President Layman called the adjourned session of the regular State Board of Higher Education meeting of May 22, 1973, to order at 10:30 A.M., Pacific Daylight Time, June 26, 1973, in Room 338, Michael J. Smith Memorial Center, Portland State University, Portland, Oregon. The following Board members were present:

Mrs. Elizabeth H. Johnson  Mr. Edward G. Westerdahl II
Mr. John D. Mosser  Mr. George H. Layman
Mr. Loran L. Stewart

Absent: Mr. George H. Corey was out of the state; Mr. Philip A. Joss was out of the country; Mr. Robert D. Holmes and Mr. John W. Snider were absent for business reasons.

The Vice Chancellor for Administration reported that at 9:00 A.M., Pacific Daylight Time, on June 26, 1973, nineteen sealed bids were received, pursuant to an advertisement authorized by the Board of Higher Education at its regular meeting on May 22, 1973, for the proposed sale of $4,000,000 State of Oregon, Community College and Education Center Bonds, Series 1973 B. Present were Mr. Ralph Antico and Mr. James C. George of the State Treasury Department, and Mr. Ronald K. Ragen of Rankin, Walsh, Ragen & Roberts, Bond Attorneys. The bonds were to be sold at not less than par value thereof. Bids received for the bonds were as follows:

<table>
<thead>
<tr>
<th>Name of Bidder</th>
<th>Designated Maturities</th>
<th>Interest Rate</th>
<th>Total Coupon Interest Cost</th>
<th>Deduct Premium</th>
<th>Total Aggregate Interest Cost</th>
<th>Effective Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kidder, Peabody &amp; Co., Incorporated</td>
<td>1976-1980</td>
<td>5.00%</td>
<td>$3,935,283.75</td>
<td>-</td>
<td>$3,935,283.75</td>
<td>5.174260%</td>
</tr>
<tr>
<td></td>
<td>1981-1995</td>
<td>5.10%</td>
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<td></td>
<td>1996-1999</td>
<td>5.20%</td>
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<tr>
<td></td>
<td>2000-2003</td>
<td>5.25%</td>
<td>$3,935,283.75</td>
<td>-</td>
<td>$3,935,283.75</td>
<td>5.174260%</td>
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<td></td>
<td>1997-1998</td>
<td>5.20%</td>
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<tr>
<td></td>
<td>2001-2003</td>
<td>5.30%</td>
<td>$3,945,732.50</td>
<td>$242.35</td>
<td>$3,945,490.15</td>
<td>5.1876%</td>
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<td>Wells Fargo Bank</td>
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<td></td>
<td>1995-1996</td>
<td>5.20%</td>
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<td></td>
<td>1997-2003</td>
<td>5.25%</td>
<td>$3,948,143.75</td>
<td>$9.40</td>
<td>$3,948,134.35</td>
<td>5.1911%</td>
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<td></td>
<td>1996-1997</td>
<td>5.20%</td>
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<td></td>
<td>1998-2000</td>
<td>5.25%</td>
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<tr>
<td></td>
<td>2001-2003</td>
<td>5.30%</td>
<td>$3,952,345.00</td>
<td>$362.00</td>
<td>$3,951,983.00</td>
<td>5.1962%</td>
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<tr>
<td>Name of Bidder</td>
<td>Designated Maturities</td>
<td>Interest Rate</td>
<td>Total Coupon Interest Cost</td>
<td>Deduct Premium</td>
<td>Total Aggregate Interest Cost</td>
<td>Effective Interest Rate</td>
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<tr>
<td>The Bank of California, N.A.,</td>
<td>1976-1979</td>
<td>5.00%</td>
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<tr>
<td>J. C. Bradford &amp; Co., Foster &amp;</td>
<td>1980-1993</td>
<td>5.10%</td>
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<tr>
<td>Municipals Co., Dupont, Walston, Inc.</td>
<td>2000-2003</td>
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<td>$3,969,106.25</td>
<td>$</td>
<td>$3,969,106.25</td>
<td>5.21873%</td>
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<td>The Oregon Bank, The Chase</td>
<td>1976-1982</td>
<td>5.10%</td>
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<tr>
<td>Manhattan, N.A., and Associates</td>
<td>1983-1996</td>
<td>5.20%</td>
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<tr>
<td>Wilson White, Belf, Lake</td>
<td>1997-2003</td>
<td>5.25%</td>
<td>$3,972,111.25</td>
<td>$200.00</td>
<td>$3,971,911.25</td>
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<td>Rochlin &amp; Co.</td>
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<td>Kuhn Loeb &amp; Co.</td>
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<td></td>
<td>1990-1996</td>
<td>5.20%</td>
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<td></td>
<td>1997-1998</td>
<td>5.25%</td>
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<tr>
<td></td>
<td>1999-2003</td>
<td>5.30%</td>
<td>$3,977,697.50</td>
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<td>5.20%</td>
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<tr>
<td>and Trust Company of Chicago</td>
<td>1998-1999</td>
<td>5.25%</td>
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<tr>
<td></td>
<td>2000-2003</td>
<td>5.30%</td>
<td>$3,981,918.50</td>
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<td>$3,981,918.50</td>
<td>5.23557%</td>
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<td>First National Bank of Oregon</td>
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<tr>
<td>Harris Trust &amp; Savings Bank, The</td>
<td>1987-1996</td>
<td>5.20%</td>
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<tr>
<td>Northern Trust Company</td>
<td>1997-1998</td>
<td>5.25%</td>
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<td></td>
<td>1999-2003</td>
<td>5.30%</td>
<td>$3,983,145.00</td>
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<td>$3,983,145.00</td>
<td>5.23719%</td>
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<td>First National City Bank, Weeden &amp;</td>
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<td>5.10%</td>
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<tr>
<td>Co., Incorporated</td>
<td>1988-1995</td>
<td>5.20%</td>
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<td></td>
<td>1996-1997</td>
<td>5.25%</td>
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<td></td>
<td>1998-2003</td>
<td>5.30%</td>
<td>$3,986,056.25</td>
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<td>$3,986,056.25</td>
<td>5.2410%</td>
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<td>BancNorthwest</td>
<td>1976-1988</td>
<td>5.20%</td>
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<td></td>
<td>1989-1997</td>
<td>5.25%</td>
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<tr>
<td></td>
<td>1998-2003</td>
<td>5.30%</td>
<td>$4,005,422.52</td>
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<td>Bankers Trust Company</td>
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<tr>
<td></td>
<td>1984-1995</td>
<td>5.20%</td>
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<td></td>
<td>1996-1997</td>
<td>5.25%</td>
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<td></td>
<td>1998-2000</td>
<td>5.30%</td>
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<tr>
<td></td>
<td>2001-2003</td>
<td>5.40%</td>
<td>$4,007,703.76</td>
<td></td>
<td>$4,007,703.76</td>
<td>5.269478%</td>
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<tr>
<td>Name of Bidder</td>
<td>Designated Maturities</td>
<td>Interest Rate</td>
<td>Total Coupon Cost</td>
<td>Deduct Premium</td>
<td>Total Aggregate Interest Cost</td>
<td>Effective Interest Rate</td>
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<tr>
<td>United California Bank,</td>
<td>1976</td>
<td>4.75%</td>
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<tr>
<td>National Bank of Tulsa</td>
<td>1977-1983</td>
<td>5.10%</td>
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<td></td>
<td>1984-1994</td>
<td>5.20%</td>
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<td></td>
<td>1995-1996</td>
<td>5.25%</td>
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<td></td>
<td>1997-1999</td>
<td>5.30%</td>
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<td></td>
<td>2000-2003</td>
<td>5.40%</td>
<td>$4,021,248.75</td>
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<td>Morgan Guaranty</td>
<td>1976-1981</td>
<td>5.00%</td>
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<tr>
<td>Trust Company of New York and Associates</td>
<td>1982-1996</td>
<td>5.25%</td>
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<tr>
<td></td>
<td>1997-1999</td>
<td>5.30%</td>
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<tr>
<td></td>
<td>2000-2003</td>
<td>5.40%</td>
<td>$4,033,550.00</td>
<td>$158.00</td>
<td>$4,033,392.00</td>
<td>5.3032%</td>
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<td>Seattle-First National Bank</td>
<td>1976-1990</td>
<td>5.20%</td>
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<td></td>
<td>1991-1995</td>
<td>5.25%</td>
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<td></td>
<td>1996-1999</td>
<td>5.30%</td>
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<tr>
<td></td>
<td>2000-2003</td>
<td>5.40%</td>
<td>$4,033,837.50</td>
<td>$ -</td>
<td>$4,033,837.50</td>
<td>5.30384%</td>
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<tr>
<td></td>
<td>1979-1995</td>
<td>5.25%</td>
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<td></td>
<td>1996-1999</td>
<td>5.30%</td>
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<td>2000-2003</td>
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<td>$4,036,075.00</td>
<td>$245.00</td>
<td>$4,035,830.00</td>
<td>5.3065%</td>
</tr>
<tr>
<td></td>
<td>1986-1990</td>
<td>5.10%</td>
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<td></td>
<td>1991-1995</td>
<td>5.30%</td>
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<tr>
<td></td>
<td>1996-2003</td>
<td>5.40%</td>
<td>$4,038,182.50</td>
<td>$ -</td>
<td>$4,038,182.50</td>
<td>5.309556%</td>
</tr>
<tr>
<td></td>
<td>1992-1996</td>
<td>5.30%</td>
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<td>1997-2003</td>
<td>5.40%</td>
<td>$4,062,807.50</td>
<td>$242.88</td>
<td>$4,062,564.62</td>
<td>5.3416%</td>
</tr>
</tbody>
</table>

