Minutes—Meeting #815

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1. CALL TO ORDER/ROLL CALL/WELCOME

President Paul Kelly called the meeting of the State Board of Higher Education to order at 10:40 a.m. Board members present included: President Paul Kelly and Directors Kirby Dyess, Hannah Fisher, Brian Fox, James Francesconi, Dalton Miller-Jones (by telephone), Rosemary Powers, Preston Pulliams, John von Schlegell, and Tony Van Vliet. Director Don Blair was absent due to a business conflict.

Others present included: Chancellor George Pernsteiner, Neil Bryant, Ryan Hagemann, Jay Kenton, Yvette Webber-Davis, and Susan Weeks. Campus representation included: Presidents Mary Cullinan (SOU), Dave Frohnmayer (UO), Wim Wiewel (PSU), Dixie Lund (EOU), John Minahan (WOU), Ed Ray (OSU), and David Woodall (OIT); Provost Lesley Hallick was also present (OHSU).

On behalf of the Board, President Kelly expressed condolences to the families of the firefighters who lost their lives during the summer in a northern California helicopter crash. Firefighters Scott Carlson, Edrik Gomez, Steven “Caleb” Renno, and David Steele all had ties to Southern Oregon University. “I know the tragedy has had a big impact on Southern’s community, as a large number of their students work dangerous summer jobs. Our hearts go out to the community.”

Welcomed to their first Board meeting were President Wim Wiewel, new president of PSU, and Dr. Christopher Maples, the incoming president of OIT. Dr. Dave Woodall was thanked for his tenure and service as the Interim President of OIT.

Since July, there were a number of changes in the Chancellor’s Office. Ryan Hagemann has been appointed as Legal Counsel and Secretary of the Board. Marcia Stuart, who had been serving as Interim Board Secretary, returned to the position she previously held as Associate Board Secretary. “I really appreciate all that Marcia has done to make Board members feel comfortable when appointed to the Board,” President Kelly added.

It was announced that Dr. Joe Holliday had been appointed to the new position of Assistant Vice Chancellor for Student Success Initiatives. He will be located in the Eugene office.
Dr. Holliday has served in several positions at OIT, most recently as Vice President for Student Affairs and Enrollment Management.

President Cullinan introduced Dr. James Klein recently appointed Provost and Vice President for Academic Affairs at SOU. He comes from Texas A&M Commerce. Previously he worked with President Cullinan as Associate Dean of the College of Arts and Sciences at California State Stanislaus.

President Minahan introduced Dr. Kent Neely, newly appointed Provost at Western. Dr. Neely was previously Dean of Arts and Sciences at Southern Illinois University at Edwardsville.

2. **Reports**

   a. **Chancellor’s Report**

   Chancellor Pernsteiner advised that his staff is preparing to begin discussions with the Department of Administrative Services (DAS), the Governor’s Office, and the legislature regarding the 2009-2011 OUS budget. The less than robust state economy will require an extra effort to make the case for the importance of an educated citizenry in Oregon. Strategies are being developed with the OSA and others to integrate discussions of tuition into those these discussions. The Chancellor predicted that, because of the poor economy, there will be more students entering the System it is imperative to be prepared to serve them well. Under the leadership of Vice Chancellor Kenton, the Tuition and Policy Working Group will begin deliberations. Both students and campus leaders will be involved in the discussions of finding a balance between what is needed in terms of state support and student tuition.

   Chancellor Pernsteiner asked President Cullinan to provide a brief description of the new Rouge Community College/SOU Center that opened in Medford. A ribbon-cutting ceremony was held during this past week and there was a very enthusiastic response from the region to the opening of the new facility. “People who have only taken a class or two at RCC in the past now see the opportunity to get a four-year or graduate degree and do it all in this one building,” she noted. “It also has a business center that is going to be serving the business community with an executive lecture series, a business communication seminar, and a pro-metric testing center.” Additionally, the building will be LEED Platinum certified.

   President Ray, co-chair of the Postsecondary Quality Education Commission, provided a status report. The goal is to build on the work of the Quality Education Model that was developed for K-12 and provide a counterpart for the community colleges and higher education. For the next biennium, the Commission has asked for staff support and other resources to create integrated data sets to allow the group to move forward. One question being addressed is, “Where do we lose people from the pipeline? We lose them because we don’t retain them in programs through to certification or associate degrees, or ultimately through undergraduate degrees. If there are resources to be called upon, those resources ought to address those specific issues,” President Ray pointed out. “Also, first and foremost, is the issue of access, people being able to
go to community college or university. We will also support any other programs that would expand participation in programs that offer additional support and are targeted toward increasing retention and persistence of students at least through the second year. You lose half the students you ever lose in the first year and you lose half of the other half in the second year. We endorse trying to target some resources toward improvement of that effort.”

Chancellor Pernsteiner added that increased enrollment is anticipated at most community colleges and universities in the fall. The Governor has requested the Emergency Board to release additional funding for the Shared Responsibility Model over and above the amount that was appropriated during the session.

Consultant Neil Bryant reminded the Board that there were two measures on the November ballot that deal with property crimes: Measure 57, referred by the Legislature, and Measure 61, sponsored by Kevin Mannix. The polling currently suggests that both will pass in the election and the one that receives the most votes will be implemented. Measure 59, a Bill Sizemore initiative, would provide the full deduction of state income taxes and the cost of it, if fully implemented, would be $1.2 billion per year. The polls are showing that, when people fully understand the nature of the bill, they are inclined to vote no. A final one that potentially impacts higher education is Measure 62, which “amends the Constitution, allocates 15 percent of the Lottery proceeds to public safety for crime prevention, investigation, and prosecution.” The money would go to law enforcement, district attorneys, and investigators, so it is actually an expense. “And where it impacts us is in our capital construction. Additionally, the Department of Economic Development would just about disappear at that point because the percentage constitutionally goes to the stability fund, fish and wildlife, and parks. Without the Lottery funds, they would have no discretionary money left,” Mr. Bryant pointed out, and that is significant.

The revenue forecast is down $119 million, which means that the state will have a very low ending balance. The state economist has predicted a longer, narrower recession, with possible relief around the second quarter of 2009.

On a positive note, Mr. Bryant highlighted that OUS has a higher funding base than there has been in the past, higher education is a higher priority for both the Governor and the legislature, and there is higher credibility with the legislature than has sometimes been the case.

b. Interinstitutional Faculty Senate (IFS)

Dr. Lee Ayers, President of the IFS, reported that a lot of work had been done during the summer by the Learning Outcomes and Assessment Task Force (LO&A). “This group has been diligently working all summer to prepare for inquiry and questions around testing and assessment at the OUS level. The questions being asked by campuses across the nation include: Are testing and assessment really about testing and assessment or improving education? Are teachers teaching too specifically to a test? Should the public really believe everything it hears about education? Do we hold higher education accountable for learning and, if so, how do we
do this?” The LO& A Task Force has created an opportunity to learn from nationally identified best practices and to recognize some of today’s salient issues in testing and assessment, and to help Oregon find a best fit for OUS, she explained.

In closing, Dr. Ayers observed that preparation on the campuses is underway for the fall term, a time of excitement and anticipation. (A complete copy of the IFS report is on file in the Board’s office.)

c. Oregon Student Association (OSA)

Sam Dotters-Katz, Student Body President of the Associated Students of the University of Oregon and Interim Board Chair of the Oregon Student Association, addressed the Board on activities during the summer. “Students at all of our member schools, in addition to our usual on-campus workload, have been busy coordinating and planning our voter registration campaign, which is executed through the Student Vote Coalition. We have gone to trainings, recruited volunteers, and done all we can to make sure that we register over 30,000 college students in Oregon at our universities as well as private four-year schools and community colleges,” he noted. Additionally, students have had extensive issue training on legislative processes, lobbying, and advocacy. OSA’s five legislative priorities are: tuition funding for postsecondary education, full funding for the shared Responsibility Model, tuition equity, research on the recruitment and retention of students of color, and the student-parent childcare program.

Mr. Dotters-Katz highlighted for the Board that OSA had met with over 40 candidates for office and sitting legislators in their summer candidate visits. “We will continue meeting with candidates to ensure that they, too, are aware of our issues and our organization before they go into office,” he emphasized. He pointed out that OSA was especially interested in the OUS panel on diversity that would be presenting later in the agenda. He said that OSA would continue to prioritize issues of access for underrepresented communities.

“I would like to thank Chair Kelly for his sentiments about the loss of the firefighters. Speaking as a student and someone who has spent four summers as a forest firefighter in Oregon, it was a tragic event and the affects are pronounced at SOU, so I appreciate your words.”

The OSA was commended by several Board members for their political activity and persistence during the summer months.
3. **Consent Items**

a. **OSU and OHSU, Statewide Graduate Medical Physics Program**

**DOCKET ITEM:**

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

The purpose of this program is to graduate professional medical physicists from an accredited university within the state of Oregon, with the intent of helping alleviate the critical shortage of these professionals in this state. The program will be administered through Oregon State University’s Department of Nuclear Engineering and Radiation Health Physics (OSU) and Oregon Health & Sciences University’s School of Medicine (OHSU), with each university granting degrees and the diploma listing both institutions. The proposed Oregon Medical Physics degree program is consistent with the stated missions and strategic plans of both institutions. OHSU’s mission is to “... improve the well-being of the people in Oregon and beyond” and “strives to educate tomorrow’s health and high-technology professionals, scientists, and environmental engineers for leadership in their fields” as well as “explore new basic and applied research frontiers in health and biomedical sciences.” OSU’s mission is to promote economic, social, cultural, and environmental progress for people across Oregon, the nation, and the world through its graduates, research, scholarship, outreach, and engagement. In its Strategic Plan, OSU has identified five multidisciplinary academic thematic areas intended to integrate the mission of teaching, research, and outreach. One of these thematic areas is dedicated to “... the optimal delivery of public health services in healthy environments” with OSU committed to building “an integrated and novel program focused on the prevention of disease and the promotion of health.”

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

A graduate program is desperately needed in Oregon due to the shortage of medical physicists. At the present time, Oregon must “import” all medical physicists from outside the state to treat its expanding population. There are currently about 5,000 practicing medical physicists in the United States. Due to the increased complexity of equipment and the patient population, there is a steady increase in demand for this profession. Because of the shortage, it generally takes medical establishments six months to one year to hire a qualified medical physicist and salaries are increasing nearly 10 percent per year.

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

None. This proposed program will necessitate and foster collaboration among Oregon universities (OSU and OHSU), its medical establishment, as well as business entities that serve the medical community.
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?

