2. The staff recommendation is for continued use of student level budgeting for 1979-1981. Budgeting by level of student or course received considerable discussion during the February 23 meeting. Although this recommendation is contrary to the views expressed by the Educational Coordinating Commission, the institutional executives and Board members provide persuasive arguments for continued use of the student level. The Executive Department has indicated its willingness to consider budgets by student level. Since the Educational Coordinating Commission is concerned primarily with analytic and comparative information capabilities, the Board's staff proposes that costs by course level be provided in material supplemental to the biennial budget document.

3. Cost-per-student calculations in the current biennium feature per student costs that are "fixed" for institution management and plant operations and that are "variable" for instruction, libraries, related instructional support and student services. Use of the variable factor to adjust for changes in the number and level of students is recommended to continue as is presently practiced.

4. The unit of measurement should continue as presently forecast, for an FTE student, defined as one enrollment for 15 credit hours for each of three academic terms (excluding summer session). As a practical matter, the budget request should display three types of data: headcount, FTE, and credit hours. The FTE of graduate students will be measured by 15 credit hours per term to avoid complexities, related to enrollment targets and costing calculations, which would be introduced by movement to a 12-credit hour base.

E. Workload increases are normally funded in the base budget as enrollment changes for Education and General Services. The Health Sciences Center is one exception, where six faculty positions for the Medical School are to be requested to complete deferred staff increases intended to correspond to enrollment changes resulting from a 1967 decision. It is recommended that the six positions be requested for both years of the biennium.

F. Program improvements identified by the staff and recommended for Board approval include:

1. Continuation of the equipment replacement request, with the request to be established by the additional amount necessary to place current inventory on a recurring replacement schedule.

2. Support for building rehabilitation and remodeling to be requested as a part of the operating budget, limited to an annual amount of one-half of one percent of the appraised value of buildings. It is estimated that this request would call for a General Fund appropriation of about $4 to $5 million above the current level of expenditure. The Committee's suggestion that criteria be developed to assure funding for maintenance rather than for change of building character is to be pursued by the staff.
3. Program accessibility for the physically handicapped is to be developed by each institution and submitted for Board review in a System-wide presentation.

4. Computer related items to be requested will be identified in a data processing plan for 1979-1985 being prepared by the Department. Specific objectives and funding requirements affecting 1979-1981 are a part of the plan. A more detailed proposal with dollar estimates is expected to be available in April.

5. Institution and division program improvement requests are to be proposed within a dollar quota assigned to each unit. Despite the focus of Committee discussion on the idea of a 2% program improvement quota, an annual quota based upon 1% of the 1978-79 authorized expenditures is recommended. Such a percentage would produce institutional requests in the Education and General Services Program to about $3.5 million for the biennium. Each institution would submit its recommendations for improvement items in priority order.

Veterinary Medicine requests for instruction and clinic operations programs will be submitted by Oregon State University as a System-wide item outside the 1% per year quota assigned to existing programs.

Quotas are established as a guideline for institutional preparation of requests. Subsequent review and approval by the Board will determine the dollar amounts to be carried into the biennial request to be submitted to the Governor.

Statewide Public Service Divisions

Budget requests for the Divisions will be limited by the constraints applied to the Education and General Services Program. The base budget requests are recommended to be controlled by the recurring 1978-79 authorized expenditure level, subject to adjustments for 1977-1979 underfunding and inflation allowances. An adjustment for 1975-1977 underfunding is not recommended since these activities were authorized by program review rather than formula funding for biennium 1977-1979. Specific issues associated with individual programs may be presented for Board review as the budget cycle progresses.

Auxiliary Activities

Budget requests are to be developed within the base budget, workload increase program improvement classifications applicable to all programs. Improvements, if requested, should be limited to no more than 1% per year over the 1978-79 authorized level for each institution.

Gifts, Grants, and Contracts

No budget constraints are recommended for this program. Budgets represent an estimate of the level of activity rather than specific budgetary proposals.

