. Director Fisher pointed out potential conflict of interest and DOJ representative Rob Connell stated the AG’s office has a policy to resolve the conflicts within the AG’s office. That question could be addressed in a change of legislation. Chancellor Pernsteiner added information from two sessions ago when this issue arose and it was acceptable to the Attorney General to go to the DOJ if student government was in conflict with a campus. Director Fisher pointed out potential conflict of interest and DOJ representative Rob Connell stated the AG’s office has a policy to resolve the conflicts within the AG’s office. Director Kelly asked if there have been occasions where the DOJ went to outside counsel because of a client conflict and Mr. Connell replied it is common for Special Assistant Attorneys General (SAAGs) to be retained for various reasons, including that one. President Frohnmayer provided an illustrative anecdote to explain the foregoing. Director Fox noted that the reason this issue is before the Board is that campuses are feeling like they are not being represented quickly enough or that DOJ is not responsive. Rob Connell replied to this, saying that campus SAAGs are on the frontline to provide legal advice, but Director Fisher pointed out these SAAGs usually tell students nothing can be done because they work for the university. Continuing, she stated that, if this is to be a
legislative item, this problem needs to be addressed. Director Francesconi asked if students in conflict with the university would be referred to other lawyers and Mr. Connell reiterated that if DOJ represents student government and a SAAG represents the university, policy requires they “talk to each other” to resolve the policy or legal differences. If unresolved, it proceeds to the Attorney General who then decides whether to refer the matter out. Neil Bryant noted that proposed legislation would not address that issue and Chancellor Pernsteiner confirmed this procedure, saying ultimately it is the Attorney General who will decide the state’s legal position. What the proposed legislation is intended to accomplish is more timely legal advice and the opportunity to move more quickly, particularly in intellectual property areas. President Ray highlighted a strategy adopted at OSU with some shared governance documents dealing with issues of common concerns to assure that the students’ views and input are not only heard but valued and made part of the decision-making process. In essence, the rules of engagement are more formally defined. Director Francesconi agreed and said student associations can do that within each campus and, additionally, that students could go talk with the Attorney General themselves – this may be an area that just needs to be clarified with the AG -- what process occurs in the event of a conflict. He noted also that neither of the two AG replacement candidates is excited about the proposed legislative change so we will have to have a strategy around this. President Dyess summarized issues surrounding the need for prompt DOJ response as the universities have developed ever more IP expertise and productivity as well as increasing need for tech transfer legal assistance.

President Dyess called for a motion to approve the recommended legislative concepts including legal services, investment earnings, risk management, payroll deduction authorization, non-state funded capital projects, generation of energy, and change of name of incidental fees; plus two placeholders, delegation of authority from Board to Chancellor to presidents and the dental clinics item.

Director Van Vliet moved approval, with a comment that “this is going to be a lot of work.” Director Pulliams seconded the motion. Directors voting in favor: Dyesss, Fisher, Fox, Francesconi, Kelly, Miller-Jones, Powers, Pulliams, Sohn, and Van Vliet. There were no votes opposing and no abstentions. The motion carried.

4. REPORTS

a. Chancellor’s Report

President Dyess called upon Chancellor Pernsteiner for his report and he also recognized and thanked Director Sohn for the work he has done, the leadership he has shown, and the valuable perspectives he brought to the Board during his tenure. He then welcomed new Directors Powers and Fox and recognized Representative Galizio, former Ways & Means Education Subcommittee Chair in the 2007 Legislative Session and member of Ways & Means this past session. He turned the floor over to Neil Bryant for an update on legislative matters.
Mr. Bryant reported that the legislature concluded its first Supplemental Session having dealt with two OUS-related issues – a $3.5 million match for OIT and the UO Arena Project. He reported that Chancellor Pernsteiner and Vice Chancellor Kenton had testified extensively during the session.

Mr. Bryant discussed the fiscal situation, saying the Legislature decided not to disburse the salary package monies at the present time and will wait for the June revenue forecast. The fact is, the Legislature can hold on to that money “forever.” There will be a revenue forecast in September and again in December and if the economic forecasts are not better, the money may not be dispersed. In that case, it would go back to the ending fund balance and become available the next legislative session. This is all money, not just for higher education, but other agencies as well. Mr. Bryant urged caution in how the money is spent and what is being done on campuses in the interim between forecasts. He noted that another revenue forecast would be out in mid-May. Chancellor Pernsteiner added that while the University of Oregon’s own financial forecast did not use the “R” word (recession), it is clear that is what is happening. He provided a discouraging scenario of how this affects the campuses and other state agencies.

Mr. Bryant reported that the Legislature expressed interest in discussing capital construction as it is concerned about what OUS is authorizing money for and what the state match will be if institutions are successful. This provides an opportunity to encourage investment in the campuses since the big campuses are now at capacity.

