# OREGON STATE BOARD OF HIGHER EDUCATION

Minutes of Board Meeting, January 20, 1976

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A regular meeting of the State Board of Higher Education was held in Room 338, Michael J. Smith Memorial Center, Portland State University, Portland, Oregon.

The meeting was called to order at 9:30 A.M. (P.S.T.), January 20, 1976, by the Vice President of the Board, Mr. Philip A. Joss, and on roll call the following answered present:

Mrs. Jane H. Carpenter
Mrs. Betty Feves
Mr. Edward C. Harms, Jr.
Mr. Robert C. Ingalls
Mr. Philip A. Joss
Miss Valerie McIntyre
Mr. W. Philip McLaurn
Mr. Louis B. Perry

Absent: Mr. George H. Layman and Mr. Loran L. Stewart were absent for business reasons, and Mr. Marc F. Naden was out of the country.

Centralized Activities--Chancellor R. E. Lieuallen; Secretary D. R. Larson; Mr. Freeman Holmer, Vice Chancellor for Administration; Mr. J. I. Hunderup, Vice Chancellor for Facilities Planning; Dr. Miles C. Romney, Vice Chancellor for Academic Affairs; Mr. W. T. Leeman, Jr., Vice Chancellor for Personnel Administration; Mr. Edward Branchfield, Assistant Attorney General; Mr. Richard Zita, Director of Publications; Mr. John Richardson, Assistant to the Chancellor; Dr. Richard S. Perry, Director, Division of Administrative and Analytic Services; Mr. Keith Jackson, Budget Director; Mr. Davis Quenzer, Assistant Budget Director; Miss Linda Gabrielson, Information Representative; Miss Wilma Foster, Assistant Board Secretary; Miss Francetta Carroll, Administrative Assistant.

Oregon State University--President R. W. MacVicar; Dr. M. Popovich, Dean of Administration; Dr. Frank Dost, Professor of Agricultural Chemistry; Dr. Jeanne Dost, Director, Women's Studies.

University of Oregon--President William B. Boyd.

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

Portland State University--President Joseph Blumel; Mr. Ken Harris, Director of the Budget; Dr. Leon Richelle, Vice President for Academic Affairs; Dr. James Todd, Vice President for Finance and Administration; Dr. Richard Halle, Graduate Dean; Mrs. Orcilia Forbes, Dean of Students; Mrs. Bonnie W. O'Halloran, Graduate Assistant in English.

Oregon College of Education--President Leonard W. Rice; Dr. Ronald Chatham, Assistant to the President.

Southern Oregon State College--President James K. Sours.

Eastern Oregon State College--President R. A. Briggs.

Oregon Institute of Technology--President W. D. Purvine.

Others--Dr. Terry K. Olson, Executive Director, Oregon Educational Coordinating Commission; Mrs. Elizabeth H. Johnson, Member, Oregon Educational Coordinating Commission; Mr. Bob Stevens, Fiscal Analyst, Oregon Educational Coordinating Commission; Mr. Chuck Schaumburg, Program Coordinator, Oregon Educational Coordinating Commission;
**Meeting #428-2**

January 20, 1976

**COMMISSION**

State Representative Mary Rieke; State Representative Norma Paulus; State Representative Rick Cusick; Mr. Wilson Hulley, Executive Director, FORE; Mr. Raymond Honerlah, Research Director, FORE; Dr. Victor C. Dahl, Chairman, Interinstitutional Faculty Senate; Mrs. Deanne Kinsey, Administrative Assistant, Interim Committee on State Government; Dr. Margaret Lumpkin, Oregon Women's Political Caucus; Mr. Daniel Dorrance, Faculty Representative, OSEA; Mr. Harold Williams, Affirmative Action Director, Office of the Governor; Julie Pollansbee, Eugene; Joris Schick, Salem; Mr. Jim Bernau, President of the Associated Students of the University of Oregon; Mr. William Mumford, President of the Associated Students of Oregon State University; Mr. Mark Cogan, Administrative Assistant of the Associated Students of the University of Oregon.

**MINUTES APPROVED**

The Board voted to dispense with the reading of the minutes of the regular Board meeting held on November 25, 1975, and approved them as previously distributed, with the following voting in favor: Directors Carpenter, Feves, Harms, Ingalls, Joss, McIntyre, McLaurin, Perry. Those voting no: None.

**CHANCELLOR'S REPORT**

The Chancellor said that he deeply regretted the necessity of announcing that President Rice, after nearly 14 years of unusually successful leadership at Oregon College of Education, had submitted his resignation. The resignation would be effective at the time when the Board is able to identify and gain the services of the next president. The Chancellor said President Rice is a humane, articulate, insightful president and academic administrator. He said the Board, the Board's staff, and the other presidents have relied very heavily on his wisdom and judgment, especially in the cases of sensitive issues. The Chancellor said he had been requested especially by President Layman to express his regrets that President Rice had reached this decision.

**ACTION ON EMERGENCY BOARD REQUESTS**

The Chancellor reported that the Emergency Board had approved all requests submitted with the exception of one for an increase in the expenditure limitation at the University of Oregon Health Sciences Center Hospitals and Clinics. This request will be considered again at the next meeting of the Emergency Board.

**MODIFICATIONS TO POLICY IN ATHLETIC PROGRAMS**

The Chancellor indicated that previously he had been authorized to review requirements for admission of transfer students and to make temporary modifications in those requirements if the universities were being placed at a disadvantage in the Pac-8 conference in the recruitment of athletes. He said he had been requested further to examine other problems facing intercollegiate athletics and report to the Board.

The Chancellor said the urgent problems facing intercollegiate athletics, especially at the universities, make it desirable that the Board examine its traditional posture toward intercollegiate athletic programs. He explained that except for a policy decision some years ago which required the University of Oregon and Oregon State University to act jointly in any action which involved joining any athletic conference, the Board has preferred to delegate full responsibility and authority for establishing athletic policy and administering those programs to the presidents of the institutions. The Board has continued to monitor the budgets to assure that fiscal stability was maintained.

The Chancellor said that the increasing difficulty experienced by the State System in maintaining balanced athletic department budgets, the almost chronic problem of competing effectively in football and basketball, the uncertain future of the non-income producing sports, and the growing role of women's intercollegiate athletics make it desirable, if not essential, that the Board reexamine its relationship to the intercollegiate athletic programs.

**CHANCELLOR'S RECOMMENDATION**

It was recommended that the Board approve the recent action establishing a uniform admission requirement of a 2.0 GPA for both resident and nonresident transfer students.
It was further recommended that the Board henceforth relate itself more directly to the determination of policy for intercollegiate athletics.

The Chancellor said if the Board concluded that it should take such actions, the following issues, at least, should be addressed:

1. Should the several institutions continue to seek the same level of competition as at present, or should athletic activities be limited essentially to the intramural level?

2. If competitive athletic teams are desirable, should the several institutions seek to maintain essentially their current level of competition, or should a different level of competition be sought?

3. Should the several institutions continue to fund their athletic programs as at present, should some state tax funds be sought to assist the three universities, and possibly the state colleges, with their athletic programs, or should athletic programs be supported only by non-tax funds?

4. What changes are needed, if any, to accommodate the requirements of Title IX?

The Chancellor indicated that if the Board should intensify its policy-making role related to athletics, the Board's Office would return with recommendations on the above issues and any other issues which the Board identified for review.

The Chancellor concluded by saying that there is not a unanimous view among the institutions that there is a need for the Board to involve itself more directly. Some of the presidents believe that the problems are of such a nature that the Board would be unable to be of much assistance to them because most of the problems are the result of actions outside of the State System.

Board Discussion and Action

The Board approved the recommendation to establish a uniform admission requirement of a 2.0 GPA for both resident and nonresident transfer students. In response to a question, it was indicated that a small number of students would be involved, probably in the range of 100 to 250 individuals. The following voted in favor of the recommendation: Directors Carpenter, Feves, Harms, Ingalls, Joss, McIntyre, McLaurin, and Perry. Those voting no: None.

Mr. Harms moved that the Board approve the recommendation that the Board involve itself more directly in determination of policy with regard to athletics.

During the discussion of the motion, it was stated that the primary interest was to obtain information about the areas of concern delineated by the Chancellor. It was understood that the motion did not carry an implication of final judgment concerning Board involvement in policy determination for athletics. Mr. Ingalls said he would deplore any possibility of direct interference with the programs at any of the institutions, or any semblance of trying to run them.

The Board approved the motion by Mr. Harms, with the following voting in favor: Directors Carpenter, Feves, Harms, Ingalls, Joss, McIntyre, McLaurin, and Perry. Those voting no: None.

Recommendations for EOSC

The Chancellor presented the following report and related recommendations pertaining to Eastern Oregon State College:

A major element in planning for a statewide system of higher education is the determination of appropriate enrollment levels for institutions. And after making those determinations, it is necessary to take the steps designed to stabilize enrollments at approximately those appropriate levels.
The determination of appropriate institutional size requires the exercise of judgments concerning the needs of the area to be served, the resources available to meet those needs, and the long-term projections of both needs and resources.

The Board, two years ago, established revised enrollment levels for seven of the eight institutions in the System, as indicated below:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Fall Term FTE</th>
</tr>
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<tbody>
<tr>
<td>Oregon State University</td>
<td>15,500</td>
</tr>
<tr>
<td>University of Oregon</td>
<td>15,500</td>
</tr>
<tr>
<td>Portland State University</td>
<td>10,000</td>
</tr>
<tr>
<td>Southern Oregon State College</td>
<td>4,000</td>
</tr>
<tr>
<td>Oregon College of Education</td>
<td>3,000</td>
</tr>
<tr>
<td>Eastern Oregon State College</td>
<td>2,000</td>
</tr>
<tr>
<td>Oregon Institute of Technology</td>
<td>2,000</td>
</tr>
</tbody>
</table>

It is not feasible to manage enrollments to precise limits. In fact, both the Board and the Legislative Assembly have assumed that the approved enrollment "limits" would control only state-appropriated tax funds and expenditure limitations, and that expenditure limitations would be subject to review when actual enrollments were known. Thus, the Emergency Board, at the Board's request, recently considered an increase in the Department's expenditure limitation on Educational and General Services which would permit the expenditure this year of $1,191,642 in tuition income resulting from the larger-than-estimated number of students.

The actual fall FTE enrollments, compared with the Board established institutional limits, appear below:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Fall FTE Limit</th>
<th>1975</th>
<th>1976</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oregon State University</td>
<td>15,500</td>
<td>16,460 (+940)</td>
<td>16,477</td>
</tr>
<tr>
<td>University of Oregon</td>
<td>15,500</td>
<td>15,443 (-57)</td>
<td>15,299</td>
</tr>
<tr>
<td>Portland State University</td>
<td>10,000</td>
<td>10,235 (+235)</td>
<td>10,161</td>
</tr>
<tr>
<td>Southern Oregon State College</td>
<td>4,000</td>
<td>3,915 (-85)</td>
<td>3,895</td>
</tr>
<tr>
<td>Oregon College of Education</td>
<td>3,000</td>
<td>3,235 (+235)</td>
<td>3,343</td>
</tr>
<tr>
<td>Eastern Oregon State College</td>
<td>2,000</td>
<td>1,398 (-602)</td>
<td>1,376</td>
</tr>
<tr>
<td>Oregon Institute of Technology</td>
<td>2,000</td>
<td>2,064 (+64)</td>
<td>2,232</td>
</tr>
</tbody>
</table>

It will be noted that all of the institutions except Eastern Oregon State College are near or above their limits. All except Eastern Oregon State College are expected to be near or above their enrollment limits in the 1976-77 academic year. The table below supports that conclusion.

<table>
<thead>
<tr>
<th>1975 Actual Fall FTE</th>
<th>1976 Revised Estimate Fall FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrollment</td>
<td>Enrollment (free flow)</td>
</tr>
<tr>
<td>OSU 15,500</td>
<td>16,460</td>
</tr>
<tr>
<td>UO 15,500</td>
<td>15,443</td>
</tr>
<tr>
<td>PSU 10,000</td>
<td>10,235</td>
</tr>
<tr>
<td>SOSE 4,000</td>
<td>3,915</td>
</tr>
<tr>
<td>OCE 3,000</td>
<td>3,235</td>
</tr>
<tr>
<td>NSSE 2,000</td>
<td>1,398</td>
</tr>
<tr>
<td>OIT 2,000</td>
<td>2,064</td>
</tr>
</tbody>
</table>

An issue with which the Board must concern itself is the appropriateness of established institutional enrollment limits. Further, the Board should consider the appropriateness of enrollment limits at the University of Oregon Health Sciences Center. In addition, it must adopt enrollment policies which
will enable the institutions to function effectively with their limits. The staff soon will be developing recommendations which will assist the Board in dealing with those issues.

Because the current biennial budget was planned with the present limits in mind, any changes in the limits will affect only the 1977-1979 biennial appropriation. Thus, some additional time is available for consideration of those issues.

In the meantime, it is probable that Eastern Oregon State College, supported by a program budget adequate to accommodate 1,567 fall FTE students in 1976-77, will enroll, under present Board policy, only an estimated 1,376, nearly 200 fewer students than could be served with the present program-based budget - and more than 600 fewer students than could be served within the enrollment limit of 2,000.

President Briggs believes, and I concur, that steps can be taken which, if taken soon, promise to add a substantial number of students to the 1976-77 estimated enrollment and thus bring Eastern Oregon State College close to optimum budgeted capacity of 1,567 fall FTE students.

An important consideration in developing these recommended steps has been that they not affect the competitive relationship between Eastern Oregon State College, on the one hand, and Blue Mountain and Treasure Valley Community Colleges at Pendleton and Ontario on the other hand.

Chancellor's Recommendation:

1. That the enrollment of nonresident students at Eastern Oregon State College be authorized at resident tuition rates beginning in fall term 1976-77. It is believed that the number of both entering freshmen and transfer students would be increased - and that the tuition income, at resident rates, from the larger number of out-of-state students would, in large measure, offset the reduced tuition income from currently enrolled nonresident students.

   It is expected that most of the nonresident students would choose to live in institutional housing, thus improving the occupancy rates in the dormitories.

2. That the 1976-77 resident tuition at Eastern Oregon State College remain at its present level. Recommendations will soon be submitted for System-wide increased tuition charges for the second year of the current biennium. The overall increase is expected to approximate 12%. Although the above recommendation, exemption Eastern Oregon State College from the increase, is not expected to result in a sufficient dollar saving to attract many additional students to Eastern Oregon State College, the action, if well publicized, would call widespread positive attention to Eastern Oregon State College.

   The reduction in tuition income, resulting from these two actions, should be within the range of "estimating error" and thus should not cause an increase in tuition for other students in the System.

3. That the Division of Continuing Education and Eastern Oregon State College develop cooperative relationships enabling Eastern Oregon State College to offer off-campus instruction, within load, the enrollments to be counted as part of the campus full time equivalent enrollment.

Eastern Oregon State College is developing proposals for programs which College officials believe will enhance the attractiveness of the College and retain larger numbers of upper-division students through the baccalaureate degree.
Consideration also is being given to ways in which the College, in cooperation with area community colleges, can serve better the educational needs of freshman and sophomore students not presently residing in community college districts.

In the meantime, it is believed that the three actions recommended above will serve to move Eastern Oregon State College closer to its budgeted enrollment level and, thus, permit it better to meet the educational needs of Eastern Oregon.

Board Discussion and Action

Mr. Perry asked if there had been sufficient study of the supply and demand question to determine the effect of the recommendation and whether there still might be a possibility of a conflict with community colleges in the area or other institutions in the state.

The Chancellor said the first recommendation deals only with nonresident students. The community colleges in the region have very few nonresident students. Consequently, if a number of nonresident students were to attend Eastern Oregon State College as a result of approving the proposal, it would not have any impact on the community colleges in the region. Conceivably, students might be attracted from other four-year institutions in the State System, but they are already at or near their budgeted enrollment levels, so there would be no serious impact on these schools.

In response to a question, the Chancellor said that curricular attractiveness as an inducement to increased enrollments would be part of later recommendations to the Board because curricular proposals were still in the process of development. The Chancellor indicated that there is some evidence that substantial changes in tuition charges do affect the mobility of students.

Mrs. Feves said it was important to try these recommendations as an experiment but, in her opinion, the holding power would be in the curriculum.

Mr. Perry stated that he would vote for the recommendations on the basis that they were an experiment and that there would be a further look at curriculum. In addition, he said the Board should keep in mind that the problem may be demographically related and it might be necessary to make a more difficult decision concerning Eastern Oregon State College at a later time.

With respect to curricular development, President Briggs commented that there is already a major curricular revision at Eastern Oregon State College and program requests will be presented to the Board in March. The program requests include a series of recommendations for programs aimed at a different clientele of students. He said the recommendations presented by the Chancellor were experimental, they were consistent with program development, and the plan would help immeasurably to turn around the institution.

Mrs. Carpenter said she supported flexibility on the part of the Board because it was very important to be able to deal with individual problems of institutions.

The Board approved the recommendations of the Chancellor as presented, with the following voting in favor: Directors Carpenter, Feves, Harms, Ingalls, Joss, McIntyre, McLaurin, and Perry. Those voting no: None.

Policy for Presidential Search Committee, OCE

It was indicated that the presidential search for a successor to President Rice would be the first instance in which a president was being selected for an institution at which the faculty had voted for collective bargaining representation. The Chancellor said this raised the question of whether the suggested procedure should involve members of the faculty bargaining unit in the same way faculty members normally are involved in a presidential search. Since this is a new issue, the Chancellor said he would prefer to seek counsel from a wide variety of sources before submitting recommendations to the Board. He said he would appreciate receiving from the Board any observations which would be helpful in developing the recommendation.
Mr. Joss said this was a unique situation which involved philosophical questions that should be studied further. In addition, Mr. Joss said any delay in seeking a successor for President Rice would have the advantage of retaining him as president for a longer period of time. Mr. Joss said President Rice has been one of the outstanding presidents in the State System in developing quality at Oregon College of Education. Mr. Joss said President Rice has been of great help to the Chancellor and the Board's staff and has been an inspiration and leader for Board members.

Staff Recommendation to the Board

It was recommended that the Board's staff be authorized to offer for sale a 76-acre parcel of unimproved land located near Silverton, Oregon. Authorization to sell would include accepting of bids and the preparation by the Board's legal counsel of the necessary documents for signature by the appropriate Board officers. The documents would include clauses approved by the Division of State Lands reserving rights to certain minerals and geothermal resources as required by ORS 273.775(1) and (2).

Minimum acceptable price would be $70,000, the average of two acceptable appraisals. If sold on contract, the minimum terms would be 20% down payable on closing and the balance payable in semiannual installments including principal and interest at not less than 8% per annum over a period not to exceed 15 years.

The proceeds of the sale would be placed in the Joseph P. and Eva Zimmerman Scholarship Endowment Fund, in accordance with the will of Lois Zimmerman with income from said fund being used for scholarships to be awarded by the University "... to worthy undergraduate and post graduate students."

Board Discussion and Action

The Board approved the staff recommendation as presented, with the following voting in favor: Directors Carpenter, Feves, Harms, Ingalls, Joss, McIntyre, McLaurin, and Perry. Those voting no: None.

Staff Report to the Board

Included in the original bequest of Lois Zimmerman to the University of Oregon, as reported to the Board on March 8, 1949, was approximately $20,000 in cash. This money was used to establish the initial endowment fund. In 1951, 28 acres of the original parcel of land included in the bequest were sold to the highest bidder for $3,725. On April 4, 1969, timber on a portion of the remaining 76 acres was sold for $4,232.

Since that time approximately 50 tillable acres of the land have been leased annually to nearby farmers for agricultural purposes. The 1974-75 lease provided net income of $750.

An annual return of only 1% on $70,000, the estimated market value of the property, as well as significant appreciation of land values in the area in recent years constitute the major reasons for the recommendation to sell.

Proposal to Deed Amazon Creek Channel to the City of Eugene, UO

(Considered by Committee on Finance, Administration, and Physical Plant, December 16, 1975; present--Perry, Ingalls, McIntyre, McLaurin, Stewart.)

Staff Recommendation to the Committee

In response to the request of the City of Eugene, which was endorsed by officials of the University of Oregon, it was recommended that the appropriate Board officers be authorized to transfer title to the City for that portion of the property within the Westmoreland family housing project which has been and will continue to be used as a drainage channel. Power to relinquish title to property to another governmental body is granted within ORS 271.330.
Discussion and Recommendation by the Committee

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

Board Discussion and Action

The Board approved the Committee recommendation as presented, with the following voting in favor: Directors Carpenter, Feves, Harms, Ingalls, Joss, McIntyre, McLaurin, and Perry. Those voting no: None.

Staff Report to the Committee

Officials of the University of Oregon have submitted a recommendation to deed to the City of Eugene that portion of the Board-owned property within the Westmoreland family housing project that is used for the Amazon Creek channel. The property proposed for transfer is 87.6 feet wide and drains from southeast to northwest for a distance of approximately 919 feet, including the 60-foot wide Arthur-Garfield roadway right-of-way, totaling approximately 1.7 acres, excluding the roadway.

When the property was acquired by the Board in April 1958 for possible use as a site for married student housing, it was subject to an easement which had been granted by the former owners to the City of Eugene with the perpetual right to enter upon the right-of-way and to construct, reconstruct, maintain, repair and operate as a drainage channel.

In addition to continuing to use the channel property for drainage, the City proposes to construct a bicycle path along the channel which will pass under the Arthur-Garfield bridge. The plan does not contemplate having an access to the bike path at or near the bridge, but does provide for a high-water alternate route around Westmoreland housing at street level. It also provides access to the bike path adjacent to the Westmoreland housing property. Fencing of the channel would be retained on University property with the attendant responsibilities of maintenance. All channel property maintenance would be the responsibility of the City.

Institutional officials indicate that Westmoreland tenants were represented at early discussions of the deeding of the channel property to the City and that a report was made to the Married Student Council. It was indicated that the tenants' primary concern was the preservation of the continuity of fencing around the channel throughout the Westmoreland housing property, including over the Arthur-Garfield bridge. As noted, the fencing will be retained in its present location.

The University of Oregon does not contemplate any future use of the channel property. It has no value to the institution except for its use for drainage. The deed, which would be subject to the review and approval of the Board's Attorney, would be subject to reversionary rights should the City of Eugene abandon the use of the Amazon Creek channel property for drainage. The metes and bounds of the property to be conveyed have been verified by a recent survey and conform generally to the area of the present easement for the drainage channel.

Resolution To Designate Administrator, E. C. Brown Trust, UO

(Considered by Committee on Finance, Administration, and Physical Plant, December 16, 1975; present--Perry, Ingalls, McIntyre, McLaurin, Stewart.)

Staff Recommendation to the Committee

It was recommended that the following resolution be adopted for the purpose of indicating that the administrator of the E. C. Brown Trust (the President of the University of Oregon), or any person designated by him as deputy administrator, is acting as trustee on behalf of the University of Oregon.
RESOLUTION

WHEREAS, the Will of E. C. Brown, deceased, of Multnomah County, Oregon provided for and created a perpetual and charitable trust, the net income of which shall be used to carry on instruction and education of the boys and girls and young people of the State of Oregon in respect to what is commonly called Social Hygiene, in a manner which will best tend to impart to said boys and girls and young people a sound and healthy view and understanding in respect to sex, sex relations and marriage, and an understanding of the perils of venereal disease and other evils which result from sexual abuses, in order that they may be brought to appreciate the importance of leading clean and wholesome lives sexually; and the Will provided further that the funds should be used in such ways as will tend by education and enlightenment to prevent diseases, and to instruct the parents, guardians and teachers of young people, and to build up a sound general knowledge and sentiment in the State of Oregon in respect to Social Hygiene, and

WHEREAS, the said Will provided for the use of such net income pursuant to the judgment of the President of the University of Oregon, and

WHEREAS, the person holding the office of the President of the University of Oregon has in the past served and does now serve as administrator of such trust, pursuant to the terms thereof, and

WHEREAS, although said trust has not been and is not in the future to be owned or operated by the State Board of Higher Education for the State of Oregon, a question has arisen as to whether, in serving as administrator of the said E. C. Brown Trust, the President of the University of Oregon is acting as an officer, employee or agent of the State of Oregon,

NOW THEREFORE, the Oregon State Board of Higher Education having considered the premises and all the facts in connection therewith, hereby finds that the administration of the E. C. Brown Trust serves an educational purpose and serves a vital function of the State of Oregon and particularly of the Oregon State Department of Higher Education, and that in serving as such administrator the President of the University of Oregon is functioning no differently than he would if this Board had been named as trustee for the benefit of the State of Oregon and that in so serving the said President of the University of Oregon is serving within the course and scope of his duties as President and as a duly authorized representative and agent of the State of Oregon,

IT IS HEREBY ORDERED and directed that the President of the University of Oregon continue to function and serve as administrator of the trust established by the Will of the said E. C. Brown, and that his successors in the office of President of the University of Oregon shall likewise function and serve successively as administrators of said Trust. It is further ordered that said President is hereby authorized to designate any University employee as deputy administrator of said trust, and that any such employee so designated is hereby ordered and directed to function and serve in that capacity.