Resources needed to begin the program are currently available within OSU and OHSU. At OSU, all graduate coursework is already in place to offer the specialty of Medical Health Physics and existing courses are appropriate for the therapeutic radiologic physics specialty. While it is the intent of this program to ultimately offer coursework in all subdisciplines, OHSU and OSU will take a phased approach to establishing the Oregon Medical Physics program. Therapeutic radiologic physics and medical health physics will be the first tracks established. As staff and resources become available, the remaining specialties (nuclear medicine and diagnostic imaging) will be added.

The program leverages the strengths of the two institutions, offering both didactic and clinical components for the formulations of a robust graduate program. At OSU, the Radiation Center houses offices and laboratory facilities for the OSU Department of Nuclear Engineering and Radiation Health Physics. There is no other university facility with the combined capabilities of the OSU Radiation Center in the western half of the United States and provides space and technical support for all types of internal and off-campus instructional activities involving nuclear science, nuclear engineering, nuclear and radiation chemistry, radiation protection, and similar programs. At OHSU, the medical school setting provides access to physicians and medical physicists to train students. The medical school also has state-of-the-art treatment delivery devices such as linear accelerators, treatment planning software, as well as diagnostic modalities.

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 Oregon State University and Oregon Health & Science University to establish an instructional program leading to a Master of Medical Physics (M.M.P.), Master of Science (M.S.) or Doctorate of Philosophy (Ph.D.) in Medical Physics, effective Fall 2008.

b. PSU, Graduate Certificate in Sustainability

DOCKET ITEM:

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

Sustainability is a major unifying concept among faculty and students in the sciences, social sciences, and professional schools at Portland State University. Over the past four years, a
group of PSU faculty and administrators from diverse disciplines have developed this certificate, an integrated series of courses that comprise a multidisciplinary study of the environmental, social, and economic dimensions of sustainability. The program is supported broadly across campus and will enhance the training in several graduate degree programs (e.g., Environmental Management, Urban and Regional Planning, Business Administration, and Public Administration), offering training for career responsibilities related to sustainable development.

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

The governors of Oregon and Washington have issued three executive orders since 2000 requiring state agencies to assess their environmental, economic, and social impacts and prepare sustainability strategic plans. At the city level, Portland and surrounding communities have established programs to further sustainable development. The demand for sustainability education is growing rapidly in the business and nonprofit sectors as a result. The Oregon Business Plan, the Bio-Economy and Sustainable Technologies Research Center established by the Oregon Innovation Council, the Oregon Natural Step Network, EcoTrust, and Sustainable Northwest are examples of significant links between the higher education system and industry needs in the area of sustainability. A significant number of current and prospective graduate students have expressed an interest in enrolling in the certificate, with multiple queries on a weekly basis. The combination of growing demands for such education by existing and potential graduate students and the increasing number of government, business, and nonprofit employers in the Portland region undertaking sustainability initiatives makes this an acute need.

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

Within PSU’s Graduate School of Education, the Educational Leadership and Policy Department offers a master’s degree with a “theme” in Leadership in Ecology, Culture, and Learning. The other closely related program is the Graduate Certificate in Sustainable Natural Resources from Oregon State University. It is different from and complementary with Portland State’s proposed certificate.

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?*

This program will reside in and be administered by the Center for Sustainable Processes and Practices (CSP2), which was formally established in 2006 to support the development and delivery of curriculum for professional education programs and close engagement with the community to identify and address priority sustainability issues. The Director of CSP2, or other CSP2 staff as designated by the Director, will direct the certificate program. The
Program Administrator for CSP2 will assist in administering the certificate program. The academic unit(s) providing the lead instructional resource(s) for each of the four core classes will receive the student credit hours. In cases where multiple faculty members from different departments or programs share the instruction of a core course, the student credit hours and resources generated by the course shall be apportioned on the basis of each instructor’s relative contribution to the core course. The elective courses are all offered as part of other existing graduate programs.

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 Portland State University to establish an instructional program leading to a Graduate Certificate in Sustainability, effective Fall 2008.

c. **PSU, Graduate Certificate in Energy Systems**

**DOCKET ITEM:**

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

   The objective of the program is to prepare graduates to analyze the development and implementation of traditional and non-traditional energy systems for a sustainable, renewable society. This is consistent with Portland State’s mission to serve the region’s industry and specifically to Portland State’s commitment to support sustainability.

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

   Qualified engineers are in demand as the retirement of experienced engineers accelerates. The 2007 Workforce Survey Report from the Center for Energy Workforce Development estimates roughly 46 percent of engineering jobs could become vacant by 2012. At the same time, the present energy crisis demands new skills to solve the problems of dwindling resources, environmental restrictions, and increasing demand. New technologies such as electric and hybrid vehicles, wind generation, solar cells, and other renewable energy sources mandate specialized engineering skill sets, which this graduate certificate provides.

   For the target population (individuals who already have a degree in electrical engineering and are employed as engineers), the courses in this graduate certificate inculcate special skills needed for the energy industries, especially electric and gas utilities.
Need has been based on discussions with Bonneville Power Administration, Pacific Gas & Electric, PacifiCorp, and Intel. Portland State estimates 10-15 students to graduate per year, after the second year is complete.

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

None.

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 core courses and electives for the graduate certificate are presently being taught for master’s students in both Electrical and Computer Engineering (ECE) and Engineering and Technology Management. The courses as currently offered have capacity for additional students. The Energy System Information Lab presently used in the ECE graduate degree program will support the graduate certificate students as well. No new faculty and no lab reconfiguration will be necessary.

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 Portland State University to establish an instructional program leading to a Graduate Certificate in Energy Systems, effective Fall 2008.

d. **PSU, Graduate Certificate in Management of New Product Development**

*DOCKET ITEM:*

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

This program will directly serve innovative industry in the Portland metropolitan area, a key component of the mission of Portland State University. The graduate certificate will significantly enhance the capabilities of engineers and managers who are involved in researching, defining, designing, or developing new products, processes, hardware, software, or services, which in turn will drive growth of the Oregon economy.
2. **What evidence of need does the institution have for the program?**

The ability to develop new products and services is a key source of competitiveness, with many firms in the greater Portland area engaged in this enterprise (e.g., Intel, Nike, Novellus, Mentor Graphics, FEI, Xerox). These firms have expressed a critical need for an advanced graduate level educational resource to improve the management and leadership skills of those likely to be their future leaders, specifically in the management of new product development.

The target audience is employees of such companies, professionals who work during the day and attend courses in the evening. They may initially elect to utilize the graduate certificate as a stand-alone credential but also may choose to include the courses in a full degree program. Because the graduate certificate is designed to be completed in three years or less, the department anticipates graduating 15 to 20 students per year over the next five years.

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

None

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 core courses and electives for the graduate certificate are presently being taught for master’s students in Engineering and Technology Management and have capacity for additional students. The existing department staff is sufficient to support the program. No additional faculty, staff, library, or lab resources are needed to implement this program.

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 Portland State University to establish an instructional program leading to a Graduate Certificate in the Management of New Product Development, effective Fall 2008.
e. SOU, M.A. in Spanish Language Teaching

DOCKET ITEM:

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

The Southern Oregon University’s mission statement stresses the University’s commitment to academic programs, partnerships, and public service, particularly in areas such as education. The M.A. in Spanish Language Teaching is a unique teacher training program offered specifically to current Spanish teachers. It was created to increase the competency of Spanish teachers whose training and/or experience lack the depth required to develop a superior Spanish language program at their schools. The master’s degree is offered over the course of three summers at SOU’s sister institution, the Universidad de Guanajuato in Mexico. The program has two primary goals: (a) provide language, literature, and culture courses to help teachers improve their own language proficiency and cultural understanding and (b) provide advanced training in second language acquisition theory and pedagogy to help participants become better teachers.

Included in the SOU’s mission statement is the commitment to international engagement and partnerships. The M.A. in Spanish Language Teaching supports the University’s commitment to partnerships and international engagement, as it builds on their 40-year relationship with the Universidad de Guanajuato.

The program adds to SOU’s national and international reputation by drawing students from around the country and beyond. The program was initially offered as part of SOU’s Summer Language Institute under the auspices of the School Area Degree in Arts and Letters beginning in 2007. It has drawn students from Oregon and 19 other states, plus the Bahamas. Forty students enrolled in the summer of 2008. By training Spanish teachers from around the country, the program will help draw more and better prepared undergraduate students to the university as SOU’s reputation spreads through teachers in the program.

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

In a survey of language teachers conducted at the joint Confederation in Oregon for Language Teaching (COFLT) and Washington Association for Foreign Language Teaching (WAFLT) conference in Fall 2004, 65 percent of respondents indicated interest in a summer program such as the proposed Spanish Language Teaching program. In the same survey, 91 percent of respondents preferred a program taught partially or entirely in a country where the language was spoken. This program offers foreign language teachers who have only a B.A. an opportunity to complete a master’s degree in a program that specifically targets their needs.
This program is the only graduate level Spanish teacher training program in the state that specifically serves working professional Spanish teachers. The program meets requirements for National Board Certification (NCATE/ACTFL standards), which no other language training program in the state currently does. The growth of Spanish language enrollments increasingly calls for well-prepared teachers who are able to teach higher level language courses in the public schools.

An online review of the requirements for the various Spanish teacher certification programs in Oregon reveals that most offer very limited opportunity for students to take pedagogy courses specifically related to second languages and most Master of Arts in Teaching (MAT) programs do not require students to continue to develop their Spanish language skills while completing the teacher certification program. The M.A. in Spanish Language Teaching will allow teachers to build on their language pedagogy skills gained through conventional teacher education programs and also strengthens their own cultural understanding and linguistic abilities. Finally, the interest and enrollment in the Summer Language Institute indicates the strong need for such a program.

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

No other Oregon university offers a similar program, nor is this unique course of study duplicated in any other state. SOU’s program has a unique curriculum design, combining language and culture courses with theoretical and practical second language acquisition and pedagogy courses.

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?**

No new resources are needed. The program was initially developed with seed money from the Provost’s Office and with existing self-support funds. The program is entirely self-supporting and, in fact, when the program is running at full capacity, the program will generate additional revenues that can be used for instructional purposes in the department.

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 Southern Oregon University to establish an instructional program leading to a Master of Arts in Spanish Language Teaching, effective Fall 2008.
f. WOU, B.A./B.S. in Community Health Education

DOCKET ITEM:

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

The program supports the mission of the Health and Physical Education Division, which is to maximize individual and professional development in health and movement science and to promote healthy lifestyles and communities. The program aligns with Western Oregon University’s mission as a public comprehensive university committed to creating personalized learning opportunities, supporting advancement of knowledge for the public good, and maximizing individual and professional development.

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

Since the early 1990s, WOU has offered two options for students interested in health education; one area of emphasis for those seeking a teacher licensure in Health Education and a second area of emphasis for those interested in a non-teaching career in Health Education.