Mr. Bryant commended Chancellor Pernsteiner, Vice Chancellor Kenton, Senior Associate Director Lisa Pinheiro, and UO President Frohnmayer for all of their hard work in the Supplemental Session. He noted that the Governor’s Office is firmly behind OUS and that we will be more aggressive in our strategies in the next legislative session, whatever the economics might bring. Chancellor Pernsteiner also particularly thanked Lisa Pinheiro for her work in Salem.

b. Provosts’ Council Chair

President Dyess welcomed Provost Sabah Randhawa of the Provosts’ Council to the meeting. He, in turn, thanked the Board for the opportunity to share the work of the Provosts’ Council activities. “It has been sometime since the Provosts’ Council has had the opportunity to do so,” he observed. He announced that Vice Chancellor Susan Weeks has become a permanent member of the Council as co-chair and is providing alignment with other OUS work and the Provosts Council work as well as providing a neutral party during discussions of programs.

Provost Randhawa reported that over the past few months, the Council has focused on three activities. First, they are developing a draft policy option package for graduate education, which is crucial for innovation, economic development, and educating the next generation of faculty and teachers. Some key issues are stipends and resource fees assessed to graduate students; increasing women and diversity in the graduate student pipeline; and investment in new graduate fellowships. The second focus has been learning outcomes and assessments. Third,
they are focusing on the academic program review process and policies including implementation of these at the operational level. It was noted that the Council has been involved with the Council of Instructional Administrators in terms of K-12 and community college work, particularly on the AAOT degree revision and the new skills and knowledge around information literacy and cultural diversity and how to make those part of the transfer module. He suggested the goal was to develop a more transparent and connected system so that a student graduating with an AAOT degree would automatically be guaranteed admission to universities. The Provosts’ Council is also engaged in OUS international programs, the fifth-site information technology system, and interaction with the Research and Academic Councils. The Council has approved four new academic programs and reviewed eight, analyzing demand, duplication, and interinstitutional collaboration – the broader conversations are entrusted to the institutions and how those programs fit into their broader missions and fiscal resources. Finally, he invited Board members to Provosts’ Council meetings for conversations on topics of interest to the Board with the goal of better understanding on both sides.

Director Francesconi commented that this was among the most important work in higher education and asked whether the Council had enough Board involvement. Provost Randhawa would like to see more connectivity to the Board and will actively invite each member of the Board to visit the Council again to focus on direct programs or activities of the Council and how that work intersects with the direction of the Board. In summary, "How does the Council, in a very directed and intentional manner, engage in conversations that can advance the Board’s agenda items?" he asked. Having these conversations will help direct the Council’s future agendas.

There was agreement that there is a lack of cross-institution academic discussions, but many discussions on finance and other areas. Inviting individual Board members isn’t enough to make the connection, Director Francesconi posited, and he invited a recommendation from the Provosts’ Council as to ways the Chancellor’s Office might provide more staff support for their work.

Director Miller-Jones indicated that more information needs to get to the Board around budget items and faculty salaries. He requested a report on failed and successful faculty searches as an indicator of how Oregon is doing in attracting and retaining faculty. Provost Randhawa indicated the Council has already started work on those topics by previous Board request, recognizing that this will be a critical element going into the legislative session.

Director Pulliams thanked the Council in particular for its work on articulation and the Oregon transfer degree, characterizing it as key in terms of meeting admissions standards of the colleges and universities. He said it was his understanding that very few students took advantage of the Oregon transfer degree program. Provost Randhawa replied there were about 18 students out of 300 in that category and it does not necessarily mean they cannot apply or be admitted to a university with additional course work; it would mean they wouldn’t get the AAOT degree. There may be a certain set of courses counting toward university admission, adding that the OUS institutions are more holistic. For example, OSU looks at a number metrics,
including an “insight résumé,” so it is possible exceptions can be made. Provost Randhawa offered that if the GPA can be aligned, it would send the right message to students that OUS can guarantee admission. Admission is not guaranteed right now with a 2.0 grade point average because university entrance GPA is different.

OSU President Ray followed up on Director Miller-Jones’ comment by adding that OUS’ capacity to compete is not even across the board and there is a dramatic lag in the fastest moving markets—science and technology—and other professional areas. In looking at graduate programs, the Research and Provosts’ Councils will find evidence of salary compression and other indicators showing that Oregon is behind the market virtually everywhere and dramatically behind the market in the most competitive areas.

