Adjourned Session of Meeting of March 25, 1977

President Perry called the adjourned session of the regular State Board of Higher Education meeting of March 25, 1977, to order at 1:30 P.M., P.D.T., April 29, 1977, in the Main Lounge of the Hoke College Center, Eastern Oregon State College, La Grande, Oregon. The following Board members were present:

- Mrs. Jane H. Carpenter
- Mrs. Ruth Daniels
- Mr. Edward C. Harms, Jr.
- Mr. Robert C. Ingalls
- Mr. W. Philip McLaurin
- Ms. Valerie L. McIntyre
- Mr. Loran L. Stewart
- Mr. Loren L. Wyss
- Mr. Louis B. Perry

Absent: Mr. Jonathan A. Ater and Mrs. Betty Feves were absent for business reasons.

Report on Ad Hoc Meeting of Committee of Board and State Auditors

Mr. Perry said a meeting had been arranged on April 15, 1977, in Salem with the state auditors to assure that there was mutual understanding with respect to the audit report, actions being undertaken to implement corrections specified in the report, or the reasons corrective action was not appropriate.

Mr. Ingalls was asked to report on the meeting.

Mr. Ingalls indicated that Mr. Ater, Mr. Wyss, and Mr. Ingalls, appointed as an ad hoc committee by Mr. Perry, had attended the meeting. Mr. Stafford Hansell was present from the Executive Department, together with two assistants. Secretary of State Norma Paulus was present with the chief auditor, Mr. George Renner, and the higher education auditor.

The audit report and Mr. Holmer's response to it were not discussed extensively because although the response had been received, it had not yet been distributed by the auditors to those in attendance. However, there was extensive discussion of sabbatical leaves and tenure, Mr. Ingalls said. The conclusion was reached that any modifications probably should be made by the Legislature.

The Board was commended for requesting the opportunity to discuss these matters with representatives of the Executive Department and the Secretary of State's Office.

Staff Recommendation to the Board

As required by EO 77-5, it was recommended that the Board review the following as a policy statement governing the actions and conduct of all its officers and employees:

All employees of the Department of Higher Education shall be informed of the requirements of federal, state, and local laws relating to employee conflicts of interest including Oregon Constitution, Article XV, Section 7, and ORS Chapter 244. Any employee involved in a potential conflict of interest shall immediately notify in writing the employees appointing authority, or the person serving in that capacity, of the nature of the potential conflict, and request that the appointing authority dispose of the matter giving rise to the potential conflict.

All Board Members, the Chancellor, the Vice Chancellors and Presidents of this Department shall file annually with the Oregon Government Ethics Commission a verified statement of economic interests. No employee shall accept any outside employment which will discredit or embarrass the employee's institution, the Department of Higher Education or the State of Oregon. Before accepting any outside employment, all employees shall comply with AR 41.040.
Any employee of the Department in a position to influence or make recommendations concerning the award of any contract who is an officer, agent or member of or directly or indirectly interested in the pecuniary profits or contracts of any corporation, association, or partnership which is doing business or seeking to do business with the Department of Higher Education shall be considered to have a potential conflict of interest.

Upon adoption of this policy, the text of this policy statement, and of Article XV, Section 7 of the Oregon Constitution, of pertinent portions of ORS Chapter 244, and of AR 41.040 and AR 42.210 shall be widely disseminated and made available to each current and new employee.

Board Discussion and Action

The Chancellor indicated that May 2 was the deadline for submitting the proposed policy statement to the Governor's Management Council. Consequently, Mr. Branchfield drafted the proposed statement and was sending a copy to Salem with the understanding that it would be reviewed by the Board and with the full knowledge that before it could become a part of the Administrative Rules it would have to go through the public hearing process. The Chancellor said he was seeking the Board's reaction to the statement which would later be presented to the Board in the form of a proposed rule for consideration and for public hearing.

Mr. Ingalls asked for clarification of the words "appointing authority dispose of the matter" at the end of the first paragraph of the statement.

The Chancellor said it was his understanding the appointing authority would take whatever steps were necessary to deal with the problem and that there might be a number of ways by which the conflict of interest could be avoided.

Mr. Lemman said identical language appears in the conflict of interest statutes.