Following the reading of the bids, the Vice Chancellor for Administration indicated that the most favorable bid was that of Kidder, Peabody & Co. Incorporated with a total aggregate interest cost of $3,935,283.75 and an effective interest rate of 5.174260 percent per annum. He also stated that the bonds were to be in denominations of $5,000.

It was recommended that the bid of Kidder, Peabody & Co. Incorporated be accepted on roll call vote.
It was moved by Director Mosser that the bid of Kidder, Peabody & Co. Incorporated be accepted. The President of the Board stated that it had been moved that the Board accept the bid as indicated.

On roll call vote the Board voted on the adoption of the motion as follows:

Those voting yes: Directors Johnson, Mosser, Stewart, Westerdahl, and Layman.

Those voting no: None.

The President of the Board thereupon declared said motion duly adopted by a unanimous vote.

It was recommended that the following resolution be adopted:

RESOLUTION

BE IT RESOLVED that the FOUR MILLION DOLLARS ($4,000,000) STATE OF OREGON, COMMUNITY COLLEGE AND EDUCATION CENTER BONDS, SERIES 1973 B sold at $100.00 on the 26th day of June, 1973, be issued to bear date the first day of August, 1973; to bear interest at the rate of 5.00 percent per annum for the bonds of the issue maturing on February 1, 1976 to 1980 inclusive, at the rate of 5.10 percent per annum for the bonds of the issue maturing on February 1 of the years 1981 to 1995 inclusive, at the rate of 5.20 percent per annum for the bonds of the issue maturing on February 1 of the years 1996 to 1999 inclusive, at the rate of 5.25 percent per annum for the bonds of the issue maturing on February 1 of the years 2000 to 2003; and

BE IT FURTHER RESOLVED that the bonds be issued to mature serially on the dates provided in the resolution of the Board duly adopted at the regular meeting of the Board duly held on May 22, 1973, and that both the principal of and interest upon the bonds be paid at the Fiscal Agency of the State of Oregon, in the City and State of New York; and

BE IT FURTHER RESOLVED that the said bonds and coupons annexed thereto be executed in the form prescribed in the resolution adopted by the Board at the May 22, 1973 meeting; and

BE IT FURTHER RESOLVED that the bonds be in denominations of $5,000, as provided in the resolution adopted by the Board at the May 22, 1973 meeting; and

BE IT FURTHER RESOLVED that the May 22, 1973 resolution of the Board authorizing the issuance of said bonds, and all acts performed by the Board in adopting the said resolution, and by the Secretary of the Board and the Vice Chancellor for Administration in connection
with the issuance and sale of the said bonds, including the notice of bond sale and its publication in Oregon on June 7, 1973, and June 14, 1973, be and they hereby are fully approved, ratified, and confirmed.