President Dyess called upon Vice Chancellor Susan Weeks for a report on strategic planning and new program review and Ms. Weeks replied she would also like to report on the “bin” items [referencing strategic planning items arising from the 2007 Board Retreat]. President Dyess suggested all of her report come later in the meeting. President Dyess thanked Provost Randhawa for the Provosts’ Council work.

c. Research Council Chair

Dr. Rich Linton, Vice President for Research and Graduate Studies at the University of Oregon, provided a quarterly report to the Board on the work of the Research Council. The focus of his report was on how the Council can target investments in the 2009-2011 biennium that supports the research missions of the universities. He reminded the Board that the key priorities for the Council revolve around research partnerships, infrastructure, ties with research economic development, and workforce development.

For the coming biennium, there are three areas for consideration for policy option packages. The first area is foundational investment or inputs; these are defined as foundational investments in the universities’ research enterprise and would focus on interdisciplinary and multi-institutional collaboration associated with state and national priorities. For example, sustainability will be one of the more narrowly defined initiatives. The second focus is on outcomes: what happens when there is investment in research in terms of economic and workforce development? This reinforces the research mission and connects to other activities such as the Provosts’ Council and the Engineering and Technology Industry Council (ETIC). The third focus is on impact: how do we improve the way we define and measure impact? There is a sense that the research community can do a better job of communicating the success and importance of research.

The research enterprise in Oregon brings in more than half a billion dollars of competitively awarded grants every year. Dr. Linton ended his remarks by asking the Board to join in acknowledging the importance of the research mission and provide guidance on how to best present the story in the next legislative session.
Director Van Viet remarked that researchers are willing to participate in interinstitutional research endeavors but he questioned how the decision is made as to which institution “gets the credit” for the work. Dr. Linton responded that in “research partnerships, I think we’ve tried to create strategies where different institutions lead, but we pick ones where there is a convergence of expertise and a complementary nature of expertise.”

Director Francesconi expressed concern about which institution would be taking primary leadership for the sustainability initiative. Every institution appears to be contributing to some aspect, but the core of leadership is not evident. Dr. Linton suggested that the aspects of that and the Portland agenda should, if there is an academic or research mission, go to the Provosts’ and Research Councils.

Perhaps there is a need to create a virtual mega university to capture the economies of scale and scope that exist in higher education, President Ray observed. “If you want a good check on whether we’ve gotten this right over time or whether we’ve politicized it, if the distinctions among the institutions start to disappear as a result of this effort, then we will know that we got it wrong. If we get this right, everybody will help leverage everybody else’s strength and individual institutions will become better known,” he posited.

President Frohnmayer added that, ”The Board, at its Retreat, had declared that the research agenda would be the Board’s responsibility, acting through the Chancellor’s Office, to advance it more generally as an agreed-upon high priority and that it, in fact, also has the Governor’s blessing and endorsement.”

d. Interinstitutional Faculty Senate President

Dr. Lee Ayers pointed out two headlines that recently appeared in the newspaper. The first one read, “One in 100 adults in the United States is incarcerated.” Following that headline, a little bit deeper in the paper read, “27 million Americans are illiterate.” She asked, “How can that be?” Continuing, she indicated that communities are really pressing for a stronger K–12 model, yet there is a fear of what is going to happen with the new high school diploma and the challenges and changes accompanying it. The challenge for the System, institutions, and IFS is how to support the changes being suggested with the new diploma requirements. “IFS recommends that we ensure that outcomes and assessment be structured to each individual campus and to the disciplines,” she emphasized.

e. Oregon Student Association Chair

Ms. Emily McLain, Chair of the Oregon Student Association, welcomed the two new Board appointees. She reminded the Board that OSA would be choosing three of the following issues as legislative priorities: funding for OUS, community colleges, and OHSU; regional university and community college support; expansion of the ASPIRE program (Access to Student assistance Programs In Reach of Everyone—administered by the Oregon Student Assistance Commission); expansion of student parent childcare; and increasing the base financial aid.
The Oregon Students of Color Coalition, an affiliate of OSA, will choose two of the following issues: cultural competency training requiring mandatory training for new faculty and staff entering the universities and community college and mandatory training at renewal of contract for current faculty and staff; recruitment and retention programs for students of color and ensuring that universities are actively recruiting underrepresented populations to campuses and working to retain students and faculty; and increasing research on students of color, particularly as it applies to recruitment and retention of students of color.

Ms. McLain commented on what she senses is a growing collaboration between and among OUS and OSA and indicated her hope that this would continue throughout the legislative session. Regarding public safety on campuses, she reported that students are extremely wary of the deployment of electronic control devices (tasers) on campus. The campuses and OSA have many concerns and questions regarding the establishment of any new police force on any campus, particularly a policy that includes carrying electronic control devices or firearms.

OSA is hosting the 2008 Student Voter Training at Mount Hood Community College. It is an opportunity for students to learn how to engage their peers in civic involvement, become engaged in the political process, and network with student leaders from across the state. Finally, she indicated that the Board’s issues surrounding access are in direct alignment with the priorities of OSA.