Mr. Perry said if there were no further comments, the statement would be filed accordingly, with the assumption that the Chancellor would check further on the question raised by Mr. Ingalls.
EXECUTIVE ORDER NO. EO-77-5

ESTABLISHMENT OF STATE AGENCY POLICIES ON EMPLOYEE CONFLICTS OF INTEREST

The employees of the State of Oregon have shown a commitment to excellent standards of conduct and ethical behavior and are entitled to a clear statement of their obligations under law to help them avoid inadvertent and unintended conflicts of interest between their employment by the State of Oregon and other activities.

IT IS HEREBY ORDERED AND DIRECTED that all agencies of the State of Oregon shall promulgate proposed or repromulgate existing statements of policy concerning potential employee conflicts of interest; and

IT IS FURTHER ORDERED AND DIRECTED that each agency shall submit a proposed or existing policy on employee conflicts of interest to the Governor's Management Council on or before May 2, 1977; and

IT IS FURTHER ORDERED AND DIRECTED that the Governor's Management Council shall notify each agency of approval for adoption of any proposed or existing policy, denial of adoption of any proposed or existing policy, or allowance for submission of a proposed policy after May 2, 1977, but on or before June 1, 1977; and

IT IS FURTHER ORDERED AND DIRECTED that the Governor's Management Council shall approve or deny adoption of each proposed or existing policy on or before June 1, 1977, based upon each proposed or existing policy's appearance of compliance with all of the following criteria:

1. The proposed policy include the clear exposition of laws relating to state employee conflicts of interest, including pertinent sections of the Oregon Constitution Article XV, Section 7, and Oregon Revised Statutes Chapter 244; and

2. The proposed policy includes an explanation of employee obligations to declare potential conflicts of interest to agency heads; and

3. The proposed policy should include a statement of which employees are legally obligated to file a written statement of financial disclosure or otherwise comply with rules set by the Oregon Ethics Commission; and

4. The proposed policy should include any restrictions on employment opportunities that specific employees may pursue during periods outside of the employee's hours of employment by the State of Oregon; and
5. The proposed policy may include restrictions upon the sources from which specific employees may legally receive remuneration during the period of employment by the State of Oregon; and

6. The proposed policy includes a requirement that, upon adoption, the policy shall be disseminated to each current and new employee; and

7. The proposed policy should not violate any individual's legal rights.

It is the obligation of the management of each agency to inform each employee of legal obligations arising from the employment relationship with the State of Oregon.
Staff Recommendation to the Board

It was recommended that the following individuals be reappointed to the Forest Research Laboratory Advisory Committee for the terms indicated:


Mr. Verne Gurnsey, Vice President, Boise Cascade Corporation, Boise, Idaho -- reappointment for a two-year term, July 1, 1977, to June 30, 1979.

Mr. Fred Sohn, President, Sun studs, Inc., Roseburg -- reappointment for a two-year term, July 1, 1977, to June 30, 1979.

Mr. L. L. Stewart, Chairman, Director of Bohemia, Inc., Eugene -- reappointment for a three-year term, July 1, 1977, to June 30, 1980.

Mr. S. V. McQueen, President, KOGAP Manufacturing Co., Medford -- reappointment for a three-year term, July 1, 1977, to June 30, 1980.

Board Discussion and Action

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

Staff Report to the Board

In accordance with provisions of ORS 526.225, the Board of Higher Education approved the establishment on June 13, 1961, of two advisory committees at Oregon State University: The Forest Products Research Advisory Committee and the Forest Management Research Advisory Committee. These committees were subsequently merged into the Forest Research Laboratory Advisory Committee at the July 26, 1971, Board meeting.

The 1975 Legislature revised provisions for the Forest Research Laboratory Advisory Committee to add three members representing the "public-at-large." Appointments to these positions were made at the Board meeting on August 26, 1975.

Commencement Representatives

The following commencement representatives were designated for the 1977 spring and summer commencements at the various institutions:

OSU - L. L. Stewart
UO - E. C. Harms, Jr.
R. C. Ingalls
UO Law School - V. L. McIntyre
PSU - V. L. McIntyre
L. B. Perry
OSCE - V. L. McIntyre
SOSC - L. L. Stewart
EOSC - R. O. Daniels
OIT - V. L. McIntyre

June 5
June 12
August 13
May 14
June 12
August 11
June 10
June 4
June 3
June 5

Oregon Educational and Public Broadcasting Service - An Addendum to the February 25, 1977, Report to the Board

At the February 25, 1977, meeting of the Board's Committee on Instruction, Research, and Public Service Programs, the Oregon Educational and Public Broadcasting Service presented a report concerning selected aspects of OEPBS operations, in response to a request from the Committee. It was supplemented by the April 29 addendum to the report and both documents are on file in the Board's Office.

