President Layman called the adjourned session of the regular State Board of Higher Education meeting of July 24, 1972, to order at 1:30 P.M., August 28, 1972, in the Main Lobby, Science II, Portland State University, Portland, Oregon. The following Board members were present:

Mr. George H. Corey
Mr. Robert D. Holmes
Mrs. Elizabeth H. Johnson
Mr. Philip A. Joss
Mr. John D. Mosser
Mr. John W. Snider
Mr. Loran L. Stewart
Mr. Edward G. Westerdahl II
Mr. George H. Layman

(Considered by Finance Committee, July 31, August 1, August 2, 1972)

Staff Report to the Board

The budget recommendations for the institutions and other divisions of the Department of Higher Education have been prepared in accordance with Board policy and other applicable directives. The recommendations were reviewed in three half-day sessions with the Finance Committee (July 31, August 1 and 2) and revised in the light of Committee action.

There is separately provided a copy of a summary of the twenty-one budgets, showing anticipated revenues and expenditures by fund source and major program, together with a narrative describing the essential elements of the Department budget. Separate documents are also provided relating to the Law and Oceanography programs. The summary and documents referred to will be distributed at the Board meeting.

The budget request of the Department of Higher Education must be approved by a majority of the Board and signatures of such members are required on a form prescribed by the Executive Department. Following Board action on the budget, the form will be circulated for signature.

The actions of the Finance Committee on August 2 with respect to the component budget units may be summarized as follows:

Oregon Technical Institute

Motion: Approve items 1 and 4 in the Board's staff priorities, and a segregated Board reserve, subject to approval and release for four-term use in the 1974-75 year when the institution has developed an acceptable four-term program.

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Rehabilitation projects</td>
<td>$48,500</td>
</tr>
<tr>
<td>4</td>
<td>Planning for 4-term operation</td>
<td>$60,000</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>$108,500</td>
</tr>
</tbody>
</table>

It is understood that the reserve would be a line item that could be used only for a four-term program.

Motion approved.
Motion: The Committee recommended that the Board drop the Oregon Technical Institute classroom building from the capital construction program for the next biennium. (Item 1 on the capital construction priority list for 1973-1975: $2,500,000)

Motion passed: Mr. Layman explained that he voted affirmatively to assure Board consideration of the matter.

The Chancellor raised a question regarding Oregon Technical Institute's request for teaching department equipment. Mr. Westerdahl said he would be willing at the Board meeting to reconsider the matter of equipment needs.

Mr. Mosser indicated that there should be Board's reserves to allocate during the biennium for items of urgent need.

**Eastern Oregon College**

Motion: Recommend program improvement of $127,376 originally requested in programs for Indian and Chicano students and $59,000 requested for rehabilitation projects, a total of $186,376 be allowed.

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Programs for disadvantaged students</td>
<td>$127,376</td>
</tr>
<tr>
<td>5</td>
<td>Rehabilitation projects (1)</td>
<td>$59,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$186,376</strong></td>
</tr>
</tbody>
</table>

Motion approved.

Mr. Mosser recommended that the Academic Affairs Committee consider a Board policy that no Indian programs be started at any other institution in the State System other than Eastern Oregon College. Mr. Westerdahl concurred in the recommendation.

**Southern Oregon College**

Motion: Recommend to the Board deletion of the capital construction program item for Churchill Hall remodeling. (Item 13 in the Capital Construction budget request for 1973-1975: $750,000)

Motion approved.

Motion: Reduce staff priority item No. 1 by $175,000 and reduce Board's staff priority No. 20 by $100,000, leaving the following amounts:

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Restoration of teaching staff (11.62 FTE)</td>
<td>$127,376</td>
</tr>
<tr>
<td>27</td>
<td>Institution support - capital improvements</td>
<td>$214,700</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$561,826</strong></td>
</tr>
</tbody>
</table>

Motion approved.
Mr. Mosser indicated the expectation of further review of equipment requests and establishment of a reserve which would be allocated at the Board's discretion where the needs seem the greatest.

Oregon College of Education

Motion: Reduce restoration of teaching staff by $100,000, classified staff by $40,000, library books and bindings by $50,000, for a total reduction in their improved program level of $190,000, subject to institutional re-evaluation of priorities, leaving the following amounts:

- Items 1-2. Restoration of teaching staff (10.54 FTE) $217,347
- Items 8-12, 14-17, 19, 22, 23, 28, 30, 34, 44, 45, 47 Added classified staff (14.85 FTE) 198,965
- Item 29. Library books and bindings 70,104

Motion approved.

Portland State University, University of Oregon, Oregon State University

Motion: Move for Portland State University, Oregon State University, and University of Oregon that staff recommendations for program improvements be reduced by 50 percent. Institutions to develop new priority lists within that limitation.

Motion approved.

Oregon State University - Agricultural Experiment Station

The Chancellor's staff and Oregon State University were requested to prepare for the Board and the Public Service Committee a full list of the projects that Agricultural Experiment Station had entered into, or planned on entering into rather than just the ones recommended as program improvements.

Motion: Moved that the dollar amount recommended for program improvements be cut in half, with the understanding that the recommended programs are to be placed in the total priority list. (This would reduce the dollars for program improvements by $317,373.)

Mr. Westerdahl explained the intent of the motion to be to reduce the General Fund request; and the motion does not say that the Finance Committee has established priority among the projects.

Mr. Layman suggested the figure be rounded.

Mr. Westerdahl amended his motion to $320,000.
The Chancellor had two comments. One that for the cost of position reclassification there is no option; with respect to replacement of refrigeration equipment, if we do not insist that it be included, we will be faced with it as an emergency item. The Chancellor said he assumed that the Board would expect assurance that absolutely essential expenditures are included.

Mr. Mosser indicated that the institution itself should see that absolutely essential matters were tended to. Mr. Westerdahl concurred.

Motion approved.

Oregon State University - Cooperative Extension Service

Motion: Moved that the General Fund appropriation for the Extension Service be limited to $6,200,000. (This is slightly less than General Fund support for 1971-1973. Mr. Westerdahl said this is intended to provide incentive for Cooperative Extension to develop a fee structure to continue some of its programs and he would not limit their ability to maintain a level of budget through "other funds."

Chancellor Lieuallen said that in moving to partial fee support in an orderly fashion, he would urge inclusion in addition to the $6,200,000 an amount equal to the pay adjustments for 1972-73.

Mr. Westerdahl amended his motion in accord with the Chancellor's request ($6,236,830).

Motion approved.

Motion: Mr. Westerdahl said the next motion then is to recommend a policy that no new positions be created in Cooperative Extension without express approval provided by the Board.

Motion approved.

Oregon State University - Forest Research Laboratory

On August 1, 1972, the Committee recommended a General Fund appropriation of $900,000 and it agreed that the reduction in General Fund support could be replaced from "other funds" if available.

