Grants totaling $113,418 from the U. S. Department of Health, Education, and Welfare, Washington, D. C., for the following purposes:

1. $13,704 - "To develop, field test, revise and implement a bilingual curriculum for preschool children and to conduct a needs study with parents, teachers and administrators of Central School District to determine appropriate scope and sequence for a district-wide bilingual program," January 1 through June 30, 1975, under the direction of Dr. William Moore, Associate Research Professor.

2. $99,714 - "To continue a comprehensive Model of Early Childhood Education serving children ages 0-8 with all handicapping conditions," October 1, 1974, through June 30, 1975, under the direction of Dr. H. D. Fredericks, Research Professor.

Grant of $140,000 from the U. S. Public Health Service, Seattle, Washington, for "a statewide continuing education project related to nurses," January 21, 1975, through January 21, 1976, under the direction of Dr. Kenneth Waldroff, Project Director.
It was recommended that the following personnel adjustments and appointments as submitted by the Presidents concerned be approved, the necessary funds being provided in the 1974-75 budgets, or as indicated. Unless otherwise stated, appointments and adjustments in salary, rank, title, and months of service are effective January 1, 1975. The Board approved the recommendation as presented.

<table>
<thead>
<tr>
<th>Budgeted, Name, Rank and/or Title, Department</th>
<th>Mo. of Service</th>
<th>1973-74 Salary Rate</th>
<th>Present Salary Rate</th>
<th>Recommended Salary Rate</th>
<th>1974-75 Salary Rate of Funds</th>
<th>Source</th>
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<tr>
<td>Oregon State University</td>
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<tr>
<td>Floyd Vance Pumphrey, Associate Professor, Extension Service</td>
<td>12</td>
<td>$17,609</td>
<td>$18,654</td>
<td>$20,328</td>
<td>Grant (Post differential payment and overseas allowance.)</td>
<td></td>
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<tr>
<td>Jorn Thiede, Assistant Professor, Oceanography</td>
<td>12</td>
<td>13,000</td>
<td>13,727</td>
<td>15,840</td>
<td>Grant (To correct a salary inequity.)</td>
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<tr>
<td>Charles B. Miller, Associate Professor, Oceanography</td>
<td>12</td>
<td>13,896</td>
<td>15,118</td>
<td>16,080</td>
<td>Grant (To correct a salary inequity.)</td>
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<tr>
<td>Richard Jay Blakely, Assistant Professor, Oceanography</td>
<td>12</td>
<td>14,400</td>
<td>15,328</td>
<td>16,416</td>
<td>Grant (To correct a salary inequity.)</td>
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<td>Louis I. Gordon, Assistant Professor, Oceanography</td>
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<td>14,964</td>
<td>15,928</td>
<td>17,040</td>
<td>Grant (To correct a salary inequity.)</td>
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<td>David E. Passon, Associate Professor, Extension Service</td>
<td>12</td>
<td>14,232</td>
<td>15,420</td>
<td>15,920</td>
<td>Budget (Increased responsibilities; effective January 10, 1975.)</td>
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<td>James W. Ashlock, Assistant Professor, Education</td>
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<td>11,666</td>
<td>12,262</td>
<td>12,483</td>
<td>Budget/Grant (Change in rank and salary based on completion of doctorate.)</td>
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<td>John K. Grimes, Assistant Professor, Extension Service</td>
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<td>15,638</td>
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<td>D. Michael Burgett, Assistant Professor, Entomology</td>
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<td>13,836</td>
<td>13,945</td>
<td>14,555</td>
<td>Budget (Cost-of-living increase; effective July 1, 1974.)</td>
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<td>Wilbert L. Andersen, Associate Professor, Extension Service</td>
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<td>19,480</td>
<td>21,251</td>
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<td>Austin Michael Colbert, Assistant Professor, Education</td>
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<td>14,885</td>
<td>15,495</td>
<td>16,300</td>
<td>Grant (Salary adjustment and merit increase; effective July 1, 1974.)</td>
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<tr>
<td>Eugene P. Winters, Associate Professor, Extension Service</td>
<td>12</td>
<td>20,408</td>
<td>21,576</td>
<td>25,286</td>
<td>Grant (Post differential allowance.)</td>
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<td>Richard H. Waring, Associate Professor, Forest Management</td>
<td>12</td>
<td>18,528</td>
<td>19,588</td>
<td>20,424</td>
<td>Grant (Salary adjustment and extra meritorius work.)</td>
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### Meeting #422-119

**Budgeted, Name, Rank and/or Title, Department**

**University of Oregon**

<table>
<thead>
<tr>
<th>Name</th>
<th>Rank/Title</th>
<th>Department</th>
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</thead>
<tbody>
<tr>
<td>Valene Karen McGrath</td>
<td>Instructor, Resident Advisor</td>
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<tr>
<td>Jacqueline J. Guild</td>
<td>Research Assistant</td>
<td>Center for Human Development</td>
</tr>
<tr>
<td>Diane G. Fleischman</td>
<td>Research Assistant</td>
<td>Center for Human Development</td>
</tr>
<tr>
<td>Boyd R. Miller</td>
<td>Instructor, Director of Education</td>
<td>Tongue Point Job Corps</td>
</tr>
<tr>
<td>Shirley Gash</td>
<td>Instructor</td>
<td>Tongue Point Job Corps</td>
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**University of Oregon Health Sciences Center**

<table>
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<th>Department</th>
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<tbody>
<tr>
<td>David R. Bacon</td>
<td>Research Assistant</td>
<td>Medical Genetics</td>
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<tr>
<td>Ruth Moreland</td>
<td>Research Assistant</td>
<td>Medical Genetics</td>
</tr>
<tr>
<td>Pamela Town</td>
<td>Research Assistant</td>
<td>Surgery</td>
</tr>
<tr>
<td>Sarah Elizabeth Palmer</td>
<td>Research Assistant</td>
<td>Surgery</td>
</tr>
<tr>
<td>Charlene E. Davenport</td>
<td>Research Assistant</td>
<td>Surgery</td>
</tr>
<tr>
<td>Henry DeMots</td>
<td>Assistant Professor</td>
<td>Medicine - Division of Cardiology</td>
</tr>
<tr>
<td>John H. McAnulty</td>
<td>Assistant Professor</td>
<td>Medicine - Division of Cardiology</td>
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**No. of Service 1973-74** | **Present Salary Rate** | **Recommended Salary Rate** | **Source of Funds** |
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<tr>
<td>12</td>
<td>$8,832</td>
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<tr>
<td>9</td>
<td>9,100</td>
<td>10,300</td>
<td>10,400</td>
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<tr>
<td>(Correction of error in previous salary increase; effective September 16, 1974.)</td>
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<tr>
<td>9</td>
<td>9,100</td>
<td>10,300</td>
<td>10,400</td>
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<tr>
<td>(Correction of error in previous salary increase; effective September 16, 1974.)</td>
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<tr>
<td>12</td>
<td>13,200</td>
<td>14,268</td>
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<td>(To correct an oversight; effective July 1, 1974.)</td>
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<tr>
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<td>8,800</td>
<td>11,052</td>
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<tr>
<td>(Promotion from Resident Advisor to Resident Supervisor; effective December 1, 1974.)</td>
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<tr>
<td>12</td>
<td>7,000</td>
<td>7,560</td>
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<tr>
<td>(To bring salary in line with that of other research assistants.)</td>
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<tr>
<td>12</td>
<td>6,600</td>
<td>7,800</td>
<td>Grant</td>
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<tr>
<td>(Merit increase.)</td>
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<tr>
<td>12</td>
<td>10,260</td>
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<td>(To equate salary of position to salaries of other positions requiring comparable experience and responsibility; effective July 1, 1974.)</td>
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<tr>
<td>12</td>
<td>7,800</td>
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<td>(Increased responsibilities; effective July 1, 1974.)</td>
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<tr>
<td>12</td>
<td>11,592</td>
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<td>Grant</td>
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<tr>
<td>(To equate salary of position to salaries of other positions involving comparable duties; effective July 1, 1974.)</td>
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<tr>
<td>12</td>
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<td>(To fulfill commitment at time of appointment for increase when funds were available.)</td>
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<tr>
<td>12</td>
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<td>Grant</td>
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<tr>
<td>(To fulfill commitment at time of appointment for increase when funds were available.)</td>
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Meeting #422-120

Budgeted, Name, Rank and/or Title, Department

Connie Reese, Research Assistant, Dermatology

Ann C. Kloka, Research Associate, Pharmacology

Mary A. Beeson, Research Assistant, Medical Graphics

Joanne F. Gruen, Research Assistant, Medical Genetics

Gordon Davies, Research Associate, Pharmacology

Katherine L. Pratt, Research Assistant, Microbiology

Timothy Lee, Assistant Professor, Diagnostic Radiology

Elaine Dykes, Unclassified Secretary, President's Office

Owen Brown, Research Associate, Cardiology

Patricia Ann Burtner, Research Assistant, Crippled Children's Division

Sharon Lee Cohen, Research Assistant, Crippled Children's Division

Elaine C. Ruys, Research Assistant, Crippled Children's Division

Kay Frances Heflin, Research Assistant, Crippled Children's Division

Ilene Kay Gipson, Instructor, Ophthalmology

Portland State University

Margaret J. Dobson, Professor, Health and Physical Education


March 25, 1975

<table>
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<tr>
<th>No. of</th>
<th>1973-74 Service</th>
<th>Present Salary Rate</th>
<th>1974-75 Salary Rate</th>
<th>Recommended Salary Rate</th>
<th>Source of Funds</th>
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<td>$ --</td>
<td>$ 6,300</td>
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<td>(Completion of probation period; effective February 1, 1975.)</td>
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<td>--</td>
<td>6,000</td>
<td>7,200</td>
<td>Grant</td>
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<tr>
<td>(Promotion from Research Assistant to Research Associate.)</td>
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<td>10,000</td>
<td>11,000</td>
<td>Grant</td>
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<tr>
<td>(Has acquired the knowledge and necessary skills to operate without detailed supervision; effective October 1, 1974.)</td>
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<td>(Increased responsibilities; effective September 1, 1974.)</td>
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<tr>
<td>(Increased responsibilities.)</td>
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<td>(Merit increase; effective September 1, 1974.)</td>
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<td>(Merit increase and added responsibilities.)</td>
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<td>(Increased responsibilities.)</td>
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<td>(Increased duties and responsibilities; effective September 1, 1974.)</td>
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<td>9 to 12</td>
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<td>Mo. of Service</td>
<td>1973-74 Service Salary Rate</td>
<td>Present Salary Rate</td>
<td>Recommended 1974-75 Salary Rate</td>
<td>1974-75 Source of Funds</td>
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<td>12</td>
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<td>(Change in responsibility and title from Administrator, Business and Finance to Acting Vice President, Finance-Administration.)</td>
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<td>(To assume position of Head of Acquisitions; effective March 1, 1975.)</td>
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<td>(Assumed Department Chairman responsibilities.)</td>
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<td></td>
<td>(Assumed Department Chairman responsibilities.)</td>
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<td>(Correction of error in previous salary increase; effective September 16, 1974.)</td>
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<td>$12,447</td>
<td>$13,199</td>
<td>$13,499</td>
<td>Grant</td>
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<td>(Correction of error in previous salary increase; effective September 16, 1974.)</td>
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<td>$24,000</td>
<td>Grant</td>
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<td></td>
<td>(Reassignment to special project in Office of Academic Affairs; effective January 21, 1975.)</td>
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</table>