Discussion and Recommendation by the Committee

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

Board Discussion and Action

The Board approved the Committee recommendation as presented, and on roll call vote the following voted in favor: Directors Carpenter, Feves, Harms, Ingalls, Joss, McIntyre, McLaurin, and Perry. Those voting no: None. The Vice President of the Board declared the resolution duly adopted.
Revision of Campus Boundaries and Acquisition of Welker-Harris Property, OSU

(Considered by Committee on Finance, Administration, and Physical Plant, December 16, 1975; present--Perry, Ingalls, McIntyre, McLaurin, Stewart.)

Staff Recommendation to the Committee

It was recommended that the projected approved campus boundaries for Oregon State University be revised to include the College Inn property acquired pursuant to Board action of March 25, 1975, and the adjacent Welker-Harris property located at 1661 N. W. Monroe Street, Corvallis. It was also recommended that the appropriate Board officials be authorized to purchase the Welker-Harris property at the option price of $40,000 from funds available for auxiliary enterprises. Most of this property would be used to provide additional parking for students occupying the College Inn residence hall.

Discussion and Recommendation by the Committee

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

Board Discussion and Action

The Board approved the Committee recommendation as presented, with the following voting in favor: Directors Carpenter, Peves, Harms, Ingalls, Joss, McIntyre, McLaurin, and Perry. Those voting no: None.

Staff Report to the Committee

As noted in the minutes of the March 25, 1975, meeting of the Board, the College Inn in Corvallis is located at 155 N. W. Kings Boulevard, about a hundred feet north of Monroe Street which is the present campus boundary adjacent to the School of Engineering complex. The intervening property at 1661 N. W. Monroe Street, containing about 9,900 square feet, was utilized for many years as the site of a service station. This station was closed recently, and except for a small metal canopy, the improvements to the property have been removed. The owners, Walter O. Welker and Patricia T. Harris, have executed an option to sell the property to the Board for $40,000. This amount is within the two independent appraisals obtained by officials of Oregon State University and is very close to the assessed valuation of the property.

For a number of reasons, the administration of the institution favors the purchase of this property. It would provide a link between the present campus boundary and the College Inn property, thus making it possible at some future date to provide utility service connections from the campus distribution systems. It would also provide some relief to the very tight parking conditions on the north side of the campus by accommodating about twenty additional vehicles of the residents of the College Inn residence hall. This parking area would occupy about two-thirds of the property. Furthermore, by landscaping the southern portion of the property along Monroe Street, it would create an attractive, although small, open space across from the solid line of university buildings on the south side of the street. It would provide an aesthetically desirable interruption of the facade of other buildings, principally businesses, which occupy the 100-foot-deep commercial zone on the north side of the street for many blocks directly across from the campus.

Funds for the acquisition of the property would be provided from resources available to the institution from student housing operations. The purchase would be charged against the expenditure limitation of $560,000 for auxiliary enterprise land acquisition which was approved by the 1973 Legislature.

It is proposed that the projected approved campus boundaries for Oregon State University be revised to include the College Inn property (about 92,065 square feet) and the Welker-Harris property (about 9,900 square feet), thus increasing the area within the projected approved campus boundaries from approximately 434.370 acres to approximately 436.711 acres. (These figures exclude the agricultural areas of about 407.527 acres west of 35th Avenue which are owned by the Board.)
Meeting #428-11
Enrollment Adjustments, Year 1975-76

(Considered by Committee on Finance, Administration, and Physical Plant, December 16, 1975; present--Perry, Ingalls, McIntyre, McLaurin, Stewart.)

Staff Recommendation to the Committee

It was recommended that:

1. Operating budget allocations of Education and General Services funds be modified for all institutions except Eastern Oregon State College and the University of Oregon Health Sciences Center to reflect variations from budgeted enrollments. The modifications require a net increase in total expenditures of $1,191,642 from additional instruction fee income and approval by the State Emergency Board of a corresponding increase in the expenditure limitation established by the 1975 Legislative Assembly.

2. The Chancellor be authorized to request State Emergency Board approval of a limitation increase for Auxiliary Enterprises, based upon expenditure needs resulting from the larger number of students and supported by the additional resources which those students generate.

Discussion and Recommendation by the Committee

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

Board Discussion and Action

The Board approved the Committee recommendation as presented, with the following voting in favor: Directors Carpenter, Feves, Harms, Ingalls, Joss, McIntyre, McLaurin, and Perry. Those voting no: None.

Staff Report to the Committee

The 1975-76 operating budget was approved by the Board on the basis of enrollment projections and funding authorized by the 1975 Legislature. Fall term experience indicates that additional student enrollment will increase the original estimate of 50,331 three-term FTE to 52,224. The increase of 1,893 FTE is expected to produce $1,191,642 in additional instruction fee income.

Historically, the Board has authorized the allocation of additional fee income on the basis of the enrollment change at each institution, to provide expenditure authority to apply toward costs of serving the added students. For fiscal years in which enrollments did not reach the estimate, the institutional budgets have been reduced in the amount by which instruction fees fell short of the revenue estimate. Also, Board policies which accompanied establishment of institutional enrollment ceilings indicate that fee income, generated by student enrollment above the ceiling, should be made available to the institution.

Enrollment projections and budget allocations are made by student level (lower-division, upper-division, graduate) to accommodate the differences in cost associated with those levels. The proposed enrollment adjustment of expenditures follows that principle by weighting the enrollment change by level to achieve a similar cost differential in the revised budget allocation. Eastern Oregon State College has been excluded from the adjustment in accord with Board and legislative decisions to provide base funding until enrollment growth will sustain a viable program. No adjustment is recommended at the University of Oregon Health Sciences Center due to offsetting changes in funding requirements which result from shifts in the numbers of nursing and medical students.

Auxiliary Enterprise activities will be affected by the enrollment change inasmuch as additional services will be required in areas such as student centers, health services, residence halls, food service and bookstores. Additional revenue will be generated by incidental, health, and sales and service fees which derive from the larger number of students.
Since these activities are subject to an expenditure limitation established by the Legislature, it will be necessary to seek a limitation adjustment before the currently approved budgets can be increased. Each institution has been requested to provide information from which an expenditure limitation adjustment request can be submitted to the State Emergency Board. The institutional recommendations are to be reviewed by the Board's staff and approved by the Chancellor before being submitted.

The attached exhibit displays the enrollment change and the recommended allocation of instruction fee resources for the Education and General Services Program.
## BUDGET ADJUSTMENTS FOR ENROLLMENT CHANGE

### Year 1975-76
Based on Change in 3-Term FTE

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### Change 3-Term FTE:

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### Weighted LD Equivalent

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<td><strong>Location Amount</strong></td>
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- Average Tuition Per Weighted LD Equivalent: $400.82
- Location Amount: $144,296, $490,605, $302,219, $172,754, $1,093,040, $98,602, $1,191,642
A Revised Budgeting System

Staff Recommendation to the Committee (December 16, 1975)

It was recommended that the Board adopt, as a recommendation to the Executive Department for use in the 1977-1979 budget request, the specifications for a budget resource acquisition/allocation model described in Section III of the staff report.

It was further recommended that the Board endorse, as a statement of policy, the principles outlined in Section IV of the staff report as a basis for implementation of the model.

Discussion and Recommendation by the Committee (December 16, 1975)

Mr. Louis Perry said he wished to express appreciation to Mr. Holmer and others for their efforts in preparing the material presented for consideration. He said after reviewing the assumptions, bases, results, and the questions raised, he believed those responsible for this response to the request of the Legislature for a presentation on the budgeting system should be complimented.

Mr. Holmer said he also wished to thank the members of his staff and the representatives of the institutions who had served on the Committee on Resource Acquisition and Allocation (CORA). He said the report was a collaborative effort resulting both from internal and external suggestions for revision of the budgeting system.

Mr. Holmer described the proposed formula and how it would operate in determining the budgeting requirements for the institutions. He referred to the table providing data on salaries and workload for graduate teaching assistants. He said this table needed careful review, particularly with reference to whether the .50 FTE appointments at State System institutions were essentially equivalent to .50 appointments at the comparison institutions. He said this would not deter proceeding to implement the model, but it would be necessary to reserve the right to make appropriate modifications to bring the model into line with practice at the various institutions.

Mr. Holmer said if the percentage of graduate assistants actually to be employed was less than the percentage anticipated in the model, an institution would be faced with increasing the staff workload or reducing the average salary for staff members. He also said there was the question of whether the funding standards for research institutions should be the same as those for other institutions. It will be necessary to determine whether the productivity of faculty members should be higher or lower at a research institution than at a college. He then reviewed the various aspects which are involved in the productivity ratios and the effects of alternative assumptions with respect to productivity.

Mr. Holmer commented that the list of comparison institutions is extremely limited but that a representative cross section of various types of institutions will be available eventually.

Mr. Holmer said the proposed model is not a finished product and, in fact, should be revised continuously.

Mr. Perry said there was not complete concurrence with the CORA model concepts and assumptions on the part of all who are concerned with the model and the effect on a particular institution. He requested the Chancellor to describe some of the differences which existed.

The Chancellor said it was not surprising that consensus was difficult to achieve with such a complex activity. He said the University of Oregon believed there were major flaws in the model which worked to the significant disadvantage of the University. The Chancellor said his response to this objection was that the flaws were not so fundamental that the approach was wrong but that some of the assumptions in the model might have to be modified.
The Chancellor said the model assumes a common cost for lower-division instruction but there is a strong representation made by the University of Oregon that the environment of a research university makes it impossible to teach lower-division courses at the same level of cost as the state colleges and that such differences must be reflected in the model. It has also been stated that the American Association of Universities is an inappropriate comparator for all institutions and should be limited to those institutions which are of the university character.

The Chancellor said three options were available: (1) To use past procedure for the 1977-1979 budget presentation; (2) to adopt the model in principle and attempt to obtain a greater level of consensus; and (3) to start over and prepare a new model. He said time would not permit using the third option for 1977-1979. He suggested an opportunity be provided for the presidents to express opinions on the model and identify any apparent flaws, weaknesses, or strengths of the model. It was suggested also that the statements be general rather than in detailed terms.

President Boyd said that two of his concerns had been stated very well by the Chancellor. He commented that a research-oriented university is a labor-intensive university in contrast to a student-intensive undergraduate college. The former cannot offer undergraduate instruction at the same cost as other types of institutions unless the quality of instruction is lowered. He said the use of graduate teaching assistants indicated in the model would not be feasible if enrollment in the doctoral programs were to be decreased. President Boyd also objected to the method of handling graduate assistants in the model because it appeared to penalize the university whenever a graduate assistant was used. President Boyd said there should be two sets of comparators—one for research universities and one for undergraduate colleges.

Mr. Perry asked whether President Boyd implied that the University of Oregon should have a reduced lower-division enrollment. President Boyd responded that he did not think so, but he would wish to give that question further thought. However, he said a research-oriented university is not an economical way to teach lower-division students. President Boyd said the emphasis ought to be toward the upper-division and graduate levels although he would prefer to have some lower-division classes in a university.

President MacVicar said the CORA model was not an ideal one but he had been assured that some matters would be corrected. He said the issue of the graduate teaching assistants is critical because if the .30 and .50 FTE are not equal, the assumptions being made in the model are inaccurate and the figures may change radically.

President MacVicar said that not providing adequate levels of compensation to individuals required to provide graduate education forces the institutions to a national standard which, in his opinion, exceeded an appropriate standard. However, he said this difficulty results from the lack of adequate comparators.

President MacVicar said an effort had been made to obtain good comparisons and the group selected is the best possible one available at the present time. He said the instruction component does not provide adequate recognition to universities with a sizable graduate program and it also encourages those institutions to expand graduate education at a time when the demands for advanced students are static or decreasing. President MacVicar also commented that some issues result from the differences between residential and commuter institutions.

There was general discussion of the level of service expected of graduate assistants employed on a .30 FTE basis. It was indicated that there are variations but that 12 hours was a normal work load for a .30 appointment.

Mr. Perry asked whether it would be possible within the framework of this model to resolve the problems which exist. President MacVicar replied that it might be possible to use the old pattern in areas where there is still disagreement and the new models where agreement had been achieved. He said Mr. Holmer had been responsive.
to modifications when he could be convinced they had a solid basis. He urged proceeding but at the same time trying to resolve those areas in which there is a failure to recognize adequately the differences between institutions.

President MacVicar said the AAU data is less than adequate but is the best available and perhaps should be used. He indicated he was not satisfied with some of the uses made of the data and felt the model exerts pressure on the institutions which is educationally unsound, particularly with respect to graduate teaching assistants.

President Blumel said it was remarkable that any significant degree of consensus could be reached with an interinstitutional committee composed of persons representing such a diversity of institutions. He said CORA represents an important beginning effort to identify areas of underfunding in State System institutions. Sabbatical leaves and instructional coordination previously have not received explicit budgetary recognition, and others, such as secretarial and technical support, have been shown to be inadequate. He noted that the model makes modest concessions to the problem of headcount as a budget basis, but headcount in terms of student services and general institutional support are less completely resolved than other components of the model.

President Blumel said the CORA effort has resulted in secondary benefits such as demonstrating the need for greater uniformity in accounting structures and in forcing attention to existing workload factors which define program requirements in a variety of institutional activities.

President Blumel referred to difficulties and deficiencies with the CORA model in its present form because it lacks consistency in the identification of budgetary goals. The CORA model presumes to identify specific activities, but there is no corresponding procedure in the identification of workload. Finally, it should be possible to provide for differences in institutional missions through the model.

President Rice said he had served on the committee to develop the model from the beginning and had reached the conclusion that the Board should make the difficult decisions which were now necessary and move ahead on the model. He said he believed the reason the old model was called into question was due to pressure external to the System. He said the new model provides more quantification than the former model and this increases credibility.

President Rice said it was incumbent upon all of the presidents to be both advocates of the individual institution and also of the State System. President Rice stated that the universities are underfunded and there has not been sufficient recognition of the differences between the universities and the colleges. He said it was also true that the new model will be underfunded and will result in competition among the various institutions. President Rice said that he did not believe the new model falls any shorter in fulfilling the aspirations of the senior universities than it does the colleges. He said the old system with all its weaknesses represented a composite of historical judgments that were about as fair as could be expected. He said the new model reflects that fairness as it now stands and urged the Board to move ahead to implement the model.

Mr. Perry said the Board wants a fair decision. He said the task of the Committee was to recommend to the Board a system that would help legislators to view the conflicting demands for available funds and relate education to other requests.

Mr. Holmer said the comments dealt with one fundamental question, the necessity in the model for distinguishing among institutions. He described the procedure by which the model recognizes differences. First, the fixed costs are separated from the variable costs which are handled separately. There is a recognition of headcount for part-time students rather than a complete reliance on FTE students. Mr. Holmer said differences in residential and commuter campuses might need further attention.
He pointed out that the model includes staff allocations by disciplines (which are a major factor in reflecting differences in the missions among the institutions) and also in the level of offerings. He said these things are continuing problems that require further attention and he believed they could be resolved in further conversations with the institutions.

Mr. Perry said model building is very common in industry. Flexibility is extremely important and there is a need to make annual or more frequent changes in the assumptions, particularly where disparate units are involved. Models also require a positive and aggressive attitude on the part of those responsible for the operation of the models.

Mr. Perry said he was concerned that there be additional input, but he recognized the time limitations for budget preparation. He suggested that the Committee recommend approval of the staff recommendation as presented but adjusted to request the staff to meet with the appropriate presidents to see if there is uniformity of understanding with respect to the purpose of the model and the opportunities for future adjustment and changes. He also suggested that this process be followed by further opportunity for discussion at the January Board meeting. If the differences have been resolved, the Board can proceed in January. Otherwise, it will be necessary to consider other alternatives of using the old model or portions of both the old and new models.

Mr. Perry said it was his personal hope that it would be possible to resolve the basic philosophical questions and the most significant detailed points of difference and proceed with the CORA model.

Mr. Stewart said he would not want any institution to become mediocre as a result of any action taken by the Board. Therefore, he would only favor adoption of those portions of the model which had unanimous or nearly unanimous support of the presidents. Mr. Stewart expressed concern that the Legislature might reach political solutions to economic problems.

Mr. Ingalls said he believed the model would be easier for legislators to understand than the present procedure. However, he said he was concerned about the differences between the staff and the presidents of the universities and hoped that a compromise could be reached.

The Chancellor said he would meet with the appropriate individuals to determine where agreement could be reached. He noted that the most crucial problem appears to be the treatment of graduate education which differs from the present procedure. He said this question should be pursued further.

The Committee recommended that the Board approve the staff recommendation as presented, subject to the following provisions:

1. That the staff work out a reasonable approach to the basic criticisms including philosophy and the more specific assumptions in the model; and

2. That further opportunity be provided at the January Board meeting for discussion of any remaining differences which have not been resolved.

Based on the results of the above provisions, the Board would take final action on the use of the model, a compromise model, or the old procedure in preparing the 1977-1979 budget request.

President Bluemle said the University of Oregon Health Sciences Center is omitted from the report but that national data is available for health sciences centers through the Institute of Medicine of the National Academy of Science.
Further Staff Report and Recommendation (January 20, 1976)

In referring the proposed budget resource acquisition/allocation model to the Board for action, the Committee on Finance requested its staff to seek resolution of the differences of fact and opinion that were indicated during the course of the Committee meeting on December 16. In the intervening period, there were numerous conversations involving the presidents (and their staffs) and members of the Board's staff. The most comprehensive single discussion was held on January 9. It involved the Chancellor and members of his staff and the university presidents and their staffs.

These wide-ranging discussions recapitulated the concerns expressed on December 16. These may be summarized as:

1. The need for more adequate data.
2. The need for further improvement in several of the formulas (and the data to support them).
3. The need for changes in the model to assure that it recognizes more clearly the differences between and among the colleges and universities.

The conference on January 9 addressed these concerns and expressed concurrence in the following conclusions:

1. The data presently available is acceptable for use as a first approximation in the initial application of the model, but
   a. The data must be replaced by more current information as soon as more current data is available and this process of replacement must be continuous.
   b. When suitable data relating to urban universities, colleges, and technical institutes is available, it will be used in the model as applied to the several categories of institutions.

2. The Committee on Resource Acquisition/Allocation and its advisory groups will continue to address the propriety of the individual formulas, with the goal of improving their equity and validity. The agendas of the CORA/A meetings have identified issues in the Library, Student Services, Physical Plant and General Institution Support formulas. These issues are under current review and the formulas are expected to be modified when accounting and related workload data can be developed--and further modified when reliable external (comparative) data is available. The philosophical issues are largely resolved and those remaining do not appear to constitute irreconcilable differences.

3. The model will more clearly differentiate between colleges and universities, if:
   a. Significant provision is made for funding of the special research responsibilities of the universities. The model, as presented in December, included an allowance for research of 1% of the instruction budget at the colleges and a larger (unspecified) percentage at the universities (based on AAU data). An allowance for research of 4% of the instruction budget should be allowed to the universities.
   b. The method of determining salaries of ranked academic staff in the model explicitly retains the existing college-university differential.
   c. The number of "unranked" staff (graduate assistants) determined in the model is to be based on the Oregon practice of identifying a typical graduate assistant as devoting 30% of his time to his assigned respons
4. In preparing the 1977-1979 budget request, the "base budget" (as defined by the Executive Department) will be determined for each institution, using the same methodology applied in preparing the 1975-1977 budget request. The CORA/A model will be used in identifying "program improvement" (as defined by the Executive Department) for those activities included in the model.

5. The CORA/A will review proposed guidelines for applying the model to the program improvements to be included in the 1977-1979 budget request. The review will be made prior to consideration of the guidelines by the Finance Committee in February.

With the modifications implied by these understandings, the staff reaffirmed its request for Board endorsement of the CORA/A model for use in preparation of the 1977-1979 budget request.

Board Discussion and Action

In response to a question from Mr. Joss, concerning the feasibility of using both the old and new programs as a basis for funding requests, Mr. Holmer indicated the budget in effect would be based on the prior pattern. He explained that the budget must be presented to the Executive Department in accordance with their required format and regulations.

Mr. Holmer said the primary question for Board consideration would be the percentage of program improvement to be requested of the Executive Department and the Legislature. When that decision is made, based on evidence provided by the CORA/A model, the budgets from the institutions will reflect specifically and precisely, in accordance with the established format, how it is intended to use the funds to improve which programs. Consequently, the budget submitted to the Executive Department will not reveal the usefulness of CORA/A to the Board in identifying the level of program improvement substantiated by the external comparisons the model provides.

In describing the Committee on Resource Acquisition and Allocation, Mr. Holmer stated that it was an interinstitutional committee staffed by the budget division of the Chancellor's Office. The costs of institutional participation are not slight and the costs of monthly meetings have been absorbed by the institutions.

In referring to funding for general and specialized libraries, Mr. Harms said the Board should be making decisions concerning the level of library support in comparison with other functions. He asked if the proposed model would incorporate anything for funding the libraries at the institutions more adequately. Mr. Holmer responded that the model indicates that library needs are less adequately supported than are instruction and other functions.

Mr. Harms then asked if the percentages represented realistic comparisons because the increase appeared to be substantial. Mr. Holmer indicated that the comparisons are realistic but the question of how quickly to achieve parity would be a policy judgment. The precise distribution of whatever funds are made available would be an institutional decision subject to Board review.

The 89% ratio of salaries between the colleges and the universities was of concern to Mr. Ingalls. He said he was not certain this was a proper differential and asked if there might be a bargaining demand to equalize the salaries at the colleges with those at the universities.

Mr. Lemman said the traditional comparisons, which show a similar differential on a national basis, would provide a substantial basis for argument for retaining the differential.

Presidents of several of the institutions referred to the need for comparative data, which in some instances was not yet available or in other cases was inadequate.
Mr. James Bernau, President of the Associated Students of the University of Oregon, said he strongly supported the attempt for a rational budgeting process and favored the proposed model for that reason. He said it was important to retain the student-driven model, but he was opposed to one part of the proposal which builds into the model specific provision for funding non-sponsored research at the level of 1% of the institutional budget model for the regional colleges and Oregon Institute of Technology and for the universities a proportion comparable to the figures of the American Association of Universities. Mr. Bernau indicated that this amounted to 4% of the instructional budget which means that non-sponsored research would be funded at a level approximately 50% higher than it is at present. He said it will be difficult in the future to maintain the instructional aspects of higher education and to increase research to that level does not benefit the people that higher education is supposed to serve.

The Chancellor commented that there is a very appropriate and extremely important research role for a university to play although he agreed that the model must be driven primarily by student enrollment. The Chancellor said that when society declines to commit some of its resources to a study of the unknown, society is in deep trouble, and a strong case could be made for additional support for the research effort beyond that which the model proposes. Such a commitment might be even more important to the security of the social order.

Mr. Holmer reported that preliminary studies at Oregon State University and the University of Oregon would indicate non-sponsored research support is presently close to the recommended level. On the basis of this data and other information from the Universities of Colorado and Michigan, it is believed the recommended level is an approximation that merits continuation in the CORA/A model.

The Board approved the revised budgeting system as recommended and supplemented by the further staff report and recommendations, with the following voting in favor: Directors Carpenter, Feves, Harms, Ingalls, Joss, McIntyre, McLaurin, and Perry. Those voting no: None.

Staff Report to the Committee (December 16, 1975)

Since April of 1974, the staff of the Board's Office and representatives of the institutions have been considering revision of the methods by which biennial budget requests and annual operating budgets of the Department of Higher Education are developed. The effort was undertaken because of deeply held concern both about the adequacy of the resources provided and about the equity of the distribution of the available funds to the several institutions.

In requesting and allocating funds under present policies, the universities, colleges, and Oregon Institute of Technology received "fixed" amounts for general administration and for physical plant operation and maintenance. These allocations have been based on a series of specific decisions over the years. Changes have been individually justified and determined. For the "variable" or student-related costs (instruction, libraries, student services), allocations are based on enrollment estimates by level of student. The amount allocated for each full-time equivalent upper-division student is 125% of that for each lower-division student and the amount for each graduate student is twice that for a lower-division student.

This somewhat oversimplified version of the allocation process is sufficient to identify four major elements of concern:

1. There is no external standard against which to measure the adequacy of the funds provided.

2. Institutions with a large proportion of part-time students believe that the reliance on "full-time equivalent students" as the basis for budget allocations may underestimate the costs that should be incurred in serving part-time students.
3. Institutions with higher than average proportions of lower division or graduate students question the present allocation judgment that ratios of 1.00 (lower division), 1.25 (upper division), and 2.00 (graduate) reflect cost differences realistically.

4. Some institutions question whether "average" funding adequately reflects the costs of the mix of academic programs at particular institutions.

The Ways and Means Committee of the 1975 Legislature adopted a budget note requiring that, prior to adoption of the 1976-77 operating budget (April-June 1976), a report be submitted to the Emergency Board which would "specifically address steps which have been taken to acknowledge financing for differentiated costs not currently recognized in FTE formula allocations." This directive deliberately avoided specifying an alternate but it reflected a continuing concern about the propriety of the methods used in developing higher education budgets.

I. The Information Problem

Budgeting for higher education is complex because the institutions engage in an array of activities which are not performed in precisely the same way on any two campuses. There are even differences in the way two classes that are nominally the same are taught on a single campus. There are fundamental disagreements about the purposes of higher education and a dearth of objective measures of workload, outcomes, and products that characterize institutional activity.