Director Fisher invited Ms. McLain and other students to work with Director Miller-Jones’ committee (Student and Participation Committee) and McLain indicated she welcomed the opportunity.

5. Report Items

a. Strategic Planning Update (Weeks)

Vice Chancellor Weeks pointed out some notes provided to the Board that she called “bin list” area: academic program review policy and process; new approaches to learning outcomes, and assessment; building pre-K – 12 education as a part of the OUS core mission; and creating excellence in sustainability.

Academic program and review policies and processes build on a process and set of factors currently used in program review. These were last updated in 2004. These will be the foundation documents and the Provosts Council will build from these. “We don’t have the staffing any longer within the Chancellor’s Office to do the kind of approach we did in the past. So we’re looking at new ways to make sure the work gets done,” Ms. Weeks pointed out. The process needs to connect to both institutional and program-specific accreditation requirements. The organizational structure needs to be in place that triggers when programs need to be reviewed and ensures that the review takes place.
New approaches to learning outcomes and assessment are being addressed through a task group coordinated by Dr. Elisabeth Zinser, working closely with Ruth Keele, director of Performance Measurement and Outcomes. “The group will be attending to both the need for institution-specific approaches to assessing learning outcomes and shared approaches that can cut across the System either for all campuses or groups of campuses,” Ms. Weeks highlighted.

Building pre-K–12 education is part of the core mission of OUS. Dr. Bob Turner is taking the lead in the Chancellor’s Office and working closely with the deans of education and colleagues at the Department of Education, the Teacher Standards and Practices Commission (TSPC), and others. Some of the areas of emphasis may form the basis of a policy package. They are: sustainable funding for the Colleges of Education; matching needs and resources; data-based decision-making; partnerships and professional development, mentoring projects, and assistance to meet the urgent needs for teachers to work within a rapidly changing demographic picture in Oregon; and focusing on sustainability by creating “asset maps” – looking at the places where there is curricula and programs that can help advance the statewide agenda on sustainability.

President Dyess and Director Sohn thanked Vice Chancellor Weeks for her leadership in keeping the Board’s priorities in the forefront and establishing a working agenda to accomplish the established goals.

b. UO Arena Update (Frohnmayer)

President Dyess recognized the presence of University of Oregon Athletic Director Pat Kilkenny and his wife Stephanie who have announced a million dollar contribution to support University academics. The preponderance of the money will go to a pair of sports-related education programs in the schools of Law, Business, Journalism/Communications as well as a smaller portion for a scholarship program for low-income students.

President Frohnmayer introduced Paul van Donkelaar, Associate Professor of Physiology and Vice Chair of the UO Faculty Senate, and Ms. Frances Dyke, Vice President for Finance and Administration. He thanked the Oregon legislature and members of the Board who have supported the arena project and helped to move it along. Mac Court is an 82-year-old facility that is inefficient, increasingly unsafe, and cannot be improved; therefore, it is critical to replace it. “The price will never get cheaper,” President Frohnmayer continued. “The capacity of us as a University or as a state to do the thing that will probably cause it to have to last for the next 80 years or the balance of this century, have to be put in motion now or we are being irresponsible to our larger future.”

The present plan is for the UO to return to the Board in May, at which time the University will seek Board approval to sell bonds. The design process is intricately related to the nature and type of bonding that is secured in terms and length. Community engagement around the arena has been substantial. The president pointed out that the UO takes very seriously its responsibility to be a community partner and neighbor. The 15-person Neighborhood Liaison Committee is helping address the larger community issues.
Relative to traffic and transportation issues, the UO has engaged a traffic consultant, Evans & Associates, a well-known firm from Portland to analyze traffic flow, traffic problems and congestion impacts. Vice President Dyke indicated that when it became evident that an underground parking structure was possible, the UO began to actively pursue the idea. “The underground garage, when it’s paired with the other development on that site that includes not only the arena but the alumni center and the academic learning center for athletes, it becomes a less expensive proposition than if it had gone underground by itself.”

Athletic Director Pat Kilkenny and President Frohnmayer met with students at a forum sponsored by the student government and the Residence Hall Association. There is to be another forum later in the month. One of the primary concerns of the UO students is whether other student projects either had been a) ignored or b) foreclosed by an arena project. The president emphasized that the answer is “no.” Other construction and repair projects that impact students and the academic side are built into the usual debt structure. The Legislature “will not compromise, delay, or limit our ability to accomplish the other capital priorities, including the priorities of the housing plan. With respect to faculty and their concerns, those concerns would understandably range widely when you’re looking at a capital project of this kind,” he explained.