Division of Continuing Education

Motion: None.

Mr. Westerdahl suggested the desirability of accelerating the shift of students from the Portland Center of the Division of Continuing Education to Portland State University.
Oregon Educational and Public Broadcasting Service

Motion: None.

Teaching Research Division

Motion: None.

University of Oregon Medical School

Mr. Mosser stated that he believed the Board should present the budget in such a way that the Medical and Dental Schools would be treated as a separate unit and not lumped with other educational institutions.

Motion: Moved that the first program improvement priority ($265,360 for 10 academic positions) be deleted.

Mr. Mosser emphasized that the Committee recommends in the "workload increase" 12 new academic positions each year of the biennium and what we are doing is deferring 10 until the following biennium.

Motion approved.

Motion: Moved that the remodeling of MacKenzie Hall, which is presently Board priority 16 in the capital construction budget, be dropped from this biennial request. (Item 16: $830,000 for MacKenzie Hall and Administration Building remodeling.)

Mr. Mosser stated that if there is an obligation to the Federal government, and the staff after consultation recommends it, he would modify the motion to place the project last in the priority list for this biennium.

Motion approved.

University of Oregon Medical School - Teaching Hospitals and Clinics

Mr. Mosser indicated the presentation is confusing. The shift of base from hospital to the clinic should be reflected on an "adjusted base" so it does not look like the clinics are increasing $2 million when in fact they are not, and the hospital is not increasing as much as it is.

University of Oregon Medical School - Crippled Children's Division

Motion: None.

University of Oregon Dental School and Clinics (Mr. Westerdahl acted as chairman.)

Motion: Mr. Mosser moved, (1) that the Board include for the Dental School a program improvement item of $160,000, for the safety program ($5,200) and for other items proposed by the Dental School,
and (2) that another dollar figure, which he assumed would be substantial, $300,000 to $500,000, be held in a segregated reserve depending on development of a four-quarter program at the Dental School.

(Motion is for $165,200 plus reserve amount to be held by the Board.)

The Chancellor indicated Dr. Terkla would want an opportunity to describe the implications of the hospital dental service program which was related to the accreditation of the Dental School.

Motion approved.

Motion: Mr. Mosser moved that the Committee recommend to the Board that the capital construction program item applicable to the Dental School be divided, that the equipment be placed somewhere in the top five priorities and that the remainder of the item be dropped.

(This refers to capital construction Item 14: $1,395,000 State Funds; $600,000 Other Funds; Total $1,995,000)

Motion approved.

Centralized Activities (Mr. Mosser acting as chairman.)

Motion: Moved that the program improvement budget be reduced 50 percent.

Motion carried.

There was further discussion about Board reserves. Mr. Mosser suggested there should be a substantial amount segregated in Centralized Activities (under Board control), if the Department of Higher Education were to function at all as a System.

Mr. Mosser felt that direction could not be given at this time but he asked to have amounts segregated from the institutional budgets as Board reserves when the budgets were brought to the Board on August 28. This was to be accomplished within the amounts previously approved.

Mr. Mosser stated there was need for reserves for equipment, for academic program adjustments, emergency increases in utility costs or other emergencies. He felt the reserve should be in the millions to be effective.

Other Items

Mr. Joss asked about the Law School. He wanted to know if the University of Oregon would make a presentation or if that was included in the recommendation for the 50 percent cut. Mr. Mosser thought the University could make its program improvement recommendation at this point but that the Committee wanted to review the total Law School budget. Mr. Westerdahl said the University was expected to
come back to the Board specifically on the Law School. Mr. Mosser stated that the money in their program improvement amount can be applied to the Law School, but subject to Board approval.

Mr. Joss said he thought someone in the Board's Central Office has a responsibility for seeing that Teaching Research Division recommendations are urged for use by the institutions on a trial basis.

Mr. Mosser wanted the Chancellor to consider carefully the need for additional staff or revision of organization within the Chancellor's Office to give better assistance to the Board in furnishing information it wanted. He said the Board was behind in reviewing a lot of things that it wanted to review but this was not the fault of the Chancellor's Office with its limited personnel. Mr. Mosser said he wanted consideration of changes in staffing, if needed, in the Board's Office, to be recommended in the 1973-1975 budget.

The Chancellor responded that he had discussed with some of the Board members two areas: (1) planning; and (2) personnel. He said he might want to develop a staffing proposal which would cover the two areas.

There was discussion about LOLITA (the library computer program) and the Chancellor indicated the program had not been conveyed adequately to the Board.

Mr. Mosser stated that in voting to cut the program improvement requests for Centralized Activities in half, the Committee was not saying that the Chancellor could not come to it on August 28 and indicate that more positions were needed in the Board's Office.

Further Staff Report

In pursuing the recommendations of the Finance Committee, the budget units have prepared revised lists of program improvement priorities. These have been separately reproduced for Board review. In the opinion of the Board's staff they are internally (and externally) consistent. There are however, certain specific issues which are identified for such further consideration as the Board may deem appropriate.

1. Priorities generally.

The program improvements recommended by the budget units should be reviewed by the Executive Department and the Legislature in the context of each budget unit program. Department-wide priorities should not be established at this time; rather, they should be established after the total budget level has been determined. It is expected that the Board will have the opportunity of setting Department improvement priorities in the course of adopting the annual operating budgets. This will be particularly so in the case of equipment and plant rehabilitation funds for which it is proposed that a substantial portion of each unit's funds be established as a part of the Board's reserves and allocated in accord with an evaluation of annually determined priorities.
2. Reserves for year-round operation.

The Dental School and Oregon Technical Institute are undertaking detailed studies with the objective of establishing year-round operations (YRO). The Finance Committee has requested that an amount be included in the budget request for YRO to be made available, if and when an acceptable plan has been presented to the Board. The additional costs incurred in YRO can be expected to include added supplies and services, faculty, other staff, equipment, and facilities. Ultimate unit costs may decline (although this is not necessarily the case) but "start-up" costs and increased credit-hour production are likely to require funding. There is no way to place a firm foundation under an estimate of the supplemental dollars that YRO may require.

The operating budgets for 1972-73 for the Dental School and Oregon Technical Institute are $2,332,543 and $3,146,624, respectively. One term's work would cost on the average approximately $775,000 at the University of Oregon Dental School and $1,050,000 at Oregon Technical Institute. Of these amounts, perhaps 20 percent represent essentially fixed annual costs (and reduced unit costs). Assume further that the first summer would involve only half of the ultimate level of YRO (or that savings in reduced operations of the three succeeding terms would contribute a portion of the funds required), there may be a need for $310,000 at the University of Oregon Dental School and $420,000 at Oregon Technical Institute to fund YRO beginning with the summer of 1974.

