MINUTES OF THE REGULAR MEETING OF THE
STATE BOARD OF HIGHER EDUCATION (#840)
JULY 8-9, 2010

1. Call to Order/Roll Call ............................................................... 22
2. Action Item.................................................................................. 22
   a. OUS, Higher Education Assessment Team of Central Oregon, Acceptance of
      Report Recommendations .......................................................... 22
3. Recess ..................................................................................... 23

EXECUTIVE SESSION
1. Call to Order/Roll Call ............................................................... 23
2. Discussion Item ......................................................................... 23
   a. Presidential Evaluations ............................................................ 23
3. Adjournment ........................................................................... 24

CONTINUATION OF FULL BOARD MEETING
1. Call to Order/Roll Call/Welcome ............................................... 24
2. Action Items ............................................................................ 24
   a. HEAT Recommendations ......................................................... 24
   b. Board Resolution ..................................................................... 26
   c. OHSU/OUS, Life Sciences Collaborative Complex Project; Project Update and
      Request for Authority to Proceed ............................................. 27
   d. OUS, 2011-2013 Biennial Operating Budget ............................ 27
   e. OUS, Capital Construction Budget Request, 2011-2017 .................. 28
   f. OUS, Governance Proposal (Considerations for Change) .................. 28
   g. Presidential Employment ........................................................... 29
3. Reports .................................................................................... 30
   a. Chancellor’s Report ................................................................. 30
   b. Interinstitutional Faculty Senate (IFS) President .......................... 30
   c. Oregon Student Association (OSA) Chair ................................. 30
4. Public Input .......................................................................................................................... 31
5. Board Comments .................................................................................................................. 31
6. Adjournment ........................................................................................................................ 31
1. CALL TO ORDER/ROLL CALL

President Kelly called the meeting to order at 12:05 p.m. Board members present included President Kelly and Directors Jill Eiland, Brian Fox, Jim Francesconi (12:18) Rosemary Powers, Kirk Schueler, and David Yaden. Directors absent include: Lynda Ciuffetti (business), Matt Donegan (business), Allyn Ford (personal), Preston Pulliams (business). Chancellor’s staff present included: Chancellor George Pernsteiner, Ryan Hagemann, and Susan Weeks.

Others present included: President Bob Davies (EOU); Provosts Jim Bean (UO), Brad Burda (OIT), Sabah Randhawa (OSU), and Director Becky Johnson (OSU-Cascades).

2. ACTION ITEM

a. OUS, Higher Education Assessment Team of Central Oregon, Acceptance of Report Recommendations

President Kelly called upon Director Kirk Schueler and Dr. Becky Johnson to present the item.

Provost Jim Bean advised that the University of Oregon has been examining how they would participate on the OSU-Cascades campus; the decision was to “focus on the students’ experience issue” and that they will continue to expand their graduate programs in coordination with OSU. However, the core undergraduate programs will transition away from the campus and UO faculty will then transition to OSU faculty. Director Powers asked how other campuses will be involved; Director Schueler advised that the HEAT recommendation was that the OSU-Cascades would consolidate and grow their campus and will work with other universities to bring programs to the region. Director Powers posited that the hub-and-spoke delivery should be used to reach place-bound potential students in the region. Director Fox asked whether or not the HEAT is recommending funds to be diverted from the other universities in order to support the OSU-Cascades campus. Schueler agreed that the Team has expressed the desire to have the State Board support and grow the campus in order to facilitate the growing population of the region. Director Fox asked if the community is willing to invest in the campus or whether they are expecting state funding, especially the facility and land needs. It was explained that the recommendation does not address location, but that there is a $1 placeholder in the capital budget. Ms. Johnson advised that there has been discussions concerning creating a funding mechanism (tax resolution) to support higher education and the
Juniper Ridge location in particular. Provost Randhawa advised that OSU is extending its capital campaign to include the Bend location.

Action: Director Francesconi made the motion to accept the report and adopt the “hub and spoke” model of delivery, the community college program, a partnership between COCC/OSU-Cascades, and eliminate UO from the formal partnership but leave the programs to be offered through the Academic Strategies Committee process and the budget through the Finance & Administration Committee process.

Director Yaden noted that a decision needs to be made to launch a 4-year university and, if that is the case, then he has a problem with the proposal and the “vision” at this time. President Kelly tabled the issue to Friday’s continuance of the meeting and asked that Directors Schueler and Francesconi form a motion.

3. **RECESS**

At this point, President Kelly recessed the meeting at 1:08 p.m.
3. **ADJOURNMENT**

With no further business, President Kelly recessed the Board at 4:55 p.m. to reconvene on Friday morning at 9:30 a.m., immediately following the Board Committee on Finance and Administration.