Since 1991-92, over 400 students have graduated from WOU with an education degree with an emphasis in community health education that was not leading to teacher licensure. However, because their transcripts still indicate a bachelor’s degree in Education, it makes it difficult to accurately track Western’s productivity by degree area for the Teacher Standards and Practices Commission and the Oregon University System office. It also lacks alignment with other programs nationwide that are preparing exercise science professionals for careers outside of K-12 teaching.

WOU students have been selecting the curriculum area of emphasis affiliated with this degree area since the early 1990s. Enrollment has been steady and graduate have been well prepared for entry-level education positions, admission into graduate public health programs, or entry into allied health professional programs (e.g., occupational therapy, social work, and nursing).

WOU is now seeking a separate degree program for those who are pursuing the non-teacher emphasis (now called Community Health Education) that honors the distinctive nature of their program of studies and that distinguishes them from Western’s teacher licensure candidates.

Within WOU’s area of emphasis in Community Health Education, there is a strong service-learning, community-based component that has generated interest in the program from several local and state agencies/organizations. Over the past two years, for example, students under the guidance of Drs. Braza and Henderson have worked with the Marion
County Health Department, the Salem Boys and Girls Club, the American Red Cross (Salem Chapter), the United Gospel Mission and Simonka Place in Salem, the Falls City School District, the Monmouth-Independence YMCA, the Forgotten People Foundation, the Jackson County Health Department, the Oregon Immunization Program, and the Office of Family Health. WOU students have worked on projects addressing dental health, immunization, bullying, homelessness, emergency preparedness, Women, Infants, and Children (WIC) community gardens, orphanage facilities, playground facilities, and prevention of fetal alcohol syndrome.

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

Although no identical program is offered at another Oregon University System institution, faculty in similar fields of study at both Portland State University and Oregon State University have reviewed this proposal and provided feedback as well as support for the proposal. The program is cooperative and complementary in terms of potential transferability of required courses. All required core classes, with the exception of HE 227 Community and Public Health, are offered at most Oregon community colleges. There is also ready transferability of health electives (e.g., drug education, sexuality education, stress management, and nutrition) from other institutions.

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 current structure offers students the option of a program emphasis in this area of study so faculty are already teaching the described courses that would be required in this degree. All other academic supports such as advising and practicum supervision are already in place.

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 the B.A./B.S. in Community Health Education, effective Fall 2008.
g. WOU, B.A./B.S. in Exercise Science

DOCKET ITEM:

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

The program supports the mission of the Health and Physical Education Division, which is to maximize individual and professional development in health and movement science and to promote healthy lifestyles and communities. The program aligns with Western Oregon University’s mission as a public comprehensive university committed to creating personalized learning opportunities, supporting advancement of knowledge for the public good, and maximizing individual and professional development.

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

Since the early 1990s, WOU has offered two options for students interested in physical education; one area of emphasis for those seeking a teacher licensure in Physical Education and a second area of emphasis for those interested in a non-teaching career in Physical Education. Since 1991-92, over 300 students have graduated from WOU with an education degree with an emphasis in Exercise Science that was not leading to teacher licensure. However, because their transcripts still indicate a bachelor’s degree in Education, it makes it difficult to accurately track Western’s productivity by degree area for the Teacher Standards and Practices Commission and the Oregon University System office. It also lacks alignment with other programs nationwide that are preparing exercise science professionals for careers outside of K-12 teaching.

WOU is now seeking a separate degree program for those who are pursuing the non-teacher emphasis (now called Exercise Science) that honors the distinctive nature of their program of studies and that distinguishes them from Western’s teacher licensure candidates.

WOU students have been selecting the curriculum area of emphasis affiliated with this degree area since the early 1990s. Enrollment has been steady and graduates have been well prepared for entry-level exercise science positions in communities and businesses aimed at physical activity, physical fitness, and injury and disease prevention through movement science.
3. *Are there similar programs in the state? If so, how does the proposed program supplement, complement, or collaborate with those programs?*

Although no identical program is offered at another Oregon University System institution, faculty from a similar program at Oregon State University have reviewed this proposal and provided feedback as well as support for the proposal. The program is also cooperative and complementary in terms of transferability of required courses.

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 current structure offers students the option of a program emphasis in this area of study so faculty are already teaching the described courses that would be required in this degree. All other academic supports such as advising and practicum supervision are already in place.

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 the B.A./B.S. in Exercise Science, effective Fall 2008.

**h. OSU, Nomination to the Forest Research Laboratory Advisory Committee**

**DOCKET ITEM:**

**Summary:**
Pursuant to ORS 526.225, Oregon State University submits the following nominations to fill industry and public positions on the Forest Research Laboratory (FRL) Advisory Committee and to renew three-year appointments for Dr. Gary Hartshorn and Mr. Barte Starker. OSU recommends that the Board approve these appointments.

**Background:**
ORS 526.225 specifies that the Board of Higher Education shall appoint a Forest Research Laboratory Advisory Committee composed of 15 members, nine of whom are to be individuals engaged, actively and principally, in timber management of forest lands, harvesting, or processing of forest products; three individuals who are the heads of state and federal public forestry agencies; and three individuals from the public-at-large. Although the statute does not prescribe the terms of the Committee members, the practice has been to make appointments for a period of three years. Traditionally, those who are performing actively and effectively
have been recommended for reappointment to a second three-year term, with all members replaced at the conclusion of a second term.

Recommendation by Forest Research Laboratory Director:
Dr. Hal Salwasser, director of the Forest Research Laboratory, with the concurrence of President Ed Ray, made the following recommendations:

- Appoint Mr. Ray Jones, Vice President Resources, Roseburg Forest Products, Roseburg, Oregon, for the industry position that was previously held by Russ McKinley.

  Mr. Jones has responsibility for RFP’s 750,000 acres of timberlands in Oregon and California. He joined the privately held company in 2001 after 25 years with state forestry agencies, then with forestry industry companies, steadily rising in positions of responsibility. Ray received his B.S. in Forest Management from OSU in 1976.

- Appoint Mr. Dave Ivanoff, President and Chief Operating Officer of Hampton Tree Farms, Salem, Oregon, to fill the industry position previously held by Scott Schroeder.

  Mr. Ivanoff has a 1972 B.S. in Forest Business Management from the University of Idaho. Over his 35 year career, Dave has risen from field forester to senior executive leadership in one of Oregon’s foremost privately held forest products companies. His current responsibilities include 167,000 acres of company-owned timberlands in Oregon and Washington plus sawmills in those states and British Columbia.

- Appoint Ms. Brent Davies to fill the at-large position previously held by Ms. Bettina von Hagen.

  Ms. Davies is Director of Forestry for Ecotrust in Portland, Oregon. She has worked with community groups and public agencies in the coastal watersheds of Oregon and Washington for the past ten years on restoration and working forestry projects. Prior to joining Ecotrust, Brent worked on ecologically sustainable economic and community development projects in coastal fishing towns of Costa Rica and Washington State. Brent works with over a dozen small organizations on community watershed restoration and is currently focused on access to new emerging markets for ecosystem services. She is also the coordinator of the Whole Watershed Restoration Partnership, a public-private partnership working on targeted, whole-watershed restoration in the Pacific Northwest. Brent co-manages her family’s forestland in Oregon’s Clatsop and Wallowa Counties. She earned a Master of Science from the University of Washington’s College of Forest Resources.

Staff Recommendation to the Board:
Staff recommended that the Board approve the above appointments to the Forest Research Laboratory Advisory Committee.
i. PSU, Broadway Housing Services and Facilities Agreement (Kenton)

DOCKET ITEM:

In 2003, the Board of Higher Education approved a Housing Services and Facilities Agreement between Portland State University (PSU) and Broadway Housing LLC (an affiliate of the PSU Foundation), in connection with the use of City of Portland economic development bond funds by Broadway Housing LLC for the construction of a 10-story multi-use facility. The project and the Housing Services Agreement itself have proven highly successful. For the reasons outlined below, both PSU and Broadway Housing, LLC, believe it is beneficial for Broadway Housing, LLC, to refinance the project. PSU is requesting that the Board reaffirm its approval of the Housing Services and Facilities Agreement, with minor, non-substantive changes, in connection with this refinancing.

Background:
In 2003, PSU partnered with the PSU Foundation, the City of Portland and the Portland Development Commission to acquire a three-fourths block parcel and to construct a multi-use facility consisting of 384 housing units, 20,800 sq. ft. of academic space and 20,135 sq. ft. of retail space. The City of Portland, through the Portland Development Commission, issued variable rate economic development revenue bonds to finance the original project, which is owned by Broadway Housing, LLC. Broadway Housing, LLC, and PSU then entered into a long-term Housing Services and Facilities Agreement through which Broadway Housing, LLC, contracts with PSU to utilize and operate the academic and student housing portions of the facility (retail services are managed directly by Broadway Housing, LLC). This agreement was approved by the Board in February 2003. The project was completed in 2004 and is now going into its fourth year of operation.

The Broadway facility has greatly enhanced Portland State’s housing capacity. It has proven a highly popular student choice for housing and a successful financial venture. The facility is an essential component of the campus housing program, representing 27 percent of Portland State’s housing capacity and a current occupancy of 632 residents.

Broadway Housing, LLC, uses student rents received to fund bond debt service on the project. The original city economic development revenue bonds were issued on a variable rate basis, with rate setting changing weekly. The Foundation achieved a fixed blended interest rate of 4.85 percent on the original debt through a swap agreement with Ambac Financial Services.

The recent turbulence in the bond markets has resulted in bond rating agencies downgrading Ambac’s rating. The floating rate debt on the City of Portland’s original economic development bonds has increased to approximately 9-10 percent. To date, Ambac has continued to cover the increased interest costs, at no added cost to Broadway Housing, LLC, or to PSU, through the swap agreement. However, the University’s outside financial advisors (Public Financial Management or PFM) and both in-house and outside counsel have advised Broadway Housing, LLC, and PSU that there are significant continued financial risks related to the outstanding City
of Portland bonds, and have recommended that Broadway Housing, LLC, refinance the project with fixed rate debt. This solution has a minimal effect on the financial status of the project’s finances as current fixed rates are in the 4.85 to 4.90 percent range. At a 4.9 percent rate, the first full annual increase in debt service will be approximately $119,850, for a total first year debt of $3,138,000, or a 4 percent increase (current total is $3,014,000). Revenues for the Broadway Housing facility will continue to be sufficient to cover this modest change in debt.