ADJOURNMENT & RECONVENING DATE

At 3:30 P.M., President Mosser adjourned the meeting until Monday, April 28, 1975, at 11:00 A.M. in the Smith Memorial Center, Portland State University, Portland, Oregon.
Supplement A - Medical Staff Bylaws, UOHSC Hospitals and Clinics

Supplement B - Statement of Katharine Campbell, Chairperson of the Board of OSPIRG, Before The State Board of Higher Education Committee on Instruction, Research, and Public Service Programs, February 25, 1975

Supplement C - Other Materials Related to OSPIRG Presentation

Two letters and background materials from Mrs. Johnson

Request, dated March 17, 1975, for an Attorney General's opinion from Representative Sam Johnson


Supplement D - Presentation by MBA Association Concerning Assistant Dean for External Affairs
SUPPLEMENT A

MEDICAL STAFF BYLAWS

University of Oregon
Health Sciences Center
Hospitals and Clinics

January 17, 1975
Preamble

Article I: Name

Article II: Purposes

Article III: Membership in the Medical Staff
  Section 1. Nature of Membership
  Section 2. Qualifications for Membership
  Section 3. Procedure for Medical Staff Appointment
  Section 4. Term of Appointment

Article IV: Termination of Medical Staff Appointment
  Section 1. Automatic Termination
  Section 2. Failure to Comply with Bylaws
  Section 3. Sanctions Including Terminations of Appointment for Cause
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January 17, 1975
The University of Oregon Health Sciences Center Hospitals and Clinics serve the people of the State of Oregon by providing integrated patient care, medical education and research. The medical staff are fundamentally responsible for the quality of patient care and the development of educational research programs subject to the ultimate authority of the governing body which is the State Board of Higher Education through the administrative officers of the University of Oregon Health Sciences Center. The cooperative efforts of participating faculty clinicians are necessary to promote the best quality of patient care. Recognizing these facts, the physicians and dentists practicing in these hospitals and clinics hereby organize themselves into a Medical Staff in conformity with these bylaws and under the governing authority listed above.
ARTICLE I: NAME

The name of this organization shall be the Medical Staff of the University of Oregon Health Sciences Center Hospitals and Clinics; hereafter referred to as the University Hospitals and Clinics.

ARTICLE II: PURPOSES

The purposes of the Medical Staff are:

1. To ensure that all patients treated in the University Hospitals and Clinics shall receive efficient and high quality care and the personal consideration to which every individual is entitled.

2. To provide an appropriate setting for the continuous advancement of the health professions' standards, knowledge and skills of medical, dental, psychological, nursing, and allied health trainees.

3. To ensure the highest level of professional and ethical performance of all practitioners authorized to practice in the hospitals and clinics by outlining the privileges that each clinical practitioner may exercise and by continuing review and evaluation of each practitioner's performance.

4. To initiate and maintain rules and regulations for self-government of the professional staff.

5. To provide a means whereby the professional staff may participate in the development of hospital and clinic policy and to insure that matters of joint concern among professional and administrative personnel may be discussed and acted upon.
6. To act on matters presented to the Medical Staff by the Medical Board of the Medical Staff.

7. To conduct its business at regular meetings called at the discretion of the Medical Board, but not less frequently than twice each year, and additionally, upon request of twenty or more members of the Medical Staff.

ARTICLE III: MEMBERSHIP IN THE MEDICAL STAFF

Section 1. Nature of Medical Staff Membership

Membership on the Medical Staff of the University of Oregon Health Sciences Center Hospitals and Clinics is a privilege which shall be extended only to professionally competent practitioners who continuously meet the qualifications, standards, and requirements set forth by these bylaws.

Section 2. Qualifications for Membership

A. All Medical Staff members shall be members of the faculty of the University of Oregon Medical School.

B. Only physicians and dentists licensed to practice in the State of Oregon who document their background, experience, training, competence, adherence to the ethics of their profession, their good reputation, and their ability to work with others with sufficient adequacy to assure the Medical Staff and Center administration that any patient treated by them will be given high quality medical care, shall be eligible for membership or office on the Medical Staff. No physician or dentist shall be entitled to membership on the Medical Staff merely by virtue of the fact that
he/she is duly licensed to practice his/her profession in this or any other state, or that he/she had in the past, or has presently, such privileges at another hospital.

C. Acceptance of membership on the Medical Staff shall constitute the staff member's certification that he/she has in the past, and his/her agreement that he/she will in the future, strictly abide by the principles of Medical Ethics of the American Medical Association or the Principles of Ethics of the American Dental Association, whichever is appropriate to his/her specialty. This acceptance constitutes an obligation upon the Medical Staff member to faithfully abide by the Hospital Rules and Regulations and these Medical Staff Bylaws.

Section 3. Procedure for Medical Staff Appointment

A. Initial appointment and reappointment of a faculty member to the Medical Staff shall be proposed by his/her departmental chairman to the Medical Board of the Medical Staff. The Medical Board will act upon this proposal.

B. Appointment to the Medical Staff shall confer to the appointee only such privileges as are specified in the notice of appointment in accordance with these bylaws and the rules of the Health Sciences Center and the Board of Higher Education.

C. The application for faculty membership in a clinical department shall serve as the application for medical staff membership.

D. All Medical Staff appointees are subject to the rules and regulations prescribed for faculty appointments by the governing body, the Oregon State Board of Higher Education.
Section 4. Term of Appointment

A. Initial appointment shall be for the period extending to the end of the current fiscal year. Medical Staff membership shall be renewed automatically on a fiscal year basis unless terminated by the provisions of Article IV or the reassignment of duties by the departmental chairman.

B. For the purposes of these bylaws the fiscal year commences on the 1st day of July and ends on the 30th day of June each year.

ARTICLE IV:
TERMINATION OF MEDICAL STAFF APPOINTMENT

Section 1. Automatic Termination
Termination of a Medical School faculty appointment shall constitute automatic termination of member's Medical Staff appointment.

Section 2. Failure to comply with Bylaws
Any member of the Medical Staff who fails to comply with the provisions of these bylaws may be suspended from staff membership by the President of the Health Sciences Center on the recommendation of the Medical Board and its chairman.

Section 3. Sanctions, including Termination of Appointment, for Cause
A. The appointment of a Medical Staff member may be terminated, or other sanctions may be imposed, for cause. Sanctions for cause may include oral or written warning or reprimand, written censure, removal from an assigned post and reassignment, suspension for a period not to exceed one year, and termination. Sanctions more severe than oral or written warning or reprimand shall be imposed in accordance with the procedure in these bylaws and congruent
with institutional regulations.

B. "Cause" shall mean failure to perform the responsibilities of a Medical Staff member, arising out of his/her obligations in relation to his/her patients, students, academic discipline, colleagues, or the institution in its primary education, patient care, and scholarly functions, and secondary administrative functions. Evidence to demonstrate cause may include, but is not limited to, evidence on incompetence, gross inefficiency, default of professional integrity in teaching, research, patient care, or scholarship, and intentional or habitual neglect of duty.

Section 4. Procedures for Handling Sanctions, including Terminations

Charges or complaints regarding any member of the Medical Staff should be relayed to the appropriate department chairman or to the Chairman of the Medical Staff. If a satisfactory solution is not reached, the matter will then be reviewed by the Medical Board which will make recommendations to the Chairman of the Medical Staff. No sanction will be imposed on a Medical Staff member without an opportunity for the Medical Staff member to be heard by the Medical Board.

The Chairman of the Medical Board is authorized to impose a minor sanction consisting of an oral or written warning or reprimand on a member of the Medical Staff. Notification of sanction to the member of the Medical Staff concerned will be by the Chairman of the Medical Board or at his discretion, by another member of the Medical Board.
Sanctions more severe than oral or written warning or reprimand as specified in Section 1. B. of this article must be authorized by a majority vote of the Medical Board. Since the imposition of such a sanction on a member of the faculty must conform to policy and procedures of the State Board of Higher Education as specified in the Board's Administrative Rules, any such sanction authorized by the Medical Board must be in the form of a recommendation to the President of the Health Sciences Center. Thereafter, the procedure shall be as specified in Administrative Rules 41.335 to Administrative Rules 41.375 of the State Board of Higher Education, the governing body of the hospital, unless these administrative rules are amended by the Board in which case their revised rules will be effective immediately. Under the terms of the Administrative Rules if an ad hoc hearing committee is established to review charges against a member of the medical staff no elected member of the hearing committee may be a member of the Medical Board.

Section 5. Automatic Suspension

A. Action by the Oregon State Board of Medical Examiners or the State Board of Dental Examiners revoking or suspending a practitioner's license, or placing him/her upon probation, shall automatically suspend his/her Medical Staff privileges.

B. It shall be the duty of the departmental chairmen to cooperate with the Chairman of the Medical Board in enforcing all automatic suspensions.

January 17, 1975
ARTICLE V:
CATEGORIES AND PRIVILEGES OF THE MEDICAL STAFF

Section 1. The Medical Staff

The Medical Staff shall be divided into active, honorary, and associate membership.

Section 2. The Active Medical Staff

The active Medical Staff shall consist of physicians and dentists of the School of Medicine of the University of Oregon Health Sciences Center and the United States Veterans Hospital who attend, consult, provide patient services, or admit patients to the hospitals and clinics of the University of Oregon Health Sciences Center and who assume all of the functions and responsibilities of membership on the active Medical Staff. Members of the active Medical Staff shall be full-time or part-time members of the faculty appointed to specific medical departments, and may be required to serve on Medical Staff committees and to attend Medical Staff meetings. Members of the active staff shall be eligible to vote and to hold office. They must attend at least half of the regular meetings of the clinical departments (services) during the year. Ex officio members of the active staff shall include the Dean of the Medical School, the Dean of the Dental School, the Director of University Hospitals and Clinics, and the President of the University of Oregon Health Sciences Center.

Section 3. The Honorary Medical Staff

Honorary members of the Medical Staff are members of the Medical School faculty, appointed to specific Medical School departments,
and assigned responsibility to supervise and instruct trainees and aid in the care of patients. These may be physicians or dentists who have retired from active hospital practice or who are of outstanding reputation, not necessarily residing in the community. Honorary staff members shall not be eligible to vote, to admit patients, hold office, or to serve on standing Medical Staff committees.

Section 4. The Associate Medical Staff

The associate members of the Medical Staff are departmental members of the clinical (volunteer) faculty, physicians and dentists who are appointed to participate in the educational programs of the University Hospitals and Clinics and to assist with patient care. Associate staff members are not eligible to vote or hold office.