Many measures are used: student credit hours, degrees awarded, faculty contact hours, percentage of classroom utilization, student-teacher ratios, and many more. But there is little agreement on definitions or the meaning of the calculations based on the measures. Student-teacher ratios (e.g., 15 students to 1 professor) are sometimes used to argue for a higher ratio (reduced staffing) or a lower ratio (increased staffing) on the assumption that the student-teacher ratio affects the quality of instruction. However, there is disagreement about that assumption and there is no objectively established ratio that is accepted both by the academic community and by the external agencies that review institution budgets. Similarly, although there is a widely-held consensus about what constitutes a student credit hour, there is no universally-agreed objective definition of this unit of workload measurement.

A. Improving Management Information

Critics (and friends) of higher education have deplored this lack of reliable measures of productivity. Much effort has been and is being invested in responding to these calls for "accountability." One of the responses was the establishment in 1968 by the Western Interstate Commission for Higher Education of a "Management Information Systems" project to seek agreement among the member states on data definitions and other measurement standards that might facilitate interinstitutional comparisons. The WICHE effort quickly attracted national attention and it has since become the National Center for Higher Education Management Systems (NCHEMS). NCHEMS is funded primarily by contract with the National Institutes of Education and by foundation grants.

NCHEMS has produced several useful tools in the effort to improve fiscal management of higher education. It has produced a Data Element Dictionary that reduces some of the ambiguities of definition. It has also developed a Program Classification Structure that emphasizes the need for more consistent allocation of expenditures to carefully defined program categories. A procedure for analysis of faculty activities (to permit more accurate allocation of faculty salaries to programs) has been developed. There is also a Resource Requirements Prediction Model (computerized) that facilitates budget estimates based on a series of assumptions about program changes, enrollment changes, changes in student-teacher ratios, and other adjustments of assumptions.
B. Interinstitutional Exchange of Management Information

Perhaps the most significant current effort of NCHEMS has been called the Information Exchange Program (IEP) which is based on the foregoing models, adapted to produce information about program costs in a format that facilitates comparisons of costs by function and by discipline within the instruction function. Over 300 institutions are in varying stages of implementing the IEP. The effort requires changes in accounting and reporting systems that cannot be accomplished quickly. The IEP has been applied to the 1974-75 budgets for the Oregon colleges and universities and Oregon Institute of Technology. There are some apparent discrepancies in the data reported but these are expected to be corrected in the 1975-76 and subsequent IEP analyses. Several of Oregon's community colleges are also preparing to implement the IEP.

The real budget-making benefit of the IEP exercise will be experienced when there are enough other institutions following the IEP procedures that we may select those with characteristics similar to ours for "information exchange." At that time we will have an external basis of comparison which can be used in lieu of an absolute standard.

For the time being (i.e., in building the 1977-1979 budget request), it is possible to approximate the IEP procedure using the results of an IEP-like exchange of data relating to the instruction function for some of the twenty state university members of the Association of American Universities. This exchange is available for 1973-74. Detailed information about teaching loads in each academic discipline, by level of course, and by level of student is available for a representative sample of these institutions. The data exchange provides average salaries of ranked faculty and average distributions of rank. These data provide an external comparison, which may have some utility as a standard. Dr. Paul Civin is the representative of the University of Oregon in coordinating the University of Oregon participation and has assisted in making the data available to CORA/A.

Without such efforts to seek either comparative or absolute standards, it is to be expected that the internal and external questions about our budgeting procedures will continue unanswered.

II. The Limits of "Modeling"

It is often convenient to adopt mathematical statements as a basis for describing human organizations and their management processes. Making the statements in mathematical terms sometimes facilitates understanding and experimentation. Student-teacher ratios (e.g., 1:1 or 50:1) describe quite different educational organizations with a common measure (Mark Hopkins, his log, and one student vs an overworked faculty in an underfunded institution). The S-TR tells us something significant about an institution. Such a mathematical formula tells only part of the story, of course, but it provides a beginning.

A. The Elements of a Model

Similarly, acres of campus per campus grounds maintenance employee, or library books per student or degree program, or percentage of laboratory utilization describe other characteristics. When these are put together with other workload and quality indicators, one can establish mathematical formulae that can be used to develop a budget that will fund an institution as defined by certain criteria. For example, the budget model could be simply $x per Fall Term student. The budget model can be much more complicated, including a series of measures and associated unit costs. Indeed, equity among institutions tends to require complication so that real differences are reflected in the model. There are differences in cost by level of course or by level of student (graduate vs undergraduate). Research universities have obligations that may not be characteristic of colleges.
There are three usual elements in a budget model: a workload measure, a resource measurement, and a dollar standard. If we know how many credit hours of lower division Spanish are taught, how many credit hours of lower division Spanish are taught by the average teacher, and what the average pay of Spanish teachers is (or should be), it is no great mathematical trick to determine what the budget for teaching lower division Spanish might be.

B. The Role of Judgment

It must be recognized, however, that judgment enters into each of these determinations. "Lower division Spanish" sounds like an objectively described, measurable category of credit hours but certainly the credit hours are not uniform. Even in the same class, students require different amounts of instructional help. "Credit hours taught by the average teacher" is easily determined but the model-maker has a wide range of choice in deciding what universe to use in calculating an average. The alternatives include: lower division Spanish teachers; all Spanish teachers; all modern language teachers; at one institution; at State System institutions; at public institutions. There are others. The point is that the choice made at this point will have a substantial impact on the effect of the model. The same range of choice would apply in picking an average salary to include in a model.

A budget model appears to be objective. Clearly, however, its elements rest on choices from many alternatives. To the extent that the workload and resource measures are representative of reality and the dollar standard is truly a standard, the model will produce results that are helpful. There are two kinds of standards that are preferred: an objective standard (that establishes on the basis of scientific experimentation what ought to be a normal rate of productivity and cost); and an external or comparative standard (based on the productivity and costs characteristic of other similar institutions). A third, historical, standard is often used but it assumes that an institution's past rates of productivity and cost ought to be maintained. That assumption is rarely valid, although it is useful to a model-maker in the absence of an objective or an external standard.

A model is a human construct. It can be changed easily by substituting different components or standards. Using "full-time equivalent students" in a budget model produces a different result than "head-count students." For particular functions, full-time or headcount, or a combination (or some other measure) may be more representative. The "standard" to be applied in a model can be changed. A student-teacher ratio of 17 to 1 can be changed by competent authority to 15 to 1 or 20 to 1. The basis for such a change may be intuition or adjustment to a predetermined budget limit. More appropriately, such a change will result from an exhaustive analysis of essential or desirable characteristics. Or, a change may be warranted by a study of the characteristics observed elsewhere.

C. The Quality of a Model

The point of these observations is that a model represents a series of judgments. The quality of those judgments determines the utility of the model. The inter-institutional Committee on Resource Allocation/Acquisition (CORA/A) has worked diligently to seek those measures and standards that will result in a model that is as useful as the state of the art permits. And model-making is an art. The CORA/A-recommended model which follows is a beginning; the model will be improved by further CORA/A effort, by suggestions from the institutions, the Board, the Executive Department, the legislative branch, or any other source.

These model-making judgments deserve intensive Board review and consideration before they are endorsed by the Board. The judgments incorporated in a budget model reflect a particular view of the relationships of workload and resources that ought to exist. If adopted, the budget model would establish a specific conception of how an institution should be funded--as a matter of formal Board policy. This is a crucial decision.
III. Specifications for a Resource Allocation/Acquisition Model

During the past 20 months, CORA/A has been in the process of reviewing the options available when constructing a budget model for the colleges, universities, and the Oregon Institute of Technology. The model described hereafter is, in major measure, a consequence of the committee's deliberations.

The specifications for the preparation of requests for (and allocation of) the sums needed for financing the institutions in a State System of Higher Education may take many forms. The most time-honored set of specifications requires detailed identification of each position, each item of equipment, each item of supply, and any other object of expenditure. In more recent years, there has been less insistence on such "line-item" review and greater reliance on a cost-per-student model. The "cost per student" approach tends to give great credence to current levels of funding and is "student-driven," despite the fact that significant functions of a college or university are essential to society but are not directly related to the number of students on a campus. For example, the maintenance of an adequate library is influenced only to a limited extent by the number of students; it is more strongly affected by the number of disciplines for which an institution is the instructional and research agent.

Were institutions viewed as composed of interchangeable parts, it is conceivable that funding could be patterned on a military model, with each institution having the same "Table of Organization" (uniform staffing plan), the same "Table of Equipment" and "Table of Supplies." In the Oregon State System of Higher Education, however, each institution has a different set of curricular and research responsibilities and a different clientele. In devising a basis for requesting or allocating funds for the institutions, what is needed is a method of identifying the resources needed in ways which equitably reflect differences in institutional mission, institutional size, institutional complexity, and institutional location.

The Committee on Resource Allocation/Acquisition has concluded that reliance on a student-teacher ratio or a cost-per-student basis as an exclusive for allocating/acquiring funds does not assure equity and that a line-item budget neither assures equity nor permits the administrative flexibility that is essential for a dynamic institution. Accordingly, CORA/A proposes that in allocating/acquiring funds for OSSHE institutions, the sums required should be determined separately for each of seven functions:

Instruction;
Non-sponsored research;
Extension and public services;
Libraries and museums (academic support);
Student services;
Operation and maintenance of the physical plant; and
General institution support.

The specifications for a mathematical model for determining the sums required must thus call for the addition of the sums determined for each of seven "function" formulas. One of the seven (extension and public service) is not readily susceptible of determination by formula; accordingly, extension and public service needs will be determined on an essentially line-item basis. The remaining six models may be described as follows:
A. The Instruction Formula

By far, the largest proportion of the expenditures at institutions of the Oregon State System of Higher Education is devoted to the provision of instruction of students. The very nature of higher education assumes that each faculty member is expected to engage in scholarly activities in support of the teaching responsibility and such activity is so treated in the "instruction" specification.

There are seven separate elements in the instruction specification:

1. Instruction per se (The time of faculty members in preparing for and teaching, either in the classroom or laboratory, or in the field, or as academic advisers to students).
2. Coordination of instruction (The work of department and division chairman, deans, and other officers of instruction).
3. Administrative and clerical support (Non-academic personnel involved in provision of services in support of the instruction activity--typing, business management, etc.).
4. Technical support (Non-academic personnel providing technical assistance such as equipment maintenance and construction and laboratory assistance).
5. Staff development and in-service training (Expenses in enhancing the experience and knowledge of instruction personnel--attendance at workshops, seminars and professional meetings).
6. Services and supplies (Telephones, duplicating, mailing, chemicals, specimens, computer services and other supplies and services).
7. Other (Replacement and new equipment may be justified by separately established procedures; payroll assessments and staff benefit costs will be determined as required by budget instructions).

The components of the model for instruction and non-sponsored research may be expressed in the following formulas:

1. Instruction per se: 3-term student credit hours per (2-digit) HEGIS discipline* and level of course for lower division and upper division courses and by level of graduate student (doctoral candidate; other postbaccalaureate) for courses taken.

\[
\text{Average student credit hours taught by the average FTE faculty member in the same categories in the information exchanged among institutions of the Association of American Universities.**}
\]

\[
\text{Average annual salary of faculty members in each discipline as calculated from the AAU data exchange plus information separately collected about average salaries for graduate assistants.}
\]

* HEGIS is the Higher Education General Information Survey compiled by the National Center for Educational Statistics. It uses a generally accepted taxonomy of disciplines that can be aggregated into 26 major discipline categories to be found in OSSHE institutions.
1973-74 AAU data by discipline and level of course or student will be extrapolated according to 1975 AAU data by discipline. The institutions presently used are the University of Colorado, Indiana University, University of Michigan, Michigan State University, University of Missouri, Ohio State University, and the University of Washington.

2. **Instructional coordination**

The funding of the academic staff positions required for administration of departments, divisions, schools and colleges is determined as a sum proportional to the amount produced by the instructional faculty salary model. Ten percent is deemed appropriate.

3. **Technical support**

Stores clerks, equipment maintenance personnel, etc., to be determined as one position for each ten faculty members, funded at the salary of a Laboratory Technician 3 (Step 2): $8,580. (In preparing 1977-1979 budget requests, updated salary rates will be used.)

4. **Administrative and clerical support**

An allowance at 1 FTE per 5 FTE faculty, funded at the salary of a Secretary 3 (Step 2): $6,396.

5. **Staff development and in-service training**

An allowance equal to 2% of the instructional faculty salary amount at the universities and 2.25% of the salaries at the colleges and Oregon Institute of Technology. This differential is proposed to reflect economies of scale at the larger institutions.

6. **Services and supplies**

Although needs for services and supplies tend to vary by discipline, the variances are not highly significant in total. Consequently, it is proposed to provide an allowance for services and supplies equal to 10% of the amount provided for instructional salaries. If salary changes occur at a rate different from that applying to services and supplies prices, a change in the percentage allowance is warranted.

7. **Equipment**

Determined in accord with procedures involving replacement schedules and individual determination for items having a replacement cost in excess of $1,000. The sum of the equipment requests is expected to equal 7% of the instruction equipment inventory.

8. **Summer sessions**

To be separately determined.

9. **Threshold support**

If necessary, a minimum level of support for the instruction function should be identified.
B. Non-Sponsored Research Formula

The model will provide 1% of the instruction budget as a resource for the support of non-sponsored research at the colleges and Oregon Institute of Technology. For the universities, a total percentage equal to that of the "General Fund" support of research at a representative sample of AAU universities will be used.

C. Academic Support (Libraries, Audio-Visual, Etc.) Formula

The proposed formula is based in major measure on the Washington Budget Analysis System for Libraries. The Washington formula is intended to provide a method for determining a "threshold adequacy" for academic library collections.

The model for the academic support function has the following elements:

. A library resources formula which takes into account both enrollment and program factors.
. A library staffing formula.
. A minimum rate for acquisition and maximum rate for deletion of book holdings.
. A method for computing binding and other operational costs.
. A formula to determine funding the audio-visual services needs.
. A method for determining museum support.

1. The library resource formula

(a) 85,000 volumes as a basic or opening day collection.
(b) 100 volumes per FTE faculty.
(c) 15 volumes per FTE student.
(d) 350 volumes per bachelor or associate program. (Only one allowance is permitted if both degrees are offered in the same program.)
(e) 6,000 volumes per master's program when no doctorate is offered.
(f) 3,000 volumes per master's program when a doctorate is offered.
(g) 25,000 volumes per doctorate program.
(h) A minimum acquisition rate of 5% of formula holdings or 5% of actual holdings, whichever is greater.
(i) A weeding or deletion factor of 2% per year of actual holdings.
(j) The cost allowance per volume will be determined by the Chairman of the Interinstitutional Library Council based on averages of combined serials and book expenditures in fiscal year 1974 adjusted for inflation. (For 1974-75 the numbers would have been $18.45 for the universities and $17.37 for the colleges.)

Definitions of terms used in library resource formula:

. Volume. A volume is a physical unit of any printed, typewritten, handwritten, mimeographed, or processed work contained in one binding or portfolio, hardbound or paperbound, which has been
classified, catalogued and/or otherwise prepared for use. Includes bound periodical volumes. Includes government documents that have been classified and catalogued, counting as a volume such material as is contained in binding or portfolio. One reel of microfilm or five micro-cards or microfiche are reported as a volume.

Items not included:

- Government documents not meeting definition of a volume.
- College and university catalogues.
- Fragmentary or loose map collections.
- Pamphlets, clippings, unbound newspapers, loose music scores, paintings, prints, phonograph records, and tape recordings.
- Educational curricular materials, such as school texts, curriculum guides, kits and laboratory materials, film strips, records, units of study, circulating periodical collections for student teachers, book jackets, pictures, etc., which are not catalogued or accessed or otherwise meet the definition of a volume.
- Telephone books, trade catalogues and other ephemeral materials.

Items included:

- Prints or plates in portfolio.
- Each copy of theses which are retained.
- Material which meets the definition of a volume which are housed in an archives and educational reference material or audio-visual reference books which meet the definition of a volume but which happen to be housed in a curricular laboratory or an audio-visual section.
- Juvenile books if they are catalogued or accessed.
- Bound volumes of newspapers.

FTE faculty. Includes all academic personnel, exclusive of those employed in sponsored research or statewide public services.

FTE student. The sum of credit hours estimated to be produced in fall, winter, and spring terms, divided by 45.

Associate program. Those recognized in a listing of programs prepared by the Office of Academic Affairs. For all degree programs, the Office of Academic Affairs will group programs, where appropriate, to avoid rewarding proliferation of degree programs.

Bachelor program. Those recognized in a listing of programs prepared by the Office of Academic Affairs.

Master's program. Those recognized in a listing of programs prepared by the Office of Academic Affairs.
1. Doctorate program. Those recognized by the Office of Academic Affairs as requiring an Individual library collection in the formula, after consultation with the institution and the Chairman of the Interinstitutional Library Council.

2. The staffing formula

(a) \[ S_g = K(10) + \frac{S}{500} + 0.5M + 2D \]

- \( S_g = \) Total staff generated includes administration, technical services and public services personnel made up of faculty, classified, and FTE student employees.
- \( K = \) The constant is 10 staff members (representing a minimum viable staff for a library).
- \( S = \) Four-term cumulative student headcount.
- \( M = \) Number of master's degree programs.
- \( D = \) Number of doctoral programs.

(b) The following staffing ratio is used:

\[ F \text{ (academic/faculty)} + C \text{ (classified)} + S \text{ (student)} = S_g \text{ (total staff)} \]

- \( F = 0.25 \ S_g \)
- \( C = 0.50 \ S_g \)
- \( S = 0.25 \ S_g \)

\( S_g = \) Staff generated by formula.

The salary allocation for academic/faculty staff will be funded at an average salary based on the AAU data exchange.

The salary allocation for classified staff will be funded at the second step of the Administrative Assistant classification.

The salary allocation for student staff will be funded at the second step of the Clerical Assistant classification.

3. Binding formula

The binding budget is directly related to the acquisition budget. The budget for binding is determined by multiplying the acquisition budget by 8.5%.

4. Services and supplies formula

The budget for general services and supplies, including travel, will be 5% of the acquisition, staffing, and binding budget.

5. Cooperative programs formula

For development, implementation, and maintenance of cooperative purchases, networks and Systemwide computer development, an allocation amounting to 1% of the Systemwide budget for libraries will be made available to the Chairman of the Interinstitutional Library Council for allocation on advice of the Council.
6. **Other instructional support (audio-visual, etc.) formula**
   
   The budget allowance will be 2% of the instructional budget as calculated by the instruction formula.

7. **Equipment**
   
   Determined in accord with procedures involving replacement schedules and individual determination for items having a replacement cost in excess of $1,000.

8. **Museum support**
   
   Support for museums will be determined individually on a line-item basis.

D. **The Student Services Model**

This function includes:

- Student administrative services
  
  Admissions and records
  
  Student information systems

- Student financial aids administration

- Placement (not including career planning)

- Student personnel programs (advising, etc.)

- Foreign student programs

- Programs for special populations

- Student union support.

A special committee of student services officers, chaired by UO Vice President Gerald Bogen, developed data to identify 1974-75 expenditures and workloads associated with the foregoing services. Analysis of the data revealed such wide variations in the nature and scope of the activities and costs at the several institutions that there appeared to be no set of historical standards that could be equitably applied. However, if the programs for special populations and student union support are budgeted on a line-item basis, the expenditures for the remaining student services do fall into a three-part pattern when measured against other expenditures.

The Student Services budget model includes:

1. Programs for special populations at 12% of 3., below.

2. Educational activities support on a stepped-formula basis ($5 each for the first 5,000 four-term cumulative headcount students; $3 for the next 1,000; and $1 thereafter).

3. Support for other student services at 5.5% of the Instruction budget plus Auxiliary Activities operations (less debt service) multiplied by the ratio of 4-term cumulative headcount to 4-term FTE students.
The AAU data exchange for 1975-76 may provide a comparative (external) standard for the function as a whole. At the same time a standardized set of budget accounts will permit comparisons among Oregon colleges and universities.

E. The Operation and Maintenance of the Physical Plant Model

The model for the operation and maintenance of the physical plant is based principally upon the Washington model. The model as proposed is designed to generate gross financial requirements including expenditures recovered through indirect cost credits. However, service credits are to be considered as add-ons to the model-generated requirements.

The following components are included in the model for operation and maintenance of the physical plant:

- A formula allowance for building maintenance.
- A formula allowance for plant rehabilitation and remodeling.
- A formula allowance for janitorial services.
- A formula allowance for grounds maintenance.
- Separately negotiated institutional requirements for campus security.
- Separately negotiated institutional requirements for utilities.
- A formula allowance for maintenance of utility distribution systems.
- A formula allowance for campus delivery service.
- A formula allowance for physical plant administration.

1. Building maintenance formula

   The Washington model requires the following information for building maintenance:

   - Current replacement cost of each building.
   - Buildings classified into one of three types of construction—wood-frame, masonry-wood, masonry.
   - The percentage of each building that is air-conditioned.
   - The percentage of each building that is funded by the Education and General Services program.

   Current replacement cost will be based upon the Controller's Office building valuation reports.

   Office of Facilities Planning staff will assist in determining the classification by construction type and percentage of the building that is air-conditioned.

   Facilities Planning staff will also determine the percentage of each building that is funded by the Education and General Services program.
The model generates budget allowances for regular building maintenance plus a special allowance for air-conditioning.

(a) Replacement cost of wood-frame buildings x .0175.
(b) Replacement cost of masonry-wood buildings x .0130.
(c) Replacement cost of masonry buildings x .0110.
(d) Allowance for air-conditioning is replacement cost of building x percent air-conditioned x .0015.
(e) The CORA/A has added a factor to be multiplied by the basic building maintenance allowance to provide for "intensity of use." This factor relates each institution's square feet of buildings used by student to 4-term FTE students.

2. Plant rehabilitation and remodeling formula

To fund major rehabilitation and remodeling needs not met through the building maintenance formula, an additional amount should be provided for rehabilitation and remodeling projects costing in excess of $2,500. Since major remodeling appears in the capital construction budget, a relatively small amount is proposed here: 10% of the building maintenance formula.

3. Janitorial services formulae

The Washington model requires square footage for each building which would be determined by Office of Facilities Planning staff.

(a) Staffing

The model allows 1.00 FTE for janitors for each 20,000 square feet of buildings and 1.00 FTE for window-washers for each 350,000 square feet. In addition, there is a proposed allowance of .15 of the staff requirements for supervisory and leave requirements. The formula generated FTE is multiplied by the annual rate of a Custodial Worker 2 at the second step of the pay range.

\[
\text{FTE} = \frac{\text{Sq. Ft. of Buildings}}{20,000 \text{ Sq. Ft.}} \times 1.15 + \frac{\text{Sq. Ft. of Buildings}}{350,000 \text{ Sq. Ft.}} \times 1.15
\]

Full-time equivalent staff required (FTE)

\[
\text{FTE} \times \text{Custodial Worker 2 annual salary (second step)}
\]

(b) Supplies

An allowance for janitorial supplies is calculated by multiplying $525 (1974-75 base--adjusted for future years by an inflation factor) by the FTE staff required.

(c) Equipment

Determined in accord with other procedures, involving replacement schedules and individual determination for items having a replacement cost in excess of $1,000.
(d) **Intensity of Use**

The same intensity of use factors as applied in determining the building maintenance allowance are applied in determining the janitorial services allowance.

4. **Grounds maintenance formulae**

The Washington model calls for the campus and grounds area to be classified into four categories and provides FTE allowances as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>FTE Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very High Intensity</td>
<td>1.00 FTE for each 4 acres</td>
</tr>
<tr>
<td>High Intensity</td>
<td>1.00 FTE for each 8 acres</td>
</tr>
<tr>
<td>Medium Intensity</td>
<td>1.00 FTE for each 16 acres</td>
</tr>
<tr>
<td>Low Intensity</td>
<td>1.00 FTE for each 32 acres</td>
</tr>
</tbody>
</table>

Office of Facilities Planning staff will assist in making the determination as to the number of acres in each category.

(a) **Staffing**

The FTE allowances generated by the above formula will be multiplied by .15 for supervisory and leave requirements. The formula generated FTE will be multiplied by the annual rate for a Groundskeeper 2 at the second step in the range.

\[
\text{FTE} \times \text{Groundskeeper 2 annual salary at second step} - \text{annual budget allowance}.
\]

(b) **Supplies**

The model allows $2,000 per FTE Groundskeeper as a basis for supplies for grounds maintenance.

Our model proposes to have equipment generated by a separate calculation.

(c) **Equipment**

Determined in accord with other procedures, involving replacement schedules and individual determination for items having a replacement cost in excess of $1,000.

5. **Campus security**

Allowances for campus security will be separately calculated for each institution.
6. Utilities

Because of the uniqueness of institutional utility facilities and the uncertainty of energy prices and supply, separately calculated institutional allowances are proposed for utilities and the operation of utility generating facilities. It is proposed that the Washington allowance for the maintenance of the utility distribution system (10% of the Building Maintenance allowance) be applied.