The Portland Development Commission has already adopted, by unanimous consent, a preliminary resolution to issue bonds; the Portland City Council, it is anticipated, will also adopt such a resolution on September 10th. PSU is asking the Board to reaffirm its approval of the updated Housing Services and Facilities Agreement between PSU and Broadway Housing, LLC, with minor, non-substantive alterations related to the new financing such as dates changes, elimination of references to construction financing (since building already exists), and elimination of references to the original swap agreement. Pursuant to this agreement, Broadway Housing, LLC, will continue to own and operate the building in accordance with PSU’s needs for housing, academic, and ancillary retail space. The term of this agreement will mirror the term of the refunding bonds.

Committee Recommendation to the Board:
The Finance and Administration Committee recommended that the Board reaffirm its approval of the Housing Services and Facilities Agreement between PSU and Broadway Housing, LLC, with minor, non-substantive alterations related to the new financing.

j. UO, Request for Increased Article XI-F(1) Limitation (Central Power Station)

DOCKET ITEM:

Summary:
The University of Oregon seeks Board approval to authorize the Chancellor, or designee, to seek State Legislative Emergency Board approval of a $21.169 million increase in Article XI-F(1) bond authority for the purpose of constructing Phase I of the Central Power Station Project. Approval is required at this time to build a new chiller plant and the supporting electrical service to meet the campus requirements for chilled water in 2009.

Staff Report to the Board:
This project was authorized by the 2005 Legislature; however, the approved project included only replacement of worn-out components (deferred maintenance). The University commissioned engineering studies prior to performing the deferred maintenance work. Certain regulatory changes occurred that required substantial modification of the existing configuration. New construction projects increased the University’s future needs. More specifically:
1. Changes in the State Fire and Building Codes prohibit co-location of chillers and boilers as currently configured in the existing Central Power Station. A separate building will need to be constructed to house chillers.

2. Department of Environmental Quality (DEQ) requirements restrict use of the Willamette River Millrace as a chilled water heat sink. This restriction, combined with the increased inefficiency of the Millrace due to silt build up, will require the construction of cooling towers.

3. A successful capital campaign will allow the University to construct in excess of 700,000 square feet of additional space that was not envisioned at the time of the initial deferred maintenance request submitted in 2005. This growth requires expansion of steam, chilled water, electrical infrastructure, emergency electrical generation, and tunnel distribution systems.

In addition to these changes in circumstances, engineers were directed to take a long-term look at the plant. They concluded that due to the significant investment associated with a central plant renovation and the fact that the majority of the equipment has a 30-40 year life expectancy, a different approach would better support projected campus growth for 40 years.

During the process of the engineering studies, Governor Kulongoski issued the Oregon Strategy for Green House Gas (GHG) Reductions, which identifies target reductions for GHG emission reductions as well as transferring campus energy use to fuels that are sustainable. Consistent with the Governor’s initiative, President Frohnmayer signed the American College & University Presidents’ Climate Commitment in support of carbon footprint reduction goals. Major steps have been taken in the proposed project to meet these two commitments.

Another goal of the project that is now proposed is to enhance the capacity of the current electrical co-generation capabilities of the system. To do this, the engineers, in combination with Eugene Water & Electric Board (EWEB), have studied the installation of gas-fired turbines, which will provide three energy sources: steam, electricity, and chilled water. The gas-fired systems are designed to support the use of alternative fuels, which will enable the campus to reduce or eliminate the Central Power Station’s carbon footprint in the future. Per the June 2007 GHG Inventory commissioned by OUS, this represents more than 74 percent of the UO carbon footprint. The efficiency of these systems provides a carbon output reduction of 20 percent per MMBTU compared to the current plant.

The complete build-out of the co-generation units will also provide an average electrical output of approximately 17 MW. The campus electrical load will be 15 MW with a projected growth to 24 MW by 2029. The project as now proposed will permit the bulk of the campus electrical load to be provided by a sustainable energy source once an alternative fuel source is identified to fire the co-generation turbines. The GHG Inventory attributes an additional 13 percent of the University’s carbon footprint to the purchase of electricity. The combined carbon footprint reduction could reach 87 percent of the campus total with a full implementation of this plan.
By reducing the carbon footprint, the design of the Central Power Station will insulate the University from projected increases in BPA Tier 2 electrical price increases in 2011. This protects the University from significant operational cost increases in the future as well as eliminating the use of Tier 2 electricity, which typically has a significant carbon footprint. DEQ restrictions regarding waste heat into the Willamette River Millrace will also be met with the redesigned chiller plant.

**Statement of Current Need:**
Phase 1 of the Central Power Station and supporting facilities will include the following major elements:
- New Chiller Plant Building and Site Improvements
- New Cooling Towers
- Electrical Power Grid Improvements

In order to proceed with construction of Phase 1, the University of Oregon requests an increase in the overall project expenditure limitation to $34,392,000 million, including an additional $21,169,000 in Article XI-F(1) bonds for the project. Table 1 below outlines the funding for Phase 1 of the Central Power Station. Construction of Phase 1, which includes the chiller facility, electrical infrastructure, and required site improvements, needs to move forward immediately in order to meet load requirements for projects that are currently underway including the College of Education. Phase 2 of the Central Power Station will be presented to the 2009 Legislature. Phase 2 will allow the University to take advantage of alternative funding sources made available by the sustainable design features of the plant.

**Table 1**

<table>
<thead>
<tr>
<th>Central Power Station Funding</th>
<th>Previously Authorized Funding</th>
<th>New Request</th>
<th>Total Phase 1 Funding</th>
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<tr>
<td>Lottery Bonds</td>
<td>$174,000</td>
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<td>$174,000</td>
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<tr>
<td>State Energy Loan Program (SELP)</td>
<td>13,049,000</td>
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<tr>
<td>Article XI-F Bonds</td>
<td></td>
<td>$21,169,000</td>
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</tr>
<tr>
<td><strong>Total Project Funding:</strong></td>
<td><strong>$13,223,000</strong></td>
<td><strong>$21,169,000</strong></td>
<td><strong>$34,392,000</strong></td>
</tr>
</tbody>
</table>

**Schedule:**
The Central Power Station will be completed in multiple phases and includes the following scope of work:

**Phase 1:** The current request will allow for the construction of a new chiller plant building with chillers and cooling towers, to be operational by September 2009, and the installation of electrical infrastructure and required site improvements for fire department access.
**Phase 2:** Installation of boilers, emergency electrical generators, seismic upgrades, and architectural modifications required to be operational by October 2010. The timeline is required to support campus buildings that will be complete in late 2010. Funding for this phase of the project will be requested as part of the 2009-11 OUS capital budget.

Co-Generation equipment may include a public/private partnership opportunity: EWEB has expressed interest in co-developing a co-generation and steam plant improvement as part of this Phase 2. The timeline for the completion of this work is early 2011 to mitigate Tier 2 electrical charges. Funding for this phase of the project will also be requested as part of the 2009-2011 OUS capital budget.

**Legislation Affected:**
SB5514, Chapter 787, Oregon Laws, 2005.

**Committee Recommendation to the Board:**
The Finance and Administration Committee requested that the Board approve the University of Oregon’s request to authorize the Chancellor, or designee, to seek authorization from the State Legislative Emergency Board for an increase in project expenditure limitation for the Central Power Station, from $13.2 million to $34.4 million, including an increase in Article XI-F(1) bonds of $21,169,000 as outlined in Table 1 above.

**k. UO, Request for Increased Article XI-F(1) Limitation (Parking Complex)**

**DOCKET ITEM:**

**Summary:**
The University of Oregon (UO) seeks Board approval to authorize the Chancellor, or designee, to seek Legislative Emergency Board approval to increase the expenditure limitation for the construction of an underground parking facility adjacent to the new arena. Specifically, the UO is requesting an increase in Article XI-F(1) bond expenditure limitation for this project to $16.6 million from the $10.92 million previously authorized and to request Other Funds expenditure limitation for this project of $1.4 million, for a total project limitation of $18 million. In May, the State Board authorized the Chancellor, or designee, to request Legislative Emergency Board approval to add $7.8 million in Other Funds limitation to increase the total expenditure authorization for this project from the $10.92 million originally approved to $18 million. As noted before, gift funds will supplement bond funds for the construction. The UO has determined that it can conservatively support increased debt and bond proceeds in the amount currently proposed. The Chancellor’s Office has indicated bond proceeds are currently available from previous bond sales and no additional bonds will need to be sold for this project. The change is consistent with the athletic department’s goal to maximize the use of operating revenues.
Background:
The UO wishes to construct an underground parking structure adjacent to the new arena and beneath the proposed Alumni Center. The structure will have approximately 375 total parking spaces to supplement 148 on-site spaces for a total of 523 spaces. These spaces will be used to provide parking for the arena, for the Alumni Center including for the University of Oregon Foundation that will move to the site, for visitors and for UO employees. The 2003 Legislature approved $10.92 million for construction of a parking structure wholly financed from proceeds from the sale of Article XI-F(1) bonds. In May, the Board authorized the Chancellor, or designee, to seek Legislative Emergency Board approval to increase the expenditure authorization for the project to $18 million by adding $7.8 million in Other Funds limitation reflecting the actual cost of construction.

As previously described to the Board, the UO will recognize savings and provide additional parking to be responsive to concerns raised by neighbors and others regarding increased parking demand generated by the arena by constructing a parking structure immediately adjacent to the arena and in conjunction with the project. Construction of a new parking structure will meet the UO's previously identified need for additional parking for its day-to-day operations and will provide approximately twice the number of spaces that are being displaced by the construction of the Academic Learning Center and open green space. By building underground, the UO and the neighborhood gain the additional advantage of saving ground space and preserving the visual environment on Franklin Boulevard for open space that will be surrounded on three sides by the Academic Center for Student Athletes, Alumni Center, and Arena.

Debt on the bonds will be paid from user fees that will include daily, visitor, and event parking. The rate structure for parking during athletic and special events will be set to recover a majority of the debt obligation, with the Athletic Department assuming responsibility for servicing this portion of the debt. However, daily campus users will also pay, reflecting the value to the larger campus community of this parking facility. No new bonds will be sold to finance this use. UO will direct $1.6 million of the proceeds from the sale of the Willamette Block Building that relate to the outstanding balance of bonds originally used for its purchase to this project. The balance of $15 million will come from available proceeds on hand from prior bond sales.

An updated financial pro-forma prepared by the UO for this project is provided as Attachment A. The projected revenues are based on conservative estimates of usage in the categories shown below. The projected expenditures are based on a survey of similar facilities managed by private entities, with each category inflated in future years.

As shown, the projected annual revenue from the parking structure operations is expected to exceed the estimated annual operating costs and these annual net profit amounts are anticipated to be sufficient to fund the requisite debt payments.

Construction of the underground garage concurrently with construction of the arena results in cost savings that allow the structure to be built for significantly less than a stand-alone
underground facility of comparable size. UO will select a general contractor/construction manager for the parking garage through an open competitive process.