ARTICLE VI: CLINICAL DEPARTMENTS AND SERVICES

Section 1. Clinical Departments

The clinical departments of the University of Oregon Medical School are listed below. Each Medical Staff member must belong to one of them (except for physician members of basic science departments holding medical staff committee assignments and ex officio members of the Medical Staff specified in Article V, Section 2).

- Anatomical Pathology
- Anesthesiology
- Clinical Pathology
- Dermatology
- Family Practice
- Medical Genetics
- Medical Psychology
- Medicine
- Obstetrics and Gynecology
- Ophthalmology
- Otolaryngology
- Pediatrics
- Psychiatry
- Public Health and Preventive Medicine
- Radiation Therapy
- Radiology
- Surgery
Section 2. Hospital Services

The hospital services correspond to the clinical departments and/or divisions thereof. Each of the hospital services shall have a chief of service who will be corresponding department chairman and his/her appointee(s).

Section 3. Functions of the Chiefs of Service

Each chief of service shall be responsible for:

A. All professional and administrative activities within his/her service.

B. Supervision of clinical work carried out by the service, maintaining continuing surveillance of the work of the members and enforcement of the Medical Staff bylaws and the hospital rules and regulations within his/her service.

C. The educational and research programs within his/her service.

D. The administration of the clinical service through cooperation with the nursing department and/or hospital administration in matters affecting patient care, including personnel, supplies, equipment, special regulations, procedures, standing orders and techniques.

E. Participation in studies and reports of clinical activities and organization, including budget planning, as required by the Medical Board of the Medical Staff, the Dean, the Director of the Hospitals and Clinics, the President of the University of Oregon Health Sciences Center, or the State Board of Higher Education.

F. Fostering effective interservice relationships which favor the best standards of patient care.

January 17, 1975
G. Recommending and evaluating clinical responsibilities and duties of hospital staff members and their services and reviewing their hospital staff performance in accordance with faculty rules and regulations.

H. Annually reporting to the Medical Board on department hospital activities and professional staff performances.

Section 4. Functions of the Clinical Services and Departments

A. Each clinical service, subject to the approval of the departmental chairman and Health Sciences Center administration, may establish its own criteria consistent with the policies of the Medical Staff and the Health Sciences Center for granting clinical privileges.

B. Each clinical department is responsible for establishing its own medical care evaluation system, including regular and prompt review of the completed records of discharged patients. Such reviews should include consideration of deaths, unimproved patients, patients with infections, complications, problems of diagnosis and treatment, prolonged hospital utilization, and other instances as are believed to be important.

ARTICLE VII: OFFICERS

Section 1. Officers and Their Duties

The officers of the Medical Staff shall be chairman, vice-chairman, and secretary.

A. The chairman shall call and preside at all meetings of the Medical...
Staff, the Medical Board, and the Executive Council. In consultation with the representatives of these bodies he/she will prepare the agenda of all general meetings of the Medical Staff, of the Medical Board, and of the Executive Council. He/she shall appoint, on the recommendation of the Medical Board and the Executive Council subject to Presidential approval, the chairman and members of the committees of the Medical Staff unless otherwise stated. He/she shall serve as the principal spokesman for the Medical Staff on physicians' views or recommendations adopted by the Medical Staff or the Medical Board on any or all matters within their purview.

B. The vice chairman shall assume the chairman's functions, as stated above, in the chairman's absence.

C. The secretary shall maintain accurate and permanent minutes of all meetings of the Medical Staff, the Medical Board, and the Executive Council and shall perform such other duties as ordinarily pertain to the secretary's position.

Section 2. Election and Tenure of Officers

A. Eligibility for the office of chairman, vice chairman, and secretary requires membership on the active medical staff and the Medical Board.

B. The Medical Board of the Medical Staff on the advice of a nominating committee appointed from within its own membership shall elect annually the chairman, the vice chairman, and the secretary from its own membership. The chairman and vice chairman shall not serve in their respective offices for consecutive periods exceeding two years. The secretary shall not serve for
consecutive periods exceeding four years.

ARTICLE VIII: MEDICAL BOARD

Section 1. Composition of the Medical Board

The Medical Board of the Medical Staff shall consist of the following members:

A. The chairmen of the Clinical Departments as specified in Article VI: Section 1, (seventeen members).

B. Three elected representatives of the Medical Staff from each of the following three units (nine members):

<table>
<thead>
<tr>
<th>Unit I</th>
<th>Unit II</th>
<th>Unit III</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicine</td>
<td>Anesthesiology</td>
<td>Anatomical Pathology</td>
</tr>
<tr>
<td>Pediatrics</td>
<td>Obstetrics and</td>
<td>Clinical Pathology</td>
</tr>
<tr>
<td></td>
<td>Gynecology</td>
<td>Dermatology</td>
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<tr>
<td></td>
<td>Ophthalmology</td>
<td>Family Practice</td>
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<td></td>
<td>Otolaryngology</td>
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<td>Radiation Therapy</td>
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<td>Radiology</td>
</tr>
</tbody>
</table>

At the first election members shall be elected for three, two, or one year terms on the basis of plurality of votes. Thereafter, a term shall be three years in length and members may be re-elected for a total of three terms.

C. The President of the University of Oregon Health Sciences Center (who acts as a liaison with the governing body).

D. The Director of the University Hospitals and Clinics.

E. The Dean of the Medical School

F. The Dean of the Dental School

G. Director(s) of the Hospitals and Clinics Nursing Services, the
Dean of the School of Nursing, and the associate hospital administrators as identified by the Director of the University Hospitals and Clinics (non-voting members).

Section 2. Duties of the Medical Board

The Medical Board of the Medical Staff shall:

A. Meet at least once a month to conduct its regular business and to consider matters of interest and concern to the Executive Committee and to the Medical Staff.

B. Assist the chairman of the Medical Staff in the development of standing and ad hoc committees required for the proper conduct of Medical Staff affairs.

C. Receive, review, and act on all committee reports.

D. Record the Medical Board deliberations and actions as minutes or other documents received by or prepared by its secretary.

E. Transmit copies of such records to members of the Medical Staff.

F. Assist the officers of the Medical Staff in the preparation of Medical Staff meetings.

G. Formulate general policies of the University Hospitals and Clinics within the purview of the Medical Board, adopt such policies on behalf of the Medical Staff within the limitations of the Medical Staff bylaws and other applicable regulations or policies, and when necessary, forward policy recommendations to the Medical Staff for further action.

H. Assist in the coordination of the various clinical services in cooperation with appropriate department chairmen, their staffs and the Center's administrative officers.
I. Assist in the implementation and approval of policies governing the University Hospitals and Clinics.

J. Assist in the development of appropriate mechanisms to assure quality control of clinical services and in the maintenance of professional standards and accountability.

K. Participate, at its option through committee structures, in discussions of space utilization within the University Hospitals and Clinics.

L. Conduct ongoing review and maintenance of accreditation standards and requirements.

M. Approve all staff appointments and reappointments submitted by the chiefs of services and approve the retention of hospital privileges of all staff practitioners.

N. Review and approve the qualifications, duties, and medical responsibilities of those allied health professionals charged with direct patient care activities as submitted by the service chiefs.

Section 3. The Executive Council of the Medical Board

A. Composition of the Executive Council of the Medical Board.

The Executive Council of the Medical Board shall consist of the following members:

(1) The elected chairman, vice chairman, and the secretary of the Medical Staff.

(2) Six members elected by the Medical Board from its own membership to include at least one representative from each of the three units of the Medical Staff. The other elected members may be derived from any of the members of the Medical Board.
Members of the Executive Council shall hold terms two years in length. Initially members shall be elected for one and two year terms. Members may be re-elected for a total of three consecutive terms.

B. Officers of the Executive Council.

The officers of the Executive Council shall be the same as for the Medical Staff. The chairman, vice chairman, and secretary shall preside over its meetings in capacities similar to that of the Medical Board as a whole.

C. Duties of the Executive Council:

(1) The duties of the Executive Council shall be to serve the Medical Staff and the Medical Board in identifying issues, performing background studies, consolidating information, preparing agendas, advising the chairman with regard to committee appointments, and making recommendations to the Medical Board for consideration and decisions. Additionally, the Executive Council may advise and consult with the Director of the Hospitals and Clinics on matters pertinent to the Medical Board.

Meetings will be held as directed by the Medical Board and called by the chairman.

ARTICLE IX: COMMITTEES OF THE MEDICAL STAFF

Section 1. General Responsibilities of Medical Staff Committees

A. Standing Committees of the Medical Staff are advisory to the
Meeting #422-141

Medical Board of the Medical Staff and the Medical Director of the Hospitals and Clinics.

B. All Committees will meet at least monthly unless otherwise specified, and will keep a permanent record of proceedings and actions. The minutes will be filed with the Medical Director of the Hospitals and Clinics. Each committee member is required to attend at least 75% of all regularly scheduled meetings.

C. All Committees will report their activities and recommendations to the Medical Board at least once yearly.

D. In addition to their formal charges, Committees may study and advise the Medical Director on matters he may refer directly to them.

Section 2. Standing Committee on the Medical Staff

A. Committee on Ambulatory Patient Care.

(1) This Committee shall consist of seven members appointed by the Chairman of the Medical Staff on the recommendation of the Medical Board, together with the clinic administrator and director of the clinic nursing, as non-voting members.

(2) The Committee shall advise the Medical Board of medical policies in the clinics. The Committee shall advise and aid the Medical Director in coordinating patient care and medical education through the development of procedures to promote efficient and high quality patient management. The Committee shall serve as an advisory body concerning the organization, planning and conduct of ambulatory care programs.

January 17, 1975
B. Medical Records Committee.

(1) This Committee shall consist of a member from each of the Departments of Medicine, Surgery, Pediatrics, Obstetrics and Gynecology, Family Practice, and one other department, plus two representatives of a clinical central service, the director of medical records service and the administrative officer in charge of the medical records service.

(2) The Committee shall review all new medical record forms and deletions (elimination) of medical record forms.

(3) The Committee will recommend the order in which the medical record forms are maintained and displayed in the patient's file.

(4) The Committee will be responsible for maintaining a regular review of medical records with regard to their completeness, timeliness of medical record data reports, and clarity and consistency with which patient data are presented.

(5) The Committee shall recommend to the Medical Board disciplinary action for any member of the Medical Staff who is delinquent in the keeping of adequate and prescribed records.

C. Infection Control Committee.

(1) This Committee shall consist of a chairman and at least four members of the Medical Staff, as well as representatives from the Nursing Service, Division of Infectious Disease, Department of Public Health and Environmental Medicine, and the hospital administration.
(2) It shall be responsible for the surveillance of potential hospital infections, the review and analysis of actual infections, the promotion of preventive and corrective programs designed to minimize infection hazards, and the supervision of infection control in all phases of the hospital's operation. The Committee shall also be responsible for recommending preventive measures necessary to protect hospital workers from infection.