Obviously, the amounts are highly conjectural and will vary depending on the detailed structure and objectives of the specific YRO program. In the absence of a specific plan, it was recommended that the Board seek the appropriation of funds for this purpose to the Emergency Board, for release after presentation of specific plans and budgets.

3. OTI Equipment.

The Finance Committee recommendations relating to Oregon Technical Institute would delete the proposed construction of a classroom building and amounts for needed teaching equipment. The estimated cost of $2,500,000 included $141,885 for equipment. In addition, the institution requested $192,820 for equipment purposes as program improvement. The base budget includes $184,045 for equipment. The total equipment inventory is on the order of $2,500,000. The Institute is behind schedule in the replacement of its teaching equipment. A substantial portion of the $192,820 should be provided as program improvement. President Purvine will have a detailed recommendation totalling $186,000.
4. UODS Hospital Dental Service.

In making the recommendation for $165,200 as the limit of program improvement at the Dental School, the Finance Committee allowed latitude for application of funds in accord with institutional priorities. The total for program improvement should be considered in relation to the evaluation of the School by the Council on Dental Education of the American Dental Association. The requests included added instructional staff ($365,448), added staff for four-handed dentistry training ($163,304), and provision for a hospital dental service program ($130,006). Dean Terkla has indicated his conviction that the application of $165,200 to these needs "will be insufficient to make much of an impression on the Council of Dental Education in May 1973 when the progress report must be filed." He suggests the re-establishment of the hospital dental service ($130,006) would be helpful in assuring continued accreditation.

5. Centralized Activities.

The revised priority list requires two comments. The reduction of the request for special academic planning funds from $300,000 to $100,000 would permit the employment of two additional staff members (perhaps a planning officer and an academic personnel specialist), plus necessary support services. This may be the most effective way to assure improvement in our academic planning efforts. However, an intensive review of Centralized Activities organization and staffing is under way. It may result in an alternate recommendation in the fall. It is further suggested that $200,000 should be provided to assist institutions financially in developing detailed academic plans for program changes, when such planning is undertaken at specific Board direction.

The partial funding of LOLITA (the library computer program) represents a mixture of expectations: the hope that costs may be pared; and the knowledge that it will be possible to implement the program at most institutions in 1973-1975 with the smaller sum and complete the process in 1975-1977.

Staff Recommendation

It was recommended that the Board approve the budget request for the Department of Higher Education for 1973-1975 as delineated in the revised budget summary and including the additions for Oregon Technical Institute ($186,000), University of Oregon Dental School ($130,006), and Centralized Activities (for support of institutional academic planning: $200,000, as indicated above.
Board Discussion

The Finance Committee recommendations were summarized by Committee Chairman, Mr. Mosser. The major recommendations included:

1. Reduction of program improvements at the universities by approximately 50 percent.

2. Allowance of most improvements at Oregon College of Education and Southern Oregon College, except for restoration of teaching staff.

3. Priority at Eastern Oregon College for new building operation, the Indian program, and plant rehabilitation.


5. Deferral of twelve new positions at the Medical School.

6. Priority for teaching staff, improved record keeping, and service to indigent patients at the Dental School.

7. Reduction of program improvements for Centralized Activities by 50 percent.

8. Holding Cooperative Extension to current dollar total, except for increases from non-General Fund sources.

9. Limitation of Agricultural Experiment Station improvement to $317,000.

10. General Fund support for Forest Research Laboratory increased slightly but with further increase from non-General Fund sources authorized.

Chancellor Lieuallen made the following recommendations for modifications of the Committee proposals:

1. Restoration of the hospital dental service program at the Dental School ($130,006).

2. Add $186,000 to the teaching equipment replacement budget at Oregon Technical Institute.

3. Add $200,000 to the Centralized Activities budget to be available for Board allocation for institutional academic planning.
In response to Mr. Mosser's question concerning other Board's Reserves, Vice Chancellor Holmer indicated his expectation that, following legislative action on the request, the Board may wish to establish the reserve from the total amount for plant rehabilitation and equipment items ($1,400,000).

Mr. Sexson (Executive Department Budget Analyst) indicated that the Executive Department expected the 1973-1975 appropriation act would be in the same form as for 1971-1973. Mr. Mosser emphasized that if appropriations were to be made to each institution, that $200,000 of the $1,400,000 should be taken from the proposed institutional appropriations and appropriated to a Board's reserve.

Mr. Mosser, with this understanding, moved approval of the Committee's original recommendations plus the Chancellor's recommended additions.

Mr. Stewart moved to amend by restoration in the Cooperative Extension budget of two program improvement positions (forestry specialists). The motion was adopted, with Mrs. Johnson and Mr. Mosser voting no.

Mr. Corey moved to amend by restoring $98,926 to the Cooperative Extension budget for two specialists in family resource management and in clothing and textiles. The motion was adopted with Mr. Mosser and Mr. Westerdahl voting no.

Mr. Stewart moved to amend by restoring the original staff recommendation for financing Forest Research Laboratory operations (greater General Fund support). The motion failed.

President MacVicar noted that the required listing of new building operation as program improvement affected the institutions somewhat inequitably. Mr. Mosser responded by noting that the new buildings themselves constitute a form of program improvement.

To President Clark's query concerning the meaning of the reduction in the program improvement request, Mr. Mosser observed that it was essentially a matter of setting priorities. Mrs. Johnson expressed concern that the emphasis on program improvements did not permit adequate attention to the "going levels" or to the consideration of analyses of alternatives to the "base" budget. Mr. Mosser suggested that there has been considerable analysis of the base budget both by the institutions and the Board but that a systematic review of elements of the base budget (perhaps extending over two or three biennia) would be desirable.

Mr. Corey moved deferral of final consideration of the budget to 9 A.M. August 29. The motion failed. Mr. Mosser and Mr. Westerdahl later explained that their votes against the motion resulted from their inability to be present on August 29.
Board Action

The original motion (to adopt the operating budget, as amended) was approved, with Mrs. Johnson and Mr. Corey voting no. Mrs. Johnson explained her vote as reflecting her dissatisfaction with the adequacy of the budget review process.

(Considered by Finance Committee, August 28, 1972.)

Staff Report to the Committee

During the past several biennia, academic salary adjustment recommendations have rested on a generally consistent procedure including the following elements:

1. Annual surveys of academic salaries at 19 other institutions with which comparisons have been made for nearly two decades.

2. Projection of future salary trends on the basis of experience of the preceding four or five years.

3. Acceptance of the average salary of the 19 as the objective for the average salary at the University of Oregon and Oregon State University, to be achieved in a four-year period.

4. Maintenance of a dollar differential between the average UO-OSU salary and the average salaries at Portland State University, the colleges, and Oregon Technical Institute.