**Committee Recommendation to the Board:**
The Finance and Administration Committee recommended that the Board approve the following:
- Authorize the Chancellor, or designee, to seek approval from the Legislative Emergency Board at its next meeting to increase the Article XI-F(1) bond expenditure limitation for this project by $5.68 million, from the $10.92 previously authorized to $16.6 million
- Request Other Funds expenditure limitation for this project of $1.4 million. This modifies and supplements the Board’s action at its May meeting approving the request to add $7.8 million in Other Funds limitation for this project and increasing the total expenditure authority from $10.92 million to $18 million.

I. **UO, Pine Mountain Observatory License**

**DOCKET ITEM:**

**Summary:**
The Pine Mountain Observatory (PMO) is a University of Oregon facility for astronomy education and research located 34 miles southeast of Bend. The observatory consists of three Cassegrain reflecting telescopes, with mirrors of 15", 24", and 32" diameters, each in its own domed building. PMO has been operated and located on approximately nine acres of the Deschutes National Forest since 1967. The University of Oregon is seeking State Board approval of a license from the U.S. Forest Service to continue to operate and maintain the observatory on the property until December 31, 2028. Because it is a long-term agreement, it requires State Board approval.

**Recommendation to the Board:**
Staff recommended that the Board approve the license agreement between the University of Oregon and the U.S. Forest Service to operate and to maintain the Pine Mountain observatory until December 31, 2028.

m. **WOU, Request for Increased Article XI-F(1) Limitation (Housing Complex)**

**DOCKET ITEM:**

**Summary:**
Western Oregon University (WOU) seeks Board approval to request approval from the State Emergency Board for an increase in Article XI-F(1) bond authority from $11.25 million to $20 million for the purpose of constructing a 300-bed student residence. The residence hall will be owned by the State of Oregon and constructed and operated by management of WOU.
Staff Report to the Board:

WOU is experiencing undergraduate enrollment growth that has resulted in the campus needing to increase its on-campus housing capacity. Housing reservations have increased by 18 percent in two years and more students are remaining in the residence halls for the full year (reflecting increased student retention). This request would enable the University to expand upon its previously approved housing project from 200 beds to 300 beds and add a living-learning component that will support student learning and retention. This request would increase the approved current Article XI-F(1) bond limitation from $11.25 million to $20 million.

WOU projects that demand for on-campus housing will continue to increase over the next decade. Factors driving the growth include:

1) Overall increase in student demand to attend WOU;
2) Current campus policy requiring new freshmen to live on-campus;
3) Increased student retention resulting in more continuing students living on-campus;
4) Increased emphasis on the enrollment of non-resident and international students; and
5) A local housing market that has limited capacity for supporting a large increase in student demand.

Additionally, the planned health and wellness center will further increase student demand to attend WOU once it is completed in fall 2011 (pending receipt of state support).

OUS enrollment projections indicate that the number of new undergraduate students enrolling at WOU will increase by 292 (18 percent) between fall 2007 and fall 2010 (181 will be new freshmen). WOU’s policy of requiring first-time freshmen to live in university housing during their first year is part of the successful campus-wide retention effort. This requirement is consistent with national best practices (Pascarella, Terenzini & Blimling 1994; King 2002, et. al.) and has been validated by a WOU study of first-year student performance comparing those living on campus with students granted an exemption to the policy due to their parent(s) home being located within 30 miles of campus. Retention of freshmen students to the sophomore year, an OUS performance indicator, increased from 65 percent for fall 2005 new students to 73 percent for fall 2006 new students and is expected to increase to over 75 percent for fall 2007 students.

The number of nonresident students has increased by 280 (52 percent) over the past two years. A new admission counselor position has been created for the 2008-09 fiscal year. This position will focus on recruitment in California, further complementing very strong and growing success in Washington, Hawaii, and Alaska. Recruitment of students from Nevada will also increase over the next few years.

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While WICHE projections for high school graduates in Oregon shows an overall decline, the disaggregated data shows a dramatic increase in the number of Hispanic high school graduates\(^3\). WOU’s recent enrollment growth has been significantly supported by this student population. The entering freshmen class of 2007 was extremely diverse with 20 percent of the students being from multicultural backgrounds. Early enrollment projections indicate that the overall campus will be even more diverse in 2008. This growth has been intentional with the campus now hosting four major outreach and academic events for students from underserved backgrounds. These include the African American Youth Leadership Conference, Cesar Chavez Leadership Conference, Making College Happen, and Oregon Migrant Student Leadership Institute. In total these four events bring over 2,000 Oregon students to the campus each year.

A final element is the expansion of the WOU Project from North Salem High School to all Salem-Keizer high schools and other local high schools. Since its inception in 2006, the Project has resulted in a 150 percent increase in the number of North Salem High School students who have enrolled at WOU. Similar results are expected for other participating high schools.

To meet the high demand for student housing for fall 2008 (up 10 percent over 2007), the University has increased capacity by implementing a number of short-term solutions that cannot be sustained beyond a year or two. These fixes are limited because of seismic and other upgrade needs of Arbuthnot Hall, which has been identified for near-term demolition\(^4\). The other building that will be used for 2008-09, Maaske Hall, is needed for faculty who have been hired to meet the increased enrollment demands. Other short-term actions such as increasing the number of occupants in some rooms sacrifice the quality of living that will adversely impact student retention and completion rates. In total, these short-term actions have increased bed capacity by 170. When WOU opens the new residence hall in 2010, these 170 beds will be removed from campus inventory, resulting in a net increase of 130 available beds.

The fiscal impact of this project will be positive as it will support increased enrollment and student success. The addition of the $20 million in debt will move the campus debt burden percentage to between 5 and 5.5 percent, well below the OUS cap of 7 percent.

The campus has planned for gradual expansion and there is sufficient existing electrical, water, and steam capacity to support this project. In fact, this project would only reduce excess steam capacity by less than 20 percent. Dining services are also able to support the new residence hall.

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Using a U.S. Department of Commerce–Bureau of Economic Analysis employment multiplier (for every $1 million spent in construction projects, 21 new jobs are created), it is estimated that this housing project will create over 400 jobs to support the local economy.

**Committee Recommendation to the Board:**
The Finance and Administration Committee requested that the Board approve the Western Oregon University’s request to construct a larger housing facility and authorize the Chancellor, or designee, to seek authorization from the State Legislative Emergency Board for an increase in project expenditure limitation of $8.75 million for issuance of Article XI-F(1) bonds to finance the project.

**BOARD DISCUSSION AND ACTION:**

President Kelly disclosed, regarding the PSU, Broadway Housing Services and Facilities Agreement, that his law firm, Garvey Schubert Barer represents the PSU Foundation that is a party to this agreement. “While I don’t frankly think I have a conflict, I want to note for the record that there is a possible conflict and I will abstain from voting on that particular item.”

Director Kirby Dyess moved, seconded by Director James Francesconi, approval of the consent agenda. Those voting in favor: Directors Dyess, Fisher, Fox, Francesconi, Kelly, Miller-Jones, Powers, Pulliams, von Schlegell, and Van Vliet. Those voting no or abstaining: None. Motion passed.

4. **ACTION ITEMS**

a. **Chancellor’s Compensation**

Prior to the regular Board meeting, the Board had met in Executive Session to complete the performance evaluation of Chancellor Pernsteiner. President Kelly indicated that the Board was “delighted with Chancellor Pernsteiner’s performance in what was an unquestionably challenging, highly responsible, and highly visible job.” He extended his thanks to Chancellor Pernsteiner on behalf of the Board for the past year and the job well done.

Chancellor Pernsteiner’s present salary was: base salary of $265,000; deferred compensation package of $12,000 per year; a professional expense package of $22,000; and, a housing allowance of $26,000. President Kelly recommended that the Board increase the base compensation, deferred compensation, and professional expense items by 6 percent; retain and continue the housing allowance; and that the compensation increased be effective as of July 1, 2008.

Director Tony Van Vliet moved, seconded by Director Brian Fox approval of President Kelly’s recommended salary package.
Director Dyess added her congratulations to Chancellor Pernsteiner for his work in the budgeting process, presidential searches, and development of Policy Option Packages that increase the amount of research. Director Francesconi added that OUS pays the Chancellor considerably less than 90 percent of the other higher education executive officers throughout the country.

Those voting in favor of the motion: Directors Dyess, Fisher, Fox, Francesconi, Kelly, Miller-Jones, Powers, Pulliams, von Schlegell, and Van Vliet. Those voting no or abstaining: None. Motion passed.

b. Deferred Compensation Packages for Presidents Frohnmayer and Ray.

Chancellor Pernsteiner reminded the Board that in July he had recommended base salary and Foundation supplemental salary adjustments for Presidents Frohnmayer and Ray. However, at that time, discussion had not concluded with the respective Foundations of the University of Oregon and Oregon State University regarding deferred compensation for the 2008-09 year. These discussions have now been concluded and Mr. Pernsteiner recommended that the Board gratefully accept the contributions by the Oregon State University Foundation in 2008-09 of $114,300 on behalf of President Ray; and, from the University of Oregon Foundation of $150,000 for President Frohnmayer.

Director Tony Van Vliet moved, seconded by Director Kirby Dyess, to accept the deferred compensation contributions by the Oregon State University Foundation on behalf of President Ray and by the University of Oregon Foundation on behalf of President Frohnmayer. Those voting in favor of the motion: Directors Dyess, Fisher, Fox, Francesconi, Kelly, Miller-Jones, Powers, Pulliams, von Schlegell, and Van Vliet. Those voting no or abstaining: None. Motion passed.

c. UO, Presidential Search Process

DOCKET ITEM:

Following the announcement that President Dave Frohnmayer will step down as University of Oregon president at the end of June 2009 and, pursuant to Board Internal Management Directive 1.140(2), the Board and Chancellor have undertaken a search for President Frohnmayer’s successor.

As a member of the prestigious Association of American Universities (AAU), the University of Oregon (UO) must attract a president who can lead a premier public research university that serves a broad teaching and research mission both in Oregon and in the larger national and international context. The process by which the new president is selected must be conducted in a way that reflects the values and aspirations of the campus community and external constituencies, ensures that the very best candidates are engaged and rigorously evaluated,
and concludes with the successful appointment of a president of the caliber befitting a world-class university.