D. Tissue Committee.

The Committee shall consist of representatives from the following departments: Surgery, Medicine, Pediatrics, Obstetrics and Gynecology, Pathology, Radiation Therapy, Family Practice, Medical Director of the University Hospitals and Clinics, as well as a physician-pharmacologist and others as deemed necessary. The purpose of the Committee is to (1) review tissue which includes an evaluation of the preoperative and postoperative diagnosis, the indications for surgery and actual diagnosis of tissue removed at the operation. This also includes similar situations in which no tissue was removed at the time of surgery, and (2) analyze necropsy reports.

The case for review by the Tissue Committee should be submitted to the chairman or secretary by its members or the existing programs established by all departments or divisions for review of medical care.

If information available at the time of committee review is incomplete or inadequate, a decision by the committee may be deferred until its next meeting. If appropriate, the physician
responsible for the patient care may be asked to appear to furnish additional information.

E. Operating Room Committee.

(1) This Committee shall consist of the chiefs of all surgical and anesthesia services, or their designees, the operating room nursing supervisors, and appropriate administrative officers. The chairman shall be elected by the Medical Staff members of the committee. The ultimate complement of this Committee shall be determined by the Chairman of the Medical Staff on recommendation of the Medical Board.

(2) The committee shall be concerned with obtaining the most efficient and satisfactory use of space, equipment and personnel in the operating room functions. To this end, the Committee shall recommend to the Medical Board and the hospital administration regulations and procedures governing the activities of the operating room services.

(3) The Committee shall periodically review and recommend priorities in operating time and space allocation for the various teaching and service functions of the surgical departments and divisions. It shall coordinate the handling of emergency and elective surgery, and foster effective communication between the house staff and the faculty regarding scheduling and management of the hospital and clinical services.

F. Utilization and Professional Standards Review Committee.

(1) This Committee shall consist of a chairman and at least six members of the Medical Staff, two members of the nursing service, the director of medical records service, and a member
of the hospital administrative staff.

(2) The Committee shall review and interpret the regulations concerning hospitalization of patients under federal and state programs. It shall conduct utilization review studies designed to evaluate the appropriateness of admissions to the hospital services, and all related factors which may contribute to the effective utilization of hospital and physician services and meet the legal requirements of Social Security regulations and professional standards review (PSRO) legislation.

G. Pharmacy and Therapeutics Committee.

(1) This Committee shall consist of a chairman and at least four members of the Medical Staff. It shall be a multidisciplinary committee, and shall also include a representative from the pharmacy service, the nursing service, hospital administration, and a physician member of the Department of Pharmacology of the Medical School.

(2) The Committee shall concern itself with the requirements of the hospital formulary and with the drug utilization policies and practices within the hospital in order to assure the best clinical results and the least potential for hazard. The Committee shall assist in the formulation of broad professional policies regarding the evaluation, selection, procurement, storage, distribution, use, safety procedures and all other matters relating to drugs and parenterals in the hospitals and Clinics.
H. Transfusion Committee.

(1) This Committee shall consist of four members of the Medical Staff in addition to representatives of the nursing service, Emergency Department, Department of Clinical Pathology (Blood Bank), and hospital administration.

(2) The Committee shall be responsible for advising and recommending rules and procedures relating to transfusions of whole blood and its products. The Committee shall monitor all cases of transfusion reactions, and review and recommend policies for the blood donor program and for the storage and use of whole blood and its products.

I. Critical Care Committee.

(1) This Committee shall consist of directors of the Medical, Surgical, and Pediatric intensive care units, the director of the Emergency Service, and the chief of the Obstetrical/Delivery Service (or his/her appointee), a representative of the Anesthesiology service, the director and medical advisor of the Respiratory Therapy service, and a member of the hospital administration staff.

(2) The Committee shall review the organization, staffing, equipment and procedures for intensive and emergency care and for the development of professional standards and regulations. The Committee shall also evaluate on a regular basis the effectiveness of cardiopulmonary resuscitation procedures and other emergency training.

J. Electrical Safety Committee.

(1) This Committee shall include a chairman, four members of the
Medical Staff, and representatives of the physical plant, nursing service, and hospital administration, together with the electrical safety officer.

(2) The Committee shall ensure that the acquisition of medical instruments and their use and testing procedures conform to current standards of electrical safety for the use of electrical equipment in patient care areas. The Committee will function in liaison with the Health Sciences Center Electrical Safety Committee.

Section 3. Special Committees of the Medical Staff

From time to time, ad hoc committees may be appointed by the Chairman of the Medical Staff with approval of the Medical Board, as required to accomplish special purposes.

ARTICLE X: MEETINGS

Section 1. Regular Business Meetings

There shall be at least two regular business meetings of the entire Medical Staff each year, one in the fall and one in the spring. The time and place of the meetings shall be determined by the Medical Board. Special meetings may be called at any time by the Chairman or at the request of any twenty members of the Medical Staff. Records of attendance at regular business meetings shall be kept, and thirty members of the active Medical Staff shall constitute a quorum. Each member of the active Medical Staff shall be required to attend at least fifty percent of all regular meetings each year unless properly excused by the secretary prior to the meeting.
At these meetings, officers and committees shall make such reports as may be desired. A permanent record of proceedings and actions shall be kept and a copy filed with the office of the Chairman of the Medical Staff and the Medical Director.

Section 2. Department Meetings

Regular meetings of the clinical services and departments of the Medical Staff shall be held. These shall occur at least monthly and may be coordinated with regular department meetings of the faculty of the Medical School. These meetings must include consideration of matters relating to patient care and departmental hospital responsibilities. A permanent record of proceedings and actions shall be kept and a copy filed with the office of the Chairman of the Medical Staff. Each member of the Active Medical Staff in each department must attend at least 50% of all his/her departmental meetings.

Section 3. Educational Conferences

The regular departmental rounds, staff conferences, grand rounds and other teaching activities shall be deemed as satisfying the requirement of educational conferences for the Medical Staff. Each department shall maintain a permanent record of scheduled and special educational conferences and rounds to document such continuing educational activities.

ARTICLE XI: RULES AND REGULATIONS

The Medical Staff may adopt such rules and regulations as may be necessary for the proper conduct of its work.

January 17, 1975
ARTICLE XII: AMENDMENTS OF BYLAWS

The bylaws may be amended after thirty days' notice given before any regular meeting of the Medical Staff. Such notice may be given by the Medical Board which shall include the proposal for amendment on the agenda of the next regular meeting. Amendments shall require a 2/3 majority of the Active Medical Staff present for adoption and approval by the Dean of the Medical School and the President of the Health Sciences Center.

ARTICLE XIII: ADOPTION

These bylaws as approved by the Dean of the Medical School and the President of the University of Oregon Health Sciences Center, shall replace any previous bylaws, and shall become effective when approved by the governing body, the Oregon State Board of Higher Education.
MEDICAL STAFF BYLAWS

Adopted by the Active and Associate Medical Staff of the University of Oregon Health Sciences Center Hospitals and Clinics.

Date: ________________

Lewis W. Bluemle, Jr., M. D.
President,
University of Oregon Health Sciences Center

Date: ________________

Charles N. Holman, M. D.
Dean,
University of Oregon Medical School

Date: ________________

John D. Mosser
President,
Oregon State Board of Higher Education

January 17, 1975
STANDARD VIII

"The governing body shall delegate to the medical staff the authority to evaluate the professional competence of staff members and applicants for staff privileges; it shall hold the medical staff responsible for making recommendations to the governing body concerning initial staff appointments, reappointments and the assignment or curtailment of privileges."

STANDARD IX

"The medical staff bylaws, rules and regulations shall be subject to governing body approval, which shall not be unreasonably withheld. These shall include an effective formal means for the medical staff to participate in the development of hospital policy relative to both hospital management and patient care."

STANDARD X

"The governing body shall require that the medical staff establish controls that are designed to ensure the achievement and maintenance of high standards of professional ethical practices."

PRINCIPLE

"There shall be an organized medical staff that has the overall responsibility for the quality for all medical care provided to patients, and for the ethical conduct and professional practices of its members as well as for accounting therefor to the governing body."


January 17, 1975
Thank you for giving us the opportunity to speak before you today. It's the first time in three years that we have been on the agenda. For us these years have been important ones. We have grown from an idea into a viable research organization.

We believe they have also been years of a workable relationship between OSPIRG and the State System of Higher Education. These years have put to rest fears that OSPIRG could not responsibly live within the guidelines set by the Board of Higher Education in 1972.

Briefly to recapitulate those guidelines, the Board in 1971 and 1972 allowed OSSHE schools to participate in OSPIRG through the Incidental fee mechanism, so long as OSPIRG's main purposes were to engage in research and disseminate the results of that research. The Board decided not to allow the use of incidental fees if a major purpose of OSPIRG was "to defend human and civil rights secured by law", a purpose which would have entailed a significant amount of litigation. Consistent with this, the Board's guidelines also prevented affiliation with another
organization which would engage in that type of general public interest litigation that OSPIRG could not.

With this background in mind, I would like to move on to the contents of the Chancellor's report. The report refers to two matters -- litigation, and our tax status. The matter of litigation is, we think, mainly a housekeeping matter.

We have never, in the past, entered into litigation. We now realize that we will, almost by necessity, have to go to court occasionally.

On page four of the Chancellor's report are listed four circumstances under which we would like to be able to litigate. Items 1, 2 and 4 are, we think, almost self explanatory, and have raised no problems for anyone so far.

But item three, which would allow us to protect the interests of students as students, is, I understand, a matter of dispute.

This is a very important point for us. The request arises out of a very specific problem we have experienced in connection with an investigation of Adult Student Housing, Inc.

As most of you probably know, we have been investigating ASH for some time now. We are putting together information that may show ASH has been seriously overcharging its student tenants. If we do establish this, somebody has to take the responsibility to sue on behalf of ASH tenants to get the overcharge back to them. As far as we can determine, OSPIRG is the only group around capable of doing this for the tenants. Item 3 would allow us to do that.

That's all there is to it, and nothing more. This is definitely not an attempt on our part to circumvent or repeal the Board's 1972 restriction
on litigation, or to make litigation a major occupation of OSPIRG. It is only an attempt to define some very narrow, special cases where we feel a particular need or responsibility to go to court.

However, the major proposal before you today concerns not litigation, but our tax status. At the time we appeared before you in 1972, OSPIRG had a 501 (c) (3) federal tax exempt status. The Board's guidelines made no mention of this, but the record shows that we promised to notify the Board in advance should OSPIRG decide to change or modify our tax status.

Over the past three years we have encountered serious problems in maintaining this status, and it is these problems that bring us to you today.

The problems arise from the part of the tax code which severely limits our appearances before legislative bodies. Due to this limitation we are usually unable to communicate our research in the form of testimony to interested legislators where it is relevant to a pending piece of legislation.

Thus, we are severely limited in our purpose of the dissemination of our research. Naturally, OSPIRG is doing research all the time on the same issues legislators are considering, because they are issues of interest to a large segment of the general public. By the same token we also do a substantial amount of research that is of interest to the work of many administrative bodies.