Staff Recommendation to the Committee

The administrative staff of OEPBS concurs with the Coordinating Commission's concern for the needs and interests of what has been referred to as its constituencies, and OEPBS is pleased to note the similarity of this concern with that of the Federal Communications Commission. What the Coordinating Commission has suggested the
Federal Communications Commission has mandated in its Report and Order of March 11, 1976, that noncommercial educational broadcast license applicants ascertain the problems, needs, and interest of their communities.

Since a functioning Advisory Council of Statewide Organizations presently serves OEPBS quite effectively in the purposes suggested by the Coordinating Commission, OEPBS proposes that:

1. The State Board of Higher Education approve the OEPBS Advisory Council of Statewide Organizations concept, and that the Board's Office be authorized to report accordingly to the Educational Coordinating Commission in response to the Commission's request of December 3, 1976.

2. The State Board of Higher Education approve the appointment of the OEPBS Director of Information as the staff person assigned to liaison with the OEC Telecommunications Advisory Committee, relating the work of that committee to the work of the Advisory Council of Statewide Organizations and seeking ways to bring about cooperation between the two.

3. The State Board of Higher Education approve the substitution of the OEPBS Director of Information as the Board's representative to meetings of the OEC Telecommunications Advisory Committee whenever the Secretary of the Board is unable to attend.

4. The State Board of Higher Education require the Executive Director of OEPBS through the Director of Information to make periodic reports to the Board concerning the operations and activities of both OEPBS and the Advisory Council of Statewide Organizations.

Discussion and Recommendation by the Committee (April 29, 1977)

Mrs. Carpenter said the primary question before the Committee was the discussion of a response to the request from the Oregon Educational Coordinating Commission that the Board consider the Advisory Committee of OEPBS and whether it should be more directly responsible to the Board. She also asked Dr. Donald S. Bryant, Executive Director of OEPBS, to present a general summary of the budget for this activity.

Dr. Bryant said OEPBS receives approximately 80% of its total budget from appropriated funds, 10% from federal funds, 8% from contributions, and the remaining 2-3% from tuition, the sale of books and other materials relating to the Campus of the Air program.

The percentage of appropriated funds has diminished somewhat over the last five years, and it has been pointed out by federal agencies that it was not the intent of the broadcasting act which created the Corporation for Public Broadcasting to relieve local organizations of the responsibility for financing the broadcasting stations. If this trend towards reduced appropriated funds continues, Dr. Bryant said, perhaps an equivalent amount of money should be used to extend signals into isolated or remote communities of the state where educational radio and television is not available.

Mr. Wyss referred to a statement that the Advisory Council of Statewide organizations is responsible to itself and controls its membership through its bylaws. He asked for further clarification of the statement because it seemed clear that the Board of Higher Education should be responsible for decisions of the Advisory Council.

Dr. Bryant responded that the Advisory Council, as presently constituted, does not enjoy formal approval of the State Board of Higher Education, and one of the recommendations is that the Board approve the concept of an advisory council of this kind with whatever qualifications the Board might wish to attach. The Board performs the functions of a small advisory council, Dr. Bryant said, and an Advisory Council of Statewide Organizations would be intended to represent a much wider range of public opinion.
Mr. Perry said he was not opposed to providing service to smaller communities in remote areas but from a practical standpoint questioned whether it would be better to consolidate the present operation before becoming involved in the cost factors for signal extension.

Dr. Bryant said this was an alternative, but it was one with which people in the remote areas of the state would not agree. Educational radio and television presently serves 2/3 of the population of Oregon residing in the more populous areas of the state. It will be more expensive to serve the remainder of the citizens, but after 20 years, there is an obligation to make some attempt to do so.

Mr. D. R. Larson said the long-term plan for public broadcasting, previously established by the Board, stated that expansion would occur as funds and needs became apparent and available. The Educational Broadcasting Facilities Act, which provides matching money for expansion, has had an influence on the improvement of existing stations and the capability for expansion.