---

**CONTINUATION OF THE REGULAR MEETING OF THE STATE BOARD OF HIGHER EDUCATION**

**FRIDAY, JULY 9, 2010**

---

**MINUTES**

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

Board members present: President Paul Kelly, Lynda Ciuffetti, Matt Donegan, Jill Eiland, Allyn Ford, Brian Fox, Jim Francesconi (9:44 a.m.), Rosemary Powers, Kirk Schueler, and David Yaden. Directors absent include: Preston Pulliams (business). Chancellor’s staff present included: Chancellor George Pernsteiner, Ryan Hagemann, and Susan Weeks.

Others present included: Presidents Mary Cullinan (SOU), Bob Davies (EOU), Chris Maples (OIT) and Wim Wiewel (PSU); also present were Provosts Jim Bean (UO) Sabah Randhawa (OSU), and Dave Robinson (OHSU), and Vice President Mark McCambridge (OSU).

President Kelly reconvened the Board into session at 9:39 a.m. and welcomed Dr. Lynda Ciuffetti to the Board as the newest faculty representative to the Board.

2. **ACTION ITEMS**

   a. **HEAT Recommendations**

President Kelly called upon Director Schueler to present the recommendations from the Higher Education Assessment Team (HEAT) of Central Oregon. Schueler advised that the following had been recommended:

   (1) Implementing academic and administrative strategies that ease the transition between COCC and OSU-Cascades will be critical for increasing bachelor degree attainment. Developing learning cohort approaches through a “University College” will offer high school recruits an option for a “4-year Experience” program through seamless alignment
between COCC and OSU-Cascades programs and processes, along with residential and other campus life options for students. Such cohort programs, as research has shown, produce higher student retention rates and degrees because of the built-in support mechanisms between students and faculty, students and students, and students and the rest of the campus community. HEAT is also recommending that upper-division undergraduate programs be offered by only a single institution, Oregon State University (OSU), with provisions to ensure that current University of Oregon (UO) students are able to complete their UO degrees, and that a plan is in place for an easy transition overall for students during this process. There is a need for expanded instructional space at OSU-Cascades for current and new programs, including the University College, and thus a capital request placeholder is proposed for the 2011 Legislative Session for a $30 million new facility.

(2) Short- and mid-term strategies also include a “hub and spoke” model of postsecondary delivery, whereby regional satellite locations (based on COCC’s current Redmond campus and planned Madras and Prineville campuses) offer certificate and associate’s degrees in demand fields. The new component of this, besides expanding locations, would be collaboration with OSU-Cascades to offer bachelor’s degrees aligned with current COCC offerings in order to expand degree options to students unable to commute great distances to the Bend “hub.” Distance education options are also a component of the regional delivery strategy.

(3) Cross-sector alignment strategies that focus on building a college-going culture in K-12, and improving K-12 and postsecondary students’ transitional paths to the next education or career/job opportunity will improve attainment rates in Central Oregon. Examples include increasing college-prep offerings in high schools, such as Advanced Placement courses that prepare students for academic success in college, and offering bridge and remedial programs to help students prepare for college-level work before enrolling in the first year of college.

(4) In the short- and mid-term, targeted bachelor’s, graduate, and research programs will be developed that are aligned with Central Oregon economic development needs. This will also include expanding teacher and counselor preparation programs. Partnerships with local businesses and industry will be critical for providing lab facilities and mentorships for graduate students.

**Action:** Director Schueler made the motion that the Board accept recommendations 1, 2, 3, and 4 of the report of the Higher Education Assessment Team of Central Oregon, “Expanding Higher Education and Success in Central Oregon: Innovating for Current and Future Needs.” The remainder of the recommendations, including #5, as well as the HEAT long-term vision, will go to the Academic Strategies Committee for their review and consideration at the September 2010 meeting, after which they will forward their recommendations to the Board of Higher Education for consideration of approval. Director Allyn Ford seconded.
During the discussion, Director Francesconi commended Director Schueler for the report and Schueler acknowledged the contributions of Becky Johnson, OSU-Cascades. Director Schueler thanked Di Saunders for her work on the project. Motion passed.

b. Board Resolution

President Kelly called upon Board Secretary Ryan Hagemann to read the resolution and called for a motion to approve the following:

RESOLUTION

Honoring Susan Weeks’ Retirement
from the Oregon University System after Thirty-One Years of Service

WHEREAS, Susan Weeks has served ably the citizens and students of Oregon for thirty-one years in her various roles with the Oregon University System, culminating in her service as the Vice Chancellor for Strategic Programs and Planning; and

WHEREAS, Susan has brought, and continues to bring, her sensitivity, acumen, and insight with regard to the academy and higher education to the real-world issues facing our universities, students, citizens, and state; and