To advise the Chancellor in recommending the best candidate to the Board for appointment, a broadly representative search committee has been formed, chaired by Director John von Schlegell and consisting of faculty, students, UO administrators and staff, alumni, local and statewide business leaders, and other education and government leaders. Members of the search committee include:

- John von Schlegell, Chair – Member, State Board of Higher Education
- Kirby Dyess, Vice Chair – Member, State Board of Higher Education
- Will Blasher – President-Elect, UO Alumni Assoc. Board of Directors
- Tim Boyle – President & CEO, Columbia Sportswear Company
- Suzanne Clark – Professor, UO Dept. of English
- Sam Dotters-Katz – President, Associated Students of the UO
- Corey du Browa – President, UO Alumni Association Board of Directors
- Scott Gibson – Chairman, Gibson Enterprises
- Dan Giustina – Managing Partner, Giustina Resources
- Tim Gleason – Dean, UO School of Journalism and Communication
- Robin Holmes – Vice President for Student Affairs, University of Oregon
- Dave Johnson, Portland
- Gwen Lillis – Chair, UO Foundation Board of Trustees
- Michael Moffitt – Professor and Associate Dean, UO School of Law
- Ed Ray – President, Oregon State University
- Max Rayneard – Doctoral student, UO Program in Comparative Literature
- Geri Richmond – Professor, UO Department of Chemistry
- George Russell – Superintendent, Eugene School District 4J
- Sandy Schoonover – Director of Residence Life, UO - University Housing
- Brad Shelton – Professor, UO Department of Mathematics
- Mary Spilde – President, Lane Community College
- Cory Streisinger – Director, Oregon Dept. of Consumer & Business Services
- Mia Tuan – Professor, UO College of Education
- Paul van Donkelaar – Associate Professor, UO Dept. of Human Physiology
- Lois Yoshishige – Student Loans Representative, UO Business Affairs
- Susan Weeks, Ex-officio/committee staff – Vice Chancellor for Strategic Programs & Planning, Oregon University System
- Tim Black, Committee staff – UO Director of Intergovernmental Relations

Following an RFP (Request for Proposal) process and subsequent subcommittee review of proposals from national search firms, the firm of R. William Funk and Associates has been retained to assist the search committee in its work. Mr. Funk, the principal and founder of the firm, has conducted some 300 searches for college and university presidents and chancellors, including searches for more than half of all public AAU institutions.
The search committee has begun to develop the detailed job description and is engaging the campus and community in identifying the essential qualities needed in the next president. Chancellor Pernsteiner hosted campus forums in May and will hold another campus and community forum on the UO campus at the end of September. In addition, the Chancellor will host a UO Alumni Association-sponsored forum in Portland that will include President Wiewel from Portland State University and President Ray from Oregon State University.

During fall 2008, the search committee and Mr. Funk will focus on broadly recruiting top candidates, from which a small pool will be identified for more intensive consideration. By winter 2009, the search committee will focus on a set of finalists, with the top choice or choices visiting Oregon to meet with the campus community and Board during the early spring. The Chancellor anticipates making a final recommendation to the Board for approval in April 2009.

A critical issue in assuring that the best candidate is ultimately selected is the ability to maintain confidentiality throughout the process. Over a third of current public AAU presidents had been sitting university presidents at the time of their appointment and it is very possible that the successful candidate for the University of Oregon presidency likewise may be currently a president at another university. He or she may not even be actively searching for another presidency and yet such a person may be exactly who the University of Oregon would want to attract. Therefore, the vetting process will need to be not only thorough, but also sensitive to the dynamics of selecting a top quality candidate to bring to the Board and to the broader campus community.

Staff recommendation to the Board:
Staff recommended that the Board adopt the search process and considerations described above for the search for the next University of Oregon president.

BOARD DISCUSSION AND ACTION:

Vice Chancellor Weeks reviewed the Boards Internal Management Directive 1.140, Section 2, that requires that the Board approve, on behalf of the Chancellor, the guidelines and considerations related to the search for the next president of the University of Oregon. A Search Committee, chaired by Director von Schlegell has been formed and includes representatives of the faculty, students, UO administrators and staff, local and state business leaders, alumni, and state education and government leaders. Further, Tim Black, UO Director of Intergovernmental Affairs, staffs the Committee and Ms. Weeks serves as the liaison to the Committee on behalf of the Chancellor’s Office. The Committee has agreed to retain the search firm of R. William Funk and Associates.

Chancellor Pernsteiner had met with the campus community in forums in May and additional forums are scheduled in Portland and Eugene during the month of September. There will be broad recruitment during the early fall and a narrowing of the field to a small set of candidates by late fall. During the winter, the focus will be on the finalists with a view toward having the
 finalist or finalists on campus in the early spring. The Chancellor anticipates making a recommendation to the Board in April 2009.

A critical issue of the search process is confidentiality of the candidates. Many top candidates may already be sitting presidents and their candidacy could create challenging dynamics. “So while we need to have a thorough vetting in the processes, also are very sensitive to the confidentiality issues around the search. Therefore, the staff recommends and brings a recommendation that the Board adopt the search process and considerations as described in the docket and that I have just described to you,” Ms. Weeks concluded.

Director von Schlegell commented that there is national competition for presidential candidates. “There are eight or nine universities that you would all recognize that are in the search process right now. They don’t all fit or compete directly with the UO, but they are top-notch universities. We have to be nimble, confidential, and we have to be on it. We are not only going to be ‘buying,’ but we’re going to be ‘selling’ the great state of Oregon,” he emphasized.

It was moved by Director Brian Fox, seconded by Director Rosemary Powers, to approve the staff recommendation and adopt the search process and considerations described above for the search for the next University of Oregon president. Those voting in favor of the motion: Directors Dyess, Fisher, Fox, Francesconi, Kelly, Miller-Jones, Powers, Pulliams, von Schlegell, and Van Vliet. Those voting no or abstaining: None. Motion passed.

d. 2007-08 Adjusted General Fund Budget Allocations; 2007-08 Settle-up and Retention Incentives; and Proposed 2008-09 General Fund Budget Allocation

DOCKET ITEM:

This docket item covered four items:
1. Adjustments to the 2007-08 operating budget to reflect one-third of the State General Fund Salary distributions that were approved by the Legislative Emergency Board in late June 2008;
2. The settle-up process and retention/enrollment incentive adjustments to the 2007-08 and 2008-09 budgets;
3. The proposed 2008-09 General Fund budget allocations by campus, including the aforementioned settle-up and incentive adjustments; and
4. The allocation of the Other Funds Limited expenditure limitation by campus and the estimated Other Funds Nonlimited and Lottery Funds budgets for 2008-09.

As a reminder, the following guiding 2007-09 budget principles were adopted by the Board in September 2007:
• Compliance with the OUS Board’s expectations, budget request justifications, and progress toward Board’s priorities;
• Compliance with legislative expectations and representations;
• Equitable basis of distributing General Fund support among campuses;
• Creation of incentives to serve added Oregon students;
• Creation of incentives to improve retention, increase graduates, and improve student success;
• Begin to renormalize the Resource Allocation Model (RAM) to comport with the following budget note by 2009-2011:
  “The Subcommittee understands that, beginning in the 2009-2011 biennium, the Department will distribute General Fund appropriated for Undergraduate and Graduate Cell funding in the Resource Allocation Model on the basis of actual fundable student FTE [full-time equivalent] counts for the fiscal year of the distribution. This may include adjustments designed to settle up fiscal year allocations once final fundable student FTE counts are known.” (Senate Bill 5515 OUS Legislative Operating Budget); and
• Phase all campuses to a funding level as determined by the RAM over the next four years. [Note: this will depend upon adequate funding from the Legislature in 2009-2011.]

1. Adjustments to the 2007-08 Operating Budget:
The 2007-08 operating budget as revised is proposed for Board approval as detailed in Attachment A. The only adjustment contained within this attachment is to distribute one-third of the salary funding received from the Legislative Emergency Board in June 2008. These funds were distributed based on each institution’s share of salary expenses in the Education and General Fund in 2006-07, as modified by each institution’s fund split. This methodology was discussed with the vice presidents of finance and administration. It is understood that we will use this methodology to distribute salary funding during the biennium in which we initially receive the funds; however, this funding will be added to the enrollment driven cell values and, thus, will be distributed via the RAM allocations in future biennia.

2. The Settle-up Process and Distribution of Retention/Enrollment Incentives:
As expressed when the 2007-08 budget was adopted, the 2008-09 allocations are adjusted as follows and are reflected in Attachment B:

a. To settle up for the 2007-08 actual fundable enrollments, we adjusted the enrollment driven funding based on the difference between the annual fundable enrollments to projected fundable enrollment. This settle-up process for 2007-08 is based on the same cell values as were used in 2007-08 and will be a positive or negative adjustment to each campus’ 2008-09 budget. This resulted in a -$2,043,448 negative budget adjustment to the campuses.
b. To settle up for the enrollment driven targeted programs (small school subsidy, engineering technology undergraduates at OIT and graduate engineering students at OSU and PSU) we adjusted the 2007-08 amounts based on actual enrollments and the 2008-09 amounts based on the newly projected enrollments. This resulted in a -$632,172 negative budget adjustment to the affected campuses.
c. To incentivize improved retention rates for both: 1) freshmen to sophomore levels for first-time freshmen, and 2) junior to senior levels for transfer students, we have rewarded both improved overall retention percentage rates and the number of students
from each cohort that were positively impacted by this action. In addition, those campuses that exceeded their “high freshmen retention targets” had an additional incentive added to the amounts referenced above. This resulted in a positive allocation of $1,455,250 to the participating campuses. Note: all incentives are one-time, non-recurring budget allocations.

d. To further incentivize campuses that have served added fundable students above budgeted levels in 2007-08, we have provided a $1,000 per FTE incentive. This resulted in a positive budget allocation of $263,000. Note: all incentives are one-time, non-recurring budget allocations.

3. The proposed 2008-09 General Fund budget allocations by campus, including the aforementioned settle-up and incentive adjustments:

At the beginning of fiscal year 2007, the OUS Board approved the allocation of General Fund to campuses for 2007-08 only. However, for planning purposes, we also indicated how funds would be allocated based on enrollment projections available at that time. Attachment C now takes that preliminary budget allocation and adjusts the amounts as follows:

a. To adjust the projected 2008-09 fundable enrollments, we compared the latest enrollment projections recently completed (by the OUS Institutional Research Office in consultation with campus officials) to the prior projections completed in July 2007. This calculation was made based on the same cell values as were used in the original projection. This resulted in a negative adjustment of -$484,517.

b. The net effect of the retention/enrollment incentives outlined in #2 above amounts to a negative adjustment of -$1,441,887. When this amount is combined with the original enrollment reserve of $423,697, it leaves a combined amount of $1,865,584 available for re-distribution. This amount of funding will be held by the Chancellor’s Office until January 2009, when it will be distributed in its entirety to fund enrollment settle-up amounts and retention incentives based on the Fall 2008 actual enrollments and retention data.

c. You will also note that the remaining two-thirds of the compensation funding has been allocated in 2008-09 based on the algorithm discussed previously. In addition, the honey bee research funding is allocated to the Agricultural Experiment Station and the December 2007 storm damage funding is allocated to the Forest Research Lab; funding was obtained at the June 2008 Legislative Emergency Board. These changes are also reflected in Attachment C.