It was pointed out by Mr. Wyss that in a 1976 survey, OEPBS ranked at the top in service to the Portland and Eugene areas when compared with service provided in other communities of comparable size. Since this indicated that OEPBS has done an extremely good job in serving its populations with present program, this fact should be very clear before anyone considers changing OEPBS. He noted also that there is a substantial amount of checking of public opinion which is mandated by FCC regulations requiring that OEPBS be responsive to public needs and demands. Apparently OEPBS has been alert to the needs of its constituencies.

Mr. Wyss asked whether Dr. Bryant believed the advisory committee was adequate in helping to plan for the future, as evidenced by its broad range of concern about public issues, or whether perhaps the Board could provide some additional assistance or refinements.

Dr. Bryant said there is an attempt to listen to the ideas and opinions of the public insofar as that is possible within the limited resources available, and it would appear that this has been rather successful. He pointed out that listening to one individual or group may not give a balanced perspective on programming. Consequently, an effort is made to obtain many opinions and then, with great objectivity, do what is in the best interests of the people of Oregon. Efforts are made to obtain cooperative sponsors, and if a program is controversial, to present the opposing point of view.

Educational broadcasting is enormously complex, Mrs. Carpenter commented, and probably the Board should take more of an interest in both the support and understanding of this very complex phenomenon. She suggested that perhaps the Committee or some of its members should visit the OEPBS headquarters and explore with Dr. Bryant more of the issues that are involved. She noted that diversity of the 12 current organizations represented through the Advisory Committee offered a fairly wide cross section of the State of Oregon. She suggested that Dr. Bryant request the Advisory Committee to examine the question and consider itself as also being responsible to the Board, with a brief report to the Board from Dr. Bryant on the reaction of the Advisory Committee in approximately six months. She said in reviewing the bylaws of the Advisory Committee earlier, there had been some concern that perhaps they were unduly restrictive. A response would also be made to the Oregon Educational Coordinating Commission that their suggestion was taken very seriously and the Board's Committee wished to continue working with this matter.

Dr. Bryant indicated he would explore these questions with the Advisory Committee. He invited the Board's Committee to visit the facilities of OEPBS to gain greater understanding of the operations. He said educational broadcasting was a tremendously serious business to the FCC, and the Board is the licensee not only of the campus stations but of six very valuable properties--four VHF television transmitters and two very powerful and very well received radio stations.
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The Committee recommended that the Board adopt the staff recommendations as presented, with the additional provision that the Board's Committee on Instruction, Research, and Public Service Programs request Dr. Bryant to report further on the operation of the Advisory Committee in six months.

Mr. Perry commended Dr. Bryant for his efforts in accomplishing the difficult task of reconciling many conflicting points of view.

Mrs. Carpenter said concern had been expressed about the legally mandated use of the facilities by the Board of Education for day-time instruction. She said the utilization by the Board of Education seems to be very low and the financial support minimal and suggested this subject be discussed at the next joint meeting with the Board of Education. She mentioned that many buildings have no facilities for the use of television.

Dr. Bryant said the lack of facilities for use of educational television is a condition which exists nationally. The State Department of Education has attempted to provide some leadership in this connection, but there is a limitation of funds. In his opinion, Dr. Bryant said, greater involvement of the Intermediate Education Districts would help this situation. However, many of these districts have been more interested in providing funds for programs rather than equipment.

Dr. Bryant indicated the relationship with the Department of Education has been excellent and has been characterized by close cooperation. The subsidization of instructional broadcasting has come about as a result of that cooperation because both parties have used whatever resources were available for the various projects. The funding still is not sufficient. He described the general procedure for sharing operating costs for a project and indicated that OEPBS would appreciate receiving additional outside support for cooperative projects in order to do a better job and utilize the educational broadcasting capability more effectively.

Mrs. Carpenter pointed out that OEPBS is an excellent vehicle through which the public could be informed of the ways in which their investment in higher education is of benefit to them.

Board Discussion and Action (April 29, 1977)

It was suggested by Mr. Ingalls that positions be substituted for specific individuals named in the recommendations, and this has been incorporated in the staff recommendations.

The Board approved the staff recommendations as presented and expanded by the Committee recommendation, with the following voting in favor: Directors Carpenter, Daniels, Harms, Ingalls, McIntyre, McLaurin, Stewart, Wyss, and Perry. Those voting no: None.

Staff Report to the Committee

Early in 1976 the Oregon Educational Coordinating Commission appointed an ad hoc Educational Television and Radio Advisory Committee (1) to review and prioritize Oregon applications to HEW under the Educational Broadcasting Facilities Program for federal matching grants, and (2) to recommend priorities and policies for the development of educational and public telecommunications in Oregon to be used as a review structure for a subsequent grant period, and also, to develop recommendations to the Governor and the Legislature based on these priority and policy statements.