The tax code leads to the following anomaly in the way we disseminate our research. If work we have done happens to be relevant to an administrative agency, we are perfectly free to appear before them. We can tell the agency about our research, and recommend appropriate action, action which we discovered by our research to be needed.
However, when our report happens to be related instead to a legislative issue, we must not in any way attempt or appear to attempt to influence legislation. In other words, the kind of testimony we can freely give to administrators may not be given to legislators. In the vast majority of cases we have simply had to prohibit students or staff from appearing before legislative committees.

Our inability to give legislative testimony is first of all detrimental to legislators, who have indicated by their many supportive letters that they would like to have freer access to our research.

More important, it has also been very detrimental to the experience of students who do OSPIRG research. For those few students who have given legislative testimony for OSPIRG, it has been the acid test of their research. Preparation for the testimony has greatly improved the quality of their work, and they have learned from testifying what it means to stand up for the quality of their own work. I think the many letters you have received from educators and students adequately describe the potential educational benefits of this kind of testimony.

The proposal before you today is specifically designed to solve the problems caused by our inability to give legislative testimony. We propose to form a companion organization, also controlled by students, which would obtain a tax-exempt status under section 501(c)(4) of the Internal Revenue Code. This section of the tax code is one which does not limit the amount of legislative testimony that may be given.

The companion organization would also allow us to comply fully with the Oregon Lobbying Disclosure Act without raising the possibility of facing an investigation by the Internal Revenue Service.
This companion organization arrangement is a relatively common one, and is not unlike the dual organization arrangement of the City Club of Portland or the League of Women Voters.

It is important to note that under this proposal the new companion organization would be just as much subject to this Board's guidelines contained in the 1972 resolution as is OSPIRG.

There are two things our proposal does not do.

It does not change the purposes or activities of OSPIRG. OSPIRG, and the companion organization, will continue to be limited to engaging in, and disseminating research in the public interest.

Secondly, the proposed change does not allow OSPIRG or the companion organization to become partisan or political. Federal law and regulations would strictly prohibit either organization from engaging in any partisan political activities whatsoever.

Our proposal, we believe, is fully consistent with past Board practice and policy. For years the Board has allowed students to allocate their incidental fee money to organizations which do actively give legislative testimony.

In fact, as the Chancellor has kindly pointed out to me, the Board has done nothing to contribute to the problems we are coming to you with today. It is federal tax law, not State Board policy, which has created these limitations on our activities.

This tax law may be changed sometime in the future. A bill introduced into the last session of Congress by Representative Ullman would have amended the tax code to allow groups like OSPIRG to testify more freely in front of legislative bodies. If this bill had been passed, we would not need to be before you today proposing this modification.
And, if this bill does become law two years from now, or four years from now, we would be able to dissolve this second organization and continue on with OSPIRG just as we have in the past.

That sums it all up, as far as we're concerned. In closing, I just want to note that we don't consider the proposals in the Chancellor's report to represent major departures in the way we do things at OSPIRG. We think they are just minor modifications designed to improve our ability to do our basic job -- completing public interest research, and providing an educational program for Oregon students.

I hope you will approve the Chancellor's report. Thank you.
Mr. Loran L. Stewart  
Member, State Board of Higher Education  
2280 Oakmont Way  
Eugene, OR 97401

Dear "Stub":

Attached is a somewhat detailed letter stating what appear to be serious and complicating problems for the Board of Higher Education should it choose to approve OSPIRG's stated intention of setting up a separate, companion corporation under a 501 (c)(4) tax-exempt, but not tax-deductible status, if such corporation is funded from mandatory student incidental fees (state funds), and then engages in lobbying, litigation, and the payment of student participants (interns) who would "cooperate closely with one of the professional staff members in the ongoing research and advocacy in which the staff person is engaged". (Quote from OSPIRG "Proposal for Full Year Internship Program").

The Board of Higher Education is not in a position to "monitor" the activities of this essentially private, off-campus, staff-dominated, public-advocacy corporation, nor to see to it that "in kind" contributions are not channeled from the parent OSPIRG with its 501(c)(3) tax status to the other corporation.

The arguments by OSPIRG to lobby, to litigate, and to "broker" academic credit are not new, nor convincing. The Board could, and should, remove itself from these activities which it is not in a position to "control" or "supervise" (to quote ORS 351.070(1)(d)), and exercise the educational
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and statutory authority it has to recommend that the OSSHE institutions enter into whatever arrangements with the OSPIRG they deem appropriate under the optional or voluntary provisions of ORS 351.070(1)(e).

Sincerely,

Elizabeth H. Johnson

EHJ/lrs

Attachment

cc: Chancellor R.E. Lieuallen
    All Members, State Board of Higher Education
    Attorney General Lee Johnson
    Senate President, Jason Boe
    Speaker of the House, Philip Lang
    Representative Harvey Akeson
    Senator Jack Ripper
    Representative Vera Katz
February 17, 1975

Mr. Loran Stewart, Chairman
Committee on Instruction, Research
and Public Services
2280 Oakmont Way
Eugene, OR 97401

Dear "Stub":

It is my understanding that the Oregon Student Public Interest Research Group (OSPIRG) intends to "inform" the Board of its intent to create a separate corporation ("X Incorporated") which would apply for a 501(c)(4)* tax status, and which would then be able to lobby and to litigate. The "parent" OSPIRG would continue to hold a tax-exempt, tax-deductible 501(c)(3) status and engage "exclusively" in the kind of "non-partisan analysis, study or research" and "the dissemination of the results of the research to the public" which has been approved by the Board of Higher Education.

According to a January 15, 1975, memorandum to Chancellor Liewallen from Neil Robblee, Executive Director of OSPIRG, OSPIRG looks upon its proposal to form a separate 501(c)(4) corporation "as a stopgap measure to tide us over until the Internal Revenue Code is modified, and not as a long-term change in our structure or activities".

According to Mr. Robblee, the new corporation "will keep separate books and accounts, and will be generally distinct enough to satisfy our tax counsel and our accountant that all laws and regulations are being followed".

*See definitions of 501(c)(3) and 501(c)(4) attached
Just how this new "X Corporation" would be funded has apparently not been resolved, because Mr. Robblee continues: "If the Oregon State Board of Higher Education decides to take no action on the question of funding arrangements, the directors of "X Inc." and you (Chancellor Lieuallen) could work out a mutually satisfactory arrangement, as you did after OSPIRG was approved. The Board could, if it chose, specify that no Oregon State System of Higher Education funds be used for this new corporation. In that case, all "X Inc." expenses would be funded by non-OSSHE schools and other outside sources... Though this proposal is for the formation of a separate and distinct corporation, we believe this is conceptually and practically the same as proposing that OSPIRG itself become a 501(c)(4) corporation." This is very loose language and appears to me to indicate OSPIRG considers itself in a class different from other tax-exempt, tax-deductible organizations and foundations - a device that will permit OSPIRG to collect tax-deductible funds for "exclusively educational purposes" and subsequently use them to lobby and litigate.

In her January 14, 1975, letter to members of the Board of Higher Education, Ms. Katharine Campbell, Chairperson of OSPIRG, wrote "... it is clear from the record that we also agreed to apprise you (SBHE) beforehand of any intention to change our tax status. This is the purpose of this letter... This change requires no action on the part of the Board, but we did promise to let you know about it." This statement does not square with the present Board policy and seems to me patronizing.

A re-reading of the May 22, 1972, Board statement regarding the funding of OSPIRG from mandatory incidental fees, and the relationship of OSPIRG to the Board, will quickly show that the creation of a separate corporation, or the engaging of OSPIRG in lobbying and/or litigation would be in direct conflict with Board policy. Most clear-cut of all are Sections #1, #2 and #4 of the statement.

#1 "Each institution of the State System of Higher Education is authorized to determine through incidental fee procedures whether it wishes to participate in OSPIRG through allocation of general incidental fee monies to OSPIRG through the same types of allocations as are made by student body and institutional authorities to other functions funded through incidental fee procedures. Under this authorization each institution of the SSHE is authorized by the Board to define its relationships to OSPIRG by adoption of one of the following options:

(a) to participate in OSPIRG on the basis of funding from general incidental fee monies of an OSPIRG budget approved by student body and institutional authorities in the same manner as other incidental fee-supported student activities are considered and approved;
(b) to participate on the basis of voluntary student contributions, either with (1) the institution cooperating with OSPIRG in the collection of such voluntary student contributions at registration time, or (2) without any direct institutional involvement in the collection of voluntary contributions.

§2 The Board affirms that it authorizes its institutions the option of participating in OSPIRG through the student incidental fee procedures only on the basis that OSPIRG limit its activities to non-partisan analysis, study or research of issues of general public interest and to the dissemination to the public of a full and fair exposition of the pertinent facts and results of the aforementioned non-partisan analysis, study, and research. OSPIRG's entering into litigation in promoting its views or affiliating with an organization, one of whose principal purposes is the carrying on of a program of litigation, or hereafter sponsoring boycotts, would constitute cause for the Board of Higher Education's withdrawing from its institutions the option of participating in OSPIRG through the incidental fee procedures. (Emphasis added.)

§4 The Board will specifically re-examine the OSPIRG principle or the OSPIRG program, before July 1, 1973 in the light of the provisions of ORS 351.070(d). (The Board did not do this - added)

By this May 22, 1972 statement and the earlier unusual action to "approve" the OSPIRG principle and the refundable mandatory OSPIRG fee, the Board of Higher Education entered in an exceptional fashion into each institution's incidental fee allocations, making of OSPIRG a situation quite unique from that of other activities funded by incidental fee monies as follows:

A. The Board does not act directly as a "cooperator" or conduit for the collection and allocation of incidental fee monies for any other campus-based activity;

B. The Board does not make provisions for incidental fee monies to be channeled to any other State-wide, off-campus, semi-private corporation which draws financial support from other post-secondary institutions, public and private, federal sources, internship programs, private foundations, private gifts, "contracts" with administrative agencies, etc.

C. The Board does not put itself in the position of accepting vouchers or writing checks for payment of any other incidental fee accounts. Technically, in changing the ground rules, the Board appears to be legally and directly responsible for monitoring the activities funded by these State funds, collected for OSPIRG. The Board is also responsible for the auditing of the OSPIRG accounts, as to performance.
D. The Board does not accept responsibilities for limiting or monitoring the purposes of other incidental fee-supported activities, except as it has delegated its responsibilities to the institutional executives and student governments.

E. The Board does not remove from the institutional executives the responsibilities of auditing and accounting for the use of student incidental fee monies—except in the OSPIRG situation.

If OSPIRG now intends to enter into the kind of partisan, lobbying efforts or litigation specifically not authorized from the beginning and in #2 of the May 22, 1972, statement, then, in fact, OSPIRG has created the kind of "cause" for the Board of Higher Education's withdrawing from its institutions the option of participating in OSPIRG through the mandatory incidental fee procedures.

In other words, OSPIRG cannot simply declare its intention of creating "corporation X"—or of changing the parent OSPIRG's tax status to engage in lobbying and litigation—without specific Board authorization. To do so would be in direct contravention of the May 22, 1972, statement—and even in violation of the ill-defined, so-called "OSPIRG principle" adopted by the Board in March or 1971 by a vote of 5 to 4.