Indirect cost recoveries associated with the grant and contract activity are recorded as income in the program providing the support services (primarily Education and General Services). It is recommended that the Board
reiterate its policy that recoveries generated by an institution will be
treated as an institutional resource.

Board Discussion and Action

Mr. Holmer called the Board's attention to the recommendation that an
annual quota for program improvements be based upon 1%, rather than 2%,
of the 1978-79 authorized expenditures. He said utilization of the full
2% would involve substantial effort at the institutions with little
likelihood of getting the additional program improvement items. It was
indicated the presidents had been advised of this recommendation and were
not in favor of the 1% quota.

In response to a question concerning system-wide program improvements,
Mr. Holmer said these included building rehabilitation, the computer-
related request, student wages, and salary adjustments.

Mr. Ingalls said the building rehabilitation was very important and perhaps
should be a separate item.

President Blumel said the institutions would prefer the larger amount for
program improvements but there was a great deal of frustration in preparing
budget requests which had little probability of success. He said Mr. Holmer's
assessment of the situation was essentially correct and he would prefer to
be realistic and accept the 1% that Mr. Holmer was proposing. Other
institutional executives concurred but also cited special problems at their
institutions.

It was explained that the building rehabilitation funds would be requested
separately from the other program improvements and would be allocated to
the institutions on the basis of the most urgent needs.

The Board concurred in the development of the 1979-1981 budget program in
accordance with the principles and recommendations presented in the report.

Staff Report to the Committee (February 23, 1978)

The following preliminary review of program and policy options is offered
as a framework for Board discussion and decision as a basis for the pre-
paration of the 1979-1981 budget request. The discussion and decisions are
intended to assure that budget development is responsive to Board direction.

The Board's budget request is submitted in accord with the requirements of
"fund accounting." The capital construction budget request is presented
separately from the "operating" budget request. The operating budget request
is further subdivided into six, separately budgeted, categories:

- Education and General Services includes the instruction, nonsponsored
  research, institutional public services, the indirect costs associated
  with sponsored research, and the support services and physical plant
  operations of the eight institutions, plus the Teaching Research Division
  and Centralized Activities.
Meeting #445

Statewide Public Services are eight activities related to the educational missions of the institutions but separately funded. They are: Cooperative Extension, Agriculture Experiment Station, Forest Research Laboratory, Oregon Educational and Public Broadcasting Service, the University Hospital, Crippled Children’s Division, Dental Clinics, and the Division of Continuing Education.

Auxiliary Activities are the activities such as residence halls, intercollegiate athletics, student health services, and student center operations, which are funded primarily by student fees and payments for service.

Gifts, Grants, and Contracts include all those activities supported by gift, grant, and contracts, such as sponsored research, student financial aid, and various services. This fund group does not include the indirect costs of grant or contract programs (e.g., accounting), which are budgeted in Education and General Services.

Operating and Sundry Accounts are activities closely related to the instruction programs budgeted in Education and General Services but which are funded entirely by fees or other payments by those benefiting from the activities. Testing services, drama productions, and workshops are illustrative.

Service Departments are activities such as duplicating or computer services funded by payments from the using units of the Department.

The presentation which follows treats each of these categories in turn.

**Education and General Services**

The Education and General Services portion of the budget request is over 40 percent of the total operating budget of the Department. It is funded primarily by state appropriation (68%), student fees (24%), and indirect cost recoveries (6%). In 1977-78 the budget is about $170 million.

The biennial budget request for this fund group is likely to be presented (depending on Executive Department instructions) in three categories:

1. **The base budget**, which is that portion of the request which would fund continuation in 1979-1981 of the program level (quantity and quality) authorized for 1978-79 by legislative decisions.

2. **Workload increases** have been separately identified in state budgets, including the Department of Higher Education, with an important exception: changes in the mix and number of students have been budgeted for instruction, student services, and libraries and other instructional services by formula calculations. Whether the numbers increase or decrease, the changes have been recorded in the base budget request. For all other activities, requests for workload increase funds must be separately justified.