Under the leadership of a contract coordinator, the committee, composed of twelve persons with relatively precise present or past involvements in telecommunications in Oregon, set about its tasks in accordance with a six step procedure as follows:

1. Identify areas of concern,
2. Assess the status of each area of concern,
3. State goals or outcomes in terms of "what ought to be,"
4. Determine the needs to achieve "what ought to be,"
5. Propose principles, plans and actions to achieve goals,
6. Suggest priorities in terms of fiscal, social, and technological realities.

In the first two meetings the ad hoc committee reviewed and ranked the 1976 HEW proposals and then moved ahead with the more complex task of developing recommendations for telecommunications policies and priorities.

In October, the committee submitted a final report consisting of seventeen pairs of goals and needs statements relating to radio, television, closed circuit TV, and cable. The report also included five policy recommendations and six immediate needs listed in rank order of importance: First, the establishment of a Telecommunications Coordinating Advisory Committee to the ECC; second, the establishment by the Board of Higher Education of an advisory committee for OEPBS; third, revenue sharing of appropriated funds by noncommercial educational broadcasting stations; fourth, activities intended to coordinate planning and development of noncommercial educational television and radio in Oregon; fifth, activities to improve-utilization of programming; and last, efforts to include in teacher training appropriate media skills for effective classroom learning.

At a regular meeting of the Commission on December 3, 1976, the Commission adopted the staff recommendation that the Board of Higher Education should establish an advisory committee for OEPBS. The minutes of the meeting record the disposition of the agenda item as follows:

Board of Higher Education Advisory Committee for OEPBS. The committee report asserted that the services of OEPBS could be strengthened materially by a broad-based advisory committee, and recommended that such a committee be appointed by the Board of Higher Education that is responsible to that Board. The Committee's rationale that legislation be sponsored by the Commission requiring the Board of Higher Education to establish such an advisory committee is based on a similar statutory requirement that the Board of Education have an advisory committee for in-school programming. However, the staff recommendation is that rather than introducing legislation, the Commission recommend to the Board that it review the method of appointment, membership, role, and operations of the current OEPBS Committee and consider making an advisory committee responsible to the Board. A response from the Board on its review is requested by April 1, 1977.

Mr. Perry said the Board had previously discussed evaluations of the presidents of the institutions and the Chancellor and there had been a pilot project evaluation of President MacVicar. Following the pilot project, it was decided that in the future the Board would evaluate the Chancellor and the Chancellor would conduct periodic evaluations of the presidents of the institutions. The Board delegated to the Executive Committee of the Board the evaluation of the Chancellor.

An appropriate series of questions was prepared and sent to a number of individuals representing various segments of the constituencies with which the Chancellor is involved. Included were students, Vice Chancellors, past presidents of the Board, various presidents of the institutions, and others. Only three persons failed to respond to the questionnaire and the failure to respond did not represent any concern about the performance of the Chancellor.

Mr. Perry said the evaluations were discussed informally at the Board luncheon and they were uniformly favorable. Even in the instances where there was disagreement with policy matters or with particular issues, the communication in the relationships with institutions, the state government, students and faculty, the Chancellor's performance was considered to be outstanding. Mr. Perry said the conclusion of the Board is that the Chancellor has done an excellent job and the Board would be delighted to have him continue in his present position.
Mr. Harms said the excellence of the evaluation should be emphasized because it would have been difficult to conceive of a better evaluation by individuals both within and outside of the organization who rated the Chancellor.

Mr. Harms moved that the report of the Executive Committee on the evaluation of the Chancellor be accepted and the President of the Board be instructed to formally advise the Chancellor of the results of this evaluation and the Board's pleasure with his continuance in office. Mr. Stewart seconded the motion. It was understood the motion would continue the employment of the Chancellor at the pleasure of the Board. The following voted in favor: Directors Carpenter, Daniels, Harms, Ingalls, McIntyre, McLaurin, Stewart, Wyss, and Perry. Those voting no: None.

The meeting was adjourned at 1:55 P.M., April 29, 1977.

D. R. Larson, Secretary
Oregon State Board of Higher Education

Louis B. Perry, President

D. R. Larson, Secretary