"Lobbying", in and of itself, involves taking a stand, persuading legislative bodies toward a particular action on given measures. OSPIRG members have been free, as individuals, to make available to the public, and the legislature, the results (facts or conclusions) of the so-called "non-partisan research and analysis" undertaken by OSPIRG staff or individuals. In order to represent the OSPIRG "stand" or "position", the organization would have to poll the individual chapters, have the matter referred to a legislative committee of OSPIRG, provide for minority reports or dissenting views and do what the League of Women Voters, Common Cause, the Oregon School Boards Association, the Oregon Education Association, Associated Oregon Industries, and many others do. It is important to note that the aforementioned associations and groups are made up of voluntary memberships, and that dues and funds are contributed on a voluntary—not mandatory—basis. They are private funds. On the contrary, by an Oregon court decision, mandatory student incidental fees, once collected, are State funds. If OSPIRG takes a "stand", the State Board of Higher Education, indirectly, takes a "stand".

This "taking a stand" on legislation of "general public interest" or of special interest has been, as a matter of principle, something that educational institutions and Board of Trustees have said was not appropriate for the institutions, per se, or for the boards, per se. The matter of taking an institutional stand on
political or social issues has been at issue in the lettuce boycott and controversy at the University of Oregon. President Clark has followed the Board's rules and policies and has refused to involve the university in taking a position.

If the Board authorizes the new OSPIRG corporation, then this new lobbying corporation would have to take the responsibility for deciding which interests, which views and which legislation to support or advocate, or oppose. Meanwhile, the original OSPIRG would have to maintain the appearance of conducting "non-partisan research and analysis" and disseminating it even-handedly to the public. This would create a very difficult situation for the Board of Higher Education, which would have to make some judgments about the degree, amount and purpose of "in-kind" assistance rendered to the "X Corporation" which would be engaged in advocacy, lobbying, litigation, publicity, propagandizing, etc.

Leaving to one side the value of the kind of consumer-protection, environmental protection and "public interest" service performed by OSPIRG (and many other groups as well), and accepting the fact that many of OSPIRG's activities are "educational" (as are many other kinds of programs), it would seem to me that the Board of Higher Education should not put itself deeper into the entanglements and involvements of "monitor" or "policeman", along with the IRS, and technically of taking a public stand on political issues by continuing to approve the use of mandatory fees to support this off-campus, essentially private, consumer-oriented, public advocacy group.

According to "Notes to Financial Statements, Year Ended September 30, 1974", filed by Laventhol, Krekstein, Horwath and Horwath, accountants and auditors of the OSPIRG account, #3 "Contingency" reads:

"A lawsuit has been filed against OSPIRG for alleged libelous materials contained in an OSPIRG publication. The complaint demands $25,000 general damages, $35,000 special damages and $75,000 punitive damages. In the opinion of legal counsel for OSPIRG, there appears to be a number of defenses which can be raised by OSPIRG. No provision has been made in the financial statements for possible loss in connection with this lawsuit."

ORS 351.070(1) provides for the collection of tuition and fees by the State Board of Higher Education as follows:

(1) The State Board of Higher Education may, for each institution under its control:

... (c) Prescribe fees for enrollment into the institution. Such enrollment fees shall include tuition for education and general
services, and such other charges found by the Board to be necessary to carry out its educational programs.

(d) Prescribe incidental fees for programs under the supervision or control of the Board found by the Board, upon its own motion or upon recommendation of the recognized student government of the institution concerned, to be advantageous to the cultural or physical development of students.

(e) Upon recommendation of the recognized student government, collect optional fees authorized by the institutional executive, for student activities not included in Paragraph (c) or (d) of this subsection. The payment of such fees shall be at the option and selection of the student and shall not be a prerequisite of enrollment."

The Board has been authorizing the collection of incidental fees for the support of OSPIRG under (d) above. No use thus far has been made of authority granted in subsection (e).

If one follows the progress of the legislation creating section (e) of ORS 351.070 (the optional fee), it will be seen that it was the intent of the Legislature that such non-campus-based activities as the OSPIRG could fall under the optional fee category. Despite the fact that the original optional fee category legislation was passed by the 1971 Legislature and amended by the 1973 Legislature, it was only in November of 1974, under pressure of the up-coming 1975 session, that the SBHE took the required action. At the November 26, 1974 meeting, the Board passed, with some dissenting votes, an optional fee policy which, in my view, is a deterrent to the collection of optional fees. Certainly, it will make the use of the optional fee category highly unlikely.

Naturally, student government officers, college administrators, and others, prefer the mandatory fee route. Large sums of money for all kinds of activities come directly to them, without the need for "selling" or justifying the purposes for which the funds are to be used - or without the need to make any efforts to collect the funds. Incoming students particularly, have no way of knowing, or deciding how $75 to $90 per year (almost 1/5 of the total cost) of their mandatorily collected fees are to be used. In my opinion, there will be no student incidental fees collected on an optional basis - at least not in the next biennium.

Unless... if the Board should agree that in making the decision to change its tax status, the CSPIRG has elected to engage in activities incompatible with previous Board actions and with the Board of Higher Education's responsibilities, then the Board itself could - and should - make the decision that non-campus based groups
over which the Board really has no direct "control" or "supervision" should seek from each institution's student government and administration, the privilege of being funded, on an optional basis, by voluntary student contributions either with

(a) the institution's cooperating with the OSPIRG in the collection of such voluntary student contributions; or

(b) without any direct institutional involvement in the collection of voluntary contributions.

Such arrangements would have the following advantages:

(a) They would permit the OSPIRG to adopt such purposes, structural organization, and operations as would be permissible under the tax status developed by the OSPIRG and the IRS.

(b) It would remove from the SBHE the questionable role of being responsible for defining the purposes, collecting the fees, and monitoring the use of state funds by an off-campus, statewide essentially "private" corporation over which the SBHE can — and does — exercise little direct control. Mandatory student fees are to be "under the control of the Board", according to ORS 351.070(d). According to a December 26, 1974 letter from Lyndon A.S. Wilson, Jr., Assistant Secretary of State, the Secretary of State audits the Department of Higher Education, and the revolving account by which OSPIRG is funded, but has no further responsibility. According to the September 30, 1974 audit of the OSPIRG accounts, the OSSHE schools provided $106,219 of a total expenditure budget of $124,294. Private institutions provided $26,028, and internship and federal grants $10,841. $56,755 of the expenditure budget was for staff salaries, $15,000 for publications and printing. $19,118 was for staff travel and telephone. Local boards received a total of $1,867.00.

(c) It would permit the statewide OSPIRG to "negotiate" its relationships with the campus chapters, provide for representation on its board of financial supporters other than students, and avoid the necessity of taking the Board of Higher Education into consideration when it "takes a stand" on issues of general public interest.
(d) It would remove the necessity of the Board's requiring the preparation and presentation of a separate and segregated incidental fee budget for any 501(c)(4) "corporation". Without such a separate budget, the "parent" OSPIRG with a 501(c)(3) tax status would be in a position of allocating funds, making policies, and providing "in kind" contributions for a non-tax-deductible 531(c)(4) entity.

(e) It would remove from the Board the implied "approval" of the academic quality of the "research and advocacy" of the students or staff, if the OSPIRG is to be a "broker" for academic credit (grades, transferability, content, etc.) from the institutions, while paying student interns a monthly salary of $300.00 to do the "research".

All of the arguments to engage in lobbying, litigation and brokering of academic credits are not new. As you will recall, in March of 1971, at a press conference immediately following the Board's narrow approval of "the OSPIRG principle", Mr. Larry Salmyon, one of the chief spokesmen for the OSPIRG, indicated that they needed the authorization to litigate and to lobby and he speculated that OSPIRG would seek to create a separate corporation possibly funded by monies received from the private institutions and the community colleges. The then-President of the Board, George Layman, stated that an attempt to do this would constitute an abridging of the "agreement" with the SBHE and would require another review and decision by the Board.

That the "OSPIRG principle" did not include the right to litigate or to represent a partisan approach to influence legislation at any level has been reiterated and reinforced repeatedly. A re-reading of the minutes of the OSPIRG, letters written by the Chancellor, Vice Chancellor Romney, OSPIRG officers and staff, etc., will make it abundantly clear that the OSPIRG has had a continuing goal of achieving the purposes of lobbying and litigating, of public advocacy, activities limited by Board action and legal interpretations.

You will recall that Henry Richmond, in testimony presented to the Board on March 2, 1971, urged that OSPIRG be authorized to:

(a) "defend legal rights of students relating to quality in the environment and justice in the marketplace."

(b) To initiate litigation under two circumstances:

(1) "As a supplement to, or logical conclusion of, a program of research initiated either by OSPIRG or by an individual student or group of students.

(2) When a student is affected, as a student, by an environmental or consumer problem."
The Board did not accept that kind of "litigious activity" then. Nor has it accepted it since. OSPIRG's Executive Committee says, in a memorandum dated November 27, 1974: "We have long felt that the educational value to students of doing research for OSPIRG would be enhanced if students were able to present their recommendations to legislative bodies and to the courts. In addition, we have felt that we could more effectively represent the interests of students were we able to lobby and litigate." (Emphasis added.)

How different is #3 of the "litigious activity" being asked now, and recommended by the Board's staff for approval, from the above? Number 3 reads that OSPIRG be permitted to enter into litigation under the following restricted conditions:

"3. To assert claims arising from OSPIRG research which would substantially benefit interests of students as students."

Does the Board propose to attempt to monitor and judge when the "interests of students as students" are different from "the interests of students as citizens"? Mr. Richmond offered as an example "contamination of the Willamette River would affect students at the University of Oregon and air pollution from automobile exhausts would affect students at PSU." This would require a Solomon and could lead the Board into serious entanglements. OSPIRG will have become an active, public advocacy agent, using its "educational" programs as the basis for promoting legislation and court cases.

In my view, the arguments by OSPIRG to lobby and to litigate are not new nor convincing. The Board could - and should - remove itself from these activities which it is not in a position to "control" or "supervise", and exercise the legal - and, in my view, appropriate statutory authority it has to recommend that the institutions enter into whatever arrangements with the OSPIRG they deem appropriate under the optional or voluntary fee provision of ORS 351.070(1)(e).

Sincerely,

[Signature]

Elizabeth H. Johnson

EHJ/ls
Attachments
REPORT ON OSPIRG DEVELOPMENTS

Lobbying

Members of the board have recently received a letter (dated January 14, 1975) from Katharine Campbell, chairman of the OSPIRG board of directors, reporting to the board of higher education that OSPIRG, for reasons set forth in the letter, plans to establish a new, companion entity under Section 501 (c) (4) of the United States Internal Revenue Code. To permit ready reference, a copy of Ms. Campbell's letter is included on pp. 7-9.

Section 501 (c) (3)

Section 501 (c) (3) of the Internal Revenue Code, under which OSPIRG is presently exempted from the federal tax on corporations, sets forth the nature of the organizations that are to be exempted under this provision, as follows:

(3) Corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation, and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office. [Emphasis added.]