4. Allocation of the Other Funds Limited expenditure limitation by campus and the estimated Other Funds Nonlimited and Lottery Fund budgets for 2008-09:

Attachment D contains the proposed 2008-09 OUS Budget from all sources by campus. As a reminder, the OUS Operating Budget is comprised of revenues from four sources, as follows:

1. State General Funds – are appropriated to OUS biennially by the legislature. The distribution of these funds to campuses is developed in compliance with legislative intent as expressed via “budget notes” and other representations made to the legislature and Board policy. OUS received four distinct legislative appropriations:
3. Education and General (E&G) Fund budgets for campus and Chancellor’s Office use that are distributed in accordance with the Resource Allocations Model (RAM) principles; and
4. One each for the Statewide Public Services (SWPS) at Oregon State University:
   a. Agricultural Experiment Station;
   b. Extension Service; and
   c. Forest Research Laboratory.

2. Other Funds Limited – include revenues generated by OUS that are comprised primarily of tuition and fees calculated on the basis of enrollment projections based on projected tuition and fee rates as are approved each January (Summer Session) and June (Academic Year) reflected in the “Fee Book,” indirect cost recoveries on research and other sponsored projects and other miscellaneous income from library fines, application fees, etc. Expenditures of these funds are limited by Legislative Expenditure Limitations, thus leading to the title “Other Funds Limited or OFL.”

3. Other Funds Nonlimited – comprised of revenues generated from research and other sponsored projects, gifts, grants, and contracts, and designated operations (e.g., community workshops, conferences, and non-credit short-courses, and other self-sustaining public service and education activities); and auxiliary activities such as student housing, food service, parking, athletics, and incidental fee-funded activities. Expenditure of these funds is not limited by the legislature, thus, they are called “Other Funds Nonlimited.”

4. Lottery Funds – comprised of lottery funding received to support intercollegiate athletic programs and graduate scholarships; and funding to repay lottery bond debt service associated with OUS capital projects as approved by the legislature. Lottery funds for Intercollegiate Athletics are distributed in accordance with Board policy.

Attachment D contains the proposed 2008-09 OUS Operating Budget for these four fund sources. The 2008-09 Other Funds Limited expenditure budgets, including unused amounts from 2007-08, have been allocated to the campuses and Chancellor’s Office based on revenue projections.

**Staff Recommendations to the Board:**

Staff recommended that the Board approve the following:

a. The adjustments to the 2007-08 General Fund operating budgets to reflect the distributions of one-third of the salary funding from the state, as reflected in Attachment A.

b. The settle-up process and retention/enrollment incentives, as described and itemized in Attachment B.

c. The proposed 2008-09 General Fund budget allocation, as presented in Attachment C.

d. The proposed 2008-09 OUS Operating Budgets, including Other Funds Limited, Other Funds Nonlimited and Lottery Funds budgets for 2008-09, as shown in Attachment D.

All supporting documents can be obtained at:
BOARD DISCUSSION AND ACTION:

Through the budgeting process, the Board is striving to: create incentives to an equitable distribution among the campuses; create incentives to reward enrollment growth as well as retention improvements, both freshman and transfer students; and, meet a legislative expectation to renormalize the Resource Allocation Model (RAM) funding over two biennia. State funding was frozen at 2001-02 levels until 2006-07 and therefore, there is some urgency to restore that funding to current levels.

Vice Chancellor Kenton highlighted that there four issues for Board consideration. The first dealt with salary funding. In June, the Legislative Emergency Board approved $22.4 million for OUS for faculty salaries. The hope was that it would be closer to $26.5 million, but some of the funding was withheld because of concerns over the weakening economy. It was proposed that one-third of the funding be distributed in 2007-08, the other two-thirds in 2008-09. Further, it was proposed that these monies be allocated by campus, based on 2006-07 actual salaries, as modified by fund splits.

The second issue in the budget process revolves around the settling-up process. The RAM model primarily funds resident students, although there are a few exceptions such as funding all students at EOU and nonresident Ph.D. students. Two primary events were occurring that made this appear a little more negative than might be expected. One was that there was a reduction in graduate students at the larger institutions and an increase in undergraduates. Graduate students cost more through the calculation in the RAM than do undergraduates, so there was a shift in cost. There was also an increase in the mix of nonresident students to resident students. “Both of those things work against campuses in terms of earning money through the RAM model,” Dr. Kenton noted. WOU was above both projections and its budget; two campuses were above projections, but below the budget, due to the floor set in the renormalization process; four campuses were below projections and budgets. “The net result of the settle-up process is a negative $2 million adjustment to campus budgets for the enrollment-driven part. There is supplemental funding provided for engineering technology undergraduate students and targeted funding provided for engineering graduate students. Those are both subject to a settle-up and that also resulted in an additional $632,000 negative adjustment.”

Staff suggested picking this money up from campuses and then combining it with other monies. There was a modest $200,000 enrollment reserve that is going to be allocated through the incentive process. The recommendation was to allocate $1.5 million of the combined reserve and settle-up funding to go for the following factors:

- A simple percentage improvement: for example, if a campus went from retaining 60 percent of its freshmen to 62 percent, they would get a 2 percent increase or a flat percentage change;
- Use the actual cohort of students retained and base growth on a headcount factor;
• The Board set performance expectations and targets for retention. In some cases campuses exceeded their high target and the thinking is that they deserve a bonus for exceeding that target; and
• Allocating $263,000 for institutions that served more resident or fundable students. Those would include Eastern, OIT, and Western.

All of these would be one-time, nonrecurring monies. That is, this money would roll back into the enrollment funding for the future.

Director Van Vliet question how this is a realistic incentive if a president takes the monies and decides to hire an extra professor to accommodate the increased enrollment. “If the monies are nonrecurring, wouldn’t s/he be edgy about doing it because it doesn’t roll up into the ERB.”

Chancellor Pernsteiner postulated that if you retain more students you actually build your enrollment and pay for that enrollment through the enrollment funding. “So the idea is that, if we can increase retention, we actually wind up increasing enrollment and pay for it through the enrollment funding. That is how we can create the virtuous cycle.”

The third item for Board consideration was approval of the proposed 2008-09 General Fund distribution by campus that would include the settle-up and incentive items and other charges that were approved by the Emergency Board in June. The proposed budget includes some state funding for storm damage that occurred in December that was made available for the Forest Research Laboratory of about $175,000 and a reserve of $1.9 million.

Finally, the Board was asked to approve the 2008-09 total budget, including both the General Fund as well as the Other Funds Limited and the Other Funds Nonlimited.

President Frohnmayer underscored comments made earlier by President Ray about how the System, generally, and the institutions specifically, are funded. “You know, money isn’t green and purple and orange, or blue – it is green. At the end of the day, what we’re looking for is dollars-per-student to address a compelling need in this society. But the way that we are budgeted has us competing when we go into the budget process to get class size reduction money over here, enrollment growth money over here. They are all separate pots of money and the math of it works out in funny ways. It is an important statement to make about fundamental state budgetary reform for higher education that, in the future, would make a lot of sense.”

Director Kirby Dyess moved, seconded by Director Rosemary Powers to approve the following staff recommendations as stated in the docket material. Those voting in favor of the motion: Directors Dyess, Fisher, Fox, Francesconi, Kelly, Miller-Jones, Powers, Pulliams, von Schlegell, and Van Vliet. Those voting no or abstaining: None. Motion passed.
5. REPORT ITEMS

a. High School Implementation Plan Update

State Superintendent of Public Instruction Susan Castillo had a conflict and could not be present for the docket item. It was put over until a future meeting.

6. DISCUSSION ITEMS

a. OUS, Diversity Issues Panel Discussion

DOCKET ITEM:

Discussants:
Martha Balshem, Special Assistant to the President for Diversity and Professor, Portland State University
Jackie Grant, Admissions Counselor, Eastern Oregon University
James M. Klein, Provost & Vice President for Academic Affairs, Southern Oregon University
George Marlton, Director, Purchasing & Contract Services, Oregon University System
Charles Martinez, Vice Provost, Institutional Equity & Diversity, University of Oregon
David McDonald, Associate Provost, Admissions, Retention, Enrollment Management, Western Oregon University
Terryl Ross, Director, Community & Diversity, Oregon State University
Diane Saunders, Director, Communications, Oregon University System
Bob Simonton, Assistant Vice Chancellor, Capital Programs, Capital & Facilities Planning, Oregon University System
Yvette Webber-Davis, Director, Education Policy & Inclusion, Oregon University System
Gayle Yamasaki, Director of Sponsored & Pre-College Programs, Oregon Institute of Technology
Denise Yunker, Director, Human Resources, Oregon University System

Executive Summary:
At the request of members of the Oregon State Board of Higher Education, this document has been prepared as background for a diversity issues panel discussion with the Board in summer 2008. Included in the document is information prepared by each Oregon University System (OUS) institution regarding efforts associated with 1) student outreach and participation, 2) workforce development, 3) vendor issues, and 4) efforts to enhance campus climate for all participants, as well as a section on Chancellor’s Office initiatives. In addition, selected OUS data, reflecting a ten-year comparison of student and faculty/staff participation, are included.

OUS continues to view diversity issues broadly, with consideration given to racial/ethnic, gender, geographic, socioeconomic, cultural, and disability issues among others. Campus programming reflects attention to underserved populations through a variety of initiatives. In relation to students, many campus efforts support the Board’s recommendations through its Student Participation and Completion Committee; workforce development issues include
campus efforts to recruit and provide outreach to diverse candidates as well as efforts to enhance the best practices of search committees and campus departments; OUS vendor issues have recently been fortified through the adoption of a Systemwide policy to enhance opportunities for minority, women-owned, and emerging small businesses (MWESB) that encompasses business practices at both the campus and System levels; and enhancements to campus climate have taken numerous forms as faculty, staff, and students collaborate to provide growth in knowledge and practice throughout campus communities. Each OUS institution engages in unique initiatives designed to address its mission in regard to campus, local, regional, and statewide needs.

There have been successes and continuing challenges in these efforts. Ten-year data trends (see appendices) indicate overall growth in the OUS representation of participants of color; there have been declines in the participation of international students but increases in the participation of international faculty/staff. Reflecting a consistent national trend, the number of students reporting more than one race/ethnicity continues to rise steadily. Also reflective of national trends, the overall participation of women within OUS faculty/staff and student ranks continues to outpace the participation of men.