WHEREAS, Susan has championed—faithfully and vocally—the success of students as a core goal of higher education, in Oregon and beyond; and

WHEREAS, Susan’s involvement and contribution to major initiatives over the past three decades—including the Board Administrative Review Committee, Senate Bill 271, the reorganization of the Chancellor’s Office in 2004, and the Board’s 2007 Long-Term Strategic Plan—have evidenced her tenacity and steady hand in the face of change; and

WHEREAS, Susan’s exacting attention to the fundamentals of institutional research, strategic planning, and performance measurement have supported and advanced the Oregon University System’s goals, initiatives, and aspirations in evidence, for the benefit of the state’s decision-makers; and

WHEREAS, Susan’s leadership in preparing and shepherding the Oregon University System’s presence during sessions of the Oregon Legislative Assembly have advanced the cause of and advocacy for public higher education in this state immeasurably; and

WHEREAS, Susan’s incomparable combination of steadfast determination, sincere collegiality, unquestioned intelligence, and unsurpassed work ethic has been, and continues to be, a source of strength for all who work in the Oregon University System, most especially those in the Office of the Chancellor.
NOW, THEREFORE:

BE IT RESOLVED: that the Oregon State Board of Higher Education, without hesitation or pause, in recognizing the magnitude of her contributions to Oregon and its universities, students, and citizens, extends its warmest appreciation to Susan Weeks for her thirty-one years of service to the Oregon University System and wishes her a well-deserved and productive retirement.

Action: Director Ford made the motion and Director Powers seconded; motion passed.

c. OHSU/OUS, Life Sciences Collaborative Complex Project; Project Update and Request for Authority to Proceed

Director Francesconi noted the following who had participated on the development of the project: Vice Chancellor Kenton, former OHSU Provost Lesley Hallick, President Joe Robinson, Vice Provost Dave Robinson, and Mark Williams (OHSU), President Wim Viewel and Vice President Lindsay Desrochers (PSU), and President Ed Ray and Vice President Mark McCambridge (OSU).

President Viewel noted that Portland State is the largest contributor of students to the OHSU medical school and the new facility will provide additional classroom and laboratory space for PSU and OHSU. He posited that the facility will be a “magnet” to new collaborations in the Southwater Park area. Vice Provost Dave Robinson stated that the project has brought together a wide range of people from the universities and community and will ultimately be beneficial to the Portland metropolitan area.

Action: Director Francesconi made the recommendation to approve OUS to enter into a long-term tenancy in common with OHSU and execute a corresponding ground lease with OHSU for the building site; approve the steering committee to enter into agreements with TriMet for further development of transit access to the site; approve the steering committee to enter into contracts for design and ultimately the construction of the Life Sciences Complex; and authorize the Vice Chancellor for Finance and Administration or designee to seek interim funding from the OUS Central Bank or Commercial Paper program to cover OUS’ share of the project costs prior to the bond sale in Spring 2011; Director Ford seconded. Motion passed.

d. OUS, 2011-2013 Biennial Operating Budget

President Kelly called upon Vice Chancellor Kenton to present the item. Dr. Kenton advised that, subsequent to the development of the proposed agency budget, word was received from the Legislative Fiscal Office that, given the economic circumstances of the state, the budget would need to be adjusted. Director Eiland stated that it has been decided that the budget should reflect a focus on the items that would drive economic development. Francesconi added
that it also provides linkage with statewide allies (community colleges, ETIC, etc.) who provide matching dollars or enrollment packages that align with economic development.

Following discussion concerning the original proposal to remove faculty salaries and EOU regional services institute from the budget proposal, Chancellor Pernsteiner amended the recommendation to the following: that the Board approve the 2011-2013 OUS biennial operating request to include the following policy option pages relating enrollment growth, ETIC, product design collaboration, metals and manufacturing, EOU regional services institute, faculty salaries, certificates of participation, and the forest harvest tax, noting that the amounts will differ from the proposed in the docket materials. Vice Chancellor Kenton pointed out that the recommendation also includes the statement authorizing the Chancellor or designee to make appropriate technical adjustments to the budget during the ongoing process.

**Action:** Director Schueler made the motion to approve the 2011-2013 OUS biennial operating budget request as amended; Director Powers seconded. Motion passed.

**e. OUS, Capital Construction Budget Request, 2011-2017**

President Kelly called upon Assistant Vice Chancellor Bob Simonton, Capital Programs, Capital Construction & Planning, to present the item.

**Action:** Following the presentation and discussion, Director Fox made the motion and Director Ford seconded to authorize the Chancellor, or designee, to prepare and submit to the Department of Administrative Services a proposed 2011-2017 Capital Construction Program in accordance with the docket item and the supplemental materials and that staff are authorized to apply for the necessary grants and seek the necessary bonding and Certificates of Participation authorizations to effect the projects and purchase the equipment and systems described for the 2011-2013 biennium. In addition, that the Chancellor, or designee, are authorized to make any technical adjustments required to the program during the ensuing period prior to the end of the 2011 Legislative session. Motion passed.