Professor van Donkelaar, Vice Chair of the University Senate and a member of that body’s Budget Subcommittee on Arena Financing in which capacity he represented the faculty, staff, and students of the UO. “I want to emphasize at the very beginning that it’s never been the intent of this Committee to either endorse or not endorse the arena, but rather to provide informed faculty perspective to the Athletic department and the central administration on the financial risks associated with the project,” he explained. In the Committee’s report, it was concluded that the new arena has the potential to produce revenues anywhere from about $10 million to about $13 million per year. This varies from the revenue projections that the Convention and Sports Leisure International report, commissioned by the Athletic Department, put forth that, the Committee believes, are not attainable. They believe that the conservative projections are more like a probable best-case scenario. Their conclusion is that the Legacy Fund will be used to backstop the financing of the arena project and the budgetary shortfalls incurred by the Arena Project will be serviced by resources from the Athletic Department, which will, in turn, be replenished by contributions from the Legacy Fund. “Thus, our Committee believes it is imperative to reduce the risk of shortfall by following an investment strategy for the Legacy Fund that keeps the principal in very safe investments during the first five to ten years of the arena project. Our primary recommendations for the UO administration is for transparency,” he added.

There were questions and discussion about the likelihood of increasing the number of ticketholders by 2,000. President Frohnmayer reminded the Board that Mac Court has been sold out for years and people are on waiting lists for tickets. Chancellor Pernsteiner expanded the conversation by adding that, “when we took a look at the CSL report (from the UO) and when the Legislative Fiscal Office did the same, a lot of the effort went into how far down do
you have to go before you break the financial model. With the Legacy Fund sitting over in the Foundation, we couldn’t find it.”

Director Fisher inquired about where housing was on the list of the University’s priorities and what the timeline was for addressing those issues. President Frohnmayer and Vice President Dyke both underscored that they remain one of the institution’s highest priorities, acknowledging that the facilities are in desperate need of renovation and that the University is proceeding to make sure that housing is renovated, replaced, or both.

Director Fisher indicated that students were uncertain about where the ticket revenue would be going and whether or not the faculty and students would share it. The President observed that the UO is one of the few Division 1A schools that have self-supporting athletics, requiring no subsidies. “The issue of any revenue sharing beyond the athletic department is for all realistic purposes very far in the future,” he observed. “I can’t imagine that we would even have a serious issue of any dollars crossing over the line in the other direction for a minimum of a decade and probably significantly longer than that.”

Director Van Vliet raised concerns in two areas: process and perceptions. He indicated that he was not “overly enthusiastic about having a donor make demands upon the speed of this process, but it was done. And the assumption was that all the ducks were in a row, so to speak. And they were not. The President has assured me that we (the Board) will get some other documentation of some of the final things that were agreed with the Legislature that didn’t come before this Board and any other agreements or transactions that this Board needs to know as we move forward. Now the Governor is going to be in an interesting position if he has to sign this bill before the Board actually agrees to pass it, which is sort of an unusual procedure to do it backwards.”

Continuing, Director Van Vliet pointed out the importance of perceptions. “The general public does not understand the difference between general obligation bonds and revenue bonds. Let’s be frank about it. It was a $200 million project and they (the public) look at it as public funds. They look at public money that is going to be put in there and until those are retired, the public is backing that project.” Director Van Viet added that OUS’ ability to get the capital fund budget passed in the next Legislative session might be somewhat trumped by what the real needs are of the entire System.

President Frohnmayer reminded the Board that this project has been in the making since 2005 when there was a $1 appropriation from the Legislature in recognition that this was a placeholder for the arena. “Not only were there no surprises, but that this is a matter of some length and duration and some clear understanding by the Legislative Assembly that this was the contemplated use of the property (Williams Bakery).” In closing the discussion, President Frohnmayer underscored that the need for speed is great because the cost in inflationary capacity of losing a single construction season on a project of this magnitude is irresponsible if it is possible to accelerate the work. Precious resources would be lost to time and inflation if there is delay.
Director Francesconi raised a question about the availability of a report titled, “Echo Northwest” that had not been forthcoming when he asked for all documents pertaining to the arena. It was explained that it was not disclosed because, by that title, to the people involved in the project, it was unknown. Vice Chancellor Kenton replied that OUS received the report on the same day that it appeared in the *Oregonian* and he indicated that he should have passed it along to the Board immediately, and didn’t. For Director Fox, the "Eco Northwest Report" raised a question about the use of the Legacy Fund and tax arbitrage and whether an IRS opinion had been obtained.