3. **Program improvements** include not only increases in program quality but new services, as well.
The following budget entities would be the focus of decision in the Education and General Services portion of the budget:

1. The colleges and universities have been treated as a unit for most budget decisions by the Board, the Executive Department, and the Legislature. Exceptions are clearly noted. The budget document identifies much information about the Education and General Services budget for each college and university but not in the individual account detail of the annual operating budget.

2. Oregon Institute of Technology has been separately identified in past budget requests because of its unique program.

3. The University of Oregon Health Sciences Center portion of the Education and General Services budget includes only the academic part of the Health Science Center's operations. The University Hospital, Crippled Children's Division, and Dental Clinics are budgeted in the Statewide Public Services fund group.

4. Teaching Research Division is a separately treated research and development activity located at Oregon College of Education. Only about 15 percent of its total activity is funded from state appropriations; the bulk of its budget is from grants or contracts.

5. Centralized Activities includes the costs of the Board, its staff, and central services to the institutions.

The following outline of budget policy decisions is comprehensive but cannot be complete. In reviewing the outline, the Board is requested to recognize that the budget request is a reflection of dynamic institutions. Although the budget document submitted to the Executive Department is compiled at a scheduled time, change is inevitable in response to changing needs and circumstances.

A. Institutional Missions

The central function of the budget is to present the money requirements for effective performance of the responsibilities assigned to the Department. Having assigned differential missions to the institutions, the Board should present a budget request reflecting such differences.

1. Current differences in institutional missions
   a. Continuation of cost differentials

   The costs of instruction, student services, and instructional support at the several institutions vary in accord with the results of many prior decisions. The decisions have taken into account differences in degree programs, student mix (by class level), and other factors. It is reasonable to assume that the present cost differentials be maintained in calculation of the base budget requests, allowing program improvement requests to provide for any modification in the cost differentials.
b. **Continuation of academic salary differentials**

The Department's budget request should not speak directly to the issue of different average academic salaries. College academic salaries average about 10% below university academic salaries. These differences are of long standing and are built into the cost differentials (a. above). They will be the subject of explicit consideration by the Board late in the fall.

c. **Budgetary recognition of the regional responsibilities of Eastern Oregon State College and Southern Oregon State College**

The guidelines for Eastern Oregon State College, adopted by the Board on November 18, 1977, identify regional educational, social, cultural, research, and public service roles for the College. If credence is to be given to mission statements, it is appropriate to invite Eastern Oregon State College and Southern Oregon State College to recommend specific program improvements, if these rank high enough among their priorities.

2. **Pending mission issues**

There are always matters of policy relating to institutional responsibilities. Such policy issues that are approaching decision should affect the budget request.

a. A baccalaureate nursing program at Oregon Institute of Technology is currently before the Board for its review. If approved, the program would be reflected in the budget, subject to Board approval of any fiscal implications.

b. **The extent of the Health Sciences Center's responsibility for influencing the geographical distribution of physicians within Oregon**

This is an important matter of public policy and the Center is involved in providing decentralized experience to its students as a part of its educational program. However, the basic issue seems more properly in the province of the Department of Human Resources and any proposal for legislative action might be expected to come from that agency.

c. **Provision of the clinical services of the Center on a statewide basis**

The Health Sciences Center is a state resource. Some of its programs (e.g., Crippled Children's Division) are offered through units elsewhere in the state. Neonatal services are offered on a statewide, "fly-in" basis. There are other examples. It would appear that there should be no general decision about extending clinical services but that individual services might be included as a part of the program improvement request of the Center.

B. **Enrollment Issues**

The major portion of the Education and General Services budget request is determined by student numbers. An alternative to an enrollment-driven model has not demonstrated its superiority or its acceptability. Until that occurs, decisions about enrollment will occupy a central focus in the budget planning process.
1. **Changes in enrollment targets of the institutions**

The Board has established for each institution a number of students that represents a conclusion about the long-range maximum size for which the institution may plan for facilities or for academic staff. This is not a "ceiling" that is rigidly enforced but a guide. Thus, an institution may accept students above its target but cannot expect either full funding for the excess number (tuition income is usually provided) or to use the total enrollment as a basis for requested capital construction. The target is for total enrollment and has not been subdivided to apply to student level (lower-division, upper-division, graduate).