Section 501 (c) (4)

OSPIRG proposes to continue to operate under the foregoing exempt status. But it proposes the establishment of a new, companion entity under the provisions of Section 501 (c) (4), which reads as follows:

(4) Civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare, or local associations of employees, the membership of which is limited to the employees of a designated person or persons in a particular municipality, and the net earnings of which are devoted exclusively to charitable, educational, or recreational purposes.

This new entity would not be circumscribed, as OSPIRG presently is, in the extent of the testimony that it may give before legislative bodies, or in the efforts it may make to influence legislation by "personal agency."

(See draft of proposed Articles of Incorporation on pp. 11-14.)
Nevertheless, SASU is gaining in political influence, and part of the reason doubtless rests on a simple political fact: the 18-year-old vote. Legislators now see students as a viable political constituency within the state rather than just another powerless special interest group. And SASU is increasingly being looked upon to present "the student view" on proposed issues. Petraitis is proud to tell a story of how Cook once stopped debate on a measure before her committee to ask the SASU position on it, but the newly found notoriety could be fraught with peril for an organization just four years old and still struggling to keep abreast of its own rapid expansion. "I don't pretend in my most modest moments to represent 382,000 persons who are students," Petraitis says with a grin. "What SASU can do is to articulate positions on matters of great importance to students...issues you can get a general student perspective on like financial aid or tuition."

SASU's counterpart in New York State is the younger New York Public Interest Research Group (NYPIRG), founded in Ralph Nader's desire to combine the twin tenets of educational reform and social change into a student-based group that would conduct consumer price surveys and sales fraud studies, push legislative reform measures and voice environmental concerns.

NYPIRG is patterned after the other PIRG chapters across the country and, like the others, operates with complete autonomy. The organization is controlled by a student board of directors: Executive Director Donald K. Ross is accountable to the student board, manages the staff and interns, and makes sure that what the organization does is of professional quality. "By and large, students set the overall policies and decide the overall issues," he says, "but the staff and the director are the ones responsible for the day-to-day quality control."

The most ambitious task undertaken by NYPIRG is an exhaustive profile of every member of the state Legislature, a project patterned after the Nader congressional project carried out in Washington last year. Over 100 student interns supplied labor for the task—conducting interviews, compiling data,collating questionnaires. The finished product, Ross estimates, will cost $20,000. It will be more than 2,000 pages long and will detail the voting records, campaign financing, and political philosophy of the State Senate's 58 members and the State Assembly's 147 members. Each individual legislative profile will run eight to sixteen pages in length.

"It will let citizens know who their legislators are, what they stand for, who supports their campaign, and what they voted on in the past year," Ross explains. The survey will be published this fall, several weeks before the New York State legislative elections.

While the profile dwarfs other PIRG projects in sheer cost and effort, the organization has probably gained its greatest public success from the various consumer surveys and studies staff members have conducted. A study unearthed evidence of deception, conflict of interest, and incompetence in the sale of hearing aids in Queens, New York. A survey of gasoline stations found a wide differential in the price charged per gallon in Albany during the height of the gasoline "crisis." Supermarket prices were compared in Albany and other cities so consumers could judge which of several chain stores in a particular area would give them the most for their money. A survey of prescription drug prices in four major cities found, unsurprisingly, that ghetto stores were grossly overcharging customers. And what began as a small, local tax assessment project by four PIRG students in Troy mushroomed into a massive exposure of property tax inequities and implicated a leading tax firm for breach of contract with the city.

In a second undertaking, NYPIRG wrote what Ross called "the most comprehensive package of political reform drafted on the state level." The results were not as successful as one might hope: parts of the NYPIRG bills were absorbed into other bills, but no specific PIRG measures were actually enacted into law.

It is difficult to assess PIRG's overall degree of success because it is new and not fully organized, and much of its work has not yet really come to fruition. But NYPIRG is successfully extending to an
advocacy role the movement toward student involvement with the community that began several years ago with community service projects, independent study, colleges without walls, and external degree programs. And it is creating a presence that forces people to deal with students as full citizens, rather than as young or semi-citizens. Finally, in the more rural areas of the state

At the start of this new academic year, both NYPIRG and SASU ironically find themselves with greater popularity, support, and credibility than at any previous time, but with their future existence clouded by legal uncertainties. Such uncertainties particularly depress student leaders...."

NYPIRG appears to be improving town-gown relationships, as groups like the elderly or the poor benefit from specific price surveys that students conduct on their behalf.

PIRG finds itself in a state of transition at the start of this academic year. The organization began as a small, rural effort, based in upstate New York and supported primarily by the larger private institutions. But since the spring of 1973, additional staff has been hired and NYPIRG has expanded its organizing efforts to the state university system. It has become more urban, with the main office now located in New York City and with regional offices in Albany, Syracuse, and Buffalo. There are 11 full-time employees, and the budget—derived from the $3 fee contributed by each student member—stands at near $160,000. But the picture for the 1974-75 academic year is clouded.

Ross confesses: "The character of our organization is going to undergo a real change. It's going to expand into new areas of the state...we're uncertain just what will happen with so many new schools joining."

Hopes of successful future expansion rest on the outcome of a funding battle NYPIRG has been waging with the State University central administration. Six large SUNY schools are eager to join NYPIRG— their membership adding thousands of dollars to the group's coffers. There are two ways NYPIRG can collect its dues from state schools; both require university sanction, and university officials are strongly resisting.

The first method would involve the university adding a special voluntary line to the student's room and tuition bill for PIRG, something university officials insist they cannot do since they claim NYPIRG is a private corporation and the university would be acting as a collection agency for them. The second way NYPIRG can collect monies is to have each student government apportion a lump sum to the group every year. But since student fees are collected on state campuses under a mandated system, the funds are subject to strict administrative control and trustee regulation. Since NYPIRG operates outside the legal confines of the university system, university officials claim it cannot use any of the student fee monies.

NYPIRG officers, for their part, counter that their organization is no different from the National Student Lobby (NSL), the National Student Association (NSA), or SASU, all of which receive student fee monies and are private corporations. Ross says NYPIRG will sue for equal protection if it is denied funds: "I don't believe there are any regulations or anything else that prohibits PIRG from operating within New York State."

State University Chancellor Ernest L. Boyer, however, insists that attempts by NYPIRG to force the issue by taking it to the courts could result in the collapse of the entire mandatory student fee structure within the state. In that event, all of the student political groups would suffer. If Ross sues, warns Boyer, "he will make the point very clear. I can predict the outcome, and it will not be the funding of PIRG." In my opinion it will be the nonfunding of SASU..."

Collection of student fees within the state, he maintains, is a "gentlemen's agreement on very thin ice" between the state and the university, an understanding between the two groups that student monies will be collected only when the money is spent for "narrowly defined university purposes." The policy, he contends, prohibits the use of fees for private corporations like PIRG.

So, at the start of this new academic year, both NYPIRG and SASU ironically find themselves with greater popularity, support, and credibility than at any previous time, but with their future existence clouded by legal uncertainties. Such uncertainties particularly depress student leaders who see such groups as a healthy indication that many students are still willing to channel their energies into organizations that will work to improve the social order. As Ross says, "Kent and Jackson State were manifestations of the student rise to activism, just as PIRG is a manifestation of the same effort. It's just that PIRG is more sophisticated than a demonstration or march. Students aren't ready to demonstrate. They've found out it doesn't work."
March 17, 1975

Mr. Lee Johnson, Attorney General
State of Oregon
Department of Justice
100 State Office Building
Salem, OR 97310

Dear Lee:

Attached is my request for an Attorney General's opinion on several questions dealing with the funding of activities of the Oregon Student Public Interest Research Group (OSPIRG). It has only recently come to my attention that OSPIRG, finding themselves faced with the possibility of not being able to lobby (and litigate) in face of the present Conflict of Interest law, and at the same time maintain their 501(c)(3) tax status, is attempting to accommodate the requirements of the new law by the formation of a companion or twin corporation, which would have 501(c)(4) tax status.

I have seen the docket of the agenda for the Board of Higher Education meeting for March 25. I believe that if the recommended action is taken with as little in-depth analysis and relevant information as is contained in the docket, the State of Oregon may be putting itself into a position of contingent legal liability that it neither wants nor anticipates.

Hopefully, your opinion may be available before the Board meeting, but I recognize the shortness of the time and I know the work load that your staff is now carrying.

I am in hopes that the Board will be persuaded by common sense and prudence to postpone action until your opinion is available for them and the public in general.

Sincerely,

[Signature]

Sam Johnson

SJ/1s
REQUEST FOR ATTORNEY GENERAL'S OPINION ON QUESTIONS RELATING TO THE AUTHORITY OF THE BOARD OF HIGHER EDUCATION TO LEVY, COLLECT AND SUPERVISE THE USE OF MANDATORY STUDENT INCIDENTAL FEES.

REQUESTED BY REPRESENTATIVE SAM JOHNSON 54TH REPRESENTATIVE DISTRICT

March 17, 1975

1. Are mandatory student incidental fees, which must be paid as a pre-requisite of admission to a State System institution, once levied and collected, public (state) moneys?

Reference: Morgan vs State Board of Higher Education, Lane County Circuit Court.

2. Are the opinions and conclusions drawn by Mr. Ray Underwood, Assistant Attorney General, in a memorandum dated February 3, 1971, still valid?


3. Can the proposed "companion" OSPIRG corporation, under a 501 (C) (4) tax status utilize any funds whatsoever, derived from the "parent" OSPIRG which would continue under the 501 (C) (3) tax status?


4. Does a 501 (C) (3) corporation or foundation, enjoying tax-exempt, tax-deductible status, have a legal right to engage in litigious activity as a plaintiff, under the U. S. Internal Revenue and Oregon Codes?

Reference: OSPIRG request #3 as printed in docket of Committee on Instruction, Research, and Public Service Programs, dated February 25, 1975, #3 "To assert claims arising from OSPIRG research which would substantially benefit interests of students as students".
5. ORS 351.070 1 (d) provides for mandatory incidental fees to be "under the supervision or control of the board". Do the statutes provide legal authorization to the Board of Higher Education to transfer "supervision or control" of such mandatory student fees to an independent, state-level, off-campus corporation?

Reference: Independent audit of OSPIRG by Laventhol, Krekstein, Horwath and Horwath, September 30, 1974; letter of Vice Chancellor Freeman Holmen dated November 4, 1974, to FORE; docket of Academic Affairs Committee, dated February 15, 1971, April, 1972, February 25, 1975, Memorandum of Vice Chancellor Romney in response to questions raised by Congresswoman Edith Green, 1974, etc.

6. Is the February 25, 1975, Board's staff's interpretation of OSPIRG's announcement of the formation of a "companion" corporation, in order to carry out lobbying activities more frequently and on a wider variety of issues, legally correct, in light of the statutes and present Board policy? (The interpretation says that "the creation of another entity would not be considered by the Board to vitiate the conditions permitting institutional participation in OSPIRG, as set forth in the May 22, 1972, action by the Board").