Vice Chancellor Kenton responded that he believes that the transaction can be structured in a way that it does not become an issue. An agreement is being drafted that will be in place between the Foundation and the University that should clarify the issues. Chancellor Pernsteiner assured the Board that this is not an unusual transaction in the scrutiny it is going through. “Among the design team, the finance team, and bond counsel, we do this routinely on virtually every bond sale because all of our sales typically have some portions of which involve some kinds of activity that might be viewed by someone as representing a taxable event.” He highlighted that this is a big project, as a single project, but not of the size of the amalgam of the bonds that the System routinely sells.

c. Implementation of High School Graduation Requirements (Castillo)

President Dyess welcomed Superintendent of Public Instruction, Susan Castillo who is responsible for some 560,000 elementary, secondary, and community college students. Ms. Castillo has also served in the Legislature as Vice Chair of the Senate Education Committee and is now heavily involved in implementing the new graduation requirements.

Superintendent Castillo introduced Dr. Salaam Noor and Doug Kosty, Assistant Superintendents at the Oregon Department of Education (ODE). As schools are moving away from the Certificate of Initial Mastery (CIM) and the Certificate of Advanced Mastery (CAM), ODE is refocusing its efforts on the diploma that has more relevancy and more rigor for all high school students. She acknowledged that many high school graduates who go on to higher education have to take remediation programs and higher education institutions have to devote scarce resources to this effort. At the heart of the new diploma is that every student will be required to have an educational plan and profile where they connect their area of interest to a plan. The new diploma calls for increasing the credit requirements and raising the rigor in math and science. Every student will be required to show proficiency in a set of essential skills related to reading, writing, applying these skills, speaking, applying math in a variety of settings, critical thinking, the use of technology, civic and community engagement, global literacy, personal management, and teamwork.

Superintendent Castillo reported that she has traveled around the state and found a lot of support for the vision of the new diploma, but there is a lot of concern about the “how” it is going to happen and where the resources will come from to support it.
Director Sohn expressed great support for the Superintendent's initiatives. He expressed some concern, however, about where the resources would come from to support such an ambitious agenda. “One of the conversations we’ve had in our strategic initiatives environment over the last year or so has been how to better align the education training resources in the universities' Departments of Education with K-12, as both research capacity and resources. I think there is a real opportunity there and there’s been some talk, but it hasn’t developed any kind of structure yet,” he observed.

Continuing, he wondered if the new diploma requirements are going to be more beneficial for the high capacity/highly motivated student than it will be for others in light of scarce resources for implementation. Superintendent Castillo commented that the intent is to make it so that every student is motivated to do better and will have better opportunities to either enter the work force or go on to higher education.

Director Van Vliet observed that the recommendations from the Department of Education wouldn’t be ready until October and asked if there were any early indications of how much money they would be requesting from the Legislature for implementation. Dr. Noor indicated that not much work could be done on the budget until the recommendations come out of the Task Force. The Quality Education Commission has established a cost panel specifically for the diploma requirement and their work should be completed in the next few months. In addition, Teaching Research at WOU, that is focused specifically on teacher supply and demand, is conducting a study.

It was suggested by Director Van Vliet that there should be a request to the Governor for all of education – K-college and that there be an appeal for no budget reductions in funding. “Has the Governor given you any indication that he has given DAS orders not to make a request for cuts in the education field that he’s been so supportive of?” he inquired.

Ms. Castillo replied that there have been conversations about continuing re-investment but not about cuts. Continuing, Director Preston questioned how the present work helps get to students who are not even in the pipeline, students who are completely unaware of the opportunities that are available. The Superintendent replied that “this is a powerful tool for getting at that – with the personal plan and profile, it is about trying to tap into the interests of every student and helping them create goals.” She indicated that the work that is being done to close the achievement gag has helped inform how they are approaching the new diploma requirements.

Mr. Kosty of the DOE pointed out that the Task Force has reached out to partners in higher education, community colleges, K-12, and the private sector as they have been working on the conceptual model and design. There was considerable discussion concerning access to higher education, how connections will be made and maintained between and among the sectors, and how students can be well prepared to enter any educational institution prepared to succeed. Dr. Noor referenced the systematic approach being taken by the Joint Boards Committee – the
Unified Education Enterprise Committee -- that is looking at intentional alignment, both structural and content-specific.

Director Francesco reiterated that OUS is making a commitment to access, especially for disadvantaged children, children of color, and those who would be first-time students in the higher education system. “OUS is going to try to build in some incentives and perhaps some direction to the universities to put more resources into partnerships with K-12 on the access side as well as retention efforts,” he highlighted.

There was agreement that there needs to be better communication with citizens and the Legislature about the need for more investments in all of education, pre-K through higher education. It will take the leadership of all sectors to accomplish this.