Two of the institutional enrollment targets acknowledged by 1977 Legislative action could be questioned. Fall 1977 experience at Portland State University suggests considering upward adjustment of its fall term FTE target (of 10,000) and downward adjustment of Oregon College of Education's target (3,200). To avoid premature reaction, however, it would be preferable to retain the existing targets during the budget process, giving notice to the Executive Department that adjustments of the targets and the budget (only Portland State University is likely to be affected) after the fall term 1978 enrollments are known.

2. **"Open access" and/or direction of student enrollment**

Enrollment estimates are based in substantial measure on assumptions that students will "flow" to and through the institutions in approximately the same way in the near future as they have in the recent past. Graduate enrollments are subject to controlled admission in most programs and thus display lesser variations. The tables on the following pages identify the three-term FTE enrollment targets, the budgeted enrollments, and the actual enrollments for 1975-76, 1976-77, and 1977-78 (estimated).

The projected enrollments for 1979-80 and 1980-81 are based on the following responses to more specific issues.

a. **Adjustments through tuition differentials**

   No adjustment of current differentials (e.g., waiver of nonresident fee for undergraduates at Eastern Oregon State College) is proposed.

b. **Affecting the numbers of freshmen**

   Enrollment estimates of entering freshmen should assume continuation of current trends. Should it be desired to alter the trends, tuition levels and/or admission requirements could be modified.

c. **Affecting the numbers of "admitted" graduate students**

   Projected graduate enrollments in 1979-1981 anticipate slight increases in the numbers of graduate students admitted to degree programs. The increases are modest and reflect institutional judgments about the capacity of the graduate programs to provide adequate training and the current demand for the programs.
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<td>6,512</td>
<td>4,018</td>
<td>1,213</td>
<td>1,238</td>
<td>510</td>
<td>18,600</td>
<td>1,691</td>
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<td>6,512</td>
<td>4,018</td>
<td>1,213</td>
<td>1,238</td>
<td>510</td>
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<td>1,654</td>
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<td>174</td>
<td>27</td>
<td>6,737</td>
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<tr>
<td>Projected</td>
<td>2,873</td>
<td>1,694</td>
<td>1,654</td>
<td>315</td>
<td>174</td>
<td>27</td>
<td>6,835</td>
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<td>1,895</td>
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<td>Projected</td>
<td>Budgeted</td>
<td>Projected</td>
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<td>15,055</td>
<td>9,378</td>
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<td></td>
<td>2,891</td>
<td>1,796</td>
<td>1,829</td>
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<td>14,870</td>
<td>15,055</td>
<td>9,378</td>
<td>3,112</td>
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</tbody>
</table>
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d. Affecting the number of "nonadmitted" graduate students

Postbaccalaureate students often enroll in undergraduate courses or take graduate courses without being admitted as candidates for advanced degrees. Although it is likely that the numbers of such students will increase, most are part-time and the total impact on full-time equivalent enrollment will be small. Rather than proposing expansion of the numbers of these graduate students, the current projections for 1979-1981 assume the same number of FTE nonadmitted post-baccalaureates as in 1977-78.

e. Range of academic offerings

No change, except in the extension of nursing programs to La Grande and the southern Willamette Valley.

f. Nonresident students

The projections assume continuation of current trends. Some adverse effects may occur among graduate nonresident students as a result of the projected increase in 1978-79 of their tuition to 38 percent of the average cost of 12 credit hours per term of graduate instruction.

g. Minority student recruitment

It is not proposed to include in the budget additional provision for special programs to recruit minority students either from Oregon or from out-of-state.

3. "Capitation" support for health services students

The budget assumes both the income and the constraints associated with the federal program of support for current levels of support of health services instruction programs.

4. Health Sciences Center enrollments

It is assumed that enrollments in medicine and dentistry will be essentially unchanged. There are pending proposals by the School of Nursing that may result in some increase there.