5. A closure of the average salary difference between the Portland State University average and the UO-OSU average by $60 per year. The remaining difference as of 1972-73 is approximately $475.

6. Medical and Dental School increases have followed a similar pattern, except when special data have warranted special treatment.

The data for 1973-1975 may be displayed as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>19-Institution Salary Averages</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Salary</td>
</tr>
<tr>
<td>1967-68</td>
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</tr>
<tr>
<td>1968-69</td>
<td>12,978</td>
</tr>
<tr>
<td>1969-70</td>
<td>13,715</td>
</tr>
<tr>
<td>1970-71</td>
<td>14,455</td>
</tr>
<tr>
<td>1971-72</td>
<td>14,963</td>
</tr>
</tbody>
</table>

Average Increase: 4.97%
Estimated and Recommendation

<table>
<thead>
<tr>
<th>Estimated 19-Institution Salaries</th>
<th></th>
<th>Recommended UO-OSU Average</th>
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</thead>
<tbody>
<tr>
<td>Salary</td>
<td>% Increase</td>
<td>Salary</td>
</tr>
<tr>
<td>1972-73 $15,707</td>
<td>4.97</td>
<td>$14,959</td>
</tr>
<tr>
<td>1973-74 $16,488</td>
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<td>$15,899</td>
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<tr>
<td>1974-75 $17,307</td>
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<td>$16,895</td>
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<tr>
<td>1975-76 $18,167</td>
<td>4.97</td>
<td>$17,951</td>
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<tr>
<td>1976-77 $19,070</td>
<td>4.97</td>
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</table>

UODS Salaries

<table>
<thead>
<tr>
<th>10 Comparable Institutions</th>
<th>UODS</th>
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</thead>
<tbody>
<tr>
<td>Average Salary - 1972-73</td>
<td>UODS</td>
</tr>
<tr>
<td>$22,999</td>
<td>Average Salary</td>
</tr>
<tr>
<td></td>
<td>$20,052</td>
</tr>
</tbody>
</table>

Staff Recommendation

It was recommended that the Finance Committee recommend to the Board adoption and submission to the Executive Department of an academic salary plan for 1973-1975 (based on the staffing recommended in the final 1973-1975 budget request) that will provide salary adjustments in accord with the procedures described in the staff report, including a sufficient amount to close the 1971-72 dollar gap between Dental School and comparable average salaries by one-fourth per year 3.2 percent, plus a 4.97 percent annual increase.

Discussion by the Committee

The Committee discussed whether the proposed increases were based on a dollar or percentage basis in comparison with the average salaries at the 19 other institutions. It was indicated that both dollar and percentage differences have been used in the comparisons.

Chancellor Lieuallen stated that 1957 was the last year in which the State System averages had exceeded the average of the 19 comparative institutions and that since that time State System salaries have ranged from 95 to 98 percent of the 19-institution average.

Faculty representative Dr. James Hugon said that salaries should be set at a level to compete with other institutions and other occupations if the State System is to secure and retain the best people.

Mr. Gilbert Polanski, representing the Oregon State Employees Association, said that the State System is again postponing the attainment of parity with the 19 other institutions. He said that the average of the 19 institutions is mediocre at best and that the present proposal
is even abandoning any realistic prospect of attaining that mediocrity. He said the Board should determine whether it actually is realistically seeking parity or plans to abandon that concept.

Mrs. Johnson said that she would like to see some abandonment of the concept that quality is entirely related to the dollars spent for salaries. She also said that salary costs absorb a high percentage of the educational budget and that the rate of increase must be slowed. She said this will be done only if the legislature refuses to authorize funds for salary increases beyond a certain level. She stated that salary increases have a long-range effect on tuition and create a continuous upward spiral.

Mr. Polanski responded that the State System would not be well served by voluntarily reducing its previous objectives and making salary cuts of its own.

Mr. Layman said he agreed with Mrs. Johnson that it has been assumed that quality of education is related to dollars and that he objected to the continued references to mediocrity. He said the proposed salary levels did not represent a cut but a slower rate of increase. He said he did not believe faculty members were so unprofessional that they would leave or teach less well if they did not get a certain percent of increase. He said he had too much confidence in the integrity of the faculty to subscribe to that assumption.

In response to a question about previous statements to the faculty concerning the achievement of parity with the other institutions, the Chancellor said that the present proposal was essentially the one that had been made to the legislature previously. However, the legislature did not appropriate sufficient funds in the previous biennium to improve Oregon's relative position with the 19 institutions, and the recommendation for 1973-1975 is establishing a new four-year schedule for achieving parity.

Mr. Mosser said he believed salaries did have an effect on the quality of people that can be hired but that other factors, such as increased clerical help, were also important. He asked for comments from the institutional executives.

President Clark said salary levels were important in competing with other institutions for personnel and the State System should seek to remain in the best possible position.

President Wolfe said the rate of pay is important but the opportunity to contribute to the progress of the students, the institution, and the community was also important.

It was indicated also that teaching load is an important factor in the faculty salary situation and in the quality of education.
Mr. Holmes said it was the function of the Board to present the recommendations which it considers adequate, and that it is the function of the Governor and the legislature to allocate the available funds in terms of the total needs of the state.

Mr. Westerdahl said he did not accept the premise that there was a serious salary problem in the State System because staff turnover was not great. He said the present schedule is reasonably good although it should be improved as time goes on. He said, in his opinion, it was better to present a recommendation for a responsible level of salary improvement in terms of the total fiscal situation in the state in order to make it possible for the Governor and the legislature to reach their decisions in a responsible manner.

Committee Recommendation

The Finance Committee recommended that the Board approve the recommendations as presented. Mr. Westerdahl voted against the motion.

Board Discussion and Action

The Board approved the recommendation as presented.

Revision of 1973-1975 Capital Outlay Requests

(Considered by Building and Finance Committees, August 28, 1972.)

Staff Report to the Board

Following the action of the Board on July 24, 1972, in approving the requests for capital construction and land purchases for 1973-1975, officials of Portland State University recommended that the proposed Relocation of the Computer Center and Related Alterations, which had been assigned Priority No. 9 in the listing of projects for the educational and general plant at an estimated cost of $375,000, be withdrawn pending further study of alternatives and a more specific definition of space requirements following decisions concerning the network concept of computer operations.

It is likely that a recommendation will be submitted to the Board within the near future to make minor improvements to the space in the sub-basement of the Smith Memorial Center which is now being used for the computer center on a rental basis. The ventilation capacity within this area is inadequate to meet the requirements imposed by the equipment, personnel and student-users, and must be revised, if at all possible, to permit the continued use of this space for the computer center until a more appropriate location is available.