7. Campus delivery service formula

Campus delivery service allowances will be generated by a formula using $20 (adjusted for inflation in future periods) per staff headcount (academic, classified, student).

\[
\text{Staff headcount} \times \$20 = \text{delivery service allowance.}
\]

8. Physical plant administration formula

An allowance of 15% of formula generated allowances (not including utilities or campus security) is proposed for physical plant administration, including planning and stores activities.

F. The General Institution Support Model

"General Institution Support" includes the executive management, fiscal operations, personnel, logistical support, and similar administrative services. It would be preferable to have an external or absolute standard for the function (or for its several component activities). It is expected that the AAU Data Exchange for 1975-76 will begin to provide some external data but there may be difficulty in identifying the workload components. Concurrently, a standardized set of budget accounts is to be developed that would facilitate comparisons among Oregon state colleges and universities.

The model for General Institution Support includes the following components:

1. A line-item allocation to meet assessments by other state agencies.

2. A two-part variable cost allocation based on dollars expended and the average headcount of students and staff.

3. A basic level of funding for the colleges and Oregon Institute of Technology.

1. Assessments

Special assessments will be budgeted at an estimated cost in accord with Executive Department instructions.

(a) State restoration.

(b) State purchasing.

(c) Personnel Division.

2. A two-part variable costs formula

At least two factors affect General Institution Support expense: the number of dollars expended; and the number of persons served or directed. The relative proportion of impact is unclear. "Dollars expended" for this formula includes all Education and General Services, Auxiliary Activity, and Operating Account expenditures. It should also include statewide services until a revised budget system for the statewide services includes an appropriate charge for the 'general institution support' provided to them.
(a) 60% of the sum generated by the formula should be based on the number of dollars expended (as defined above).

(b) 40% of the sum generated should be based on the average 4-term headcount of students and staff.

3. Base funding for colleges and Oregon Institute of Technology

Initially established at $200,000 per year.

It is anticipated that the AAU data exchange will ultimately provide an external comparison for the function as a whole.

IV. Implementation of the Model

It is no small task to implement the collection of the basic data and to subject the data to the computations anticipated in the Resource Allocation/Acquisition Model just described. That task, however, is neither the beginning nor the end of the effort that is required. The beginning is really the continuing development and validation of specifications for the model; the end is in the determination of how to apply the model to a particular set of fiscal, academic and political circumstances.

A. Development and Validation of Model Specifications

The work of CORA/A in achieving a substantial level of current consensus about the specifications of a budget model is important but far from conclusive. The model consists of many separate elements and standards. The choices that have been made are believed to be reasonable and logical, given present levels of information availability and of understanding of the relationships among objectives, workload, outcomes, and resource needs. It is certain that availability of more relevant data and clearer understanding of input/output relationships will warrant change in the model specifications.

At least four bodies share with CORA/A and the Board's staff the responsibility for explicit consideration of, possible modification, and ratification or rejection of the model as a basis for the development of budget requests and the allocation of appropriated funds.

1. The Board of Higher Education

The Resource Allocation/Acquisition Model (RA/AM) would constitute departure from current practice. RA/AM does not start with the traditional "base budget" (sometimes called "going level"), adjust for workload changes, and add on program improvements. The RA/AM does not rely on student FTE as its primary unit of measurement. Instead, it relies on functional analysis, external comparisons, externally derived standards, and some historical (internal) standards.

The Board's review of the model should begin with the underlying assumptions and proceed through, function-by-function, to satisfy itself that the model components are consistent with Board expectations about how the institutions should be funded. For example, the Board may determine that the instructional support (library) function should be funded more richly or less richly (in comparison with other functions) than the RA/AM presently would provide. The Board has the responsibility for directing such a change—either by particular alterations of model specifications or by a more general direction that proportional relationships to other functions be modified.

Initially, of course, the Board will wish to see the comparison of the RA/AM-based budget measured against that resulting from current budget development processes. Appendix A displays that information, function-by-function and in total.
2. The Educational Coordinating Commission

The Educational Coordinating Commission has a set of concerns about intersegmental equity in state funding of educational programs. It will undoubtedly review the budget request of the Board of Higher Education and comment on its consistency with the Commission's comprehensive plan. The Commission may suggest changes in the RA/AM to facilitate intersegmental comparisons. The Board of Higher Education would need to give consideration to such suggestions.

3. The Executive Department

Through its Budget Division, the Executive Department prepares the biennial budget recommendations for all state agencies. There is need for a substantial degree of uniformity in agency budget presentations, if meaningful summaries of the total state budget are to be provided for public and legislative review. The Department of Higher Education has prided itself in conforming its budget request format to that established by the Executive Department.

A RA/AM-based budget request may, therefore, need to be supplemented by documents providing information about those elements of the expenditure plan that need to be identified in the total state budget.

In addition, the Executive Department may find it prudent or necessary to propose modification of elements of the RA/AM before submitting the Governor's budget recommendations to the Legislature. Such modifications could relate either to the workload measures or to the standards incorporated in the model. It is assumed that the Executive Department would be less likely to propose modifications of the formula than to accept the Board's model but to recommend a lesser level of funding, if necessary for fiscal reasons.

4. The Legislative Assembly

Similarly, the Legislature may adopt, as a basis for its appropriation decisions, revisions of the model or its elements. In such a case the modifications would be essentially binding on the Board.

B. Applying the RA/AM

The change of budgeting from the present procedures to reliance on a functional model of the type represented by the RA/AM will raise numerous questions of fundamental significance to the institutions of the State System.

1. Maintenance of flexibility of administration

The model proposes that the total budget of an institution be requested on the basis of individual calculations relating to each function and academic program. However, the model generates recommended sums based on a standard or average. At one institution at a particular time in its existence it may be desired to emphasize library development, or to improve student services, or to improve the quality of a particular academic program. The use of a budget model in no way should be permitted to bar the exercise of administrative judgment (within the limits of law and Board policy) in the internal management of the institution. Each institution is a dynamic entity. Its vitality and its distinctive character would be destroyed--reduced to lifeless mediocrity--were the institution to be required to expend funds in precise relation to the elements in a static mathematical model.
2. The model as a goal

It has long been observed that expenditures in support of Department of Higher Education institutions are significantly below the average per-student expenditures of similar institutions elsewhere. The RA/AM indicates that such differences are substantial. The determination of the State of Oregon to expand the opportunities for postsecondary education in the 1960's is to be applauded. Given the fiscal resources of the state, the support given to institutions of the Department of Higher Education has been substantial.

Now the state looks forward to an extended period of relatively stable enrollment—a period of managed equilibrium. Such a period clearly offers the state the opportunity to establish the model as a goal. It is unlikely that the resources of the state will permit achieving the goal in a single step but steady progress toward that end is a reasonable objective.

3. Maintenance of current levels of support

In proposing a more sensitive allocation/acquisition model, CORA/A has been concerned lest implementation of the model result in the increase of the funds made available to one institution at the expense of another. It is not anticipated that in the foreseeable future there could be a set of circumstances in which such a result could occur. In implementing the RA/AM it is intended that there be no reduction in the financial resources available to any of the institutions.

Avoidance of reductions in expenditure does not imply, however, that present proportional relationships among the institutions will remain unchanged. The formula may indicate that one or more institutions happen to be more seriously underfunded than others. It is a matter of unanimity in the CORA/A that relieving the distress of one institution ought not be achieved at the direct expense of the others.

4. If the model is partially funded...

Fiscal resources of the state may require that appropriations fund only a portion of the amount warranted by the RA/AM. Should this occur, it is intended that allocations by the Board to the institutions would be based on a principle of proportionality. Example: Assume that Institution A is currently funded at 80% of the amount warranted by the model and Institution B at 90%. To the extent permitted by additional funding, both institutions would be advanced but Institution A would increase (measured by percentage) at twice the rate of Institution B.

The process, when applied to six or seven institutions, will be mathematically more complicated than this simplified description suggests. However, equity in the allocation of funds acquired as a result of the use of a model depends upon establishment of this principle.

V. The Unfinished Business of CORA/A

This report has described a Resource Allocation/Acquisition Model in positive terms. The Model incorporates a large number of specific recommendations on which CORA/A's agreement is quite tentative. The various formulae include a mix of comparative, historical, and quasi-objective standards. The Model is strongly believed to be a significant improvement on the present set of budget procedures (providing a more sophisticated reflection of institutional differences). It is equally clear to the Committee that the present Model should be viewed as a
viable tool but also as one which is subject to significant improvement. It is the intent that CORA/A will continue in existence as a focal point for staff review of the adequacy and propriety of the RA/AM and as the primary agent for identifying the elements of the Model most in need of additional analysis and development.

A. Further Analysis and Development of Specifications and Standards

The following recitation of issues might be called a preliminary agenda. It is indicative rather than exhaustive.

1. Replacement of the "historical" standards

The formulae for the Student Services and General Institution Support functions are based on presumed historical (actual) standards. But "what is" is not necessarily what ought to be. CORA/A needs to continue to press in both these functions for the development of either a comparative (external) or an objective standard.

2. Replacement of "line-item" elements in the Model

For a variety of reasons (and in the absence of identifiable standards), the Model assumes that some expenditures will simply be proposed after analysis of the individual budget items (objects--e.g., salaries, supplies, etc.). Campus security, utilities, and museums fall in this category. Although development of formulae to apply to such elements of the Model is difficult, CORA/A ought to continue to seek a less arbitrary approach to the budgeting for these activities.

3. Replacement of "dependent variables"

Throughout the Model, there are formula elements and standards that depend on quantities that are previously determined by formula. Technical support of the instruction function, for example, is deemed to have a direct relationship to the number of instructional faculty. This assumption has some basis in fact but it may be preferable to find a more direct measure of the work to be performed by the technical support staff. It is necessary at this point only to emphasize that there are many dependent variables in the Model and CORA/A must seek to redefine the elements and standards in the formulae for such activities.

4. Validation of the "conventions" used in applying the Model

In applying the Model to the data, the Board's staff necessarily adopted a methodology in utilizing the data. For example, the Office of Academic Affairs has determined a unit value of doctoral programs for purposes of determining library book allowances. CORA/A should review the choices made. There are numerous other similar decisions that the staff has made. These are documented but they also need thorough review and validation at least by CORA/A, if not by the Board.

5. Validation of data sources

CORA/A has been deeply involved in identifying the data to be used in applying the RA/AM. It has agreed, for example, to the use of the data provided as a result of the AAU Data Exchange in determining the level of support for the instruction function. At some future time, it may be more appropriate for the Model to rely on data produced by the NCHEMS IEP. CORA/A should recommend or concur in such decisions.
6. Development of additional formulae

(a) The functions carried out at the UO Health Sciences Center are quite different from those of the other institutions. Although there are apparent similarities, CORA/A has not concluded that the RA/AM, in its present form, could be applied at the UO Health Sciences Center.

(b) The application of RA/AM, to the Oregon Institute of Technology, poses a number of serious questions that may require substantial modification of the Model.

(c) When the "Education and General Services" budgets are provided for in the Model, it will be appropriate for CORA/A to address the budgets for the statewide public services and, perhaps, for the auxiliary activities.

B. Appraisal of the Educational Effect of the Model

The Resource Allocation/Acquisition Model has been developed in response to very real concerns about the propriety of present procedures. The essential expressed concerns are that the present procedures provide neither adequate support of academic programs nor an equitable apportionment of the available funds. In a more fundamental sense, the concern is about the adequacy of the educational experience provided for students at institutions of the Department of Higher Education.

The RA/AM will not, of itself, change that educational experience. The Model may, however, have profound indirect effects.

CORA/A will have a continued responsibility to review those effects. CORA/A will necessarily review the budgets proposed as a result of applying the Model to assess its impact on institutions and the functions and activities within institutions. This responsibility will require keen sensitivity to academic reality and the relationships of budgets to the educational objectives of the institutions.

* * * * * * * * *

This report proposes the most comprehensive and far-reaching change in budgeting for the Department of Higher Education since the establishment of the Department. The proposal is made with confidence that it would represent an improvement. The process of Board review should consider whether it concurs in that assessment and whether there are elements of the proposal that would be more useful were they modified.
### CORA/A - SUMMARY
February 4, 1976

<table>
<thead>
<tr>
<th>Category</th>
<th>UO</th>
<th>OSU</th>
<th>FSU</th>
<th>OCE</th>
<th>OSOC</th>
<th>EOSC</th>
<th>OIT</th>
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<tbody>
<tr>
<td>Instruction</td>
<td>$26,836,334</td>
<td>$26,935,797</td>
<td>$16,927,795</td>
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<td>2,000,501</td>
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<td>1,211,432</td>
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<td>--</td>
<td>83,381</td>
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<td>Museums</td>
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<td>Operation &amp; Maint. of Physical Plant</td>
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<td>1,245,907</td>
<td>683,318</td>
<td>595,194</td>
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<td>General Institutional Support</td>
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<td>2,617,820</td>
<td>1,603,406</td>
<td>876,505</td>
<td>867,068</td>
<td>450,811</td>
<td>523,102</td>
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<td>Total CORA/A Model Generated</td>
<td>$41,373,800</td>
<td>$43,383,813</td>
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<td>$8,115,419</td>
<td>$9,393,714</td>
<td>$3,952,784</td>
<td>$5,645,408</td>
<td>$138,016,050</td>
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**1974-75 Original Budget**

<table>
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<tr>
<th>Category</th>
<th>UO</th>
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<th>FSU</th>
<th>OCE</th>
<th>OSOC</th>
<th>EOSC</th>
<th>OIT</th>
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<tr>
<td>Less: Fee Remissions</td>
<td>(144,400)</td>
<td>(88,500)</td>
<td>(65,720)</td>
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<td>(42,030)</td>
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<td>$2,885,331</td>
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Budget ÷ Model 68% 68% 66% 602 66% 69% 73% 66% 67%

**1974-75 Original Budget Less Fee Remissions, Including Transition Funding ÷ Model**

68% 68% 68% 66% 69% 73% 68% 68% 68%
### CORA/A - INSTRUCTION

*February 4, 1976*

<table>
<thead>
<tr>
<th></th>
<th>UO</th>
<th>OSU</th>
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<td>928.39</td>
<td>583.83</td>
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<tr>
<td>All Staff Salary Average</td>
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<td>Services and Supplies</td>
<td>1,664,918</td>
<td>1,687,166</td>
<td>1,020,395</td>
<td>309,426</td>
<td>350,591</td>
<td>128,832</td>
<td>257,115</td>
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<tr>
<td>Total Salaries and OPE</td>
<td>$23,101,257</td>
<td>$23,365,572</td>
<td>$14,185,769</td>
<td>$4,313,826</td>
<td>$4,885,682</td>
<td>$1,797,333</td>
<td>$3,397,526</td>
<td>$75,052,065</td>
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<tr>
<td>Total Instruction Budget</td>
<td>$25,598,634</td>
<td>$25,896,321</td>
<td>$15,716,363</td>
<td>$4,806,891</td>
<td>$5,438,564</td>
<td>$2,000,501</td>
<td>$3,782,954</td>
<td>$83,240,228</td>
</tr>
<tr>
<td>1974-75 Budget</td>
<td>$17,077,812</td>
<td>$18,040,253</td>
<td>$10,040,354</td>
<td>$2,875,645</td>
<td>$3,744,785</td>
<td>$1,361,630</td>
<td>$2,463,754</td>
<td>$55,604,233</td>
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<td>Loss Transition Support</td>
<td>---</td>
<td>---</td>
<td>767,184</td>
<td>466,833</td>
<td>356,199</td>
<td>96,263</td>
<td>1,684,479</td>
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<td>Adjusted 1974-75 Budget</td>
<td>$17,077,812</td>
<td>$18,040,253</td>
<td>$9,273,170</td>
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<td>$3,396,586</td>
<td>$1,361,630</td>
<td>$2,367,491</td>
<td>$53,919,755</td>
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<tr>
<td>1974-75 Adjusted Budget as Percent of Model</td>
<td>66.71%</td>
<td>69.66%</td>
<td>59.00%</td>
<td>50.15%</td>
<td>62.31%</td>
<td>68.06%</td>
<td>65.13%</td>
<td>66.80%</td>
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<tr>
<td>1974-75 Budget As Percent of Model</td>
<td>66.71%</td>
<td>69.66%</td>
<td>63.88%</td>
<td>59.82%</td>
<td>68.86%</td>
<td>68.06%</td>
<td>65.13%</td>
<td>66.80%</td>
</tr>
</tbody>
</table>

**Note:**

- All Staff University Average = $17,873
- Staff College Average = $16,935

The Actual 1974-75 All Staff Average of Colleges was 94.8% of University All Staff Average.

Total Ranked Staff University Average = 19,325
Total Ranked Staff College Average = 16,935

In total, the College Ranked Staff is 87.63% of the University Ranked Staff Average in the CORA/A Model. However, by discipline in CORA/A the College Ranked Staff Average is 89.57% of the University Ranked Staff Averages. The 89.57% differential existed in 1974-75.
### CORA/A - NON-SPONSORED RESEARCH
February 4, 1976

<table>
<thead>
<tr>
<th></th>
<th>UO</th>
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<th>SOSC</th>
<th>EOSC</th>
<th>OIT</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>Instruction Cost</td>
<td>$25,598,634</td>
<td>$25,896,321</td>
<td>$15,716,363</td>
<td>$4,806,891</td>
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<td>$2,000,501</td>
<td>$3,782,954</td>
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<td>4% for Universities</td>
<td>1,023,945</td>
<td>1,035,833</td>
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<td>--</td>
<td>--</td>
<td>--</td>
<td>2,688,433</td>
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<tr>
<td>1% for Colleges and OIT</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>48,069</td>
<td>54,386</td>
<td>20,005</td>
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<td>160,290</td>
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### CORA/A - EXTENSION AND PUBLIC SERVICES
February 4, 1976

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<tbody>
<tr>
<td>As Per 1976-75 Original Budget</td>
<td>$164,123</td>
<td>$281,686</td>
<td>$155,010</td>
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<td>$12,892</td>
<td>$840</td>
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### LIBRARY HOLDINGS

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<th>SOSC</th>
<th>ROSE</th>
<th>DIT</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>Basic Collection</td>
<td>85,000</td>
<td>85,000</td>
<td>85,000</td>
<td>85,000</td>
<td>85,000</td>
<td>85,000</td>
<td>85,000</td>
<td>595,000</td>
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<tr>
<td>Per FTE Faculty (100)</td>
<td>107,746</td>
<td>108,724</td>
<td>59,386</td>
<td>21,759</td>
<td>24,977</td>
<td>11,397</td>
<td>14,761</td>
<td>349,260</td>
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<tr>
<td>Per FTE Student (15)</td>
<td>219,570</td>
<td>230,685</td>
<td>140,100</td>
<td>44,145</td>
<td>58,260</td>
<td>21,030</td>
<td>26,475</td>
<td>740,265</td>
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<tr>
<td>Per Bachelor/Associate (350)</td>
<td>16,800</td>
<td>27,300</td>
<td>15,750</td>
<td>4,550</td>
<td>8,050</td>
<td>5,250</td>
<td>10,500</td>
<td>88,200</td>
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<tr>
<td>Per Masters w/o Ph.D. (6000)</td>
<td>126,000</td>
<td>78,000</td>
<td>138,000</td>
<td>68,000</td>
<td>30,000</td>
<td>12,000</td>
<td>450,000</td>
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<tr>
<td>Per Masters with Ph.D. (3000)</td>
<td>102,000</td>
<td>150,000</td>
<td>18,000</td>
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<td>270,000</td>
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<tr>
<td>Per Ph.D. Program (25000)</td>
<td>250,000</td>
<td>750,000</td>
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<td>1,650,000</td>
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<tr>
<td>Total Formula Holdings</td>
<td>1,407,116</td>
<td>1,429,709</td>
<td>606,736</td>
<td>221,464</td>
<td>206,287</td>
<td>134,677</td>
<td>136,736</td>
<td>4,142,725</td>
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#### Actual Holdings (7/75)

<table>
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<th>OCE</th>
<th>SOSC</th>
<th>ROSE</th>
<th>DIT</th>
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</thead>
<tbody>
<tr>
<td>Basic Collection</td>
<td>1,392,192</td>
<td>837,788</td>
<td>548,231</td>
<td>152,949</td>
<td>209,683</td>
<td>85,998</td>
<td>43,275</td>
<td>3,270,116</td>
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<tr>
<td>Acquisition Rate-Volumes (5%)</td>
<td>70,356</td>
<td>71,485</td>
<td>39,337</td>
<td>11,073</td>
<td>10,484</td>
<td>6,734</td>
<td>6,837</td>
<td>207,306</td>
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<tr>
<td>Weeding or Deletion (2%)</td>
<td>27,844</td>
<td>16,756</td>
<td>10,965</td>
<td>3,059</td>
<td>4,194</td>
<td>1,720</td>
<td>866</td>
<td>65,504</td>
</tr>
<tr>
<td>Net Holdings-Volumes</td>
<td>1,434,704</td>
<td>892,517</td>
<td>567,603</td>
<td>160,963</td>
<td>215,973</td>
<td>91,012</td>
<td>49,246</td>
<td>3,412,018</td>
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#### Acquisition Dollars

<table>
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<th>PSU</th>
<th>OCE</th>
<th>SOSC</th>
<th>ROSE</th>
<th>DIT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staffing FTE</td>
<td>$1,298,068</td>
<td>$1,318,899</td>
<td>$559,718</td>
<td>$192,338</td>
<td>$182,107</td>
<td>$116,970</td>
<td>$118,759</td>
<td>$3,786,858</td>
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<tr>
<td>Staff Salaries</td>
<td>$1,287,182</td>
<td>$1,850,314</td>
<td>$1,134,391</td>
<td>$335,954</td>
<td>$370,971</td>
<td>$198,448</td>
<td>$201,562</td>
<td>$5,948,993</td>
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<tr>
<td>Salary Dollars &amp; OPE</td>
<td>$2,100,984</td>
<td>$2,104,774</td>
<td>$1,313,003</td>
<td>$382,114</td>
<td>$421,942</td>
<td>$214,306</td>
<td>$229,256</td>
<td>$6,766,381</td>
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<tr>
<td>Binding Costs (8.5%)</td>
<td>$110,336</td>
<td>$112,106</td>
<td>$47,576</td>
<td>$16,348</td>
<td>$15,479</td>
<td>$9,942</td>
<td>$10,995</td>
<td>$321,882</td>
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<tr>
<td>Services &amp; Supplies (5.0%)</td>
<td>$162,779</td>
<td>$164,076</td>
<td>$88,084</td>
<td>$27,232</td>
<td>$28,428</td>
<td>$15,767</td>
<td>$16,521</td>
<td>$502,887</td>
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<tr>
<td>Other Instructional</td>
<td>$511,973</td>
<td>$517,926</td>
<td>$314,327</td>
<td>$96,137</td>
<td>$108,771</td>
<td>$40,010</td>
<td>$75,659</td>
<td>$1,664,803</td>
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<tr>
<td>Total Library Budget Model*</td>
<td>$4,184,139</td>
<td>$4,217,792</td>
<td>$2,322,706</td>
<td>$713,854</td>
<td>$756,720</td>
<td>$396,992</td>
<td>$450,290</td>
<td>$13,042,501</td>
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#### Museums Actual

<table>
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<tr>
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<th>PSU</th>
<th>OCE</th>
<th>SOSC</th>
<th>ROSE</th>
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<th>TOTAL</th>
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</thead>
<tbody>
<tr>
<td>CORA/A Budget</td>
<td>$4,359,827</td>
<td>$4,319,780</td>
<td>$2,322,706</td>
<td>$713,854</td>
<td>$756,728</td>
<td>$396,992</td>
<td>$450,290</td>
<td>$13,320,177</td>
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<tr>
<td>1974-75 Budget</td>
<td>$2,419,618</td>
<td>$1,711,158</td>
<td>$1,563,776</td>
<td>$348,527</td>
<td>$452,439</td>
<td>$203,884</td>
<td>$104,153</td>
<td>$6,803,555</td>
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</table>

#### 1974-75 Budget as Percent of Model

<table>
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<tr>
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<th>DO</th>
<th>OSU</th>
<th>PSU</th>
<th>OCE</th>
<th>SOSC</th>
<th>ROSE</th>
<th>DIT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>55.5%</td>
<td>39.6%</td>
<td>67.3%</td>
<td>48.8%</td>
<td>59.8%</td>
<td>51.4%</td>
<td>23.2%</td>
<td>51.1%</td>
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* Totals will not add check due to rounding.