President Frohnmayer remarked that it would be helpful to have, from the Superintendent, “the best thinking and the best research empirically validated about those things that can reach young people who don’t have family support or don’t have the other kinds of incentive systems that would cause these kinds of programs to excite them.” He pointed out that the UO and others in OUS are putting considerable effort into assuring that a new cohort of students can enter higher education with the expectation that they can obtain financial support. “But the questions are beyond financial, they’re also aspirational,” President Frohnmayer highlighted.

Superintendent Castillo shared that research shows that schools where children succeed have common traits and that it is “about strong leadership in that school or that district – a leader who has the skills to know how to create successful learning environments for teachers and their students and know how to support teachers for them to be successful with the growing diversity and the growing challenges.”

Dr. Noor added that we must be very intentional about what the K-12 system needs and how the Colleges of Education, in particular, are preparing teachers to be successful in the new environment of increased diversity of the students. “So you do have some really intentional congruence between the Teachers Standards and Practices Commission requirements, the needs of the K-12 system, and building capacity in higher education and the community colleges.”

Director Miller-Jones reminded the group of all of the work that has been done in the past with the Certificate of Initial Mastery and Certificate of Advanced Mastery, the PASS program, to name a few. The resources were not adequate to prepare teachers, schools, or students for the demands of these initiatives. “We can’t just say we have to do something about retention in the K-12 system. We can’t afford to have these dropouts.” He concluded that he does not see funding adequate enough to mount this ambitious initiative.

President Dyess thanked Superintendent Castillo and her colleagues for making time to enter into conversation with the Board of Higher Education.
d. Risk Management Update (Dickenson)

BOARD DOCKET:

The Board’s Finance and Administration Committee has asked for an update from OUS Risk Management in light of the December 28, 2007, Supreme Court decision in Clarke vs. Oregon Health & Science University.

Governor’s Office activities:
Following the Court of Appeals decision in this case, the Governor’s Office established a task force to develop strategies should the Supreme Court uphold the Court of Appeals ruling. Participating on that task force were representatives from the Governor’s Office, the Department of Justice (DOJ), and the Department of Administrative Services (DAS).

The task force held a number of briefings on the situation for Agency Heads. It continues to provide updates as new information is acquired.

Department of Administrative Services – Risk Management Division (RMD) activities:
Following the Court of Appeals decision in 2006, RMD devised strategies that included:
- requiring supplemental actuarial studies with multiple tort cap scenarios
- consideration of purchase of commercial excess liability insurance
- a review of other state tort caps
- a review of the State of Washington program
  - Washington has no tort caps
  - Washington is highly self-insured, with commercial excess liability insurance

Following the Supreme Court decision in 2007, RMD formally requested the supplemental actuarial study (generally, actuarial studies are done on a biennial basis).

In order to obtain commercial excess liability insurance, agencies were sent a number of insurance applications to obtain more precise exposure information from the 140 agencies, boards, and commissions.

Since there is a special insurance market for higher education, all seven of the institutions, as well as the OUS risk management office, were required to complete five applications for the various supplemental types of insurance afforded higher education institutions. Additional general liability and public entity applications were required as well. RMD is currently working to consolidate those applications and submit them, along with the last ten years of claims data, to various underwriters.

In partnership with DOJ, RMD is working to review the indemnification and insurance language in state contracts.
**DOJ activities:**
DOJ has undertaken a review of the remedy clauses included in the Oregon Constitution in 1857. This involves:
- a review of what claims existed in common law
- a review of what defenses existed in common law
- an attempt to develop claims and litigation strategies

**Likely outcomes:**
The Oregon University System and the other state agencies will likely see a combination of self-insurance and commercial excess liability insurance. Particularly in OUS’ case, there may be several layers of liability insurance, given the market specific to higher education.

At this point, it is impossible to predict what additional insurance coverage will cost. It will depend upon the limits chosen, the availability and cost of commercial excess liability coverage, whether there is a change in the statutory level of tort caps, and emerging or unpredictable exposures.

RMD has said that they do not anticipate additional charges being added to the 2007-2009 liability charges. They expect to bill $71 million for 2007-2009 risk charges, an increase of almost $31 million than that which will be billed for the 2007-2009 biennium.

**BOARD DISCUSSION:**

Ms. Elizabeth Dickenson was called upon to present the item. Upon conclusion of her presentation and, following a brief discussion, this item was tabled until further information was received.

6. **COMMITTEE REPORTS**

a. **Standing Committee Reports**

Governance Committee – Director Kelly reported that the Committee had met the day before the Board meeting. OUS Consultant Neil Bryant and retired State Senator Ryan Deckert, who is the current president of the Oregon Business Association, joined the meeting to share a Legislative perspective on the governance question. They provided suggestions on how to approach the Legislature on this issue. The Committee is planning to look at several other states that have systems of governance that are generally respected for their effectiveness.