BE IT FURTHER RESOLVED that functions of the Secretary of the Board in preparing and providing of transcript material, and other actions relating to the bond issue shall be performed by the Secretary of the Board or by the Assistant Secretary of the Board; and correspondingly, functions of the Vice Chancellor for Administration shall be performed by the Vice Chancellor for Administration or by the Assistant to the Vice Chancellor.

It was moved by Director Westerdahl that the above resolution be adopted. The President of the Board stated that it had been moved that the above resolution be approved.

On roll call vote the Board voted on the adoption of the motion as follows:

Those voting yes: Directors Johnson, Mossar, Stewart, Westerdahl, and Layman.

Those voting no: None.

The President of the Board thereupon declared said resolution duly adopted by a unanimous vote.

CHANCELLOR'S REPORT

The Chancellor reported that President Gregory B. Wolfe had submitted a letter of resignation as President of Portland State University. The Chancellor said he had enjoyed his association with President Wolfe and that his leadership of Portland State University had been very effective. The Chancellor recommended that the Board accept the resignation of President Wolfe in accordance with his request. It was indicated that the letter of resignation had been circulated to the Board and was on file in the Board's Office.

The Board accepted the resignation, effective June 30, 1974, and expressed its appreciation to President Wolfe for his service during a troubled period and a period of development in the life of the only urban institution in the State System of Higher Education.

Retirement of R. L. Collins

The Chancellor announced that Mr. R. L. Collins, Secretary of the Board, would end 41 years of consecutive service to the Board of Higher Education with his retirement on June 30, 1973. The Chancellor said that Mr. Collins had served as Board Secretary since 1963. Prior to that, Mr. Collins was a statistician and budget officer from 1932 to 1947 and budget director from 1947 to 1963.

The Chancellor recommended that the Board take recognition of this retirement and express appreciation for the service Mr. Collins had provided to the State Department of Higher Education.
Mr. Layman then read the following resolution:

RESOLUTION OF THE OREGON STATE BOARD OF HIGHER EDUCATION
ON THE 26TH DAY OF JUNE, 1973, HONORING
BOARD SECRETARY RICHARD L. COLLINS

WHEREAS, Richard L. Collins has served on the professional staff of the State Board of Higher Education, with his career reaching back to the early days of the State System of Higher Education, first as a budget officer from 1932 to 1947 and subsequently as budget director for another 15 years;

WHEREAS, he has been Secretary of the Board, as well as a special assistant to the Chancellor, since 1963;

WHEREAS, he achieved both regional and national recognition among his colleagues for his fiscal planning and management skills, in recognition of which he was designated secretary of the State Higher Education Executive Officers Association from 1968 to 1972 and served as the administrator of the Basic Science Law in Oregon from 1963 to 1973; and,

WHEREAS, Mr. Collins' long career with the staff of the Board of Higher Education has had a positive impact upon the policies and management of public higher education; and Mr. Collins has been both a part of and an observer of the history of the State System of Higher Education, and has exemplified a sense of continuity, all to the benefit of the state and several generations of students; now, therefore,

BE IT RESOLVED that the State Board of Higher Education formally express appreciation to Mr. Collins for his dedicated and noteworthy contribution toward the development and management of the public higher education system in Oregon, and acknowledge his outstanding and quiet record of service to the people of Oregon; and, further,

BE IT RESOLVED that the Board, upon the occasion of Mr. Collins' forthcoming retirement, collectively and individually, wish him and his charming wife, Margaret, abundant success, health and happiness in the future.

Upon motion by Mr. Westerdahl, the Board adopted the above resolution as presented.

Appointment of D. R. Larson as Board Secretary

The Chancellor then recommended the appointment of Mr. D. R. Larson as Assistant Chancellor, as Secretary of the Board, effective July 1, 1973.

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

Instrument sterilization at the Dental School is now conducted through a "cold sterilizing" treatment, in which a liquid disinfectant solution is used in instrument sterilizer trays. Recent tests of the treatment show that bacteria survival is too great to assure the health and safety of patients. Dean Terkla reports that a central sterilization facility, in which instruments are autoclaved and gas sterilized at night, is necessary to correct the deficiency.

It is proposed that equipment consisting of a dry heat oven and other cleaning and sterilizing equipment be acquired at an estimated cost of $10,790. Remodeling of the central dispensary, including the necessary wiring, plumbing and installation, was reported to the Board on May 22, 1973, as a rehabilitation project authorized for year 1972-73.

Staff Recommendation

It was recommended that $10,790 be allocated to the Dental School from the Board's Unallocated Reserve for 1972-73 to purchase the sterilization equipment necessary to assure that patients are adequately protected and that the Board concur in the recommendation at its adjourned meeting on June 26.

Discussion and Recommendation by the Committee

The Finance Committee recommended that the Board approve the recommendation as presented.

Board Discussion and Action

The Board approved the recommendation as presented.

Preliminary Expenditure Authorization, 1973-74

Staff Report to the Committee

In the absence of final legislative action on appropriations to the Department of Higher Education (including approval by the Governor) and allotment of funds by the Executive Department, it is nonetheless necessary to make provision for payment of operating expenses properly incurred prior to approval by the Board of the annual operating budget for 1973-74.

It appears that the Legislative Assembly will adopt (and the Governor will sign) appropriation and expenditure limitation acts for 1973-74 that will be in full force and effect in July or that there will be other legislative action to authorize expenditures, prior to final enactment of appropriations and allotment of funds by the Executive Department. In any event, it will not be possible to submit a formal request for Board approval of the 1973-74 annual operating budget prior to June 30, 1973. Board action may, in fact, be delayed until August.
It is, therefore, necessary to seek limited approval by the Board of expenditure authority in the 1973-74 fiscal year, pending submission to and action by the Board on the annual operating budget.