DQ - 01/15/76.
## CORA/A - STUDENT SERVICES

**February 4, 1976**

<table>
<thead>
<tr>
<th></th>
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<th>OSU</th>
<th>PSU</th>
<th>OCE</th>
<th>SDSC</th>
<th>ESCC</th>
<th>OIT</th>
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</thead>
<tbody>
<tr>
<td><strong>Student Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>CORA/A Generated Instruction</td>
<td>$26,646,980</td>
<td>$26,732,356</td>
<td>$18,227,184</td>
<td>$5,358,373</td>
<td>$5,893,467</td>
<td>$2,210,783</td>
<td>$3,031,030</td>
<td>$86,700,173</td>
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<tr>
<td>Auxiliary Activity w/o Transfers</td>
<td>$6,626,847</td>
<td>$6,358,468</td>
<td>$2,495,026</td>
<td>$740,184</td>
<td>$1,725,625</td>
<td>$685,697</td>
<td>$678,645</td>
<td>$19,146,492</td>
</tr>
<tr>
<td>Total</td>
<td>$33,273,827</td>
<td>$33,090,824</td>
<td>$20,722,210</td>
<td>$6,138,557</td>
<td>$7,619,092</td>
<td>$2,896,480</td>
<td>$3,709,675</td>
<td>$105,846,665</td>
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<tr>
<td>X 5.5%</td>
<td>$1,821,040</td>
<td>$1,819,995</td>
<td>$1,062,722</td>
<td>$335,421</td>
<td>$429,050</td>
<td>$159,306</td>
<td>$204,032</td>
<td>$5,821,566</td>
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<tr>
<td>X FTE Factor: 4-Term Cumulative Headcount ÷ 4-Term FTE</td>
<td>1.1177</td>
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<td>1.6970</td>
<td>1.2009</td>
<td>1.3104</td>
<td>1.0929</td>
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<td>$402,807</td>
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<td>$175,110</td>
<td>$267,445</td>
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<td>Special Populations</td>
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<tr>
<td>12% of Above</td>
<td>$244,245</td>
<td>$238,667</td>
<td>$216,413</td>
<td>$48,337</td>
<td>$65,895</td>
<td>$21,013</td>
<td>$32,093</td>
<td>$866,663</td>
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<td><strong>Educational Activities Support</strong></td>
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<tr>
<td>Cumulative Headcount (1974-75)</td>
<td>54,009</td>
<td>51,811</td>
<td>48,418</td>
<td>11,163</td>
<td>15,097</td>
<td>4,876</td>
<td>6,277</td>
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<td>1- 5,000 = $5 each</td>
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<td>$25,000</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$24,300</td>
<td>$25,000</td>
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<td>5,001-10,000 = $3 each</td>
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<td>15,000</td>
<td>15,000</td>
<td>15,000</td>
<td>--</td>
<td>3,831</td>
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<tr>
<td>10,001+ = $1 each</td>
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<td>43,811</td>
<td>38,418</td>
<td>1,163</td>
<td>5,097</td>
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<td>--</td>
<td>130,498</td>
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<tr>
<td>Total</td>
<td>$84,009</td>
<td>$81,811</td>
<td>$78,418</td>
<td>$41,163</td>
<td>$45,097</td>
<td>$24,380</td>
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<td>$383,709</td>
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<tr>
<td>Total, CORA/A Model Generated</td>
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<td>$660,115</td>
<td>$220,503</td>
<td>$328,369</td>
<td>$8,472,564</td>
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<tr>
<td>1974-75 Original Budget</td>
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<td>$250,941</td>
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<tr>
<td>Budget ÷ Model</td>
<td>74%</td>
<td>53%</td>
<td>48%</td>
<td>59%</td>
<td>55%</td>
<td>100%</td>
<td>76%</td>
<td>60%</td>
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TLB:dk
01/20/76
## CORA/A - PHYSICAL PLANT SUMMARY

February 4, 1976

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<th>Category</th>
<th>UO</th>
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<th>PSU</th>
<th>OCE</th>
<th>OSOC</th>
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<th>OIT</th>
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<tbody>
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<td><strong>Formula Generated</strong></td>
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<td></td>
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<tr>
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<td>$229,880</td>
<td>$358,954</td>
<td>$189,629</td>
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<td>1,714,235</td>
<td>739,552</td>
<td>226,016</td>
<td>274,638</td>
<td>165,548</td>
<td>155,311</td>
<td>4,589,606</td>
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<td>Grounds Maintenance</td>
<td>173,604</td>
<td>511,231</td>
<td>59,462</td>
<td>90,406</td>
<td>121,925</td>
<td>88,957</td>
<td>103,112</td>
<td>1,148,697</td>
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<td>119,440</td>
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<td>19,160</td>
<td>27,500</td>
<td>10,300</td>
<td>12,650</td>
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<td>Utility Distribution System Maintenance</td>
<td>138,618</td>
<td>164,819</td>
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<td>35,895</td>
<td>18,963</td>
<td>14,311</td>
<td>473,049</td>
</tr>
<tr>
<td>Rehabilitation and Remodeling</td>
<td>138,618</td>
<td>164,819</td>
<td>77,455</td>
<td>22,988</td>
<td>35,895</td>
<td>18,963</td>
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TLB:dk

01/19/76
### CORA/A - GENERAL INSTITUTIONAL SUPPORT

February 4, 1976

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**Special Assessments**

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**X 3.91%**

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**Four-Term Headcount and Staff**

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**X $48/Headcount**

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**Budget ÷ Model**

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Amendments to Administrative Rules re Residence Classification

(Considered by Committee on Instruction, Research, and Public Service Programs, December 15, 1975; present--Carpenter, Maden, Feves, Harms, Joss, Ingalls.)

Staff Recommendation to the Committee

The Board's Office recommended that the Board adopt the following changes in the Board's Administrative Rules relating to residence classification of students. (Proposed additions are underscored; proposed deletions are enclosed in brackets and lined out.)

The Proposed Changes

30.105 Residence Classification

All students shall be classified for admissions and fee purposes as resident or nonresident students except:

1. A student who holds a baccalaureate degree from an accredited college or university, unless such student is pursuing a course of study leading to the degree of Doctor of Medicine or Doctor of Dental Medicine, or is seeking certification as an Oregon resident under the Student Exchange Program of the Western Interstate Commission for Higher Education.

2. A student attending a summer session of an institution under the Board's control.

(Explanation of above proposed change: Students who hold a degree from an accredited college or university are not classified for admission and fee purposes as resident or nonresident students except for those pursuing a course of study leading to the degree of Doctor of Medicine or Doctor of Dental Education or those who are seeking certification as an Oregon resident under the WICHE Student Exchange Program.)

30.110 Nonresident Students

Except as modified by AR 30.120 (1), a nonresident student is defined as:

1. An unemancipated student whose parent or legal guardian is domiciled outside of Oregon at the time of the student's registration; or

2. An emancipated student who has not met the domiciliary requirements of AR 30.120, par. 4, [is-emanci­elled-outside-of-Oregon] at the time of his registration. An emancipated student is one who [is-over-the-age-of-21-or-(b)-under-the-age-of-21-is-married-or] has a domicile independent of that of his parents or legal guardian, and receives no financial support from his parents or legal guardian.

(Explanation of above proposed changes: The changes would remove both age and marital status as factors in determination of residence status for tuition purposes, focusing attention upon whether the student is or is not emancipated and whether, if he/she is unemancipated, his/her parents or guardian are domiciled outside of Oregon; and if emancipated, whether the student has established his/her domicile in Oregon in a manner consistent with AR 30.120, par. 4.)

30.115 Payment of Nonresident Fee

1. All undergraduate students and all students pursuing a course of study leading to the degree Doctor of Medicine or Doctor of Dental Medicine who are classified as nonresidents shall pay a nonresident fee.
Changes in Domicile

1. A student who graduates from an Oregon high school after not less than one year of regular attendance and who matriculates as an entering freshman shall be considered a resident student. If, however, such a student later transfers to an institution outside of Oregon and subsequently seeks to enroll again in an Oregon State System institution, his residence classification shall be reexamined and determined on the same basis as for any other transfer student.

2. A student whose nonresident legal custodian moves to Oregon and establishes an Oregon domicile during a school term shall be entitled to registration as a resident student at the beginning of the next term.

3. When an emancipated student changes his [residence] domicile to another state during the school year, the student shall continue to be assessed the resident fee until the beginning of the fall term of the next school year. Thereafter, the student will be assessed the nonresident fee.

4. An emancipated student who comes to Oregon [to-attend-an-institution-under-the-Board's-control] and establishes an Oregon [residence] domicile as determined [by] pursuant to AR 30.125, shall pay a nonresident fee unless he established his Oregon [residence] domicile at least six months prior to the time of his initial registration, and does not attend an Oregon institution of higher education, either public or independent, including a community college, during any part of such six-month period; provided, however, that an emancipated student who did not establish his Oregon [residence] domicile at least six months prior to his initial registration at an Oregon institution [under-the-Board's control] and [who-pays-nonresident-fees-for-an-entire-school-year,-or] who resided continuously in Oregon during twelve months, may be found to have established his domicile in Oregon for purposes of paying resident fees if the circumstances in his case are in accordance with provisions of AR 30.125.

(Explanation of proposed changes: In par. 4, AR 30.120, it seems unnecessary and unduly complicating to raise the issue as to whether the emancipated student entering Oregon came "to attend an institution under the Board's control." The issue is as to whether he/she has established his/her domicile in Oregon in a manner that will permit his being classified a resident student. Hence, the word "domicile" has been substituted for the word "residence." "Domicile" means "a person's true, fixed, and permanent home and place of habitation. It is the place where he intends to remain and to which he expects to return when he leaves without intending to establish a new domicile elsewhere.")

(We have proposed no change in the present "durational requirement" which stipulates that an emancipated student who comes to Oregon and establishes his/her domicile in Oregon must, to be classified as a resident student for tuition purposes, establish his/her Oregon domicile six months prior to enrolling in an Oregon public or independent institution of higher education or that he/she must be domiciled in Oregon for twelve months before he/she may be classified as a resident student. Such "durational requirements" are common among the states and have been upheld in the courts as one element in demonstrating bona fide residence. Illustrative of state laws of this character are those of Washington, Colorado, California.)

Washington law asserts: 

"(2) The term 'resident student' shall mean a student who has had a domicile in the state of Washington for the period of one year immediately prior to the time of commencement of the first day of the semester or quarter for which he has registered at any institution and has in fact established a bona fide domicile in this state for other than educational purposes."
Colorado law provides: "'In-state student' means a student who has been domiciled in Colorado for one year or more immediately preceding registration at any institution of higher education in Colorado for any term or session for which domiciliary classification is claimed, but attendance at an institution of higher education, public or private, within the state of Colorado shall not alone be sufficient to qualify for domicile in Colorado."

California law stipulates that: "A 'resident student' means any person who has been a bona fide resident of the State for more than one year immediately preceding the opening day of a semester during which he proposes to attend the University."

(Illustrative of the court cases relating to this issue is one involving the University of Iowa in which the University defined a resident student for purposes of reduced tuition, as one who had continuously resided in the state for at least 12 consecutive months prior to enrollment. University officials interpreted the regulations as creating an irrebuttable presumption of nonresidency during such time, and were upheld by the courts in such an assumption. Commenting on the case an analyst asserted that:

... the court concluded that the classification of students into residents of less than 1 year, and more than 1 year, was reasonable for purposes of discovering which students were bona fide domiciliaries, and were not residing in the state merely to take advantage of the opportunities provided by the university, and that the classification was reasonably related to a legitimate objective of the state, that of achieving a partial cost equalization between those who had contributed to the state's economy through employment and the payment of taxes, and those who had not. Thus, the court denied a petition which sought a declaratory judgment that the regulations were null and void, and an injunction against their future enforcement.)

(In a similar California case in which the statutory provision defined a resident student for tuition purposes as any person who had been a bona fide resident of the state for more than one year immediately preceding the proposed attendance date, the court held that:

... classifying students into residents of less than 1 year, and more than 1 year, as a criterion for resident tuition eligibility, was not unreasonable since it did not provide for absolute nonresidency status, but merely presumed that out-of-state students were in the state for educational purposes only, a presumption which the court said could be overcome subsequent to classification, the court saying further that by categorizing students in such a manner, the state was involving itself in an endeavor reasonably related to a valid state interest, that of financing, operating, and maintaining its many publicly financed educational institutions.)

(In an Oregon case heard by the Oregon Court of Appeals in 1974 [Melvin v. State Board of Higher Education], in which the Board's "six-month rule" was at issue, the Court held that the rule does not deny equal protection and does not impose an unconstitutional restraint on the right to travel. It is this latter issue--unconstitutional restraint on the right to travel--which has been the basis for the court to nullify statutory provisions in Connecticut, Pennsylvania, and Washington, D.C., which would have made eligibility for welfare benefits contingent upon a one-year residence requirement. But the courts have not made the same interpretation of residency requirements relating to establishment of resident status for tuition purposes.)

[39:126---Marital-Status

1. A husband and wife shall be deemed to have the same domicile in the absence of substantive evidence to the contrary; See sub sections 2. and 3. following]
2. If a resident male marries a nonresident female or if a resident female marries a nonresident male and both thereafter reside in Oregon, both spouses may be considered to be domiciled in Oregon; and either one or both may enroll in an institution under the control of the Board as resident students.

3. If a nonresident male and his nonresident wife move to Oregon, and if either or both spouses in less than six months enroll in a college in Oregon, they will be classified as nonresidents; and if the institution in which one or both spouses are enrolled is under the control of the Board of Higher Education, the spouse or spouses will be classified as nonresidents and will be required to pay the nonresident fee for at least one academic year or to reside in Oregon for at least twelve months before the spouse or spouses can be reclassified as residents of Oregon. If under this rule, one spouse is classified as a resident for fee purposes, the other spouse may also be classified as a resident.

(Explanation of above proposed changes: The foregoing changes would result in the elimination of marital status as a factor in determining residence status for tuition purposes. Under Oregon law enacted in 1975, there may be no unreasonable discrimination on the basis of marital status.)

30.127 Residence Classification of Federal Service Personnel

1. A person who is in the service of the federal government on a full-time basis (either military or civilian) is qualified for resident classification for fee assessment purposes so long as he or she is assigned to duty in this state, performs his or her duties within the geographical limits of Oregon, and is residing within the state.

(Explanation of above proposed change: The proposed change clarifies the fact that persons who are employed only part-time in governmental service, as in the military reserves, for instance, are not eligible by reason of this service, for classification as resident students.)

30.135 Student Exchanges

1. Students attending Oregon graduate or professional schools under the terms of the WICHE Compact shall be considered resident students for fee purposes.

2. Certification of students as Oregon residents for purposes of attending institutions not under the control of the Board or in other states, under the WICHE Student Exchange Program, shall be guided by rules set forth in AR Chapter 30.

3. [2. Individual institutions in the State System may enter into agreements with individual institutions in other states or other countries under which arrangements can be made for students specified by name in the Oregon institutions who are residents of Oregon, to transfer to the institution in the other state or country and for an equal number of students specified by name from the institution in the other state or country to transfer to the Oregon institution with a reciprocal waiving of the additional fees ordinarily assessed to nonresident students in both institutions.

It is understood that the recommendation for such a student exchange program, together with a copy of the proposed agreement between the institutions, will be referred to the Chancellor for approval before
the exchange program is undertaken. It is understood further that the recommendation of the program and the proposed agreement between the institutions will set forth the reasons why the exchange would be of particular benefit to the students named in the agreement in connection with their chosen study programs.

It is further understood that if an approved agreement provides for exchange of equal numbers of students, then subsequent unforeseen circumstances which might later cause a student to withdraw from the program will not void the arrangement which had been agreed upon by the two institutions.

Discussion and Recommendation by the Committee

Mr. Maden asked whether the reference to an accredited college or university implied a four-year institution. He said an accredited college also might be a community college. Dr. Romney responded that it was intended to refer to an accredited four-year institution.

Mr. Maden then asked about the classification of a person seeking a second baccalaureate degree. Dr. Romney indicated that these individuals were counted as graduate students and there is no residence classification for graduate students. Therefore, all graduate students pay the same tuition and there is no differential for a person taking a second undergraduate degree. Mr. Maden said, in his opinion, that was inequitable.

Dr. Romney replied that the question previously had been considered at length and the policy was one which had been followed for many years in classifying persons who hold baccalaureate degrees from accredited institutions as graduate students.

Mr. Maden asked how that policy would relate to the cost paid by the student if it is assumed that a graduate degree is more costly and therefore a higher rate is charged the student. Dr. Romney said it had been concluded in the past that the rate of charge should be in terms of the level of the individual.

The Chancellor said the tuition question was a legitimate point for consideration by the Board but that the question first should be reviewed by the Committee on Finance, Administration, and Physical Plant. He said the proposal before the Committee on Instruction related to the question of residence classification.

The Chancellor said it would be appropriate for the Committee on Instruction to introduce a change which might specify a baccalaureate degree from an accredited four-year college or university. The question of whether a graduate student pursuing an undergraduate program should pay a different rate of tuition than a student pursuing an undergraduate degree was a tuition matter for consideration by the Finance Committee.

Mr. Maden asked the basis for the difference in classification between students registering for school and those who do not in terms of the period of Oregon residence required to qualify for tuition status as an Oregon resident.

Dr. Romney explained that immediate enrollment in an institution may be an indication of the intent of the person to come to Oregon for educational purposes only.

Mr. Maden said the regulation was not uniform because some students must wait six months and others twelve months to qualify as a resident of the state.

The Chancellor said the issue was the assumption that if an individual were not attending school that person was more nearly demonstrating an intent to become a citizen of Oregon.
Mr. Maden suggested that after residing six months in Oregon an individual would be declared a resident for purposes of tuition, regardless of whether the person registers in school.

Mr. Harms said the suggestion was the equivalent of deferring nonresident tuition for two terms. He said it removes the burden of proving intent to establish domicile as distinguished from residence. He said unless the Board wished to establish a rule that six months physical presence in the state would qualify an individual for resident tuition, the rule should be approved as proposed.

The Committee voted to recommend that the Board approve the staff recommendation for amendments to AR 30.120. Mr. Maden voted against the motion.

The Committee discussed the rationale for granting immediate residency to federal employees as opposed to others, such as individuals in private industry transferred to Oregon. A motion by Mr. Maden to eliminate the proposed AR 30.127 was defeated. Mr. Maden voted in favor of the motion. All other Committee members voted no.

The Committee recommended that the Board approve AR 30.105 as presented in the staff recommendation and amended by the Committee to refer to "a baccalaureate degree from a four-year accredited college or university."

The Committee also recommended that the Board refer to the Finance Committee for consideration and recommendation the question of whether a student seeking a second baccalaureate degree should pay graduate or undergraduate tuition.

The Committee recommended that the Board approve AR 30.110 as proposed in the staff recommendation.

Dr. Romney recommended the addition of the words "by the several institutions" in the first line of AR 30.105.

During the discussion, it was indicated the terms emancipated and unemancipated referred to whether a student has a domicile separate from his or her parents and also whether the student is receiving financial support from the parents.

Mrs. Feves moved that the proposed amendments be approved including the addition to AR 30.105 as recommended above by Dr. Romney.

It was indicated that a public hearing had not been required on the proposed amendments under Board Administrative Rules but an opportunity had been provided for individuals to testify.

Mr. Mark Cogan, Administrative Assistant for Legislative Affairs for the Associated Students of the University of Oregon, said he wished to comment on behalf of the students of the University of Oregon. He said the differential between those students who are under 21 and over 21 will hurt students who would otherwise qualify for residence on the basis of being over 21 and who are supported by out-of-state parents. Mr. Cogan asked that if the change were to be implemented, it be phased in over a period of years or at least deferred until winter term of 1977 to provide for those students who are planning on becoming residents at that time. He said obtaining residency status takes time and plans have already been made by many students to do so.
Mr. Cogan commented on the change from the word "residence" to "domicile" which, in his opinion, would hurt those students who would qualify for the less restrictive "residence" but who would be ineligible for "domicile." He asked that this change be phased in so that students would not lose their residency status.

The question of preference for federal employees over non-federal employees was raised. Mr. Cogan said it is not just federal employees who are routinely transferred by their employers and requested that this be deleted from the rule.

Dr. Romney said there would be no objection to postponing the effective dates to allow for adjustment time. He indicated the provision for federal employees probably originated with provision for military personnel many years ago, but that it now affects relatively few individuals.

In discussing the proposed effective date for the changes, the Board agreed that fall term 1976 would be an appropriate date to implement the changes.

The change involving residence and domicile, Mr. Branchfield said, was unlikely to affect students. Dr. Romney stated further that persons who have been classified as residents by the institutions would continue to be so classified until they graduate.

Mr. Joss said a motion had been made by Mrs. Feves to approve the recommendations, including the recommended insertion in AR 30.105. Mr. Perry moved to amend that motion by deleting the reference to federal employees and by making the changes effective with the fall term of 1976.

Mr. McLaurin expressed concern about the need for a public hearing in view of the proposed amendment to delete the provision for federal employees. He said if federal agencies had been aware of the proposed amendment they probably would have sent representatives to testify.

Mr. Ingalls said he was concerned about deleting the provision for federal employees because in future years it might be difficult to fill the present facilities at the institutions. Anything which would inhibit enrollments of federal employees would make the task of maintaining enrollments more difficult.

Mr. Perry withdrew his motion to amend the motion by Mrs. Feves. He then moved to amend her motion by making the project changes effective with fall term 1976. Those voting in favor of his motion were: Directors Carpenter, Feves, Harms, Ingalls, Joss, McIntyre, McLaurin, and Perry. Those voting no: None.

Mr. Perry said that in view of the comments he would not make the second motion but suggested the Committee might want to consider the matter of federal employees and make a recommendation for a subsequent hearing.

The Board then approved the motion by Mrs. Feves to approve the recommendations as presented, including the addition of the words "by the several institutions" in AR 30.105. It was also understood that the recommendations were effective with the fall term 1976. Those voting in favor were: Directors Carpenter, Feves, Harms, Ingalls, Joss, McIntyre, McLaurin, and Perry. Those voting no: None. It was understood that the staff recommendation specifying a full-time basis for federal personnel was approved.

The revised rules, as approved, appear below:

30.105 Residence Classification

All students shall be classified by the several institutions for admissions and fee purposes as resident or nonresident students except:
1. A student who holds a baccalaureate degree from an accredited college or university, unless such student is pursuing a course of study leading to the degree of Doctor of Medicine or Doctor of Dental Medicine, or is seeking certification as an Oregon resident under the Student Exchange Program of the Western Interstate Commission for Higher Education.

2. A student attending a summer session of an institution under the Board's control.

30.110 Nonresident Students

Except as modified by AR 30.120 (1), a nonresident student is defined as:

1. An unemancipated student whose parent or legal guardian is domiciled outside of Oregon at the time of the student's registration; or

2. An emancipated student who has not met the domiciliary requirements of AR 30.120, par. 4, at the time of his registration. An emancipated student is one who has a domicile independent of that of his parents or legal guardian, and receives no financial support from his parents or legal guardian.

30.115 Payment of Nonresident Fee

1. All undergraduate students and all students pursuing a course of study leading to the degree Doctor of Medicine or Doctor of Dental Medicine who are classified as nonresidents shall pay a nonresident fee.

30.120 Changes in Domicile

1. A student who graduates from an Oregon high school after not less than one year of regular attendance and who matriculates as an entering freshman shall be considered a resident student. If, however, such a student later transfers to an institution outside of Oregon and subsequently seeks to enroll again in an Oregon State System institution, his residence classification shall be reexamined and determined on the same basis as for any other transfer student.

2. A student whose nonresident legal custodian moves to Oregon and establishes an Oregon domicile during a school term shall be entitled to registration as a resident student at the beginning of the next term.

3. When an emancipated student changes his domicile to another state during the school year, the student shall continue to be assessed the resident fee until the beginning of the fall term of the next school year. Thereafter, the student will be assessed the nonresident fee.

4. An emancipated student who comes to Oregon and establishes an Oregon domicile as determined pursuant to AR 30.125, shall pay a nonresident fee unless he established his Oregon domicile at least six months prior to the time of his initial registration, and does not attend an Oregon institution of higher education, either public or independent, including a community college, during any part of such six-month period; provided, however, that an emancipated student who did not establish his Oregon domicile at least six months prior to his initial registration at an Oregon institution and who resided continuously in Oregon during twelve months, may be found to have established his domicile in Oregon for purposes of paying resident fees if the circumstances in his case are in accordance with provisions of AR 30.125.
Residence Classification of Federal Service Personnel

1. A person who is in the service of the federal government on a full-time basis (either military or civilian) is qualified for resident classification for fee assessment purposes so long as he or she is assigned to duty in this state, performs his or her duties within the geographical limits of Oregon, and is residing within the state.

Student Exchanges

1. Students attending Oregon graduate or professional schools under the terms of the WICHE Compact shall be considered resident students for fee purposes.

2. Certification of students as Oregon residents for purposes of attending institutions not under the control of the Board or in other states, under the WICHE Student Exchange Program, shall be guided by rules set forth in AR Chapter 30.

3. Individual institutions in the State System may enter into agreements with individual institutions in other states or other countries under which arrangements can be made for students specified by name in the Oregon institutions who are residents of Oregon, to transfer to the institution in the other state or country and for an equal number of students specified by name from the institution in the other state or country to transfer to the Oregon institution with a reciprocal waiving of the additional fees ordinarily assessed to nonresident students in both institutions.

It is understood that the recommendation for such a student exchange program, together with a copy of the proposed agreement between the institutions, will be referred to the Chancellor for approval before the exchange program is undertaken. It is understood further that the recommendation of the program and the proposed agreement between the institutions will set forth the reasons why the exchange would be of particular benefit to the students named in the agreement in connection with their chosen study programs.

It is further understood that if an approved agreement provides for exchange of equal numbers of students, then subsequent unforeseen circumstances which might later cause a student to withdraw from the program will not void the arrangement which had been agreed upon by the two institutions.