President Dyess reminded the Board that they had charged Director Kelly with the issue of governance and he has convened various groups and is reaching out to stakeholders for discussions and insights.
Oversight Committee on Sexual Assault – Director Van Vliet indicated that the Committee has formed subcommittees to begin work on definitions and is beginning to formulate some policy statements.

b. Other Board Committees

Portland Higher Education Committee – Director Francesconi reported that the Committee has four foci. The first is the Life Sciences Facility with a group chaired by Provost Hallick of OHSU and Dean Kaiser of PSU. The Committee is composed largely of programmatic and research individuals. They are in the process of engaging a design firm, Perkins & Will, to assist in determining the direction of the project and the prospective components. President Ray had made a detailed presentation that elaborated all of the projects OSU has in the Portland area.

Director Fisher chairs a subcommittee on sustainability, a topic of great interest and involvement of all institutions and the greater community as well. An initial meeting is planned for April 3 and plans will begin to be formulated following that.

The third area of focus is access and this work is being coordinated with the work of Director Miller-Jones. There are four strands of interest: a) collaboration with K-12; b) financial aid and affordability and what can be done to remove financial barriers to higher education; c) facilities program to assure there is coordination in facilities development; and d) connecting OUS institutions more closely to the broader business community.

In the access area, Dr. Jerry Colonna, Superintendent of the Beaverton Public Schools, has expressed interest in becoming a part of the effort and has indicated a willingness to provide some resources for the work. Community Colleges have expressed interest as well.

President Dyess observed that the Committee work has taken on a life much more expansive than originally envisioned. It is helpful to be forging the multiple partnerships that are embedded in the work of the committee. Director Miller-Jones said that he had made a presentation to the Hispanic Chamber of Commerce and he further indicated that it is extremely important to find ways to better connect with the Latino community.

PSU Presidential Search Committee – Director Francesconi reported that there was a deep pool of candidates. The Screening Committee has forwarded the names of several candidates to Chancellor Pernsteiner to determine the depth of interest on the part of the candidates. “I am very confident that we’re going to have terrific candidates to come to Portland State to be interviewed by the PSU and broader community.” The search is coming into the final stages and there is great hope for an outstanding new president.

OIT Presidential Search Committee – Director Kelly said that the OIT Search Committee is not as far along as the PSU Committee. Isaacson Miller, the search firm with whom the Committee is working, has had an exploratory meeting with OIT and stakeholders. The Committee has adopted alternative work plans and schedules. Work Plan A contemplates a presidential hire by
the summer and Work Plan B recognizes that the Committee may not be able to finish the work that soon and plans on finishing in the fall.

7. **PUBLIC INPUT**

Greg Marks, a Public Safety Officer at PSU addressed the Board regarding the issues of campus safety. He expressed concern that the Board would be placing all of its faith in the Governor’s Task Force and that the Governor would be the one to make the decision on a model that was supposed to fit all seven institutions. “We are the ones that should be engaging the stakeholders – students, staff, faculty – we should be having this conversation, not allowing somebody else to tell us what to do.” Mr. Marks strongly urged the Board to either have a Legislative concept on this issue or put in a placeholder so the conversation can be continued.

Gary Rodowitz, president of the PSU chapter of AAUP, reminded the Board of the decades of disinvestment. “Contract negotiations with PSU have been prolonged for a year and faculty morale continues to decline. We are told time and again that workload is not an issue worth negotiating at the table. That sustainability is an honest way to address student-to-faculty ratio and that retroactive salary adjustments are not feasible because ‘it costs money.’” Continuing, he added: “This is difficult to understand when enrollment and workloads continue to grow, some administrators receive greater than 20 percent salary increases, and faculty feel they are a lower priority than intercollegiate athletics.” He urged the Board to work with PSU and OUS administrators to facilitate progress in the negotiations.

8. **BOARD COMMENTS**

Director Miller-Jones implored the Board to hear the urgency to do something about faculty salaries across the board. He said the issue is critical and, in the long run, would work to undermine the work of the Board.

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

“Pursuant to Article II, Section 5 of the Bylaws of the Board of Higher Education, the Board delegates to the Executive Committee authority to take final action as here designated or deemed by the committee to be necessary, subsequent to the adjournment of this meeting and prior to the Board’s next meeting. The Executive Committee shall act for the Board in minor matters and in any matter where a timely response is required prior to the next Board meeting.”

It was moved by Director Van Vliet and seconded by Director Sohn to approve the delegation of authority. Those voting in favor: Directors Dyesss, Fisher, Fox, Francesconi, Kelly, Miller-Jones, Powers, Pulliams, Sohn, and Van Vliet. Those voting no: None. Motion passed.
10. **ADJOURNMENT**

   The meeting adjourned at 2:40 p.m.