Staff Recommendation

It was proposed that the Finance Committee recommend to the Board that it act at the adjourned meeting of the Board on June 26, 1973:

1. To authorize expenditures during July and August (from funds appropriated or otherwise available to the Department) consistent with the levels of expenditure in 1972-73;

2. To authorize the Chancellor to request Executive Department allotment of funds, consistent with legislative action on the 1973-1975 budget, but subject to further Board direction at the time it considers the 1973-74 operating budget.

Discussion and Recommendation by the Committee

The Finance Committee recommended that the Board approve the recommendations as presented.

Board Discussion and Action

The Board approved the recommendations as presented.

(Considered by Finance Committee, June 26, 1973.)

Staff Report to the Committee

This agenda item was prepared prior to final legislative action on the various bills relating to compensation of state employees generally and the Department of Higher Education in particular. In preparing the payrolls for July in accord with the types of adjustment on which legislative action is expected, Board guidance (and authority to act consistently with that guidance) provided at the adjourned meeting of the Board on June 26, would be helpful.

The treatment of classified pay adjustment poses no special problem, since it is governed by policies determined externally to the Department of Higher Education.

Since academic personnel are paid in accord with annual notices of appointment, it would be appropriate and convenient were the institutional executives to be authorized to issue such notices consistent with the following guidelines applicable to the allocation of funds by the Chancellor to the institutions as a basis for their annual operating budget preparation:

1. That academic salary adjustment funds be distributed to the colleges, universities and Oregon Technical Institute in such a manner as to maintain the dollar differentials approved for institutional salary goals during 1972-73.
Meeting #410-210

June 26, 1973

2. That the differential between the average salaries paid to all full-time staff at Portland State University and at UO-OSU be reduced by $60.

3. That institutions not committed to a target salary (University of Oregon Medical School, University of Oregon Dental School, Centralized Activities) be provided funds proportional to the total salary adjustment funds assumed to be made available in the appropriations to the Department.

4. That determination of individual salary adjustments be equitable, giving due consideration to:
   a. Increases in cost of living since July 1, 1972;
   b. Merit in performance, especially excellence in teaching;
   c. Professional progress and development;
   d. Requirements of "affirmative action" policies.

5. That payment for the months of July and August 1973, at the recommended salary rate for individual 12-month academic staff members, be subject to review and subsequent retroactive adjustment in cases where the rate requires Board approval.

Staff Recommendation

It was proposed that the Finance Committee recommend the adoption by the Board at its June 26 adjourned meeting of the guidelines cited.

Discussion and Recommendation by the Committee

Mr. Westerdahl said he disliked retroactive approaches on salary but that he was even more opposed to making salary commitments and then finding there was a policy change and an allocation change over which the Board had no control.

The Finance Committee recommended that the Board authorize the institutions to continue to pay salaries at the 1972-73 rate and issue new contracts for the 12-months' staff on that basis, with the understanding that retroactive increases will be paid if salary increase funds are available in the budget.

Board Discussion and Action

The Board approved the recommendation as presented.

Guidelines for Administration of Board Policy
Re Resident Undergraduate Tuition for International Students

(Considered by Finance Committee, June 26, 1973.)

Staff Report to the Committee

Report of Guidelines for Administration of Board Policy Relating to Admission at Resident Undergraduate Tuition for International Students up to Two Percent of the Undergraduate Enrollment.

On March 27, 1973, the Board approved "a continuing program, commencing in 1973-74, under which undergraduate international students to a total of 2 percent of the undergraduate enrollment at each institution
be assessed tuition at resident student rates, with such classification to be predicated on economic need and academic promise, administered to assure representation of diverse cultures, and contingent upon full-time enrollment and satisfactory progress, with each institution to develop more precise administrative guidelines to be reported to the Board in the reasonably near future."

The guidelines proposed by the institutions are shown as Supplement g to these minutes.

A background paper from the University of Oregon makes reference to the scholarship program for nonresidents which will be completely phased out in 1974-75 as a result of action by the 1971 Legislature. It is assumed that these scholarships may continue to be awarded, provided that the total of all international students receiving either scholarships or special tuition classifications does not exceed two percent of the undergraduate enrollment.

Discussion and Recommendation by the Committee

The Chancellor reported that the Board has authorized the institutions to enroll at resident rates a number of international students equal to two percent of the undergraduate enrollments. He said there is presently a bill before the legislature to accommodate approximately the same number of dollars in awards. The Chancellor recommended that the program be cut by 50 percent so that it would not be necessary to increase tuition by a further amount in order to offset the funds lost by enrolling international students at resident rates.

The Committee discussed the effect on enrollment of increased tuition for international students without a corresponding fee remission program for students with financial problems. If there were a reduction in enrollment, it would defeat the purpose of diversity in enrollment and would also have a financial impact.

The Finance Committee defeated a motion to forward the report to the Board with a negative recommendation.

Board Discussion and Action

It was indicated that the proposals relating to the international students had not been referred to the Board with a recommendation by the Finance Committee but that the Board could take action on the Chancellor's recommendation if it so desired.

The Chancellor explained that the estimated effect of the assessment of resident tuition for a number of international students equal to two percent of the undergraduate enrollment in the State System, if fully implemented, would be to produce a cost in terms of income of approximately $750,000 for the first year of the biennium. Therefore, he recommended the program be limited to one percent of the undergraduate enrollment. Otherwise, it would be necessary to establish a tuition increase of approximately $2 more per term then presently projected in order to recapture that income.
The Chancellor said if additional students result from granting the assessments of resident tuition over and above the number currently estimated, the tuition income would customarily be assigned to the institutions which have the extra students in order to help defray the costs. However, if this income is required to fill the existing tuition gap, it would not be possible to make that allocation of funds to the institutions.