Staff Recommendation to the Committee

The Board’s Office recommended that the Chancellor be authorized to appoint a citizens' advisory committe of from five to nine members to assist the staff in (1) identifying the need, if any, to supplement existing programs and course offerings at the undergraduate and graduate levels in academic disciplines which examine such areas as (a) the labor movement and labor relations in the United States, (b) labor and collective bargaining law, (c) collective bargaining procedures in the public and private sectors, (d) the training of potential participants in collective bargaining for both labor and management, in both the public and private sectors, (2) identifying the alternative approaches to providing such augmentation or supplementation of existing offerings as may seem indicated, and the probable cost thereof.

It is anticipated that if the Chancellor is authorized to appoint the foregoing committee, appointments to the committee would include individuals from labor, business, governmental bodies, and from other segments of Oregon's citizenry as may be deemed appropriate.
Meeting #428-56

January 20, 1976

Discussion and Recommendation by the Committee

Dean Alpert said the international aspects of the labor movement and labor relations should be a part of the study. Dr. Romney responded that it was not intended to restrict the study to labor matters in the United States.

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

Board Discussion and Action

In response to a question concerning the representation on the Committee, the Chancellor said there would be a substantial representation from persons interested in labor. He indicated that those who originated the proposal during the 1975 Legislative Session were interested in the preparation of people who would be involved in the labor movement itself. It was assumed that there were already adequate training programs for persons who would play similar roles in business.

The Board approved the recommendation as presented, with the following voting in favor: Directors Carpenter, Feves, Harms, Ingalls, Joss, McIntyre, McLaurin, and Perry. Those voting no: None.

(Considered by Committee on Instruction, Research, and Public Service Programs, December 15, 1975; present--Carpenter, Feves, Harms, Joss, Maiden, Ingalls.)

Staff Recommendation to the Committee (December 15, 1975)

The Board's Office gave further thought to the issues under consideration and made the following recommendations:

1. That the Committee recommend to the Board that the Administrative Rules Section 33.000, as presented in the attached materials, be modified as follows:

   a. AR 33.010--No change.
   b. AR 33.020--Repeal (see proposed AR 33.095, as replacement of present AR 33.020).
   c. AR 33.030--Repeal.
   d. Adopt new AR 33.015 through 33.090.
   e. Adopt new AR 33.095.

2. That the institutions be directed in an internal management directive from the Chancellor to undertake a self-evaluation (in terms of the rules identifying prohibited discrimination), the self-evaluation to be completed and reported to the Board's Office by July 1, 1976.

The self-evaluation to include:

a. An examination of policies and practices and their effects in such areas as admissions, housing, counseling, access to education programs and activities, including interschool activities and the like.

b. The modification of policies or practices which appear from the self-evaluation to be inconsistent with the Board's prohibition against discrimination, and the elimination insofar as possible, of the effects of any past discrimination.

(The institutions are presently in process of self-assessment relating to possible sex discrimination. The internal management directive would direct the institutions to extend the self-evaluation to include policies and practices bearing on age, handicap, national origin, race, marital status, and religion.)
3. That the results of the institutional self-evaluations be reported to the Board's Committee at its August meeting (and the Board in September), with recommendations as to recommended courses of action to assure full and complete compliance with the provisions of the Board's rules on discrimination in the future, including appropriate monitoring of institutional compliance with these rules.

Further Staff Recommendation (December 15, 1975)

Dr. Romney recommended that the Committee consider the following statement of policy for adoption by the Board:

Statement of Policy

The Oregon State Board of Higher Education directs:

That the Chancellor issue an internal management directive instructing the institutions and agencies of the State System of Higher Education to undertake a self-evaluation in terms of the Board's Administrative Rules relating to discrimination prohibited by Chapter 204, Oregon Laws 1975, the self-evaluation to be complete and reported to the Board's Office by July 1, 1976.

That the self-evaluation include:

- An examination of policies and practices and their effects in such areas as: admissions; access to courses and curricula; curricular content; cultural programs; counseling and counseling materials; access to financial assistance, placement services, student housing; health and insurance benefits; athletics; student government; student publications; employment assistance.

- Modification of policies or practices which appear from the self-evaluation to be inconsistent with the Board's prohibition against discrimination.

- Elimination, insofar as feasible, of the effects of any past discrimination.

That the results of the institutional self-evaluation be reported to the Board's Committee on Instruction, Research, and Public Service Programs at its August meeting, and subsequently to the Board (September), with recommendations as to recommended courses of action to assure full and complete compliance with the provisions of the Board's rules on discrimination, including appropriate monitoring of institutional compliance with those rules.

That the directive issued by the Chancellor signify the nature of the information and data to be presented by the institutions to the Board's Office in reporting the results of the self-evaluative examination.

That the Chancellor designate one or more employees to coordinate efforts to carry out responsibilities under the Administrative Rules adopted by the Board in connection with Chapter 204, Oregon Laws 1975.

He also presented the revised modifications to AR 33.015 through AR 33.095 for consideration by the Committee.

Staff Report to the Committee (December 15, 1975)

At the public hearing on November 25, testimony was given by Mrs. Margaret Lumpkin and Mrs. Margie Hendriksen, representing the Oregon Women's Political Caucus, and by Mr. Robert Ackerman, representing the Associated Students of the University of Oregon Legal Services.
Dr. Lumpkin and Mrs. Hendriksen asserted that they considered the proposed provisions of AR 33.015 through AR 33.090 to be only partial compliance with the requirements of Chapter 204, Oregon Laws 1975. They expressed the view that the proposed rules are an inadequate response to the requirements of the foregoing law; that the Board has the obligation to establish rules which "structure programs, services and activities, in compliance with the state and federal laws."

Mr. Ackerman asserted that the proposed procedures are deficient in his judgment in a number of particulars, among which he charged: (1) that they do not conform with the contested cases sections or requirements of the Administrative Procedure Act, (2) that they do not specifically guarantee the client the right to be represented by counsel as required in the APA contested cases provisions, (3) that they do not establish the right of the hearing officer to issue subpoenas for both sides in the hearing, (4) that they do not provide for the impartial selection of the hearing officer (but provide for the Chancellor to select the hearing officer), (5) that they vest too much power in the Chancellor since they do not require that he be bound by the findings or conclusions of the hearing officer, but may modify, affirm, or reject them which, in the view of Mr. Ackerman permits the Chancellor to conduct an unrebuted investigation of the charges. Mr. Ackerman asserted that the deficiencies that he saw in the procedures made them unacceptable either in terms of due process or the requirements of the APA.

Mr. Branchfield's response to Mr. Ackerman's allegations, in part made during the course of the hearing, and subsequently, was as follows:

1. The proposed Administrative Rules had, in an earlier draft, the very great benefit of review by Norma Paulus and Kathleen Beaufait in Salem. A draft of the proposed Administrative Rules was prepared in the Board's Office and submitted to Mrs. Paulus and Miss Beaufait for review, evaluation, and suggestions. Their joint memorandum of response was detailed and contained numerous, very helpful suggestions for modification of the draft, almost all of which were incorporated in the draft of the proposed rules which is presently before the Board. Miss Beaufait subsequently submitted the letter included as Supplement A to these minutes in clarification of her role in connection with the draft.

2. The proposed rules do not conform in every particular to the contested case requirements of the Administrative Procedure Act. They were not intended to. There is nothing in the statute or the proposed rules which requires that they comply with contested case requirements under the APA. No individual legal rights are involved, an agency hearing is not required by the statute or the Constitution, no individual rights or privileges are to be suspended or revoked, and no one can lose or be denied a license. If an individual has been discriminated against, the several institutions in the State System either have or will have rules providing for adjudication of grievances. The individual also has federal agencies and the courts to assist in obtaining redress of any wrong. The hearings contemplated in the proposed rules presently before the Board are for the purpose of determining whether any given institution or unit within the State System of Higher Education is guilty of discrimination in violation of the Board's rules and Chapter 204, Oregon Laws 1975, and if so, what sanctions ought to be applied against the institution.

3. Nothing prevents the Complainant from being represented by counsel, if desired. We attempted to keep the proceedings simple, so as not to discourage people from making complaints. Even if we objected, which we won't, the claimant may have counsel. No subpoenas are provided for because the statute does not authorize them. Further, the Chancellor's Office can obtain evidence and witnesses from the institutions without the necessity for subpoenas.
4. The provision contained in the proposed rules that would authorize the Chancellor to appoint the hearing officer is similar to the practice and custom in Oregon in that many agencies of government appoint hearing officers for cases in which the agency is the adjudicating authority (e.g., PUC, Workmen's Compensation Board). The last session of the Legislature rejected a bill to set up a staff of independent hearing officers to serve state agencies. The Chancellor could, if he wishes, and had the time, conduct the hearings himself. The proposed rules provide that he may, if he wishes, appoint a hearing officer in his stead.

5. The provision in the proposed rules that the Chancellor may modify, affirm, or reject the findings and conclusions of the hearings officer complies with the intent of the law. The law, in fact, specifically bestows upon the Chancellor the authority to make the determination as to whether any of the institutions in the State System are in noncompliance with the provisions of the law.

Discussion and Recommendation by the Committee (December 15, 1975)

Mr. Ingalls said it would be helpful to have suggestions from individuals within the agency who are not part of the policy-making group. Dr. Romney said this suggestion could be included in the development of the internal management directive.

Representative Mary Rieke said the statement of policy was a good direction to go and was much better than the rules presented to the Board at the November meeting. She said she had been greatly disturbed by the limitations and procedures that were in the original rules. She said if the universities and colleges can manage this policy as an affirmative institutional activity, it would be highly desirable and would protect the integrity of the institutions. She also pointed out that the proposed rules apply to situations involving students and that many of the procedures that are appropriate in reporting discrimination and the civil rights procedures are lengthy and expensive. By the time a determination is made, the decision would no longer be helpful to the student.

Mrs. Rieke said she had received word from Representative Norma Paulus and from Attorney Kathleen Beaufait, Chief Deputy on the Legislative Counsel Committee, that there had not been an opportunity to determine whether the new rules complied with suggestions made by them in the review of the proposed rules. Mrs. Rieke said that one aspect in which the proposed rules deviated from the suggestions of Attorney Beaufait and Representative Paulus was in the amount of time allowed for the investigation of a complaint.

Dr. Margaret Lumpkin said the proposed policy statement represented a move in the right direction but asked the Committee to defer a vote on its adoption until other factors had been presented for consideration. She said the general statement of policy should be followed by and supplemented with criteria enabling an institution to measure its compliance with Title IX. She said the rules are a necessary step between the proposed statement of policy and the report to the Legislature on the effect of HB 2131.

Mrs. Carpenter said the Committee would withhold action on the policy statement until later in the meeting, after the other presentations had been heard. She asked Dr. Romney to review for the Committee the revised version of the rules and to indicate in what particulars they were different from the proposed rules sent out in the docket for the meeting.

Mr. Don Chalmers, representing the Associated Students of the University of Oregon, said those present wished to discuss two things: (1) The procedure through which an individual complains about discrimination; and (2) the need for more detailed rule-making defining discrimination in various areas, including admissions and
housing. Mr. Chalmers indicated that Mr. Robert Ackerman would present comments and suggestions on the procedure; Miss Barbara A. Caulfield, Professor of Law at the University of Oregon, would comment on the affirmative action rules and the ways in which it might be advantageous for the Board to establish affirmative rules; and others would discuss ways in which the institutions might respond to a self-evaluation proposal resulting from the policy statement.

Mr. Chalmers referred to a letter from Christopher A. Goodrich, Director of ALERT, and asked that it be entered in the record. The letter appears below:

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State Board of Higher Education:

ALERT, the organization serving Handicapped students at the University of Oregon, encourages the Oregon State Board of Higher Education to adopt the Oregon Woman's Political Caucus' bill dealing with discrimination in education.

Since money is taken from all people, including all handicapped persons, through taxes to support public schools, it follows that every citizen should have an equal opportunity to obtain an equal education.

We feel the rules and regulations in this bill would help to bring about full and equal chances for all people to obtain that quality education. This will apply to all persons regardless of race, religion, sex, or handicap.

Sincerely yours,
/s/Christopher A. Goodrich
Christopher A. Goodrich
Director

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Mr. Chalmers noted that handicapped people are overlooked in considering discrimination and stated that handicapped persons are precluded from attending classes in many buildings because of the particular physical structure.

Mr. Chalmers said one of the main advantages in having affirmative rules is that case determinations would not be required to establish the specific rules.

Mr. Robert Ackerman, Springfield attorney, said he believed the question involved the adjudication of legal rights of individuals and that this being true, the procedures must comply with the contested case provisions of the Administrative Procedure Act.

Mr. Ackerman said that he had two other specific objections: (1) The complainant is not granted subpoena power to obtain relevant evidence; and (2) the Chancellor may conduct an investigation and make findings and recommendations beyond the record submitted to him by the hearing officer.

Mr. Ackerman said state and federal court procedures are very slow and it would be much better to have a timely, fair, and efficient method of handling cases in the institutions, with ultimate appeals to the courts, if necessary.

Mrs. Carpenter commented that a positive educational program is another and very essential means of effecting cultural change.

Mr. Al J. Laue, Assistant Attorney General in the Department of Justice of the State of Oregon, said he found no necessity in either Chapter 204, Oregon Laws 1975, or in the Administrative Procedure Act to comply fully with contested case
provisions of the Act. Chapter 204 does not say a hearing procedure must be established but leaves the procedures to the discretion of the Board. In the Administrative Procedure Act, procedures are specified in connection with the legal rights, duties, or privileges of specific parties. However, no proposition has shown that there is a requirement for a hearing in dealing with conduct at the institutions. Mr. Laue said Chapter 204 requires that the institutions not engage in discrimination and that the Board and the Chancellor become aware of any situations in which it appears discrimination has occurred and that they take curative measures. It does not speak about the correction of the harm done or the individual rights of the person who has suffered alleged discrimination. Mr. Laue cautioned the Board to consider whether it is wise for them to become another "discrimination determination" agency when there is no statutory requirement that they do so.

In response to a question concerning the policy for other state agencies, Mr. Laue said he knew of no other department in the State of Oregon which has an affirmative legislative law. The discrimination problems in state employment have not been directed to a specific agency, they each have their own affirmative action programs. Other agencies are not required to analyze their practices and correct any discrimination which might be discovered.

Concerning the burden of proof question, Mr. Laue said if a hearing procedure were established, the Board would have the right to adopt regulations concerning burden of proof as a policy matter. Individual statutory provisions shift the responsibility for burden of proof, but it is common practice to place the burden of proof upon the person who is contesting the determination of an agency. This is done legislatively. Mr. Laue also pointed out that the Administrative Procedure Act is a procedural chapter rather than a policy chapter.

As to Mr. Ackerman's complaint that the proposed rules provide for the Chancellor to appoint the hearing officer, Mr. Laue asserted that the United States Supreme Court has regularly stated, and stated just within the past year, that the mere fact that a hearing officer or the person conducting the hearing is an employee of the agency charged with the regulation of the conduct does not in and of itself indicate that the hearing is not impartial. The assumption will be made that the hearing is impartial unless there is a showing of specific bias or interest. Moreover, Mr. Laue noted, it is common practice in Oregon, and not inconsistent with the Constitution, for state agencies to name hearing officers (e.g., Corporation Commissioner, Oregon Liquor Control Commission, Real Estate Commissioner).

In considering the operation of the proposed procedures in correcting grievances for a person who believes discrimination has occurred, it was stated that in many cases the situation could be corrected immediately by a telephone call when a complaint was received. Others would require more extensive investigation. The proposed procedure is intended to provide a method for simple and prompt correction of problems once satisfactory evidence is produced that an act of discrimination has occurred.

Miss Barbara Caulfield, Professor of Law at the University of Oregon, said she was present to discuss the reasons for the inclusion of affirmative rules in the detailed regulations proposed by the Oregon Women's Political Caucus. She indicated that she did not speak for the University of Oregon Law School in her presentation.

She said policy should specifically cover the questions of admissions, recruitment, employment, financial assistance matters, and placement.

She recommended that the Committee consider recommending the adoption of some or all of the rules that the Oregon Women's Political Caucus has set forth in order to back up the proposed policy statement. She said she made the recommendation for the following reasons:
1. Cost Principle - Specific and detailed regulations under which an alleged discrimination case could be brought would reduce the amount of time required for a hearing officer to decide whether a given case fell within a rule and would narrow the focus of any hearing which might result. Both of these factors reduce costs. It would also be less costly for the Board to develop an agreed-upon statement of rules now than to evaluate recommendations submitted by the institutions on the basis of the proposed policy statement presently before the Board.

2. Organization Principle - If the proposed rules were allowed to stand in their present form, there would be an organizational cost for each institution or department to evaluate the meaning of the policy. It would also be necessary to consider exceptions not identified by legislation in Chapter 204.

3. Communications-Education Principle - The more clearly the Board's intent as to each of the subject areas relating to discrimination is communicated to the institutions, the more rapidly they will be able to comply with the requested self-evaluation and there will be fewer contested cases.

4. Fairness Principle - It is only fair to state rules as clearly as possible before requiring the institutions to comply with them.

In conclusion, Miss Caulfield said she disagreed with Mr. Luue that no personal civil rights are involved. She said it is true there is a large systematic impact that has nothing to do with individuals, but the individual cases do involve civil rights.

Mr. Joss commented that as a general matter of State Board policy, he feels that better results are to be attained when the Board adopts general policies which provide guidelines for the institutions and which provide for the institutions to develop institutional policies and regulations which implement the Board's policies. It is not, he said, a question as to whether the Board has the authority to adopt detailed rules. It is, rather, a question as to how the best results overall are to be obtained.

Mrs. Carpenter spoke briefly to the effect that in the development of rules and regulations prohibiting discrimination there are very important educational benefits to faculty and administrators in participating in the development of more detailed institutional policies and regulations prohibiting discrimination in the institution. She asserted that the adoption by the Board of rules as detailed and as specific as those proposed by the Women's Caucus might well result in the loss of this educative effect in the institutions.

Mr. Ackerman said the Department of Education also was mandated by the Legislature to implement legislation similar to that required of the Board of Higher Education in Chapter 204. He submitted the proposed regulations of the State Board of Education which designate hearings for community colleges as contested case hearings in compliance with the Administrative Procedure Act.

Mr. Ackerman said that, in his opinion, the policy of the two boards should be the same and the interpretation of the law by the Attorney General's Office should be the same for all state agencies on state issues implementing the same specific legislation.

Mr. Ackerman said Chapter 204 requires that rules and regulations adopted to implement the legislation must be in compliance with the Administrative Procedure Act. The proposed policy statement refers to an internal management directive and these are specifically exempt from the provisions of the Administrative Procedure Act.

Therefore, the policy statement, in and of itself, is not in compliance with Chapter 204 because as an internal management directive it is exempt from the Administrative Procedure Act.
The Chancellor commented that the statement was a statement of policy which would authorize the issuance of an internal management directive, but the statement itself was not an internal management directive.

Dr. Margaret Lumpkin said the guidelines proposed by the Oregon Women's Political Caucus would not infringe on academic freedom but would lay the groundwork for specific academic discussion of discrimination questions. She also noted that the proposed policy statement does not specifically prohibit discrimination in recruitment and several other issues of concern.

A question was raised as to whether, if the Board were to adopt the detailed and very specific rules proposed by the Oregon Women's Political Caucus there would not be the danger that it would be assumed that any aspect of discrimination not specifically prohibited in the detailed rules would be permissible since they were not specifically prohibited. Mrs. Lumpkin responded that she felt that sufficiently detailed rules could be adopted so as not to overlook any such possible instances of discrimination.

Mr. Ackerman said the adoption of substantive rules would not be exclusive and other points could be handled on an individual case basis. The rules would provide definite guidelines for determining discrimination.

Mrs. Carpenter asked that the following letter received from Mrs. Bonnie Habel, Chairperson of the Commission on the Status of Women, be entered in the record.

November 20, 1975

Dr. Roy E. Lieuallen, Chancellor
State Board of Higher Education
Oregon State System of Higher Education
P. O. Box 3175
Eugene, Oregon 97403

Dear Dr. Lieuallen:

The Governor's Commission on the Status of Women wishes to express its strong support of implementation of House Bill 2131 (ORS 204) which became effective May 27, 1975. This bill, as you know, prohibits discrimination in public education programs on the basis of age, handicap, national origin, race, marital status, religion, or sex, and requires the State Board of Higher Education to adopt rules to see that such discrimination does not take place.

We urge you and your staff to adopt such regulations that would establish, not only appeal procedures for cases where individuals feel that such discrimination is taking place, but guidelines for the institutions under your jurisdiction to positively implement the intent of this legislation in such areas as hiring, funding, provision of services and facilities, etc.

The Governor's Commission on the Status of Women is supportive of the State Board of Higher Education in its attempts to overcome the discriminatory practices which still exist in our educational institutions at all levels.

Sincerely,

/s/B. A. Habel

B. A. Habel
Chairperson

cc: Members State Board of Higher Education
The Chancellor said it was uncharacteristic in the State System for the Board's Office to impose detailed rules for action on the institutions. The tendency has been to impose general admonitions to be developed in detail by the institutions. He said the series of hearings had sensitized him to the subject of discrimination to a greater degree than he had been previously and there would be a more intensive follow-up and monitoring than might otherwise have occurred. The Chancellor said the need for more detailed rules might be demonstrated through experience, after the more generalized proposed rules have been approved by the Board. The development of detailed rules such as the Women's Political Caucus was proposing would require very careful legal review and extensive and intensive review with the institutions.

The Chancellor commented that the Administrative Rules are reasonably easy to amend. In view of this fact and the fact that no one has the experience which would indicate what the more detailed rules ultimately should be, he urged the Committee to recommend adoption of the general policy statement with any necessary adjustments.

The institutions would then be provided with a detailed statement of instructions for compliance with the proposed policy statement. If experience indicates the need for more detailed rules, they can be added as the need becomes evident.

In describing the procedure which would be followed, the Chancellor said instructions would be issued to the institutions for their guidance in the preparation of their self-evaluation study. An individual in the Board's Office would be designated to coordinate these efforts and to determine whether the institutional plans have internal consistency. The institutions would undertake the self-evaluation, with a report to be made to the Chancellor's Office and subsequently to the Board.

The Chancellor said the instructions to the institutions (in the form of an internal management directive) would provide a substantial framework within which their responses must be made, and the framework would be uniform throughout the System.

Dr. Harry Alpert, Vice President for Academic Affairs and Provost at the University of Oregon, said the proposed language of AR 33.025 is silent as to whether the complaints of discrimination are to be public records. He said it is believed that such allegations should be in the nature of a personal record within the meaning of the Oregon statute, at least until formal public proceedings are held. Dr. Alpert also said there is nothing in the proposed rules to indicate that they do not include discrimination in the area of employment.

Mr. Laue of the Attorney General's Office then made a number of comments concerning a number of points touched on in Mr. Ackerman's testimony:

- The approaches to the implementation of the requirements of given legislation may vary from agency to agency. There is no requirement that they be uniform among the several agencies. Specifically, there is no requirement that the approach to implementation of Chapter 204 by the community colleges, the local public school districts and the State System be the same.

- Relative to the alleged need that the procedures provided for in the rules comply with the Administrative Procedure Act, it is the view of the Attorney General's Office that Section 1, subsection 3 of Chapter 204, requires that the processes through which the rules implementing Chapter 204 are adopted be in compliance with ORS Chapter 183 (Administrative Procedure Act), not that the hearing procedures that may be adopted by the Board for dealing with cases of alleged prohibited discrimination must comply with ORS Chapter 183. Further, that he (Mr. Laue) considered that the procedures through which the Board is moving to adopt rules providing for implementation of Chapter 204 are in compliance with ORS Chapter 183.
The State Board of Higher Education, like other agencies to which Chapter 204 applies, has a variety of options open to it in complying with requirements of the law. The option currently under discussion seems consistent with the requirements of Chapter 204.

Committee Recommendation

The Committee recommended that the Board approve the statement of policy as presented, with the addition of the words "employment assistance" to the areas subject to self-examination by the institutions.

The Committee also recommended that the Board approve the staff recommendations contained in 1-a, 1-b, 1-c, 1-e, and the recommended Administrative Rules 33.015 through 33.095 as distributed at the Committee meeting.

Board Discussion (January 20, 1976)

Mr. Joss reviewed briefly the earlier occasions (October 28, November 25, December 15) on which the Board's rules relating to Chapter 204, Oregon Laws 1975, had been before the Board or a Committee of the Board.

Mr. Joss said the Committee recommended that the Board: (1) repeal AR 33.020 and 33.030, as currently contained in the Administrative Rules; (2) adopt the proposed Administrative Rules 33.015 through 33.095; and (3) adopt a statement of policy calling upon the Chancellor to issue an internal management directive to State System institutions requiring them to carry out a self-evaluation designed to discover whether they are involved in prohibited discrimination (on the basis of age, sex, marital status, handicap, national origin, race, religion), and to correct such discrimination as they find. A report would be made to the Board's Committee in August 1976 and to the Board in September 1976 as to the results of the institutional self-evaluation.

Mr. Joss then noted that in the prior meetings cited above, there had been extensive testimony given by persons representing various groups. He said the Board did not wish to deny anyone an opportunity to be heard, but suggested that testimony should be received from those who had not yet testified, unless those who had testified earlier had new or additional testimony. He then called on Mr. Harold Williams, Affirmative Action Director, Office of the Governor.