Reference: May 22, 1972, Board resolution as printed in the minutes of meeting May 22, 1972. The Board never carried out provision #4 of that resolution: "The Board will specifically re-examine the OSPIRG principle and the OSPIRG program, before July 1, 1973, in the light of the provisions of ORS 351.070 (d) - the optional funding provision. (ORS 351.070 (d) is now ORS 351.070 1 (e).)

7. If the statutes and present and proposed Board policy permit authorization to OSPIRG, under both the 501 (c) (3) and the 501 (c) (4) provisions of the Internal Revenue Code to carry on the lobbying and litigious activities, does the Board thereby assume responsibility for auditing both the funds and the activities of both OSPIRG corporations?

Reference: ORS 351.070 1, ORS 351.310, ORS 351.340. Letter from Board member E. H. Johnson to Chairman L. Stewart, February 17, 1975, etc.

8. Do the statutes provide for delegation of authority for other institution-based, student fee-supported activities, to the institutional executives, but permit the Board itself to assume responsibility for an off-campus, independent corporation and ignore the "supervision and control" provision of the statutes?

9. Does the legal authority of the Board of Higher Education for budgeting funds made available to the Department of Higher Education permit the use of tuition and/or state general fund moneys to cover deficits or budget requirements of incidental fee accounts?
Reference: Use of portion of over-realized tuition funds at Portland State University to make up deficit in Incidental Fee Accounts.

10. Would the use of mandatory student incidental fees to fund the Associated Student Lobby, for the purpose of directly influencing legislation, be a legal use of such funds?

Reference: Statutes and Board policies governing incidental fees.

11. If the Associated Oregon Student Lobby sought the right to represent students in collective bargaining negotiations as the appropriate bargaining agent for students, could mandatory student incidental fees be authorized to fund the activities and office staff of such a bargaining unit?

Reference: Meeting of the Associated Oregon Student Lobby, Salem office of University of Oregon lobbyists, Saturday, February 22, 1975, as reported by the Emerald News Service.
Mr. John Mosser, Chairman
and the Members
Oregon State Board of Higher Education
Portland, Oregon

Dear Mr. Mosser and Board Members:

On Tuesday morning, March 18, 1975, the Executive Committee of the Portland Retail Druggists Association resolved that immediate petition and action begin on the matter of an OSPIRG study titled "Everything You Always Wanted to Know about Prescription Drug Prices (But Were Afraid to Ask)." The OSPIRG drug study was published in 1973.

This Association is also privy to the "Report on OSPIRG Developments", prepared for the Oregon State Board of Higher Education Committee on Instruction, Research, and Public Service Program, by the Oregon State System of Higher Education Office of Academic Affairs and dated February 25, 1975. We conclude that this report was prepared pursuant to the OSPIRG request for the formation of a companion corporation with 501 (c) (4) status with Internal Revenue.

On page 26 of the Report by the Office of Academic Affairs, there is a statement expressive as to the relationships of the Oregon State System of Higher Education and its institutions to OSPIRG. The report indicates that the policy was adopted May 22, 1972, and is in effect this date.

Section 2 of the May 22, 1972, policy statement reads as follows:

2. The Board affirms that it authorizes its institutions the option of participating in OSPIRG through the student incidental fee procedures only on the basis that OSPIRG limit its activities to nonpartisan analysis, study, or research of issues of general public interest and to the dissemination to the public of a full and fair exposition of the pertinent facts and results of the aforementioned nonpartisan analysis, study, and research. OSPIRG's entering into litigation in promoting its views or affiliating with an organization, one of whose principal purposes is the carrying on of a program of litigation, or hereafter sponsoring boycotts, would constitute cause for the Board of Higher Education's withdrawing from its institutions the option of participating in OSPIRG through the incidental fee procedures. (Emphasis Supplied)

It is the position of the Portland Retail Druggists Association that the OSPIRG report titled "Everything You Always Wanted to Know About Prescription Drug Prices (But Were Afraid to Ask)", does not meet the criteria outlined in Section 2 of the May 22, 1972, policy statement.
The Portland Retail Druggists Association respectfully requests that this Board activate its review process immediately for the purpose of verifying this Association's assertion that the OSPIRG drug study does not meet the criteria outlined in Section 2 of the 1972 policy statement.

The Portland Retail Druggists Association is prepared to furnish information including but not limited to affidavits, studies, oral and written testimony, appropriate court records germane to drug distribution, appropriate and pertinent attorney work product relative to drug distribution matters, and appropriate and germane exchanges between the Portland Retail Druggists Association and the Federal Trade Commission, the United States Justice Department, and the Food and Drug Administration. We are also prepared to produce documents and exchanges between this Association and the Governor of Oregon, the Attorney General, the Oregon Board of Pharmacy, and the Department of the Human Resources.

For the record and convenience of the Board's Counsel, our Attorney in this matter is Mr. Henry Kane, 220 Park Plaza West, 10700 S.W. Beaverton Highway, Beaverton, Oregon 97005. Tel: (503) 646-0566.

Please address your intentions in this matter to Stanley Hartman, 12020 S.W. Allen Blvd., Beaverton, Oregon 97005.

Stanley Hartman
For the Executive Committee
Portland Retail Druggists Assn.
12020 S.W. Allen Blvd.
Beaverton, Oregon 97005

CC: The Honorable Robert Straub
    The Honorable Lee Johnson
    The Honorable Ted Hallock
    The Honorable Keith Burbridge
    The Honorable Ed Fadely
    The Honorable Vera Katz
    The Honorable Mary Rieske
    The Honorable Bill Wyatt
    The Associated Press
    United Press International
This letter is addressed to you in your capacity as a member of the State Board of Higher Education. You have received from Mr. Freeman Holmer, an agenda for the February 25 meeting of the Finance, Administration, and Physical Plant Committee for the Oregon State Board of Higher Education. This agenda contains a staff report on a proposal originated by our organization for the assessment of a special fee to fund a position of an Assistant Dean for external affairs at the College of Business at the University of Oregon.

We do not feel that the staff report adequately presents the proposal. I have enclosed a short memo which gives the background information leading to the proposal, the project's benefits of the proposal to the MBA student, and also addresses itself to the staffs' reports specifying objections.

We hope that this additional background information will provide you with a broader base with which to assess the merits of our proposal. We look forward to meeting with you on February 25.

Sincerely,

Dennis Strand, Chairman
Assistant Dean Committee
Background of Proposal

In the fall of 1973, M.B.A. committees were organized to study the disparity between the quality of the graduate business program and the profile projected to the business community. Consideration was given to several funding programs to determine the most effective proposal. The following solutions were rejected because of inherent shortcomings.

Cooperation with the University of Oregon Career Planning and Placement Center was found to be insufficient in that working within their existing structure would not realize the full benefits of our present proposal. The Placement Center might satisfy the recruiting aspect, however, this would undoubtedly prove to be inequitable to the other departments they serve and insufficient to our purposes and potential.

The Oregon Development Fund was considered a possible vehicle to institute our proposal and carry out the necessary arrangements. This also proved inadequate since their framework does not provide the recruiting function necessary for the M.B.A. program. The organization of an intern program would be completely outside the parameter of their responsibilities and interests.

Consideration was given to having the University of Oregon fund the position of the Assistant Dean. However, since faculty funding has not kept pace with the tremendous growth of the Graduate School of Management and Business, any additional funding should be directed toward that priority. Since the initiation of the office of the Assistant Dean for External Affairs benefits the students of
the M.B.A. program, we feel that it is appropriate for those students to support and fund that office.

On March 15, 1974, the M.B.A. Association petitioned Dr. Clark, President of the University of Oregon for approval of the proposal as outlined in your agenda. This was considered and after deliberation and co-ordinating this position with the University Career Planning and Placement Center, the Oregon Development Fund, and other public relations activities, the proposal was granted approval on October 30, 1974.

Benefits:

(probable results in 2 years based on comparable programs in effect at other business schools)

1. This proposal is a self-generating, quality improvement program at all levels. This would stimulate interest and support at the faculty level, the student level, and would reach out to more prospective students, thereby increasing the quality, the exposure and depth of our M.B.A. program. This increased activity and exposure should activate the 8,000 alumni of our business school to become more involved in the University of Oregon affairs.

2. A substantial benefit of this improved liaison between our college and the business community is the normal upturn in direct grants and fund raising activities. A local example is the University of Puget Sound, Business Program. After a similar effort they realized $175,000 in the first year in direct grants.
3. The recruitment efforts would benefit the entire University. National experience has shown that half the contacts made through these programs are interested in business graduates and the other half are interested in other disciplines. These opportunities would be forwarded to the appropriate offices for the benefit of the entire student body.

4. The summer intern program would provide a double benefit. This would give the students the vital experience required in business, and provide the student with a regular income. This type program also places our graduates directly with firms. In the programs at Harvard and Columbia about 60% of the interns stay with the company after graduating and at the University of Washington about 80% of their interns remained with the firm. A point of interest here is that the Oregon State System of Higher Education was one of the participants in the Harvard Summer Intern program.

5. A sample of our graduates in June, 1974, found that the average graduate spent $800 in his job search efforts. With our proposed program of recruitment this expenditure would be greatly reduced if not entirely eliminated.

6. The increased recruiting efforts of comparable programs normally double the number of firms available to the graduate in the first year. This allows the graduate more selectivity and the opportunity to maximize his return on his education.

In response to the objection from the office of Chancellor Lueallen, we submit that there would be not real possibility of requests to authorize a wide variety of fees for special purposes,
and the question of providing increased student aid is unnecessary.

We feel the comparison to the Law School program is inappropriate. Their fee increase was $300 per year and $900 for the program; our increase is $102 per year, $204 for the program. The M.B.A. student at the University of Oregon has work study funds available to him at $2.50 an hour, graduate research funds at $2.50-$3.50 an hour and with this proposal the intern program would furnish additional opportunities. The graduate business student is a responsible, practical person and can well realize the benefit of a $34 per quarter investment and is prepared and able to fund this type of proposal. In light of these facts, we believe the request to the University for increased student aid, as requested in the Law School program, would be unnecessary and inappropriate. The Law School set the precedent for the fractured fee structures and increased student costs. To alter this precedent the M.B.A. Association has provided a solution to a specific set of problems which would benefit many and is willing to fund it themselves.

The possibilities of additional requests for other special fee authorizations we believe would be minimal. We doubt there exists another group of students that can present a proposal which realizes so many benefits at such a minimal cost. The M.B.A. Association has planned and supported this proposal for over 17 months and can foresee the advantages this provides our program and others in the University community. We believe this cohesive tenacity, fore-sightedness, and willingness to work for others while funding the cost ourselves, is a rare combination.

The state system is faced with a financial crisis, greater competition for a smaller student pool, and an erosion of quality
at a time when students are searching for the best return on their educational dollars. We would like to reverse this trend and are willing to pay for it.

The office of the chancellor perceives this as a logically-based student association proposal which addresses a matter important to it, and has been carefully deliberated and prepared. The proposal has the support, and is recommended for approval by Dr. Richard West, Dean of Graduate School of Management and Business, and Dr. Robert Clark, President of University of Oregon.