Staff Recommendation

It was recommended that the proposed Relocation of the Computer Center and Related Alterations at Portland State University be omitted from the capital outlay requests for 1973-1975.
Board Discussion and Action

During the discussion, Mr. Mosser reported on three other recommendations by the Finance Committee, during its consideration of the 1973-1975 operating budget requests, for changes in the capital construction budget recommendation adopted by the Board on July 28. These were for deletion of the laboratory building at Oregon Technical Institute, the remodeling of Churchill Hall at Southern Oregon College and of Mackenzie Hall at the University of Oregon Medical School.

Mr. Mosser moved the removal of the PSU computer space remodeling (Priority 9 - $375,000). The motion carried.

Mr. Mosser moved that the OTI Classroom-Laboratory Building (Priority 1 - $2,500,000) be deleted. After extensive discussion, the motion failed.

Mr. Mosser moved deletion of the project for remodeling of Churchill Hall at Southern Oregon College (Priority 13 - $750,000). The motion failed.

Mr. Mosser moved that the remodeling of Mackenzie Hall at the University of Oregon Medical School (Priority 16 - $830,000) be deleted. The motion failed.

Staff Report to the Board

A member of the tenured staff at Eastern Oregon College was released for reasons of financial exigency at the close of the 1971-72 academic year. This is the only instance in the Department of Higher Education in which an institution found it necessary to take such action without the usual minimum notice of 12 months.

Staff Recommendation

It was recommended that the Board allocate from its Unallocated Reserve to Eastern Oregon College the sum of $13,330 to be used by the College on a non-recurring basis to reinstate the tenured staff member. On July 24, the Unallocated Reserve was $139,770.

Board Discussion and Action

The Board approved the recommendation as presented.
Staff Report to the Board

At the March 28, 1972, meeting of the Board, a policy relating to academic salary adjustments for year 1972-73 was adopted. It included the following two provisions:

"That exceptional increases for individual staff members be presented to the Board for approval. An exceptional increase might be defined as one in excess of 7 percent of the base salary rate in effect in 1971-72."

and

"That increases for academic personnel receiving $20,000 or more per annum be limited to $600 per year except with the approval of the Chancellor and a report to the Board."

Attached for Board consideration is a separate listing of 60 staff members at Oregon State University whose salaries were recommended for further adjustment in accord with "affirmative action" commitments of the University. The proposed salary adjustments for these staff members whose 1971-72 salary rates were in excess of $20,000 have been approved by the Chancellor and are being reported to the Board, in accordance with the second approved policy shown above.

Staff Recommendation

Board approval of the "exceptional increases" (as defined above) was recommended.
Revised recommendations based on the report of an ad hoc Oregon State University Committee To Review the Faculty Status of Women (report dated June 21, 1972) and on a report from a similar review in the Cooperative Extension Service (report dated March 29, 1972); these adjustments include increases previously approved for 1972-73 and additional adjustments recommended to eliminate salary inequities between male and female faculty members. Adjustments for 12-months' staff to be effective July 1, 1972; for 9-months' staff, September 15, 1972.

**Increases in Excess of $600 on Base Salary of $20,000 or More.**

<table>
<thead>
<tr>
<th>Name, Rank and Title</th>
<th>Salary Rate 1971-72</th>
<th>Revised Salary Rate 1972-73</th>
<th>Increase</th>
<th>Term of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hawthorne, Betty E., Professor, Dean of Home Economics (also see 7% list)</td>
<td>25,575</td>
<td>28,425</td>
<td>2,850</td>
<td>12</td>
</tr>
<tr>
<td>Litchfield, Ann, Professor, Assistant Director, Extension Service; Associate Dean of Home Economics</td>
<td>21,832</td>
<td>23,144</td>
<td>1,312</td>
<td>12</td>
</tr>
<tr>
<td>Petzel, Florence E., Professor, Department Head, Clothing, Textiles &amp; Related Arts (from 9 to 12 mo.; increase of $1,220 is between the 12 mo. rates; also see 7% list)</td>
<td>17,000 (20,740)</td>
<td>21,960</td>
<td>1,220</td>
<td>12</td>
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</table>

**Salary Increases in Excess of 7 Percent.**

<table>
<thead>
<tr>
<th>Name, Rank and Title</th>
<th>Salary Rate 1971-72</th>
<th>Revised Salary Rate 1972-73</th>
<th>Increase</th>
<th>Term of Service</th>
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</thead>
<tbody>
<tr>
<td>Bagley, Rachelle A., Instructor, County Extension Programs</td>
<td>8,760</td>
<td>9,560</td>
<td>800</td>
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<tr>
<td>Bay, Sally F., Instructor, County Extension Programs</td>
<td>9,192</td>
<td>10,064</td>
<td>872</td>
<td>12</td>
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<tr>
<td>Brust, Velda, Assistant Professor, Physical Education</td>
<td>10,500</td>
<td>11,444</td>
<td>944</td>
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<tr>
<td>Carlson, Angela, Instructor, Music</td>
<td>7,500</td>
<td>8,874</td>
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<tr>
<td>Ching, Te May, Professor, Agronomic Crop Science</td>
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<td>17,240</td>
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</tr>
<tr>
<td>Name, Rank and Title</td>
<td>Salary Rate 1971-72</td>
<td>Revised Salary Rate 1972-73</td>
<td>Increase</td>
<td>Term of Service</td>
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<td>----------</td>
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<tr>
<td>Cole, Carol, Assistant Professor, Speech Education</td>
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<td>Dick, Susan P., Instructor, County Extension Programs</td>
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<td>9,668</td>
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<td>Dixon, Jeanette A., Associate Professor, Physical Education</td>
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<td>*Eads, Shirley, Instructor, Speech Communication</td>
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<tr>
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<td>Haasch, Mona L., Instructor, County Extension Programs</td>
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<td>Harris, Joan L., Instructor, Dean of Students Office</td>
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<td>Hawthorne, Betty E., Professor, Dean of Home Economics</td>
<td>25,575</td>
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<td>Hermann, Freya, Assistant Professor, Pharmacy</td>
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<td>Johnston, La Rea, Instructor, Botany</td>
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<td>Kelts, Lora, Professor, Library</td>
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<td>11,416</td>
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Salary Increases in Excess of 7 Percent (continued)