Mr. Williams asserted that the proposed Administrative Rules did not meet the needs of Chapter 204, Oregon Laws 1975. He referred to the use of the term "willful discrimination," asserting that discrimination is prohibited by Chapter 204. It need not be willful in order to be in violation of the law. He then alluded to women's athletics as an area in which he felt the proposed Administrative Rules were inadequate.

Dr. Romney asked whether Mr. Williams understood that in the event of alleged discrimination the institution would be required (1) to make an investigation of the charge; (2) to report to the Chancellor the results of the investigation and the means of remedying the situation in those instances in which it appeared the allegation was justified; and (3) if the investigation and action did not resolve the complaint to the satisfaction of the complainant, to bring the matter immediately to the attention of the Chancellor, who is authorized to make his own investigation. Dr. Romney asked Mr. Williams what "safety valve" he believed was needed.

Mr. Williams asserted he was familiar with the foregoing but was concerned with assuring that the complainant had the kind of support available to the institution and the Chancellor's Office. He said he views the institution and the Chancellor's Office as being in partnership. The "safety-valve" Mr. Williams had in mind, he said, was his office. He said there was some question in his mind as to the jurisdiction of his office over the action resulting from Chapter 204, Oregon Laws 1975, but it would be desirable to bring his affirmative action office into the cases in which alleged discrimination has occurred, so that his office could provide the complainant with the needed back-up and support to assure a fair handling of the complainant's case.
Mr. Perry asked Mr. Williams whether he was requesting another layer of appeal between the appeal to the Chancellor and the appeal to the courts. Mr. Williams responded that the really wanted to be involved in the early stages of the complaint so that both the student and the institution would be given fair treatment when discrimination is alleged.

Mr. Perry asked Mr. Williams whether he considered that it would be simpler, and therefore better, if cases were turned over to the affirmative action office (Mr. Williams' office) when a complaint is filed. Mr. Williams responded that, in his judgment, such an approach would simplify matters.

Mrs. Carpenter asked whether it wouldn't complicate matters if the affirmative action office were to be considered as another level of appeal. She asserted that it was the Board's assumption the Chancellor is totally dedicated to upholding the law, both federal and state.

Mr. Williams stated that his office was interested in being involved in the early stages of the consideration of any alleged complaints of discrimination rather than as an appeals office above the Office of the Chancellor.

Mr. Ingalls asked how large Mr. Williams' staff was. Mr. Williams replied that his staff consisted of a secretary and himself.

Representatives Mary Rieke and Norma Paulus were recognized to present testimony. Since Mrs. Rieke had testified on a previous occasion, she deferred to Mrs. Paulus.

Mrs. Paulus asserted that the Legislature believed there is discrimination at all levels of education in the state and that state agencies are the worst offenders with respect to discrimination. She said the Legislature had tried to deal with the problem earlier by putting an affirmative action group in the Labor Department, but because of lack of funding, among other reasons, the effort had never been successful. Consequently, responsibility was given by the Legislature to the Governor, and he was directed to employ a troubleshooter to handle instances of alleged discrimination in employment.

Insofar as discrimination in education is concerned, Mrs. Paulus said there were those who felt that Title IX would take care of the problem. However, the Legislature, by an overwhelming majority passed HB 2130 and 2131, which placed upon the leaders in education the responsibility for eradicating discrimination. The Legislature thought in adopting HB 2131 that they were putting responsibility on the institutions to eradicate discrimination, Mrs. Paulus asserted. In her opinion, she said, the Board's proposed rules were placing the burden on the citizen. It is up to the State Board of Higher Education to make the Legislative prohibitions against discrimination in the institutions of higher education work, Mrs. Paulus averred. The proposed rules, Mrs. Paulus said, could easily be regarded as only a token compliance with Chapter 204, Oregon Laws 1975.

Mr. Perry said he did not consider that it was the Board's intention only to take token action to comply but that the Board was interested in complying fully with the intent of the law. He said the proposed action, when considered in its entirety, constituted an expression of that intent.

Mr. Joss said he put a great deal of weight on the proposed statement of policy which specifies that the Chancellor issue an internal management document requiring the institutions to undertake a vigorous self-evaluation in respect to any policies or practices that possibly might be discriminatory in the sense prohibited by Chapter 204, Oregon Laws 1975. The Board feels that the self-evaluation, which will involve faculty and students will serve a highly important instructional-educational function. The Board expects the results of the self-evaluations to be brought to the Board's Committee in August 1976, Mr. Joss said, and the Board will review the recommendations from the Committee in September 1976.
Mrs. Paulus then noted, in response to a question from Mr. McLaurin, that, in her opinion, the Legislature had intended the Board to adopt a set of rules proscribing discrimination. She said the Board is proposing to adopt a grievance procedure. It was also her opinion that the grievance procedure should conform to the Administrative Procedure Act. She said she was certain the hearings provided for in the proposed Administrative Rules would have to comply with the Administrative Procedure Act and that the Board would have to hire more hearing officers than it could afford unless clear rules prohibiting discrimination in the institutions were established.

On the basis of the experience she and her husband have had in representing public school boards, she prognosticated that the Board of Higher Education was going to be overwhelmed with lawsuits alleging discrimination. She said the State Board of Higher Education and the State Board of Education could save the state money if they would adopt strict, detailed rules forbidding discrimination, thus reducing the number of lawsuits that are likely to follow without such rules.

Mr. Perry expressed appreciation for the observations by Mrs. Paulus. He said as a non-lawyer he was unsure whether there would be fewer lawsuits if the Board adopted detailed rules at this juncture.

Mrs. Carpenter asserted that she interpreted the proposed policy statement and the proposed Administrative Rules that were before the Board as a request for strong action by the individual institutions to make a self-evaluation to assure their policies and practices were not in violation of Chapter 204, Oregon Laws 1975. The self-evaluation would serve an important educative function in the institutions and the reports to the Committee and the Board would provide the Board with information as to the findings of the self-evaluations. The Board would then have an opportunity to consider what, if anything, is required in addition, either by the Board or the institutions, to assure that everything possible is being done to eradicate discrimination.

Mrs. Carpenter said she personally felt that lasting change in attitude and conduct is likely to occur when people are challenged to consider matters on their own and to take action to achieve whatever change is necessary for the attainment of the goal. She said this educational approach is efficacious. However, she noted, should it develop that over the next several months, the self-evaluation does not produce all that it is hoped that it will, the Committee and the Board will be able to take any necessary additional steps to achieve the Board's purpose of full and complete compliance with the law. She hoped, she said, that the Board would be permitted to make this kind of positive approach to the goal that it intends to achieve.

Mr. Harms asserted that in the Committee and Board discussion of these matters there had been no disagreement with the ultimate goal sought by the Legislature. In fact, there was a feeling that the Board ought to take action quickly rather than to delay the matter further. The Board feels, he said, that adoption of the proposed policy statement to implement the self-evaluation in the institutions in areas in which prohibited discrimination is most likely to be found, coupled with the adoption of the Administrative Rules is a very positive step. Mr. Harms said it is not the Board's intention to avoid obligations under the act but to insist upon prompt compliance from the institutions which is where the compliance must finally occur.

Representative Rieke commented that she and others are concerned that there are no specifics against which the self-evaluation at the institutions will occur.

Mr. Harms responded that the internal management directive to be sent to the institutions by the Chancellor will contain the specifics.
The Chancellor noted that AR 33.020, as proposed, does clearly prohibit discrimination on the basis of age, sex, marital status, handicap, national origin, race, and religion. The Board's Office does not feel that it is essential at this point to spell out for the institutions all of the kinds of actions that would be deemed discriminatory. Should it become apparent that more specificity is required in the Board's Administrative Rules, action can be taken to modify the rules. Meanwhile, he said, he hoped that those who have expressed concern would permit the Board to take the proposed steps, with the assurance that it is the fixed purpose of the Board to make certain that the institutions comply fully with the provisions of the law.

Mrs. Paulus then commented that the Legislature was very much concerned with discrimination occurring in education and wanted action taken that would result in its eradication.

Mr. Larson then read into the record the following letter from Senator Elizabeth W. Browne:

January 19, 1976

R. E. Lieuallen, Chancellor
and Members
Board of Higher Education
P. O. Box 3175
Eugene, Oregon 97403

Dear Chancellor Lieuallen
& Members of the Board:

I am in complete agreement with the members of the Women's Political Caucus who will testify before you on the proper procedure at a hearing. I believe it is legally required that the hearing be conducted as a "contested case" under the Administrative Procedures Act. This was surely the intent of the Legislature.

Sincerely,

/s/Elizabeth W. Browne (jv)
Elizabeth W. Browne
Senator
District 22

Board Action

Mr. Joss summarized the staff recommendation for approval of the following actions: (1) adoption of the statement of policy; (2) adoption of the proposed rules AR 33.015 through 33.095 as recommended and supplemented by the handout; and (3) repeal of the present AR 33.020 and 33.030. It was indicated earlier that AR 33.010 was not changed and would remain in Section 33.000 in its present form.

Mrs. Carpenter moved that the staff recommendation be approved.

Mr. McLaurin asked that the statement of policy be separated from the other portion of the motion. He indicated that he did not have amendments to propose to the statement of policy although he still had the same concerns which he had expressed earlier. Mr. McLaurin said the policy statement was an initial step in the right direction in terms of allowing the institutions to evaluate themselves. However, he said he would be very interested in observing the results of the self-evaluations and the effectiveness of the proposed procedures after they have been in operation.
On roll call vote, the Board approved the statement of policy as presented, with the following voting in favor: Directors Carpenter, Feves, Harms, Joss, McIntyre, McLaurin, and Perry. Those voting no: None. It was understood that the Board would receive copies of the additional material which the Chancellor would be sending to the institutions.

Mr. McLaurin moved to amend AR 33.075, paragraph 4, to read as follows:

4. The hearing officer shall submit his findings of fact, conclusions and curative recommendation to the Chancellor, the complainant, the respondent institution or agency, and the Director of Affirmative Action for the State of Oregon.

The Board approved the amendment on roll call vote, with the following voting in favor: Directors Carpenter, Feves, Harms, Joss, McIntyre, McLaurin, and Perry. Those voting no: None.

Mr. McLaurin moved to amend AR 33.085, paragraph 1, to delete the word "willfully." The Board approved the amendment on roll call vote, with the following voting in favor: Directors Carpenter, Feves, Harms, Joss, McIntyre, McLaurin, and Perry. Those voting no: None.

The Board then repealed AR 33.020 and 33.030 and adopted on roll call vote the proposed AR 33.015 through 33.095, as supplemented by the handout and amended in the approval of the motions by Mr. McLaurin. The following voted in favor: Directors Carpenter, Feves, Harms, Joss, McIntyre, McLaurin, and Perry. Those voting no: None.

Administrative Rules 33.015 through 33.095, as approved, appear below:

33.015 Definition of Discrimination

As used in AR 33.015 to 33.090, "discrimination" means any act that either in form or operation and whether intended or unintended, unreasonably differentiates among persons on the basis of age, handicap, national origin, race, marital status, religion or sex.

33.020 Discrimination Prohibited in all Higher Education Programs, Services and Interschool Activities

No person in Oregon shall be subjected to discrimination in any Higher Education program or service, school or interschool activity where the program, service, school or activity is financed in whole or in part by moneys appropriated by the Legislative Assembly of the State of Oregon. Each institution shall promptly adopt and publicize, and shall maintain, a procedure for redressing the grievances of persons who are subject to discrimination. Administrative Rules 33.015 to 33.090 do not apply to claims of discrimination in employment, promotion, tenure or termination of employment.

33.025 Procedure for Reporting Discrimination

1. For the purpose of insuring compliance with AR 33.020, each institution or agency of the Department of Higher Education shall designate a compliance officer to receive complaints of alleged noncompliance with AR 33.020. Reasonable efforts shall be made to give notice of the name, office address and telephone number of the compliance officer to all applicants for and recipients of the services of each institution or agency of the Department of Higher Education.
2. All complaints shall be made to the compliance officer at the respective institution or agency and shall be reduced to writing by the compliance officer if not submitted in writing, and signed by the complainant, setting forth the factual basis of the alleged noncompliance, within 180 days from the date of the alleged noncompliance.

3. Upon receipt of the complaint, the compliance officer shall promptly cause copies of the complaint to be delivered to the President of the institution or head of the agency involved and to any individual respondents, and to the Chancellor of the Department of Higher Education. The compliance officer shall retain a copy of the complaint in files established at the institution or agency for that purpose.

33.026 Exemption From Reprimand or Retaliatory Action

No individual filing a complaint or otherwise participating in any of the actions authorized under AR 33.015 through 33.090 shall be subject to reprimand or retaliatory action whatsoever by any institution, agency, or employee of the Department of Higher Education for having participated in activities provided for under the foregoing sections of the Administrative Rules.

33.030 Investigation of Complaints

1. Within 30 days after receipt of the complaints, the institution or agency of the Department of Higher Education shall complete such investigation of the matter as it deems necessary, order the corrections of any noncompliance that is found to exist or to have occurred and transmit a report of the findings of its investigation and corrective action to the Chancellor, to the complainant and to the compliance officer with whom the complaint was filed.

2. The 30-day period allowed under subsection (1) of this section may be extended for not to exceed another 30 days, upon application by the institution or agency to the Chancellor.

33.035 Appeal to the Chancellor

1. Whenever, in the judgment of the Chancellor, an institution or agency fails to conduct a satisfactory investigation, fails to take appropriate corrective action or fails to make reports on complaints within the 30-day period where no extension has been granted or within the period allowed under the extension, the Chancellor shall initiate his own investigation of the complaint.

2. Whenever the complainant is not satisfied with the report, or no report is made within the time allotted, the complainant may request in writing that a hearing on the complaint be held. The request shall state the grounds upon which the complainant deems the report is unsatisfactory. The request shall be filed with the compliance officer who shall forward a copy promptly to the Chancellor. Upon receipt of the request, the Chancellor may order the hearing; provided, however, that the Chancellor may review the report and other information presented to him and may then, in his discretion order that no hearing be held and declare that the action of the institution is satisfactory. The Chancellor's order shall be final.

33.040 Appointment of Hearing Officer

The hearing shall be conducted by a hearing officer appointed by the Chancellor. The hearing shall be conducted at the institution or site of the agency at which the complaint was made.
Notice of Hearing: Time and Place

The hearing officer conducting the hearing shall set a hearing date not more than 10 days after receipt of the request for a hearing. Written notice of the time and place of the hearing shall be given to the complainant and the respondent institution or agency at least 10 days prior to the date set for the hearing. The hearing officer may postpone the hearing for valid and sufficient cause, with notice to all parties. The hearing officer shall not permit unnecessary delay.

Written Statement of Case

Not less than five days before the date set for the hearing, the respondent institution or agency may file with the hearing officer such written statement of its case as it elects to file and shall file a copy of the report of its investigation and action. A copy of any such written statement and report of the institutional investigation and action shall be provided the complainant at the same time they are provided to the hearing officer.

Observers Present at Hearing

The hearing shall be open, except that the hearing officer, in his discretion, may require that the hearing be limited to a few observers, including representatives of the news media.

Conduct of Hearing

1. A tape recording or other verbatim record of the hearing shall be kept.

2. The testimony of witnesses, upon oath or affirmation, and other evidence concerning any disputed facts shall be received by the hearing officer. The hearing officer shall exclude irrelevant, immaterial or unduly repetitious evidence, but shall accept all other evidence of a type commonly relied upon by reasonably prudent persons in conduct of their serious affairs.

3. The hearing officer shall encourage stipulations of undisputed facts, and may seek to conciliate the dispute either before or after the hearing.

4. The hearing officer shall make findings according to the preponderance of the evidence.

Presentation of Evidence

The complainant shall have the responsibility of producing satisfactory evidence of respondent's noncompliance with AR 33.020. Both the complainant and the respondent shall have the right to appear and to participate in the hearing, to present relevant evidence to the hearing officer, to cross examine witnesses and to submit rebuttal evidence.

Position Summaries

At the conclusion of the testimony, the hearing officer may permit each party to make a summation; if this privilege is extended to one side, it must be extended to both. The hearing officer may request the timely submission of written summations.
Findings and Recommendations

1. The hearing officer shall make explicit findings of fact respecting the alleged noncompliance of the respondent institution or agency. The findings shall be based upon the hearing record.

2. If the hearing officer finds that noncompliance has occurred, the hearing officer shall formulate a curative recommendation for compliance.

3. In formulating the curative recommendation, the hearing officer shall consider: the willingness and ability of the respondent to eliminate the noncompliance and any other factors relevant to the particular case.

4. The hearing officer shall submit his findings of fact, conclusions and curative recommendation to the Chancellor, the complainant, the respondent institution or agency, and the Director of Affirmative Action for the State of Oregon.

Order by Chancellor

1. The Chancellor may accept, modify or reject the findings of the hearing officer, shall issue an order containing any findings of fact based on the hearing or on investigation by the Chancellor under AR 33.035 and the action necessary for compliance, if the institution or agency is found in noncompliance. The order shall be issued no more than 15 days after completion of the hearing and copies shall be given promptly to the respondent, to the complainant and to the compliance officer of the affected institution or agency.

2. If the Chancellor believes sanctions should be imposed against any individual in addition to action necessary for compliance, he shall so notify the head of the institution or agency, giving his reasons therefor. Any proceedings thereafter taken against any individual pursuant to this paragraph shall be according to Administrative Rules of the Board or rules of the institution or agency, as appropriate.

3. If requested, the hearing record shall be reduced to writing and shall be made available to the complainant and the respondent institution or agency for copying, or copies thereof shall be made for them. The cost of reducing the record to writing, and of the making of copies thereof, shall be borne by the party so requesting.

Sanctions Against Institution or Other Agency

1. If, based on the Chancellor's own investigation of alleged noncompliance or as a result of the Chancellor's examination of the findings of fact of the hearing officer, the Chancellor concludes that any institution or agency has violated AR 33.020, that the institution or agency has a record of noncompliance, that the magnitude and effect of the institution or agency's noncompliance is sufficient to warrant monetary sanctions, or that there is unwillingness of the institution or agency to comply with AR 33.020, or any combination of these conclusions, he may impose a monetary sanction against the institution or agency.

2. A monetary sanction imposed under this rule shall not exceed the amount of legislatively appropriated funds received by the institution or agency against whom it is assessed. No monetary sanction in excess of $10,000 shall be assessed without approval of the State Board of Higher Education.
33.090 Requirement of Prompt Attention to Complaints

It is the desire and direction of this Board that, in carrying out the duties imposed upon them by AR 33.015 to 33.085, the Chancellor, Presidents, compliance officers, hearing officers and other personnel shall give high priority to the performance of such duties and shall proceed as expeditiously as possible to ascertain whether discrimination exists and to take curative measures.

33.095 Students Unable Because of Religious Beliefs to Attend Classes on Certain Days

Any student who, because of his religious beliefs, is unable to attend classes on a particular day shall be excused from attendance requirements and from any examination or other assignment on that day. The student shall make up the examination or other assignment missed because of such absence.

(Considered by Committee on Instruction, Research, and Public Service Programs, December 15, 1975; present--Carpenter, Feves, Harms, Joss, Maden, Ingalls.)

Dr. Romney stated that Portland State University had submitted a request for authorization to offer a program leading to the master's degree in public administration; that the Board's Office had prepared the request for presentation to the Committee at the October meeting of the Committee, but had withheld it upon receipt of the request from the Educational Coordinating Commission that a 90-day moratorium on consideration of new program proposals be observed by the Commission and the segmental boards; that it now appeared from recent conversations with Commission staff members that the consideration of the proposal by the Committee now would not be considered a violation of the moratorium. He noted that it would be helpful if the Board could act on the Portland State University request at its January meeting.

The Committee agreed to discuss the Portland State University request at an early-morning session (8:45 a.m.) on January 20 in Room 327 of the Smith Memorial Center, so that Board consideration might be given to Committee action later the same day.

Portland State University requests authorization to offer a program leading to a master of public administration degree, effective 1976-77.

Staff Recommendation to the Committee

The Board's Office recommended that the Board authorize Portland State University a master of public administration (MPA) program, effective 1976-77, as detailed in the complete report on file in the Board's Office.

Discussion and Recommendation by the Committee (January 20, 1976)

Dr. Romney said the Board's Office had intended to bring the proposed program to the Committee at its October meeting, but was constrained by the request of the Educational Coordinating Commission that the Board hold up the review of new programs for a period of 90 days. The moratorium period has now been passed.

Dr. Romney said the Board's Office had examined at some length the need for serving educational needs of the Portland region in the area of public administration as reported in the document prepared for the Committee, and is convinced that there is a need for a graduate program in public administration in the Portland area. Dr. Romney noted that the Board's Office, in its review, held two meetings with representatives of institutions, both public and independent in the state, and representatives of federal, state, county, and local agencies in the Portland area to discuss how the needs of the Portland area might best be
Dr. Romney noted that there was present a goodly number of persons from federal, state, county, city, and other public agencies who would be pleased to testify on the matter.

Dr. Romney also noted that the Board's Office staff also conferred extensively with Lewis and Clark College, an institution which in the past two or three years has offered some graduate course work in public administration to serve employed persons in the metropolitan area. At that time (late summer 1975), President Howard indicated that although Lewis and Clark faculty were very much interested in the possibility of a master's degree program at Lewis and Clark, he did not see the way clear to offering such a program in the immediate future. He said he fully supported cooperative efforts in the field of public administration being carried on by the staffs of Lewis and Clark and Portland State University and supported development of an MPA program at Portland State University. Since then, Lewis and Clark has proceeded with development of plans for a master's degree program, and in January 1976 obtained the approval of the program by its board of trustees somewhat earlier than was anticipated last year.

The Portland State University program, if approved, would draw upon Portland State University's rather extensive graduate-level resources in fields which would add strength to a program in public administration (e.g., business administration, political science, sociology, social work, and psychology). The institution is prepared to divert funds in its going-level budget to the MPA program in the amount of $100,000 in 1976-77 and $112,000 in 1977-78, as indicated on p. 6 of the full report. The program which is proposed is in substantial conformity with national guidelines for public administration programs established by the National Association of Schools of Public Affairs and Administration, Dr. Romney said. It is estimated that about 35 students would be admitted to the program the first year of its operation, with most of the persons being employed in government in the Portland area. To accommodate these persons, courses would be scheduled in the later afternoon and evening hours.

Mr. Joss asked for further information about the role of Lewis and Clark in serving public administration educational needs in the Portland area, in view of its new master's degree program.

Dr. Romney said the staffs of the two institutions had worked closely together over a period of many months, with the idea that the two institutions would cooperate as closely as possible in serving the needs of the Portland area, including establishment of degree requirements permitting ready transfer of courses taken at either institution to the other, listing and cross referencing of each other's offerings in publicizing offerings at the two institutions, exchange of teaching appointments, sharing of specialists brought into the Portland area from outside, and creation of an interinstitutional advisory committee drawing upon not only the respective programs in public administration but on public agency officials in the Portland community.

President Blumel reported that he had called President Howard, of Lewis and Clark, the previous afternoon to learn whether the position of Lewis and Clark had changed as a result of the board of trustee's approval of a program at Lewis and Clark. He said President Howard had assured him that the latter's position remained essentially as expressed to Dr. Romney earlier in the year, that he did
not believe the Lewis and Clark program would be large, that it would not be capable of meeting many of the needs existing in the Portland area, and that the two institutions should continue to pursue the cooperative relationships described by Dr. Romney.

Mrs. Carpenter then asked for testimony from representatives of public agencies located in the Portland area, who testified as follows.

Mr. Leonard J. Borer, former executive assistant, Portland Federal Executive Board, noted that the Portland Federal Executive Board is made up of representatives of all the federal agencies in the Portland metropolitan area, encompassing 14,500 federal employees. Two years ago, Mr. Borer continued, the Board's intergovernmental training council, made up of training and education officers from federal, city, county, and state agencies, formed a committee to work with the staffs of both Lewis and Clark College and Portland State University in developing graduate programs in public administration. The committee's surveys have indicated a great interest among federal employees in a part-time evening program in public administration. The committee has been involved in and supports programs at both schools, he said.

Mrs. Feves asked if there would be enough demand for both programs. Mr. Borer replied that as the committee had seen the proposed curricula develop, it was apparent the offerings would be sufficiently different that there would be people interested in both programs. In response to further questioning by Mr. Joss, he said Lewis and Clark had faculty with resources primarily in the areas of economics and political science. Portland State University, with extensive graduate-level resources in urban studies, social work, administration, management, finance, and budgeting, as well as the social science fields, has developed a much more diverse program.

Mr. Lloyd Anderson, executive director of the Port of Portland, said the Port had a staff of 600, exclusive of the longshoremen and others not in its direct employ. He said the Port had to bring in key employees from outside the area because there was not available in Portland the formal opportunity for the training needed in management positions. In addition to opportunities for education of employees, he said, there is need for expansion of opportunities for vigorous exchange between local government and higher education. He said staff people of the Port were taking courses in public administration at Lewis and Clark, but the courses are fairly expensive and are not offered as a part of a formal and continuous program such as would be offered by Portland State University. He said that if Lewis and Clark develops an expanded program, he would see this being done as part of the kind of cooperative arrangements described by President Blumel.