5. Interstate reciprocity of enrollment at in-state tuition rates

Reciprocity will require legislative action by two or more states. The prior question is whether a suitable agreement can be developed. In the absence of a completed agreement, the budget request should not include funding for costs associated with interstate reciprocity. The Board may wish to advocate such a program independently of the budget.

C. Tuition Issues

Availability of opportunity for higher education is governed in large part by the levels of tuition charged but also by the availability of student financial aid. Conversely, the quality of education is affected by the financial resources (including tuition income) that are available.
1. **Student access**

Since the State Scholarship Commission is the state agency that has primary responsibility for state financial aid programs, the Department of Higher Education budget request should not include special funding for financial aid for its students. On the other hand, if the Board wished to increase the accessibility of its programs, one of the options would be to recommend the expansion of Scholarship Commission programs and/or the absolute (or relative) reduction of the instruction fee.

2. **Calculation of the instruction fee**

The 1977 Legislature (by budget note) indicated its expectation that the instruction fees would carry the following percentage relationships to the cost of instruction in 1978-79:

- **Resident undergraduates**
  - SOSC; OCE: Not more than 25 percent
  - EOSC: $5 per term less

- **Nonresident undergraduates**
  - Universities and OIT: 100 percent
  - OCE; SOS; EOSC: 100 percent-$113 per term

- **Resident graduates (universities)**
  - 29 percent

- **Nonresident graduates (universities)**
  - Colleges: 38 percent
  - 29 percent

- **Medical/Dental**
  - Resident: 15 percent of WICHE exchange rate
  - Nonresident: 100 percent of WICHE exchange rate

**a. Undergraduate**

No change proposed.

**b. Graduate**

No change proposed. Non-admitted part-time postbaccalaureate students would continue to be charged graduate tuition only for graduate courses and undergraduate tuition for undergraduate courses. Present policy is that full-time (seven credit hours or more per term) postbaccalaureate students (i.e., graduates) pay graduate tuition for all courses taken. This is the most controversial of current tuition issues, as measured by student complaint.

**c. Part-time students (6 hours or less)**

Present policy, except at Oregon College of Education, is to charge part-time students graduate rates for graduate courses, undergraduate rates for undergraduate courses.

The budget request should continue the policy that the instruction fee be prorated in accord with the number and level of the credit hours taken. Equity problems remain in assessing health, incidental and building fees but these should be addressed in the annual tuition planning processes, rather than in the budget process.
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D. Other Base Budget Issues

1. Funding the authorized level of activity

It should be noted, however, that the authorized level of activity is the base budget, including the continuation for the whole of the ensuing biennium of cost and program levels in effect for only part of a biennium. The salary adjustment that is planned for December 1, 1978, for example, must be continued through 1979-1981. In the case of other state agencies, the underfunding of 1975-1977 salary adjustments was fully restored in the 1977-1979 budgets, under the definition of the authorized level of activity. The Department of Higher Education budget request did not include such a restoration for 1977-1979.

The 1975 and 1977 Legislatures provided "program maintenance" funds for institutions with declining enrollment. And, in 1977, the "1 percent rule" was implemented by the Legislature. This policy recognizes that orderly institutional planning over the next several years would be facilitated if the reduction of budgets during enrollment declines were limited to one percent per year. Two policy issues are related to this policy: (1) Should the policy apply regardless of the severity of the enrollment decline; and (2) Should increases (up to enrollment targets) be similarly limited. The latter question seems to be moot for the time being.

a. Restoration of "underfunding"

It is the staff's assumption that the budget request should include a request for the underfunding of the 1977-1979 salary adjustments. As far as permitted by the Executive Department, the request would be included in the base budget. The Board will wish to consider whether the requested restoration should include the 1975-1977 underfunding. The staff suggests that it is probably more prudent to present the amounts required as program improvement requests.
b. Program stability

Based on present estimates of 1979-1981 enrollment, the 1979-1981 request should include amounts needed to limit reductions in the base budget for any institution to 1 percent of its 1978-79 budgeted cost of instruction. The Board should reserve the privilege, however, of reconsidering its request in the light of fall-term enrollment in 1978.