<table>
<thead>
<tr>
<th>Name, Rank and Title</th>
<th>1971-72 Salary Rate</th>
<th>1972-73 Revised Salary Rate</th>
<th>Increase</th>
<th>Term of Service</th>
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<tr>
<td>Lo, Grace, Senior Instructor, Library</td>
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<td>12,864</td>
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<td>Lumpkin, Margaret, Professor, Education</td>
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<td>Malueg, Sara E., Associate Professor, Modern Languages</td>
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<td>12,528</td>
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<td>Masilionis, Jeanette, Associate Professor, Physical Education</td>
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<td>McBride, Marjorie, Instructor, Education</td>
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<td>1,500</td>
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<td>*McDonald, Marguerita, Associate Professor Emeritus, Library</td>
<td>12,633</td>
<td>13,782</td>
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<td>Meeks, Anna, Professor, Education</td>
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<td>8,961</td>
<td>9,746</td>
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<td>9,336</td>
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<td>Moore, Sylvia Lee, Assistant Professor, Physical Education</td>
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<td>11,250</td>
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<td>Norris, Faith, Professor, English</td>
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<td>Orzech, Miriam M., Instructor, Educational Opportunities Program (appointment being changed from 12 to 9 months; the increase of $698 is between the 9-month rates)</td>
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<td>698</td>
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<td>(9,836)</td>
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<td></td>
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<td>Petzel, Florence E., Professor, Department Head, Clothing, Textiles &amp; Related Arts (appointment being changed from 9 to 12 months; the increase of $4,960 is between the 9 and 12 month rates)</td>
<td>17,000</td>
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<td>4,960</td>
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<td>Plants, Constance, Senior Instructor, Dean's office, Home Economics</td>
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<td>9,600</td>
<td>686</td>
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<tr>
<td>Name, Rank and Title</td>
<td>Salary Rate 1971-72</td>
<td>Revised Salary Rate 1972-73</td>
<td>Increase</td>
<td>Term of Service</td>
</tr>
<tr>
<td>----------------------------------------------------------</td>
<td>---------------------</td>
<td>-----------------------------</td>
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<tr>
<td>Pye, Lois, Assistant Professor, Physical Education</td>
<td>$11,308</td>
<td>$12,438</td>
<td>$1,130</td>
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<td>Rees, R. Lucille, Professor, Education</td>
<td>14,576</td>
<td>15,874</td>
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<td>Severeide, Jean, Associate Professor, Education</td>
<td>12,154</td>
<td>13,270</td>
<td>1,116</td>
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<td>Shearer, L. Jane, Instructor, County Extension Programs</td>
<td>9,480</td>
<td>10,280</td>
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<td>Snyder, Geraldine, Instructor, Education</td>
<td>9,252</td>
<td>10,500</td>
<td>1,248</td>
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<td>Strode, Monine, Instructor, County Extension Programs</td>
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<td>10,652</td>
<td>896</td>
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<tr>
<td>Symons, Ann, Instructor, Library</td>
<td>9,061</td>
<td>9,746</td>
<td>685</td>
<td>12</td>
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<td>Taubman, Lisa, Assistant Professor, Psychology</td>
<td>10,000</td>
<td>12,050</td>
<td>2,050</td>
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<tr>
<td>Thompson, Georgene E., Instructor, Student Health Service</td>
<td>9,014</td>
<td>9,712</td>
<td>698</td>
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<tr>
<td>Tilles, Doris, Asst.Prof., Library</td>
<td>9,448</td>
<td>10,580</td>
<td>1,132</td>
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<td>Trow, Jo Anne, Professor, Associate Dean of Students</td>
<td>17,004</td>
<td>18,720</td>
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<tr>
<td>Voit, Irene, Asst.Prof., Library</td>
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<td>9,896</td>
<td>815</td>
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<tr>
<td>Wallace, Alice, Assistant Professor, Speech Communication</td>
<td>10,030</td>
<td>11,385</td>
<td>1,355</td>
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<td>Weir, Erma, Professor, Physical Education</td>
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<td>15,894</td>
<td>1,371</td>
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<tr>
<td>*Wells, Vera, Assistant Professor Emeritus, Clothing, Textiles &amp; Related Arts</td>
<td>11,722</td>
<td>12,692</td>
<td>970</td>
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<tr>
<td>Wyckoff, Winnefred, Assistant Professor, Physical Education</td>
<td>11,800</td>
<td>12,834</td>
<td>1,034</td>
<td>9</td>
</tr>
</tbody>
</table>

* Due to retirement or resignation, these faculty members are not currently appointed for 1972-73; the proposed salary rate for 1972-73 would apply only if they were later reappointed.
Meeting #405-157
OREGON STATE UNIVERSITY
August 28, 1972

Academic Salary Adjustment Recommendations
1972-73

Salary Increases of 7 Percent or Less

<table>
<thead>
<tr>
<th>Name, Rank and Title</th>
<th>Salary Rate 1971-72</th>
<th>Salary Rate 1972-73</th>
<th>Term of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barker, Deborah, Instructor, County Extension Programs</td>
<td>$8,496</td>
<td>$8,996</td>
<td>$500</td>
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<tr>
<td>Bubl, Janet, Assistant Professor, Clothing, Textiles &amp; Related Arts</td>
<td>10,830</td>
<td>11,550</td>
<td>720</td>
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<tr>
<td>Charley, Helen, Professor, Foods and Nutrition</td>
<td>15,868</td>
<td>16,721</td>
<td>853</td>
</tr>
<tr>
<td>Ingram, Patricia, Assistant Professor, Physical Education</td>
<td>9,300</td>
<td>9,900</td>
<td>600</td>
</tr>
<tr>
<td>Litchfield, Ann, Professor, Assistant Director, Extension Service; Associate Dean of Home Economics</td>
<td>21,832</td>
<td>23,144</td>
<td>1,312</td>
</tr>
<tr>
<td>Lybeck, Caroline, Associate Professor, Library</td>
<td>12,897</td>
<td>13,782</td>
<td>885</td>
</tr>
<tr>
<td>Minnick, Miriam, Associate Professor, Library</td>
<td>12,897</td>
<td>13,782</td>
<td>885</td>
</tr>
</tbody>
</table>

Board Discussion and Action

The Board approved the recommendation as presented, with Mr. Joss indicating that his affirmative vote was made with some reluctance.

In response to a request from Mrs. Johnson, the Chancellor indicated that a report would be made to the Board on the affirmative action programs at each institution and in the Board's Office.
Report of Bids and Contract Award for Erb Memorial Union Building Addition & Alterations, UO

Staff Report to the Board

Inasmuch as the construction documents for the Erb Memorial Union Building Addition and Alterations conformed generally to the design development phase of planning reported to the Board on July 26, 1971, they were accepted by the Board's Office. Authorization to proceed with the project within the expenditure limitation of $3,395,000 approved by the 1971 Legislature was granted by the State Emergency Board on June 20, 1972. Self-liquidating bonds to finance the project were sold at a special meeting of the Board on July 11 and construction bids were received in Eugene at 8:00 P.M. on the following day, July 12. As adjusted to exclude eight deductive alternates and the cash allowance for certain equipment items, the quotations received from the two general contractors who bid the job were in the amounts of $2,839,263 and $3,001,396.