Mr. Mosser explained that the impact of the program on income can result in any amount from a negative figure of $750,000 to a positive figure of $375,000, depending on the administration of the program at the institutions. If the entire two percent reduction is applied to the predicted enrollment, the negative figure would result, and if the reduction is granted only to additional students, it would be the positive amount. The one percent figure would narrow the range from a minus $375,000 to a plus of $187,500. Mr. Mosser said the two percent previously approved was a more realistic figure in terms of providing cultural diversity and that the two percent should be retained for at least one year.

Mrs. Johnson said it had been suggested that students participate through a fee increase. She said she questions the propriety of assessing tuition increases to Oregon students and other nonresident students to finance this program unless statistics were provided to indicate that international students were in a worse financial situation than the students who were paying additional tuition to help finance the program.

Mr. Stewart asked the institutional executives for their reactions to the two percent program.

President Clark said he favored the two percent program and would like to see it funded but that he doubted whether it could be implemented for this fall. He said the program should operate positively through a recruitment process to bring in additional students and additional revenue but that this could not be accomplished by the fall of 1973. He indicated that if the two percent plan remains in effect, the University of Oregon administration would begin this fall a careful and restrictive recruitment of individuals who might not enroll without this additional inducement. President Clark said he would favor the two percent policy only with very strict administration at the institutional level.

President Wolfe said he would favor the two percent policy and agreed that it could be administered more effectively if there were sufficient time to develop the recruitment plan.

President MacVicar said he would plan to be extremely restrictive with respect to current students and assist only those with the most critical financial problems. He said it would make little difference whether the Board set one percent or two percent as the number of students to receive assistance because the program should be implemented gradually.
President MacVicar indicated that the plan assumed there would be students enrolled to pay the fee if the assistance were not offered and said he did not think this was an accurate assumption in the case of international students. He said the gap would not be closed by bringing in an additional one percent of international students paying full tuition, and indicated that it was his opinion Oregon State University would have less than the expected number of international students.

Mr. Westerdahl said he was strongly opposed to the motion which would limit the program for international students to one percent. He said two percent had been established several months ago and the policy should not be changed. He said he was willing to advise the institutions that the two percent program should be managed carefully and that they should take this admonition into consideration when they enrolled students within the permissive guidelines of the two percent limitation.

Mr. Stewart said the one percent program would be preferable because it would permit the institutions to implement the assistance program gradually and would reduce the possible fiscal problems.

The Chancellor commented that the fiscal impact of the program is really a State System impact rather than an institutional one because tuition income is placed in a central fund rather than being a resource for the individual institutions. He also said that when institutions enroll a larger number of students than estimated in the budget it has been customary to allocate the additional income to the institution with the increased enrollment. This would not be available under the rationale of the program because the added funds are expected to be used in order to meet the income estimate.

Mr. Mosser called attention to the fact that staff capacity was available for these international students at all except two of the institutions where it appears the enrollment estimates will be met without the extra international students.

The Board approved by a three to two vote the recommendation of the Chancellor to reduce for 1973-74 the number of international students enrolled at resident tuition from two percent to one percent of the undergraduate enrollment in the State System. It was understood that the two percent policy would be implemented for 1974-75 unless there was further Board action to modify the program.
Mrs. Johnson requested that statistical information be provided with respect to the financial situation of the international students. She indicated she would like to have data as to the number of applications received by countries, how many of these applications were from students who need financial assistance in order to come to State System institutions, and a summary of the budgets for these students. She said she questioned the assumption that raising tuition would result in an automatic drop in student enrollment.

**ADJOURNMENT**

The meeting was adjourned at 11:35 A.M. on June 26, 1973.
FOREIGN STUDENT SCHOLARSHIP GUIDELINES - UNIVERSITY OF OREGON

(1) **Citizenship** - Each recipient must be a citizen of a country or territory outside the United States who is attending the institution temporarily for study purposes and intends to return to his/her home abroad after completing his/her study objective. Those who hold immigrant visas will not be eligible for these scholarships.

(2) **Economic need** - Each applicant will be required to file an application listing his/her estimated resources and estimated expenses. From this information the Office of International Student Services will determine scholarship recipients.

(3) **Academic promise** - From University of Oregon grades and admissions data, the Office of International Student Services will determine recipients with awards going to promising students.

(4) **Geographic spread** - Careful attention will be given by the Office of International Student Services to obtain a broad cultural and national representation in the awarding of scholarships.

(5) **Academic load** - Each undergraduate recipient must complete successfully at least 12 credits each term and must maintain an average term grade of approximately 2.5.

(6) **Progress toward a degree** - Students must maintain normal progress toward a degree while registered at the University of Oregon. Unless there are extenuating circumstances, students will be expected to complete a four year degree within four years and a five year degree within five years.

(7) **Distribution of awards** - Approximately 20 scholarships will be awarded each fall term. This is about 1/3 of Oregon's 246 awards permitted under the 2% quota. Because some students will go home each year and because some will transfer to other schools each year we expect to be able to award about 80 new scholarships each fall term. Of these 80 awards, a minimum of 40 will go to foreign students new to the University of Oregon, and about 40 will go to foreign students currently attending the University but not receiving scholarship assistance.

International Student Services
May 8, 1973
MEMORANDUM

TO: Dean Milosh Popovich, Dean of Administration

FROM: International Education Office

SUBJECT: Guidelines for International Students admitted under the 2% rule

The Memorandum to Institutional Executives from Vice-chancellor Freeman Holmer (attached) gives the text of the action approved by the State Board of Higher Education concerning resident tuition for foreign students up to 2% of the undergraduate enrollment at state institutions; as well as some additional guidelines. We have attempted to set forth the policies and procedures that we think specifically should be applied here at Oregon State University and have conferred with the Financial Aid Office as well as the Admissions Office for general guidelines. In addition to those policies applied in the past with respect to foreign student scholarship assistance (determination of economic need, academic promise, full-time enrollment, satisfactory academic progress), they are designed to accomplish diverse cultural representation and to assure that the students receiving such aid will return to their home countries. Although this last point was not a part of the guidelines from the State Board of Higher Education, it has been sufficient cause of concern not only to those of us directly involved with international programs, but to certain members of the State Board and to State Legislators that we felt it should be a part of our policies and procedures at Oregon State University.