**f. OUS, Governance Proposal (Considerations for Change)**

After making brief opening remarks, President Kelly called upon the Chancellor to present the item.

**Action:** Following discussion, President Kelly called for a motion to adopt the recommendation that the Board approve a legislative concept that changes the legal status of the Oregon University System from that of a state agency to that of a public University System and provide the Board the authority as stated in the document “Considerations for Change” as presented in the docket; that staff, working with the Governance and Policy Committee, develop and negotiate a compact with state government with measurable outcomes for the level of appropriations that constitute
state investment in 2011; and that the Board authorize an ongoing, highly participative public process, with citizens, state officials, and groups from throughout Oregon regarding the education, research, and service activities and programs of the Oregon University System and its institutions in order to ensure that OUS is meeting state needs as best it can and to help ensure that Oregonians understand the value of its public University System.

Directors Matt Donegan made the motion and Jill Eiland seconded. Those voting in favor included: President Paul Kelly and Directors Lynda Ciuffetti, Matt Donegan, Jill Eiland, Allyn Ford, Brian Fox, Jim Francesconi, Rosemary Powers, Kirk Schueler, and David Yaden. Those voting in opposition or abstaining: none; motion passed.

g. Presidential Employment

Chancellor Pernsteiner advised that, for 2010-11, he proposes that the base salaries of the seven presidents remain at the same level as prevailed in both 2008-09 and 2009-10 and that the presidents be permitted to voluntarily reduce those amounts and that he would be authorized to work with the presidents to learn the amounts of such reductions, which would be reported to the Board. The base salaries (before any voluntary reduction) would be $245,700 for the presidents of the University of Oregon, Oregon State University, and Portland University; $200,100 for the president of the Oregon Institute of Technology; $190,020 for the president of Western Oregon University; and $185,460 for the presidents of Southern Oregon University and Eastern Oregon University.

Officials of the foundations associated with the University of Oregon, Oregon State University, and Portland State University all have indicated their willingness to continue their supplements to salary and the amounts for deferred compensation that were made in 2009-2010. However, no written notification of that willingness or of the amounts was received at the time the meeting. Further, officials at the Portland State University Foundation are considering the establishment of a deferred compensation payment.

For 2009-10, foundation salary supplements of $180,000 were received for the presidents of the University of Oregon and Oregon State University and of $108,994 for the president of Portland State University. The presidents of the University of Oregon and Oregon State University are also authorized to receive from the foundations $114,300 each for deferred compensation. All these payments from the foundations were received into the universities and paid as university funds, as required by Board policy.

It was proposed that the Board accept any written foundation proposal for 2010-11 that reflects the same contributions toward salary and deferred compensation as were approved for 2009-10. No supplement will be paid unless and until such a written proposal is received by the Chancellor.
If the Portland State University Foundation wishes to establish a deferred compensation supplement, Pernsteiner recommended that the amount be no greater than that paid for the presidents at the University of Oregon and Oregon State University but that he be authorized to accept any such supplement for an amount equal to or less than those amounts.

Pernsteiner also recommended that the Board extend the contracts of President Wiewel and President Maples (whose terms of office are expiring on July 31, 2010) through June 30, 2013. And that President Ray’s contract be extended through June 30, 2013, in order to permit to continue the work he outlined during his evaluation session with the Board (his current contract expires on June 30, 2012).

**Action:** President Kelly called for a motion to authorize the Chancellor to make amendments to contracts to extend Presidents Maples, Ray, and Wiewel through June 30, 2013 and execute said agreements; he also recommended the approval of presidential salaries and compensation as proposed. Director Schueler made the motion and Director Fox seconded; motion passed.

3. **Reports**

a. **Chancellor’s Report**

No report given.

b. **Interinstitutional Faculty Senate (IFS) President**

President Kelly called upon Dr. Joel Alexander, who submitted the IFS report and reiterated the Senate’s unanimous support with the proposed “Considerations for Change,” but noted the faculty’s concern with the perceived lack of details to the change, in particular to degree integrity (i.e., dual credit, applied baccalaureate).

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

Chair Amelie Rousseau presented the OSA report to the Board (a copy of her full report is available in the Board’s Office).
4. **PUBLIC INPUT**

   President Kelly called upon Mr. Robert Burco for his comments to the Board.

5. **BOARD COMMENTS**

   No comments were provided.

6. **ADJOURNMENT**

   With no further business, President Kelly adjourned the meeting at 2:04 p.m.