With the concurrence of the Department of Housing and Urban Development, the federal agency which has provided an interest subsidy grant on the project to cover interest costs in excess of three percent annually, a contract award was made to the low bidder and the following budget was approved:

Direct construction costs - Todd Building Company, Roseburg $2,839,263

Professional services fees, including consultants' charges 238,734
Furnishings and equipment 209,440
Construction supervision 31,500
Physical Plant costs and miscellaneous expenses, including legal fees and expenses 19,278
Contingencies (2 percent of direct construction costs) 56,785
Total $3,395,000

Plans and specifications for the addition and alterations to the Erb Memorial Union Building were prepared by Colburn and Sheldon of Portland and Lutes and Amundson of Springfield, associated architects. The addition is being constructed on the east side of the building, utilizing a portion of the vacated Onyx Street between 13th and 14th Avenues and the quad facing Carson Hall. As noted from the complete description of the project outlined in the minutes of the July 26, 1971, meeting of the Board, the addition will provide an arts and crafts center, new offices for student organizations, a married student center, additional meeting rooms, dining facilities, lounges, outdoor terraces, etc. The structural system has been designed for two-way slab and post-reinforced concrete construction. Except for brick on the north wall to match the initial building, the exterior will be of exposed concrete with color-anodized aluminum and glass window walls. Interior wall finishes will be of wood or gypsum board. Some of the floor areas will be carpeted, others will feature industrial wood flooring or be left as exposed concrete. All building areas will be air conditioned with chilled water from the central plant. Mechanical space would be located at the roof level. Both a passenger and a service elevator are proposed.
Some remodeling of the existing structure will be undertaken simultaneously with the addition, including the lowering of the northwest forecourt to provide a new entryway to the basement activity areas.

The gross area of the addition will be about 56,897 square feet exclusive of the covered walks and open decks which are being constructed as part of the project. By using a factor of 25 percent for such unenclosed areas, an "adjusted" gross area of approximately 58,008 square feet will be provided. When related to this area, the direct construction costs of $2,410,397 applicable to the addition, excluding site work, utilities and landscaping, average about $41.55 per square foot. Of the total contract amount, the remodeling costs are estimated to be about $212,233, including built-in food service equipment. These costs average about $10.69 per square foot for the net area of 21,730 square feet being remodeled. The remaining $216,633 of the direct construction costs relate to the site work and utilities.

RECAPITULATION UPON RECEIPT OF BIDS

Project - UO Erb Memorial Union Building Addition and Alterations
Architects - Colburn and Sheldon, Portland, and Lutes & Amundson, Springfield, Associated Architects

Legislative authorization - Chapter 709, Oregon Laws 1971

Board's priority - No. 7 in 1971-1973 (Auxiliary Enterprises)

Approximate areas:
Addition - 56,897 gross square feet
"Adjusted" - 58,008 gross square feet
Remodeling - 21,730 net square feet

Estimated total project costs $3,395,000

Estimated direct construction costs:
Addition
  Average (per square foot) - $41.55
Remodeling
  Average (per square foot) - $10.69
  Site development and utilities
  Total $2,839,263

Tentative schedule:
  Contract award - August 1972
  Completion - May 1974

Financing plan:
  General obligation bond borrowings under provision of Article XI-F(1) of the Oregon Constitution and/or balances available for auxiliary enterprises $3,395,000

Board Discussion and Action

The Board accepted the report as presented.
COMMUNICATIONS, President Layman requested Mr. Robert D. Holmes to present the following resolution in memory of Richard L. Sleeter, M.D.:

MEMORIALS

Resolution re R. L. Sleeter

OREGON STATE BOARD OF HIGHER EDUCATION

RESOLUTION

In Memory of Richard L. Sleeter, M.D.

August 28, 1972

WHEREAS, Dr. Richard L. Sleeter, Assistant Dean of the University of Oregon Medical School and Director of the Crippled Children's Division since 1953, died on August 22, 1972; and

WHEREAS, the death of Dr. Sleeter is a great loss to the entire State of Oregon; and

WHEREAS, it is fitting that there be public recognition of Dr. Sleeter's tireless efforts in behalf of the physically and mentally handicapped children of Oregon;

NOW, THEREFORE, BE IT RESOLVED by the Oregon State Board of Higher Education, in regular session at Portland on August 28, 1972, as follows:

1. That members of the Board express deep respect for this esteemed physician and administrator, and their sorrow upon his death.

2. That commendation be given for Dr. Sleeter's dedication and many years of service to Oregon's afflicted children, and for his efforts in establishing under the Crippled Children's Division a system of state-wide clinics so that youngsters can be cared for close to their loved ones.

3. That the citizenry of this state owe gratitude to Dr. Sleeter for his direction in establishing many and varied programs to treat and rehabilitate children and young people of the state whose lives are affected by illness or accidents, for his dedicated efforts in securing for Oregon one of the nation's Child Development and Rehabilitation Centers where health professionals learn new methods of treating children suffering from afflictions of body or mind, for the dedicated staff he assembled to achieve the goals of the Division, and for his sincere affection and deep concern for all sick children.
Meeting #405-161
August 28, 1972

4. That members of the Board express their sympathy to Mrs. Sleeter and other members of the family in their bereavement, and that a copy of the resolution be transmitted by the Secretary of the Board to Mrs. Sleeter.

Upon motion by Mr. Holmes, the Board unanimously adopted the above resolution as read.

Commendation of Committee on Cooperative Extension

Mrs. Johnson moved that the Board express appreciation for the thoroughness and professionalism exhibited by the committee which prepared the report on the Experiment Stations. She commended the clarity of the report and stated that it was valuable to the Board in making its decisions with respect to Experiment Stations. The Board approved the motion by Mrs. Johnson, and President Layman directed the Secretary of the Board to report the Board's action to each member of the Committee.

CHANCELLOR’S REPORT

R. W. Krause, Appointment as Dean, OSU

The Chancellor recommended that Dr. Robert W. Krause, Head of the Department of Botany at the University of Maryland, be appointed Dean of the School of Science at Oregon State University, effective January 1, 1973, at an annual salary of $31,600 for 12-months' service.

The Board approved the recommendation as presented.

Policy Proposal for Off-Campus Instruction

A proposed policy for off-campus instruction recommends that under the controlled conditions described below, the institutions of the State System be authorized to offer off-campus in-load instruction beyond the locations in which it is now offered - such as Charleston (marine biology), Newport (marine science), Eastern Oregon (geology campus) where it is presently authorized because the setting is unique or necessary to the instruction being offered.

The proposed policy has the following objectives:

1. To stabilize enrollments and staffing levels in the institutions.

2. To maximize legislative control over appropriations of general fund money while providing the institutions with the means to make more effective use of the staff resources provided them by the legislative assembly.