2. Budgeting by level of course

The delivery of educational service focuses on the classroom and laboratory, where instruction is offered in a particular discipline at a particular level of sophistication. It matters negligibly little in terms of cost whether a student in a lower-division foreign language course is a freshman or a graduate student. Yet, in the present formula, the graduate student's credit hours weigh budgetarily twice as heavily as those of the freshman.

The present formula causes no grave disservice because the three present categories of students (lower-division, upper-division, and graduate) take lower-division, upper-division, mixed (senior courses available for graduate credit), and graduate courses in closely predictable proportions. Nonetheless, it would be logical to budget in a way that more nearly corresponds to the way instruction is provided (and the money is spent) than to budget according to the persons receiving the service. The matrix on the following page illustrates the alternatives.

One risk in budgeting by course level is the possibility that an institution might experience an upward drift in the numbering of the courses. Course numbering is subject to review by the Office of Academic Affairs, but the risk may still lead to some uneasiness. However, if the 1976-77 experience is used as a standard for funding in 1979-1981 and subsequent biennia, the risk is removed. If the 1976-77 standard should be changed, the burden of proof would be on the institutions and the Board, the Educational Coordinating Council, the Executive Department, and the Legislature would be involved in approving a change.

From a practical standpoint, it is not feasible to project enrollments by course level directly. The overriding factor in course level enrollment is the class level of the enrollee. (Freshmen tend to enroll in lower-division courses to a greater extent than do seniors.) Accordingly, budgeting must start with who is enrolling. When that is known, an educated guess about the level of courses they will take is possible (based on the percentage distribution in the most recent completed year).

The consequence is that a change to budgeting by level of course will not improve forecasting of enrollments. It would, however, result in a budget request more closely associated with the way the budgeted funds will be spent. It would also be a necessary step toward a budget method involving allocations based on both level of course and discipline. Such a method would provide greater assurance of interinstitutional equity of funding than the present student level method.
### TABLE

**MATRIX FOR ANALYZING SALARY COSTS PER CREDIT HOUR**

**BY STUDENT LEVEL AND BY COURSE LEVEL, SIX SCHOOLS FALL TERM, 1976-77**

<table>
<thead>
<tr>
<th>Course Levels</th>
<th>% by Course Level of Student Level</th>
<th>% by Course Level of Student Level</th>
<th>% by Course Level of Student Level</th>
<th>% by Course Level of Student Level</th>
<th>% by Course Level of Student Level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lower Division</td>
<td>Upper Division</td>
<td>Graduate</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td></td>
<td>by Student Level</td>
<td>by Student Level</td>
<td>by Student Level</td>
<td>by Student Level</td>
<td>by Student Level</td>
</tr>
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<td>Course Levels</td>
<td>Credit Hour Cost</td>
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<td>1</td>
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<tr>
<td>Lower Division Courses</td>
<td>85.0%</td>
<td>74.8%</td>
<td>22.3%</td>
<td>2.9%</td>
<td>100.0%</td>
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<td>Upper Division Courses</td>
<td>11.9%</td>
<td>20.2%</td>
<td>72.1%</td>
<td>7.7%</td>
<td>100.0%</td>
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<td>400g/400G Courses</td>
<td>2.5%</td>
<td>9.1%</td>
<td>61.1%</td>
<td>29.8%</td>
<td>100.0%</td>
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<td>500-Level Courses</td>
<td>0.1%</td>
<td>0.5%</td>
<td>3.6%</td>
<td>95.9%</td>
<td>100.0%</td>
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<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

The table should be read as follows: columns 2, 4, and 6 show the level of courses taken by lower-division, upper-division, and graduate students at the six schools fall term 1976-77. For instance, 85.0% of the courses taken by lower-division students were lower-division, 11.9% were upper-division, 2.5% were 400g/400G courses and 0.1% were graduate. Column 3, 5, and 7 give the student credit hour costs of the lower-division, upper-division, and graduate courses taken by lower-division, upper-division, and graduate students. For instance, in column 7, the cost of lower-division credit hours earned by graduate students was $13.87; for upper-division courses, $24.09; for 400g/400G courses, $32.18. The percent figures in columns 3, 5, 7, and 9, should be read horizontally. For instance, the first line reveals that 74.8% of the lower-division courses were taken by lower-division students, 22.3% by upper-division students, 2.9% by graduate students.