Policy Guidelines

We would recommend that the guidelines for awarding resident tuition to foreign students at Oregon State University include the following general policies and procedures:

1) Policies and procedures that bring to Oregon State University new foreign students who come from countries from which we have few students presently represented.

2) Policies and procedures that take into consideration the potential utilization of the student's education in their own country and their assured return to that country.

3) Policies and procedures that bring students to Oregon State University from countries where the Oregon State System of Higher Education has overseas programs or where Oregon State University has special relationships.
4) Policies and procedures that give consideration to the factors of economic need as well as academic promise of the students.

5) Policies and procedures that make certain that in order to receive and continue such an award the student must maintain satisfactory academic progress and full-time enrollment.

6) Policies and procedures whereby some currently registered undergraduate students might participate, provided they meet the eligibility requirements, but that priority be given to new students.

7) Policies and procedures whereby the number of resident tuition rates allocated for foreign students in the memorandum from Vice-chancellor Holmer would be utilized in such a manner that there be a "phasing in" so that approximately the same number of resident tuition rates could be allocated for foreign students during each year of operation.

**Procedure for processing applications**

The procedure for implementation of the State Board Policy at Oregon State University requires that the Financial Aid form be sent with the Application for Admission to those foreign students applying to Oregon State University and that the Financial Aid form be sent to those foreign students who are presently admitted but not yet enrolled, as well as being distributed to foreign students presently enrolled. The information accompanying the Financial Aid form would make clear the requirements for such an award. The admission material would be returned as usual to the Admissions Office while the Financial Aid Form would be returned to the International Education Office for processing.

**I. Determination of Cultural Diversity**

The International Education Office will rank admitted applicants with respect to cultural diversity and then forward the materials to the Scholarship Committee for final decisions as to awards of resident tuition to foreign students. In determining cultural diversity the International Education Office will use the following priorities:

1) Students from a country where Oregon State University has fewer than 10 students and the applicant wishes to study in an academic field for which there is a determined need in his home country.

2) Students from a country where Oregon State University has fewer than 10 students and the applicant wishes to study in an academic field for which there is no determined need.

3) Students from a country where Oregon State System of Higher Education has an overseas program or where there is a special relationship with Oregon State University.

4) Students from a country where Oregon State University has more than 10 students but for which the applicant wishes to study in an academic field for which there is a determined need.

5) Other foreign students.
1) The determination of need in the home country of students in a particular academic field (i.e., specialized knowledge or skills) shall be based on the Department of State Exchange Visitors Skills List or other international data. The Department of State Exchange Visitors Skills List is a list of designated fields of specialized knowledge or skills which have been determined to be of such importance to the countries involved that these countries wish to require students coming to study in the United States in these fields to return home to utilize this knowledge and these skills. They have entered into agreements with the United States Government to assure the return of these students. Some eighty-five countries have entered into such agreements with the United States Government at this time.

II. Determination of Awards

The Scholarship Committee, working with the Financial Aid Officer, will make the determination of resident tuition awards utilizing: 1) the rankings from the International Education Office, 2) the factors of economic need, 3) academic promise, and where applicable (presently enrolled students), 4) satisfactory academic progress and 5) full-time enrollment.

III. Notification of the Student

The procedure for notification to the student of his selection for assessment of resident tuition rates will be done through the Financial Aid Office, a copy being sent to the International Education Office so that proper immigration forms can be sent to the student. Students who are not awarded resident tuition classification would be admitted in the usual manner and so notified. Special efforts would be made in communications to those students to encourage their attendance at Oregon State University even though they did not receive the award of resident tuition.
Portland State University has developed the following guidelines for implementation of the Boards approved program whereby undergraduate international students to a total of 2% of the institutions undergraduate enrollment will be assessed tuition at resident tuition rates. At Portland State University a total of 221 students may participate in the program commencing with the 1973-74 school year.

The guidelines and procedures are to reflect the Boards institutional policy recommendations which include "the following qualifications for eligibility of undergraduate international students for resident rates:

1. Economic need,
2. Academic promise,
3. Diverse cultural representation,
4. Full time enrollment (interpreted to mean 12 credit hours or more per term.)
5. Satisfactory academic progress.

Under the previous 2% international student program procedures were developed which took into consideration four of the above mentioned eligibility criteria economic need, academic promise, full time enrollment and satisfactory academic promise. The proposed new program is additionally designed to attain diverse cultural representation.

Recommended Institutional Guidelines

In implementing the International Student 2% program the following guidelines will serve as a basis for granting the awards.

1. Citizenship eligibility--Applicants must be citizens of a foreign country who will attend PSU for the purpose of study and return to his/her home country after completing their stated study objectives. Students on immigrant visas are not eligible for the award.

2. Cultural diversity--The committee will use the recommended priority consideration list in order to achieve a diverse cultural and national representation among the international student's receiving the award.

3. Economic need--The applicants will be required to give an annual detailed account of their estimated resources as well as an itemized anticipated budget for each year of study. The selection committee will assess economic need on an individual basis utilizing this information.

4. Academic promise--Applicants must have a grade point equivalent to 2.75 for initial consideration.

5. Academic load--Award recipients must successfully complete 12 credit hours each term with an average grade point of approximately 2.5.
6. Satisfactory academic progress—Along with the fulfillment of a full-time credit load per term recipients will be expected to make normal progress towards completion of degree requirements.

Recommended Priority Consideration to Achieve Cultural Diversity

The following priorities will be used by the committee in ranking applicants with respect to achieving cultural diversity.

1. Students who represent a country from which PSU has fewer than 10 students, and who wish to study in a field for which there is a determined need in their country.

2. Students who represent a country where OSSHE has an overseas program or where PSU has a special relationship.

3. Students who represent a country where PSU has fewer than 10 students but who wish to study in an academic field for which there is no determined need.