Included as an additional appendix, to enrich the panel discussion, is a brief overview of “Best Practices and Broad Themes on Diversity in Higher Education” (see Appendix F).

It is anticipated that the panel discussion with the Board will include topics associated with OUS data highlights, Oregon’s changing demographics, state requirements, best practices, generational trends, student participation and retention efforts, faculty recruitment and retention, and community-based business and outreach practices.

Institution and System reports are available at:

BOARD DISCUSSION:

Dr. Yvette Webber-Davis, Director of Education Policy and Inclusion in the Chancellor’s Office, indicated that the report on diversity would be done in a participatory manner with a panel of individuals from the campuses and the Chancellor’s Office. She recalled that things have changed in the 10 years that she has been in Oregon. “At that time, on the campuses, when we talked about diversity the efforts were delegated to one or maybe two offices. We see increasing evidence that the efforts are expanding beyond just what we normally think of in terms of diversity. Now it includes areas of finance and administration, including contracting and capital planning, human resource offices, and faculty and academic areas.”

The members of the panel were introduced:
- Bob Simonton, Assistant Vice Chancellor for Capital Programs, responsible for $1.8 billion capital construction program
- George Marlton, Director of Purchasing and Contract Services in the Chancellor’s Office
• Angelo Gomez, standing in for Taro Ross, is Director of Affirmative Action and Equal Opportunity at Oregon State University. He has been the director there since 2000
• Denise Yunker, Director of Human Resources, Chancellor’s Office
• Charles Martinez, Vice Provost for Institutional Equity and Diversity at the University of Oregon and serves as the campus diversity officer
• Martha Ballsham, Professor of Sociology, Portland State, who also serves as the Special Assistant to the President for Diversity
• Jackie Nino-Grant, Admissions Counselor, Eastern Oregon University
• Di Saunders, Director of Communications, Chancellor’s Office, and staff lead for the Board’s Committee on Student Participation and Completion
• David McDonald, Associate Provost, Western Oregon University
• James Klein, Provost, Southern Oregon University
• Gale Yamasaki, with two college programs at Oregon Institute of Technology

There are several statewide requirements regarding diversity that emanate from the Governor’s Office: Executive Order 0806 promoting diversity and equal opportunity for minority and women-owned businesses; Executive Order 0501 that deals with affirmative action which has been updated to executive Order 0819; and Executive Order 96-30, dealing with state and tribal government-to-government relations that provides oversight of the sovereign status of Oregon’s nine federally-recognized tribes.

The first topic of discussion was workforce development within OUS and the goal of preparing for an enhanced workforce for the future. Progress is being made in terms of African-American, American Indian, Asian American, Hispanic/Latino, and international populations. African-Americans constitute 1.51 percent of the OUS workforce; American Indians at 1.18; Asian Americans at 4 percent; the Hispanic/Latino at just over 3 percent; and the international population at 3.61 percent. Caucasian population in OUS is currently at 81.5 percent of the workforce. Dr. Webber-Davis explained that the international population within OUS includes anyone who is not a U.S. citizen. Over the past ten years, progress has been made in the area of women in faculty positions and also in executive management positions.

Denise Yunker, Director of Human Resources in the Chancellor’s Office, commented that the OUS staff is composed of 51 percent baby boomers, which signal that, over the next few years, there will be a lot of people exiting the workforce. She indicated that there are several issues that need to be considered. “Typically, when people come to higher education, it is a little harder barrier to entry, or just a higher standard, particularly when we’re recruiting faculty and professionals who come in with significant training and typically come in at an older age than our Gen-Y individuals who right now are between the 18- and 26-year-old timeframe. This is necessitating redesign of the way that recruitment and retention are handled. In 1997, OUS was just finishing an early retirement program. Now we’re facing a situation where we are trying to find ways to incent people not to retire because there aren’t enough people coming in,” Ms. Yunker observed.
Director Pulliams asked for a sense of the strategies that were being employed in this arena and Ms. Yunke responded that one strategy was to encourage students to look to a career in teaching at the community college or university level. The same strategy is being employed in the Chancellor’s Office of bringing individuals in at the associate levels and attempting to create career ladders to retain them.

Angelo Gomez, OSU, remarked that their institution had just completed a report to the Governor’s Affirmative Action Office and it demonstrated an entrenched pattern with respect to faculty diversity that appears very difficult to break. In studying what other major research institutions have done to correct this, there appears to be one of three things that is occurring in the search process. One is that there is some incentive fund that is available to incent hiring minorities; another is that there is something about the position that engages diversity, such as ethnic studies; or, third, when the hiring was done outside of the regular search process such as a target of opportunity hire. Working within the regular hiring process, he noted, will achieve results. However, they will come at a glacial speed. OSU tries as much as possible, to work within the regular hiring process, educating search committee members about the potential for unconscious bias and how to avoid or minimize its manifestations.

At OSU, like at PSU, there is a “tenured faculty diversity initiative fund” that was begun in the early ’90’s. This initiative is a collaboration between the Chancellor’s Office and individual institutions where there is a fund of money that is available to support hires that have certain features. “We provide up to $200,000 over a two-year time period (($100,000 per year over two years) or $180,000 over three years ($60,000 per year) to be applied to salary and OPE. It is for hiring faculty that meet or are qualified to be tenured at either the associate- or full-professor level,” he explained. It is designed to encourage efforts to bring people in that are in a position to change the climate and culture of an institution as opposed to people who were coming into the entry-level faculty positions. President Ray added that when these initiatives are done at the entry-level, it creates a revolving door and it does not seem to help in the retention of these faculty past the first several years.

Dr. Martinez, UO, underscored that “moving at glacial speed is not acceptable.” For example, the OUS workforce ten-year change among Latinos represented a 2 to 3 percent growth. “But, when you consider that the demographics show that the Latino population right now makes up more than 10 percent of the population, that is not acceptable. Our moving at glacial speed is an unacceptable response to the way in which Oregon is changing, the way in which our student populations will change as a consequence, and the ways in which we need to go about the business of working in the universities and colleges,” he emphasized.

At the UO, a challenge around workforce diversity development is related to the positioning of diversity in the hiring process. It begins, Dr. Martinez said, with conversations that affirmative action professionals have with search committees. However, it also has to carry forward as the search committee does its work beyond the initial conversations.
President Wiewel added that there is the challenge of not over-burdening junior faculty that are expected to suddenly become “Mr. or Mrs. Diversity.” whenever anything is needed. “This, then, suggests that there are issues of having a large enough group to create a critical mass,” the president added. Further, he added, institutions must set realistic goals with “absolute realism about what can be done and what has the greatest pay off. Otherwise, what you create is a climate where everyone feels like utter failures,” he emphasized.

President Ray added that if “Oregon is a destination of choice, it doesn’t matter what Oregon’s demographic profiles. If we’re a place where people know that they are going to be valued and nurtured, regardless of who they are and where they come from, we’ll do just fine competing nationally and internationally. I try to make sure that I talk about excellence through diversity; it is a critical element of what excellence is ultimately attainable,” he concluded.

Several of the OUS institutions have an Underrepresented Minority Recruitment Program that is “designed to provide an incentive when a department has made the decision to pursue a faculty member of color. The program provides a resource base of $90,000 for an individual department to use to help supplement the research interest of that incoming faculty member in addition to doing things like having symposiums and conferences that bind the new faculty person’s substantive work with other faculty,” Dr. Martinez explained. “It is also used to help provide parity within the department during the hiring process that occurs in hiring faculty of color.”

Ms. Balshem reported that at PSU, they are beginning to think more creatively about various ways that resources can be spent. “In Portland State’s case, it is not given directly to the faculty member, but to the department. Some is retained by the college to support the person directly, but also for other things that enrich the life of a department or a work unit.

“Another best practice at PSU is the DART Program–Diversity Action hiring and Retention Team. It began as a series of presentations to search committees but has evolved in a way that I think reflects our increasing understanding of what diversity work needs to be,” she explained. The program is no longer attached to the search committee process. There is a pro-active effort to do the presentations before the search begins. Secondly, the presentation is more focused on retention than simply on hiring issues. In the third place, the program has evolved away from just looking at faculty hiring because of increased interest around the whole campus.

b. OUS, Academic Program Review Policy

DOCKET ITEM:

During 2008, following the Board’s December 2007 retreat discussions, the Provosts’ Council has been developing policy guidelines and process documents needed to implement a rigorous academic program review policy. The new policy documents build on the process and factors previously considered for new program proposals by the Provosts’ Council, which were updated in 2004 to reflect the Council’s new organizational structure. Those updates, in turn, were
developed from long-standing processes for the proposal and subsequent five-year review of new programs. Thus, the current documents are the result of many years of considered review and development and are intended to meet the needs of the dynamic environment in which higher education carries out its mission.

The new policy guidelines and process documents are provided in a packet targeted to OUS academic administrators (provosts, deans, department chairs, and program heads) and are attached under separate cover. The packet addresses the policies and roles for approving new programs, conducting subsequent five-year reviews, and connecting ongoing review of existing academic programs to accreditation processes and regular Board reporting. The packet provides forms for submitting new program proposals and five-year reviews and will be accessible from a new Provosts’ Council website. A glossary and academic program database are currently under development and will also be accessible from the website.

An effective System-level academic program review policy should clarify roles, responsibilities, and the organizational support structure needed to ensure that academic program review is sustained effectively to optimally manage an OUS portfolio, including regular reports to the Board regarding campus-level program review activities. The goal of the September 2008 Board discussion is to assure that the materials presented serve to achieve those aims in anticipation of a recommendation in October 2008 for Board approval of the OUS policy and guidelines. In addition, the October recommendation will address modifications needed in the Board’s Internal Management Directive 2.015(3) regarding academic program approval.

**BOARD DISCUSSION:**

This item was deferred to a later date.

c. Update from the Board’s Governance Working Group

This item was deferred to a later date.

7. **COMMITTEE REPORTS**

a. Standing Committee Reports

No reports were provided.

b. Other Board Committees

No reports were provided.

8. **PUBLIC INPUT**

No public input was submitted.
9. **BOARD COMMENTS**

No Board comments were provided.

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

Director Tony Van Vliet moved, seconded by Director Brian Fox to approve the Delegation of Authority as delineated in the docket materials. Those voting in favor of the motion: Directors Dyess, Fisher, Fox, Francesconi; Kelly, Miller-Jones, Powers, Pulliams, von Schlegell and Van Vliet. Those voting no or abstaining: None. Motion passed.

11. **ADJOURNMENT**

President Dyess adjourned the meeting at 3:47 p.m.

\[\text{Signature: Kirby A. Dyess} \quad \text{Signature: Ryan J. Hagemann}\]

Kirby A. Dyess  
Board President  

Ryan J. Hagemann  
Board Secretary