3. To maximize departmental and institutional managerial capacity.

4. To provide an effective new working relationship between the institutions and the Division of Continuing Education which happily will result in greater service to the people of Oregon while at the same time serving the interests of the institutions, their faculties, and the Division of Continuing Education, as a self-supporting entity.
Implementation of the Proposed Policy

It was proposed that the proposed policy be implemented under the conditions described below.

The Board and the Legislature

1. The Board would adopt and the legislature would endorse ultimate enrollment limits for each institution.

2. The Board would make and the legislature would approve enrollment estimates on a biennial basis.

3. The legislature would appropriate an amount from the General Fund, based in part on the approved enrollment estimates for the biennium and in part on the estimated income from other sources, mainly tuition.

4. The Department of Higher Education would receive from the General Fund no more than the amount of the General Fund appropriation, regardless of actual enrollments. If the actual enrollments were to exceed the estimated enrollments, only the additional tuition income would be available to the department to meet the additional costs.

5. No enrollment generated by in-load off-campus courses offered under the proposed policy would be used to increase enrollment estimates for the succeeding biennium.

(Illustration: Suppose the biennial FTE enrollment estimate were 120,000 and that the actual enrollment should turn out to be 121,000, of which 1,000 are enrolled in off-campus in-load courses offered under this policy. The base from which the next biennium's estimates would be made would be 120,000, not 121,000. If, however, the actual enrollment should turn out to be 121,000 with none of the enrollment coming from off-campus in-load instruction offered under the proposed policy, the new base would be 121,000, except, of course, if the larger base would result in enrollments exceeding the ultimate enrollment limits set for the institution.)

Division of Continuing Education

1. It is proposed that the Division of Continuing Education be the coordinating agency through which the in-load off-campus courses offered under the proposed policy would be coordinated to avoid unnecessary or unwise duplication of effort or of offerings.
2. The Division of Continuing Education is, and would remain, a self-supporting agency. It would contract with the institutions to provide administrative support for the institutional off-campus courses offered under the proposed policy at a rate to be established.

3. Institutional proposals to offer off-campus in-load instruction under the proposed policy would be submitted to the Division of Continuing Education which would be empowered to approve the offering, under the following conditions:
   a. If it appears to be necessary to enable the institution to reach its enrollment estimates.
   b. If it appears that the off-campus enrollments will not cause the institution to exceed its enrollment estimates.
   c. If the offering of the course or courses will not result in unnecessary duplication of effort or of offerings. (The Division of Continuing Education will take into account campus and off-campus offerings of the community colleges and the independent colleges and universities in making this determination.)
   d. If the courses are at either the upper-division or graduate level.

4. The Division of Continuing Education may offer additional off-campus instruction within its self-support limitation, normally on an overload basis.

5. It is proposed that the Division of Continuing Education be authorized to enter into contracts with the community colleges and the independent colleges and universities to extend their offerings off campus, provided that such contracts are fully self-sustaining.

Discussion of the Proposal

The proposal rests upon the fundamental premise that the institutions should be funded to the level of the enrollment estimates developed by the Board and approved by the Board and the legislature.

It holds that the state's interests will be better served if, within these approved enrollment estimates, institutions are authorized to offer in-load instruction on campus - and in particular circumstances, in which sound administrative judgment indicates that efficient use of existing staff would indicate - off campus.

This will provide the institutions and their faculties with a stability that will enable them to use their resources more effectively and provide the state added services at the same time.
Let us examine several questions that may arise as the Board considers this proposal:

1. Would such a policy run counter to the legislative intent, expressed in 1971 when the legislature decreed that the Division of Continuing Education should operate on a self-support basis, that continuing education programs should pay their full cost?

The Board's Office believes that the proposal would not run counter to this intent. What the proposal does is to permit the effective use of the institution's personnel in those instances in which the actual enrollments on campus fall below the estimated enrollments upon which basis the institution was funded.

2. Would such a policy result in the institution's using off-campus enrollments to increase the enrollment base upon which the legislature appropriates from the General Fund?

The proposal would permit the institution to be reimbursed for in-load instruction up to the level of the enrollment estimates. Under the proposed policy some portion of that instruction might be offered off campus in those situations in which it seems clearly indicated that the efficient use of existing staff would justify and where it appears that it could be done without the institution's exceeding its approved enrollment estimates. No enrollments in in-load off-campus courses could be counted to bring the institution above the approved enrollment estimate. And any students taught on an in-load basis - whether on or off campus - would be carried by the institution with only the tuition fee income to help in meeting these costs.

3. Would there not be a good bit of duplicated effort, with institutions moving off campus and offering work without regard to what other institutions are offering in the vicinity?

To avoid this contingency, the proposal calls for the Division of Continuing Education, as a statewide agency, to serve as the coordinating agency under terms of a contract to be worked out, providing appropriate reimbursement to the Division of Continuing Education for its services. The Division of Continuing Education must, of course, be self-supporting.

Staff Recommendation

It was recommended that the Board approve the proposal outlined in the preceding staff report for year 1972-73 on an experimental basis, to be reviewed at the close of the year.
Board Discussion and Action

The Chancellor presented to the Board a proposal relating to off-campus in-load instruction, the purpose of which proposal is to stabilize staffing levels for 1972-73 to a greater extent than would be possible otherwise, and thus avoid the situation in which an institution would find itself under the necessity of terminating employment of some faculty while at the same time paying other faculty members to teach courses off-campus on an overload basis.

The Chancellor noted that to the present the general policy has been that, with some exceptions such as Charleston and Newport, courses offered off campus are offered on an overload basis under the administrative aegis of the Division of Continuing Education. What the Chancellor now proposed was that in situations in which in year 1972-72, it appears that an institution will not meet the enrollment estimate established for it by the Board, it be allowed to offer off-campus in-load instruction, thus making more effective use of its faculty. The Division of Continuing Education would serve as the coordinating agency as provided for in the written proposal presented herein.

Mr. Stewart stated that he had discussed the proposal with the Chancellor and felt that it was a good method of utilizing faculty resources more effectively in the situation described by the Chancellor. He moved the adoption of the Chancellor's recommendation.

Mrs. Johnson asked for a firm assurance that off-campus in-load class enrollments generated under the Chancellor's proposal would not become a part of the enrollment base upon which the next biennium's enrollment estimate for the institution would be based. Chancellor Lieuallen assured her that the only enrollments to be counted in the base upon which the next biennium's enrollment estimates are to rest will be on-campus enrollments, and further that experience with in-load off-campus instruction under the terms of the proposal will be reported to the Board at the close of the year. He also emphasized that off-campus courses would be offered on an in-load basis only when on-campus enrollments fall below budget estimates.

The Board approved the recommendation as presented, by a vote of four to two. Mr. Snider and Mrs. Johnson voted against the motion.

ADJOURNMENT

The meeting was adjourned at 4:15 P.M. on August 28, 1972.

George W. Layman, President

R. L. Collins, Secretary