4. Students from Oregon Community Colleges who wish to transfer to a four-year institution.

5. Other students.

Procedure for Processing Applications

International students inquiring about admission will be sent the application for admission and financial aid forms. Students presently admitted but not enrolled as well as those enrolled, will be apprised of the tuition remission programs. A form specifying all of the requirements for the award will accompany the financial aids application.

The admission material and financial aid application will be returned to the Admissions Office for processing.

Procedure for Selection of Award Recipients

The foreign students admission and financial aid committee, composed of representatives from the International Student Services, Financial Aid and Admission Offices, and faculty, will determine selection of the award recipients. The Director of Evaluation who evaluates foreign students academic credentials will serve as a consultant to the committee. The committee will utilize the 1) recommended priority rankings to achieve cultural diversity, 2) factors of economic need, 3) indicators of academic promise, 4) satisfactory academic promise if applicable and 5) full-time enrollment.

Procedure for Notification of Award Application Action

The Financial Aids Office will inform applicants of action taken by the
selection committee on their application. The International Student Services Office will receive a copy of this notice so that proper immigration forms can be sent to the student. Students who are admitted but who do not receive the award will be encouraged to seek alternative sources of financial assistance in order to allow them to attend P.S.U.

Procedures for Monitoring Progress of Award Recipients

In accordance with normal financial aids procedures the students will be asked to apply for the award for a one year period at the end of which time a new application will be completed for review by the selection committee for retention of the awards.

The Financial Aids Office will assume responsibility for compiling information on the number of hours of course work completed to determine full-time enrollment.

O. Forbes
5/24/73
Mr. Freeman Holmer  
Vice Chancellor for Administration  
Oregon State System of Higher Education  
P. O. Box 3175  
Eugene, Oregon 97403

Subject: Guidelines for International Students Admitted Under the 2% Rule

Dear Mr. Holmer:

Your letter of April 13, 1973, asks that we report to you our specific guidelines for implementing the Board's policies on the program to admit international students at residency rates up to 2% of our undergraduate enrollment. Below are the particulars worked out jointly by our admissions office and the office of the dean of students.

A. Qualifications for Eligibility

1. Academic promise - must meet regular admissions requirements.

2. Economic need - to be determined by Financial Aids Office, and which will be reviewed annually.

3. Full-time enrollment (12 credit hours or more per term).

4. Must be enrolled in an OCE degree program or in a pre-professional program of three or more years duration.

5. Satisfactory academic progress - must meet regular scholastic requirements as stated in catalog.

6. Currently registered international students may participate, provided they meet the eligibility requirements.
7. Admissions and eligibility determined by Director of Admissions, with assistance from Financial Aids Office (as indicated), and any other person within the OCE community which the Director of Admissions deems useful in decision-making.

B. Implementation


2. International students who qualify as described above will be continued at resident rates during their entire tenure as undergraduate students, provided that eligibility requirements continue to be met.

3. Students who withdraw or are absent for a term may reenter the reduced fee program provided that eligibility requirements are met and the reentry will not cause the institution to surpass the enrollment quota.

C. Assurance of representation of diverse cultures

1. No more than 25% of the total allocated (59 for 1973-74) should be from the same country.

2. Priority will be given to those students from countries not already represented, or who are represented in small numbers, within the OCE student body.

Please let me know if additional information is wanted or if at any point we appear to be out of harmony with Board intent.

Sincerely,

Leonard W. Rice
President

LWR:mhh

cc Mr. Kenyon
Mr. Morton
GUIDELINES FOR SELECTING INTERNATIONAL STUDENTS

FOR OUT-OF-STATE TUITION WAIVER

The following guidelines will be in effect in the selection of International Students who apply for out-of-state tuition waivers. The procedures are in keeping with those recommended by the State Board of Higher Education.

1. Consideration for out-of-state tuition waivers will include no more than 2% of the Fall term head count, and grants will be based upon the following criteria:

   a. Demonstrated Financial Need

      On the basis of available documents provided by the students, the grant committee composed of the Director of Financial Aids, the Chairman of the Scholarship and Awards Committee, the Chairman of the Academic Standards Committee and two faculty members from the Commission on International Education will, in its best judgment, determine the financial needs of each applicant and make its recommendations accordingly.

   b. Ability to do Satisfactory College Work

      Application materials, letters of recommendation, TOFEL scores, previous college experience, etc. will be used in determining the students' ability to do satisfactory college work.

   c. Diverse Cultures Represented

      The committee will make every effort to attract International Students from various regions around the world and that serious consideration will be given to limiting the number receiving tuition grants from any one country.

   d. Progress Toward a Degree

      The committee will review at the end of each term the academic records of all students on tuition
grants and make a determination as to their satisfactory progress toward a degree. The students will be expected to carry at least 12 hours each term and make a 2.0. The grant will be available for four years of college work, and graduate students would not be eligible for tuition grants.

2. Any deviation from the above guidelines will be considered by the committee.
May 9, 1973

Mr. Freeman Holmer
Vice Chancellor for Administration
Oregon State System of Higher Education
P. O. Box 3175
Eugene, Oregon 97403

Dear Freeman:

This will respond to your request as to the guidelines that will apply for the 2% international quota at Eastern Oregon College. At a recent meeting of the Academic Council, the following guidelines were approved:

Eastern Oregon College will administer the 27 international student tuition scholarships for 1973-74 under the following regulations:

1. Financial need must be determined by Financial Aids Office.

2. Students must meet academic standards at entrance and maintain 2.00 GPA.

3. To ensure diverse cultural representation, no more than one-third of the candidates selected may be from the same country.

4. Students will complete satisfactorily a minimum of 12 credit hours per term to remain eligible for the program.

5. Currently registered international undergraduates may apply providing they meet the above criteria. No more than one-half of the 27 scholarships may be awarded to currently enrolled students for 1973-74.