Mr. Donald E. Clark, chairman of the board of commissioners of Multnomah County, described the long association between Portland State University and Multnomah County. He said there were many special needs in training and education of managerial-level employees that the proposed program would be responsive to. He said Multnomah County offered its full support to the program and would cooperate in providing laboratory opportunities in the community, the courthouse, or other facilities.

Mrs. Carpenter asked Dr. Ronald Cease, who would serve as director of the Portland State University program, if approved, to comment on the student counseling which would be involved. Dr. Cease said that although the program would rely heavily on people in governmental positions in the community for instruction in areas in which they have special expertise, the program will have a central cadre of full-time staff who will monitor student programs. He said it is not possible to counsel students and put together integrated student programs, including internship experience, without full-time staff people.
Mr. Larry Sprecher, Director of General Services for the State of Oregon, said he strongly supported the proposed MPA program because he is convinced it is needed. He said throughout his career in public administration he had served as a part-time instructor in public administration, both at Portland State University and at the University of Southern California, because he was personally convinced that there is great need for practitioners to spend a little more time thinking about what the academic field is doing both in preparing future professionals and in aiding present professionals to keep up with the rapidly changing environment in which they work. He said many people employed on the managerial level, even some who already have master's degrees in specialized fields, need to develop additional management and administrative skills. He said he was not one who believed that what the country needs is more MPA's, but what is needed is more people who can do the job, and the MPA happens to be a peculiarly useful tool in this respect as people rise from technical and specialist ranks into the field of administration. He said he had advised with Lewis and Clark on the development of their program and would probably continue to do so, but that he saw the Lewis and Clark program as meeting more of the kind of needs met by continuing education programs than as being competitive with Portland State University's proposed program. He asserted that there is a substantial number of individuals in the Portland area ready to enter the Portland State University master's program as soon as it is available.

Mrs. Carpenter inquired as to whether President Boyd saw any conflicts with the University of Oregon program. President Boyd replied that the faculty in public administration does not believe it can provide the services needed in the Portland community and consequently does not feel the Portland State University program will be in conflict with that of the University of Oregon.

Dr. Terry Olson, Executive Director of the Oregon Educational Coordinating Commission, asked what was the relationship between need for courses and training and need for a degree program. He said most of the comments made by the agency representatives appeared to be in reference to the need for training and specialized courses, but without specific reference to a program leading to a degree.

Mr. Sprecher said a degree program accomplishes two things. First, for the employer, the degree indicates the employee or prospective employee has followed a purposeful program of classes designed to provide a broad education in particular fields of public administration, as contrasted with simply a collection of classroom hours. Second, the degree is an incentive, a sign of attainment, a goal. To have a program without a goal weakens the program, he said, and may mean that instead of having a balanced educational diet, people select whatever is momentarily attractive to them.

Mrs. Elizabeth Johnson, member of the Oregon Educational Coordinating Commission, said she saw no evidence of coordination of the proposed program with the University of Oregon, Oregon State University, the law school, and programs being undertaken or underway at Marylhurst and the University of Portland. She said she felt before the program was approved there ought to be a consortium agreement worked out in writing which would show how all strengths in public administration available in the state would be utilized.

Dr. Romney said in his meetings with public administration educators he had seen considerable evidence of cooperation in planning of activities and sharing of resources. For example, he said, at the meeting held in Eugene last summer (1975), Dr. Kerrigan, who heads the program at the University of Oregon, was identifying with Portland State University and Lewis and Clark personnel the specific persons who would be available to him for projects the University is carrying out this year with a $50,000 grant funds. He cited several other evidences of joint planning and of plans for sharing resources. There is considerably more going on, he said, than revealed by the generalized promise "we will cooperate."
Mrs. Johnson asked if anything had been worked out in the way of concurrent enrollment or cost sharing so that the private schools would not be at a disadvantage in competition for students. Dr. Romney said cooperation had not extended to development of cost sharing. Mrs. Johnson then asked how Portland State University was going to finance the costs of the proposed program. Dr. Romney said Portland State University would assign faculty members to the field of public administration within its going-level budget.

President Blumel said he could not say at this time precisely which position resulting from which retirement in which discipline would not be filled in order to staff the MPA program during the 1976-77 year, but this is the kind of thing that would make possible funding the new program. He continued that he felt the kind of cooperation worked out with Lewis and Clark for this program could be a model for cooperative relationship between a public and private institution. He said he personally believed it highly unlikely that Lewis and Clark College would be able to sustain a master's degree in public administration without opportunity for students in their program to register for course work, in a variety of areas, at Portland State University. Existence of the Portland State University program will make awarding the degree at Lewis and Clark possible, he said. The relationship is not a competitive situation, he continued, but rather is a clear case of effort on the part of the two institutions to reinforce one another. It is development of this kind of relationship between public and private institutions, he concluded, which ultimately will enable the private institutions to sustain themselves.

Mr. Joss moved approval of the proposed program. Mr. Harms said he was compelled to express his concern with the argument that because there is an interest in a program in a particular area, the Board should duplicate programs. The argument of student interest can be made in regard to law, architecture, and engineering in the Portland area, and for a medical school in Eugene, he said, and should not be the single most important consideration of the Board. In the case before the Board, he said he was persuaded that there is a need for program expansion, that Portland State University is a logical place for the expansion to take place, that the expansion can be accomplished at a reasonable cost-benefit ratio, and that he therefore supported Mr. Joss' motion.

The Committee approved Mr. Joss' motion by unanimous vote.

Board Discussion and Action

The Board approved the Committee recommendation as presented, with the following voting in favor: Directors Carpenter, Feves, Harms, Joss, McIntyre, and McLaurin. Those voting no: None. Mr. Perry was absent from the meeting at this time.

Staff Report to the Committee

The Board's Office recommendation was based upon the following views:

1. That there appears to be a significant interest in graduate work in public administration in the Portland metropolitan area. Some evidences of that interest are presented on pp. 3-4 of the complete report.

2. That although professional master's degree programs for public administrators are available at the University of Oregon in Eugene, and at Willamette University in Salem, these programs are not serving the Portland metropolitan area needs which grow out of a large concentration of persons employed full-time who desire access to post-baccalaureate and master's degree work offered in the later afternoon and evening.

   Approximately 35 full- and part-time students are admitted to the University of Oregon program annually.
The Willamette University program is just getting underway. Approximately 70 were enrolled in 1974-75; in early September 1975, 105 (headcount) were enrolled, roughly one-fifth part-time.

3. That there is little likelihood that the great bulk of those wishing access to post-baccalaureate and master's degree work, who are employed full-time in Portland, will commute either to Eugene or Salem for the courses and degree programs to which they need access.

4. That although, conceivably, courses might be brought to the Portland area from either Eugene or Salem, if the University of Oregon or Willamette University had sufficient faculty and other resources to meet the obligations of their campus programs and at the same time to mount a program in Portland, it does not seem as feasible as serving the Portland area from the Portland area.

5. That although Lewis and Clark College began in 1974-75 to meet a portion of the Portland area's need for post-baccalaureate courses for public administrators through the offering of a selection of courses (to be continued in 1975-76), the courses do not lead to a master's degree. The college indicates that it may, at some point in the future, wish to launch a master's program, but it is not prepared to do so at present.

6. That Lewis and Clark and Portland State faculty members involved in planning the Lewis and Clark course offerings in public administration have worked together, keeping each other informed and consulting together as to how they might most effectively work together in meeting the Portland area needs for post-baccalaureate and master's degree work in public administration and related areas.

7. That the Lewis and Clark College and Portland State University faculties should continue to work together in the coordination and articulation of their efforts in the field of public administration, in order to avoid unnecessary duplication of resources and effort.

The mutual understandings that are outlined on pp. 10-11 of the full report should be followed up by the two institutions.

8. That public administration is a field that draws upon the strength in and contributes strength to a variety of subject matter areas in which Portland State University has been authorized by the Board to offer programs and degrees in service to the urban population in whose midst Portland State University is situated.

Illustrative of these related fields and degree programs are: master's and doctoral programs in urban studies, the federally-funded national criminal justice education development program, master's degree programs in business administration, political science, sociology, social work, psychology, and the like.

9. That the authorization to Portland State University of a master's degree program in public administration of the kind Portland State University proposes, is unlikely to have any serious adverse effect on enrollments in the University of Oregon and Willamette University programs. Portland State University draws its students almost totally (96% in 1974-75) from the three metropolitan counties of Multnomah, Washington, and Clackamas.

10. That by allowing for 1975-76 as a further planning and preparation year, Portland State University will be able by 1976-77 to mount a program of reasonable merit which, like most graduate programs that are launched, will try, over time, to develop increased strength as the program matures.
Among the urgent preparatory functions will be to define more clearly the admissions requirements necessary to assure Portland State University a student enrollment in the proposed program of sufficient homogeneity of background and readiness that the quality of instruction can be maintained at an adequate level.

Important supplementary information is presented in the complete report.

(Considered by Committee on Instruction, Research, and Public Service Programs, December 15, 1975; present--Carpenter, Peves, Harms, Joss, Maden, Ingalls.)

In accordance with the Committee's wishes, there is presented a review of the centers and institutes currently in being at Oregon State University. Centers and institutes at the remaining State System institutions will be reviewed in a subsequent document to be presented at the Committee's February meeting. The complete report, entitled "Review of Centers and Institutes - Oregon State University," is on file in the Board's Office.

**Board's Office Recommendation**

The Board's Office recommended that the Board accept the present report relating to Oregon State University's centers and institutes, as the first of a series of reviews of centers and institutes, pursuant to the budget note from the 1975 Legislative Assembly.

Explanation. The Board's Office believes: (1) that Oregon State University has had an effective review process through which proposals for establishment of new centers and institutes have had to pass before being approved, (2) that the centers and institutes established by Oregon State University are clearly within the mission assigned Oregon State University by the Board, (3) that centers and institutes, as they have been established at Oregon State University, are designed to enable Oregon State University (a) to utilize its faculty and other resources more effectively in the accomplishment of its teaching, research, and public service functions, particularly when multidisciplinary approaches are necessary, and (b) to secure necessary additional nonstate funding for Oregon State University's instruction, research, and public service functions, (4) that the evaluation of existing centers and institutes to assure their continued vitality and their continued need--in the way in which Oregon State University is currently re-evaluating the Genetics Institute and the Nutrition Research Institute--is both useful and necessary.

The decision as to the depth of information to supply the Board as the basis for its review of Oregon State University's centers and institutes was given careful thought. We believe that what is provided here--as it may be augmented orally at the meeting by the Board's Office and by Oregon State University representatives--strikes a happy balance. If we have misjudged the desires of the Board in this respect, we shall be pleased to make amends with respect to the present report and to follow the Board's direction in the preparation of the reports coming to the Board's Committee in February, relating to centers and institutes at the other institutions.

**Discussion and Recommendation by the Committee**

In presenting the review of centers and institutes at Oregon State University, Mrs. Carpenter indicated that Vice President Roy Young of Oregon State University was available to comment and respond to questions from the Committee.

Centers and institutes may mean different things on different campuses, according to Dr. Young. A recent book, *Beyond Academic Departments*, provides a reference for more detailed information on centers and institutes.
At Oregon State University, centers and institutes have been developed to meet increased needs for faculty members in several departments to apply their joint academic research to problems of regional or national concern. One of the first institutes at Oregon State University, Dr. Young said, was the Water Resources Research Institute, which was developed when federal money for such an institute in every state became available. An effort is made to assure that centers and institutes do not compete or interfere with, but rather enhance, regular departmental and school programs.

Dr. Young said that interdisciplinary advisory committees created for each center and institute, to give overall direction to the program, have helped to avoid competitiveness or overlap between academic departments and centers and institutes.

The development, operation, and funding of several institutes was described by Dr. Young. He indicated that sometimes a coordinating office or committee precedes the establishment of a center of institute pending the determination of whether there is sufficient activity or need to warrant more formal organization in the form of a center of institute.

In response to a question concerning the allocation of funds, Dr. Young said funds are expended through the business office and indirect costs are allocated on the basis of expenditures. It was also indicated during the discussion that many of the centers and institutes deal with matters which have a very direct effect on people.

The criteria for establishing and continuing a center or institute were described by Dr. Young. These factors include the instructional and public need for a program and the availability of personnel and funds for the program.

Mrs. Elizabeth Johnson, a member of the Oregon Educational Coordinating Commission, asked whether there was any review of interinstitutional cooperation in similar types of activities. It was indicated that when funding has been available to facilitate interinstitutional activities, they have occurred. Cooperative efforts in energy, transportation, and land use planning were cited as examples by Dr. Romney.

Approximately $3 million of the total research effort amounting to $28.5 million is applied to centers and institutes. If student aid and this kind of federal funding is eliminated the figure is reduced to approximately $18 million.

Mr. Maden inquired how Oregon State University makes the decision to accept a federal or foundation grant in support of a center or institute, particularly if it appears that should the grant be discontinued in succeeding years, the center or institute would be dependent upon institutional or state resources in order to continue. Dr. Young responded that generally, if a center or institute is heavily dependent on outside funds for its support, and if that support disappears, the center or institute is discontinued or enters a moribund state until necessary outside funding can again be secured. The great preponderance of the Oregon State University centers and institutes depend very heavily upon federal funding. Interinstitutional committees would be continued whether or not there was outside funding, Dr. Young continued.

Mr. Harms observed that interdisciplinary activities are necessary on every campus, if the most effective use is to be made of institutional resources. He cited efforts in years past to encourage interdisciplinary cooperation between the Bureau of Governmental Research and Service and the Schools of Law and Architecture and Allied Arts on the University of Oregon campus. Although the efforts were not then fruitful, he commented that such cooperation is essential in the solution of complex problems. For that reason, he asserted, institutions often have interdisciplinary committees, and in many instances centers and institutes—after the manner of Oregon State University. Dr. Alpert of the University of Oregon said that he was pleased to report that the three University of Oregon units to which Mr. Harms had referred do now have cooperative relationships of an interdisciplinary character.
Mr. Maden asked whether Oregon State University, in submitting requests for federal or foundation support for a center or institute, is aware of possible competition with other institutions in the State System which might be seeking funding for a similar purpose. Dr. Young reported that proposals for grants are not circulated to other institutions before submission, for a number of reasons. But, he said, he does not consider that there are serious problems of competition among the institutions because of informal relationships among key individuals on the several campuses.

Mrs. Carpenter commented on the seemingly precarious existence of centers and institutes if they are so totally dependent upon outside funds. Dr. Young acknowledged that it is precarious, although some of the centers or institutes are on a multi-year funding cycle (e.g., the Environmental Health Sciences Center is on a five-year funding cycle and has just been refunded for a new five-year period).

Mr. Maden asked about the extent of the overhead on these grants. Dr. Young stated that the audited rate is 45.22% of salaries and wages. If a grant provides $100,000 for wages and salaries, there would be $45,220 for indirect costs, covering such costs as physical plant, heat and light, library, equipment, administration, etc., Dr. Young said.

Mrs. Carpenter commented that she had been surprised that there was not more apparent involvement of the social sciences in the centers and institutes. Dr. Young responded that the extent of that participation is on the increase and that it is desirable that the social sciences be more heavily involved.

Mr. Joss asked about the Western Rural Development Center, and the nature of its work. Was it, he asked, primarily concerned with Urban Studies? Dr. Young responded that the Center is headed up by anthropologists and sociologists and that one of their principal focuses is upon the reasons for failures of various kinds in the rural areas or small towns. Oregon State University was given a grant for this purpose on the basis of competitive submissions of proposals from institutions throughout the western region. Mr. Joss and Mrs. Carpenter expressed interest in receiving more detailed information concerning the specific projects being undertaken in the Center.

Chancellor Lieuallen asserted that in considering the Board's Office recommendation, the Board's Committee should be aware that favorable action on the recommendations would be interpreted by the Board's Office to mean that the nature of the report submitted on centers and institutes at Oregon State University is generally satisfactory to the Board members and that succeeding reports on centers and institutes at other State System institutions would then follow the general format of the present report.

The Committee then voted unanimously to accept the Board's Office recommendations and to recommend to the Board that the Board approve the staff recommendations as submitted.

Board Discussion and Action

The Board approved the Committee recommendation as presented, with the following voting in favor: Directors Carpenter, Feves, Harms, Joss, McIntyre, and McLaurin. Those voting no: None. Mr. Perry was absent from the meeting at this time.

Impetus for Creation of Centers and Institutes

Nationally, the most widespread attempt to modify departmental structure in colleges and universities has taken the form of the creation of centers and institutes. This is particularly true of the universities; especially of the research universities.
The impetus for the creation of centers and institutes derives from a number of forces of which the following are illustrative:

The increasing need for faculty to collaborate across departmental and disciplinary lines in serving instruction, research, and service functions.

The basic and applied research problems with which the universities must deal in their graduate training and research programs have become increasingly complex.

Many of them will yield only to the concerted attack of scholars from a variety of disciplines working together in a coordinated effort. Traditional disciplinary and departmental boundaries are too constraining.

In this need, the institutions have turned to centers or institutes as the agencies of leadership and coordination in these multidisciplinary efforts.

What is said of research may be said equally of the universities' instructional programs for the education of graduate students competent to work at the boundaries of knowledge as members of multidisciplinary teams in the future teaching and research roles for which they are preparing.

The university's felt need to make visible to the academic community, to the public it serves, and to a wide range of funding agencies, the university's interest in and capacity for undertaking research and instruction in given multidisciplinary areas, in particular in those areas in which there appears to be a manifest or even latent interest among the funding agencies.

This need more often than not grows out of the universities' significant need for nonstate funding in order to improve their capacity for instruction, research, and service.

The universities must, if they are to achieve and maintain effective instruction and research programs, be vigorous in their efforts to attract funding from nonstate sources—i.e., federal agencies, private foundations, private industry, professional associations, and the like.

This the Legislature and the State Board of Higher Education have long recognized, as witness the following:

- The Legislative Assembly has directed the State Board of Higher Education (ORS 351.130) to encourage gifts to the institutions and to other units of the State System either directly or through an affiliated organization, and has authorized the Board and its institutions to accept grants and gifts from the federal government (ORS 351.490).

- The State Board of Higher Education has adopted a policy statement observing the fact that research and graduate instruction in the universities are inseparably connected; that the development and maintenance of the resources essential to effective graduate education and research—e.g., libraries, laboratorios, highly qualified scholar-teachers, field stations, equipment and machinery—is, relative to undergraduate education, more costly (albeit a productive investment); that such programs will be better nurtured if the universities are vigilant, vigorous, and successful in their efforts to attract nonstate funding.
Accordingly, the Board of Higher Education has established guidelines (AR 63.020-63.030) for the institutions in their search for such funding. The Board's aim has been to encourage the institutions in these endeavors while, at the same time, assuring that the institutions do not, in accepting such funds, commit the state or the institution to continue programs funded through gifts, grants, or contracts, in the event such funds are discontinued in the future.

An examination of the funding sources for budgeted research in the State System institutions over the past decade and more, reveals that without the federal government's role in research support and without the funding solicited by institutions from private industry, foundations, professional associations, and other like groups, the State System universities would have suffered severely from a dearth of separately-budgeted research funds.

The creation of a center or an institute, with some modest institutional support, has proven repeatedly to have been the sowing of seed which has borne fruit thirty, sixty, or a hundred-fold or more. Modest institutional funding has made the center visible; being visible, the center has been able to attract nonstate funding beyond anyone's capacity to predict.

A case in point is marine science at Oregon State University. Twenty years ago (1955), as a result of multidisciplinary research earlier carried on by Oregon State University with very limited funding, a $10,000 federal grant in marine science was secured. Now, after two decades, Oregon State University is, by reason of federal and other grants, one of the major marine science universities of the nation with some 100 graduate students, and producing 15-20 master's degree and 8-12 doctoral degree graduates per year. This, to be sure, is a dramatic example. But there are others.

In sum, the creation of centers and institutes is seen by colleges and universities in Oregon as being, in part, a response to the encouragement received from the Legislative Assembly and the State Board of Higher Education to seek vigorously nonstate funds as a means of expanding institutional capabilities for research, instruction, and service. That some centers and some institutes have proven to be the source of growth in institutional capacity for service, and in institutional prestige, with all that flows therefrom, has not been lost on the institutions.

Centers and Institutes
in State System Institutions

Salient Characteristics of Centers and Institutes. An examination of the data and information submitted by the institutions as to their centers and institutes reveals a number of relevant facts, of which the following are among the most significant.

1. Centers and institutes are to be found principally in the universities and in the University of Oregon Health Sciences Center.

   This is consistent with a series of related facts:
   . Research (usually coupled with graduate instruction) is a major objective of many of the centers and institutes.
   . It is to the universities and the University of Oregon Health Sciences Center that the Board of Higher Education has given the principal responsibility for research and graduate education.
With their research and graduate education capabilities, the universities and the University of Oregon Health Sciences Center are in a favorable position to compete effectively for support from federal and private funding agencies of various kinds, which provide the funding so necessary to the maintenance of centers and institutes.

2. Nonstate sources of revenue (e.g., federal agencies, foundations, private industry) provide the predominant part of funding for State System centers and institutes.

   In the two older universities in 1975-76, it is projected that nonstate sources will account for more than 83% of the budget for centers and institutes, and in the University of Oregon Health Sciences Center more than 75% is projected to come from nonstate sources. At Portland State University the proportion of nonstate support for centers and institutes appears to be somewhat lower than that.

3. Centers and institutes have the capacity to expand and contract in accordance with their success in attracting nonstate sources of funding.

   It is in the nature of centers and institutes, dependent as they are on nonstate sources of funding, to expand and contract in accordance with their success in attracting outside funding.

   In some instances, a center or institute may not be successful in attracting any significant outside funding. It may be that the funding sources that were thought by the institution to have an actual or latent interest in the objectives the center of institute was established to serve, prove not to have. Or, though interested, the funding sources have higher priority uses for their funds.

   In other instances, the center or institute simply loses out in the fierce competition that characterizes efforts to secure gifts, grants, and contracts to support research and training.

   For these reasons it may be that, at any given moment, any one of the universities or the University of Oregon Health Sciences Center may have one or more centers or institutes that is either totally, or largely, unfunded. This circumstance sometimes leads critics to make the pejorative observation that institutions have "paper centers of institutes."

   But such is the nature of centers and institutes.

4. Existing centers and institutes differ in a variety of ways, apart from their levels of funding and the source of their funding.

   a. Some are designated as national centers; some as regional centers; others are neither.

   b. Some are multidisciplinary, drawing together faculty and resources from a variety of academic departments and cutting across disciplinary and school lines; others are created by a single academic department to serve faculty and students of the department.

   c. Some emphasize instruction; some research; and others public service, although most consider that they have, in some measure, a research function coupled with instruction and service.
Factors to be Considered in the Review

The review of the centers and institutes, as presented here, seeks to respond to a number of key questions, as follows:

1. Is there evidence that the institutions have systematic, orderly plan for examining critically, proposals for the establishment of new centers or institutes?

2. What are the principal purposes of the center or institute?

3. What are the sources of its funding?

4. Does the center or institute seem appropriate to the mission and the goals of the institution as assigned by the Board?

5. Does it appear that the center or institute is duplicated unnecessarily in any degree at other institutions in the State System?

(Considered by the Committee on Instruction, Research, and Public Service Programs, December 15, 1975; present--Carpenter, Maden, Harms, Joss, Feves, Ingalls.)

Discussion and Recommendation by the Committee (October 28, 1975)

At its October 28, 1975, meeting, the Committee received a Board's Office report on institutional efforts to develop writing proficiency among students prepared in response to a request by the Board's Committee on Academic Affairs in November, 1972 that such a report be made following the close of the 1974-75 academic year.

A summary of the report and staff recommendation to the Committee is found pp. 1008-1010 of the Minutes of the November 25, 1975, meeting of the Board. Because the Committee's agenda was long, and the hour late, the Committee deferred action on the report pending further discussion at the December 15, 1975, meeting.

Discussion and Recommendation by the Committee (December 15, 1975)

Mrs. Carpenter asked Dr. Frank Ligon, long-time member of the English staff and special assistant to the president of Oregon State University, now serving as chairman of an ad hoc interinstitutional committee on competencies in English composition, to review the activities of the committee. Dr. Ligon said the committee, which includes persons with expertise in teaching of writing from the public schools, independent colleges and universities, community colleges, and the State System, was appointed by the state system-community college coordinating committee, a body established to resolve problems of transfer from two-year to four-year institutions, to look into problems of transfer of credit in English composition. The parent committee asked the committee on competencies in English composition to (1) review the means used by colleges and universities in Oregon to determine competency in English composition required for graduation, (2) review the means used to waive requirements in composition, (3) recommend means to determine competency in English composition more effectively and equitably, and (4) recommend means to waive the composition requirement. The committee is completing its work, Dr. Ligon said, and expects to have recommendations for consideration of the parent committee in March. One of these recommendations will propose state-wide agreement on objectives of a three-term conventional writing course, to be identified as Wr 121, 122, 123. The first feature of this recommendation concerns basic prerequisites for admission to Wr 121, i.e., that students admitted to the course be able to (1) write a complete correct sentence, (2) use punctuation correctly, (3) follow generally accepted conventions of standard English usage, and (4) spell correctly and know the meanings of words commonly used in one's own writing.