6. Preference will be given to freshmen and sophomores.

7. After 1973-74, additional awards will depend on the number of scholarships open each year to remain within the quota.

Sincerely,

A. M. Rempel
President

cc Carlos E. Easly
OREGON TECHNICAL INSTITUTE

GUIDELINES FOR THE 2% PLAN

Oregon Technical Institute is prepared to begin a program for the fall of 1973 for international students under the 2% plan. In order to insure compliance to the OSSHE Board recommendation, the following guidelines are established:

1. When a student applies for admission, he will be sent the appropriate college information along with:
   a. A declaration of resources for international students form (copy attached) or
   b. The appropriate CSS document for international students

2. At the time when the international student is considered for admission the "resource statements" will be reviewed by the Director of Financial Aids. He will take into account the following concerns:
   a. The cost to attend OTI for 2 or 4 years
   b. The parents' ability to assist financially
   c. The student's ability to assist financially
   d. The aid received from the country
   e. The aid received from relatives
   f. Any aid received from American sources (i.e. private donors, Rotary, Carnegie Inst.; etc.)

3. The Director of Financial Aids will forward his recommendation to the Director of Admissions. At that time, the following factors will be taken into consideration:
   a. The amount of the partial fee remission plus other available resources
   b. That the award plus the other resources will be sufficient to insure adequate financial strength
   c. Diverse cultural representation
   d. The "admissibility" of the students, including academic promise (previous scholastic work and TOEFL scores)

4. After the student has been admitted, his enrollment will be checked each term by the Director of Financial Aids to determine:
   a. Completion of 12 credit hours the previous term
   b. Satisfactory academic progress (2.0 or above)
   c. Normal progress toward the degree
   d. Continued enrollment in at least 12 credit hours per term

If an international student should not meet the above criteria, he may petition for reinstatement in the program. A committee consisting of the International Student Advisor, Director of Admissions, Registrar, and Director of Financial Aids will review the petition to determine if a "probationary" status will be allowed.

5. International students currently enrolled are eligible to participate in the 2% plan provided they meet the criteria as established in the aforementioned material.
Guidelines for the 2% Plan

6. International students will be continued at resident rates during their entire tenure as undergraduate students, provided that eligibility requirements continue to be met.

7. Students who withdraw or are absent for a term may reenter the reduced fee program provided that eligibility requirements are met and the reentry will not cause the institution to surpass the enrollment quota.

8. Each international student selected will receive a copy of the guidelines to insure that they understand the plan and their responsibilities in the program.

5-7-73
MEMORANDUM

TO: Robert L. Bowlin, Dean, Student Personnel Services

FROM: Kenneth S. Ghent, Director, International Student Services

Subject: Guidelines for International Students Admitted Under the 2% Scholarship Plan

BACKGROUND INFORMATION AND PLANS FOR IMPLEMENTATION

In June, 1971, the State Legislature voted to discontinue the State Scholarship program for out-of-state and foreign students. At the same time it provided that the program be "phased out" over a four year period beginning in September 1971. The last funds to be provided under this former program will be disbursed in the academic year 1974-75. Thus, for the next two academic years there is provision for some scholarship help to students who were registered on October 1, 1971.

On March 27, 1973, the State Board of Higher Education approved a program beginning fall term, 1973 to allow undergraduate foreign students, up to 2% of the undergraduate enrollment, to be assessed tuition at resident student rates. First, I will discuss the implications if the two scholarship programs continue concurrently for two years at which time the former program will expire. Then I will discuss implications if the programs are merged for two years.

1. Concurrent operation of the former scholarship plan and the new 2% scholarship plan.

Mr. Holmer's April 13, 1973 memo estimates that the University of Oregon quota for 1973-74 would be 246 undergraduate students. Because a chosen student will continue at resident rates as long as he meets minimum requirements it will be necessary to make fewer than 246 new awards for 1973-74. If we assume that the new program is entirely independent of the former program and that it will exist concurrently with the former program during the two years remaining for that program, it is suggested that approximately 82 awards, or about 1/3 of Oregon's 2% quota, be made in fall term, 1973, to undergraduate foreign students not eligible under the previous program. Of these 82 awards, we estimate that about 40 awards will go to students presently enrolled, but not on a scholarship, and a minimum of 40
awards to foreign students who will enter the University fall, 1973. Allowing for some attrition it is estimated that approximately the same number of new awards would be available for each fall term.

2. Merged operation of the former scholarship plan and the 2% scholarship plan.

If these two programs are merged, then about 96 awards will remain for fall, 1973, after the 150 students, returning fall, 1973, are awarded scholarships under the former program. (The figure of 96 is obtained by subtracting 150 from the University of Oregon's 2% quota of 246.) We estimate, that of these 96 remaining awards, about 45 awards would go to foreign students presently enrolled, but not on a scholarship, and about 45 awards to students who will enter the University fall, 1973. As those students financed under the former program leave the University (about 75 at the end of the 1973-74 academic year and 75 at the end of the 1974-75 academic year) then their awards will be used for students entering the University.

A problem arises with regard to awards for graduate foreign students if the two plans do merge. We estimate that 30 of the 150 foreign students who will be eligible to receive scholarships under the former plan fall term, 1973, will be graduate students. Will they be eligible to receive scholarships if the programs merge since graduates are not included in the 2% plan?

A second problem arises with regard to undergraduate foreign students currently receiving scholarships greater than the amount of out-of-state tuition. (The 2% plan permits awards no greater than the amount of out-of-state tuition). Of the 150 students we expect will continue to receive aid under the former plan fall, 1973, 20 will receive scholarships greater than the amount of out-of-state tuition. Will we be able to continue to make these awards if the two plans merge?

In summary, we expect to be able to award about 80 new scholarships each year regardless of the fact that the two scholarship programs may merge or may run concurrently for the next two years at which time the former plan will expire. However, if the two plans do merge we want to continue to help those graduate students receiving aid under the former plan and those undergraduates now receiving more than out-of-state tuition under the former plan.

Attached are our proposed guidelines for the administration of the scholarship plan at the University of Oregon.