Source: Division of Management and Planning Services, Office of Administration.

GL:11
2/1/78
Calculating the cost-per-student

The cost-of-instruction calculations in the current biennium feature per-student costs that are "fixed" for institutional management and plant operations and that are "variable" for instruction per se, libraries and related instructional support, and student services. The fixed costs are allowed to rise only for inflation, specifically authorized program improvements and similar items. The variable costs change with the number and level of students, plus cost increases due to inflation, etc.

Although there are other indices of workload, it is the opinion of the staff that the present fixed/variable analysis provides a reasonably valid approach. However, the Board may wish to consider whether the more detailed indices originally proposed by the interinstitutional Committee on Resource Acquisition/Allocation (CORA/A) should be applied to the 1979-1981 budget process. The staff recommendation is that such consideration would not be fruitful at this time because of serious reservations both within and outside the Department of Higher Education concerning the validity of the non-instructional indices.

The unit of measurement: student or credit hour?

Present enrollment forecasts are of a mythical "full-time equivalent" (FTE) student, defined as one enrolled for 15 credit hours for each of three academic terms (excluding summer session). There are two fully valid sets of numbers measuring enrollment: the number of "headcount" students (the bodies); and the credit hours for which the headcount students enroll.

Headcount students, however, may enroll for one course or many, may be present one term and gone the next. They usually contribute to the registrar's workload and that of the business office at a higher rate than they do to the instructional workload.

Credit hours, on the other hand, are an artifact, but a useful measurement nonetheless. Their chief drawbacks are that they are an abstraction and that they total in the millions. Still, they do define the instructional work of the Department.

As a practical matter, the budget request should display all three types of data: headcount, FTE, and credit hours. The central set of numbers should, in the judgment of the staff, be that of the FTE students.

As a practical matter, the budget request should display all three types of data: headcount, FTE, and credit hours. The central set of numbers should, in the judgment of the staff, be that of the FTE students.

It is recommended that the calculation of FTE graduate students be based on 12 credit hours per term, which is more typical and therefore relates more closely to headcount and reality.

Workload Increases

There are few workload increases funded in the budgets for Education and General Services units, since workload changes represented by FTE students are normally funded in the base budget.
The one exception is the result of deferred staffing at the Medical School as a result of a 1967 decision to increase the enrollment but implement the corresponding staff increases over a period of years. The 1977 budget notes report that the Ways and Means "Subcommittee anticipates that the Medical School will request the additional six faculty positions deleted (sic) in the next biennial budget request." (These are the final positions of the 1967 plan.) It is recommended that six positions be requested for both years of the 1979-1981 biennium.

F. Program Improvements

Once the amount of the "base budget" has been determined, requested additions to the budget request are categorized as program improvements. These may include both increases in services provided and in quality of program. By Executive Department definition, some items which are required to maintain current program levels are placed in the program improvement category.

1. Continuation of equipment replacement program

For 1977-1979, $1 million was added to the base and $1.44 million was provided as a nonrecurring supplement to the institutions' equipment budgets. Since a need for a sum in excess of $3.5 million was required to bring equipment expenditures to a modestly adequate level, two program improvement amounts should be sought: (1) Continuation of the $1.44 million supplement; and (2) an additional recurring amount of $1 million. Both amounts are to be adjusted for inflation.

2. Support for building rehabilitation

The table on the following page reveals that in 1976-77 the institutions and statewide services committed $2,091,513 from operating budget accounts on the rehabilitation and remodeling of buildings valued at over $900 million. The 1976-77 expenditure was $637,955 above the 1975-76 expenditure. The Board has previously received testimony that expenditures at this rate (less than a quarter of one percent of appraised value) will not maintain the value of the state's investment and will require vastly greater capital construction expenditures on major projects.

Solid evidence of the practices of private enterprise in building rehabilitation and remodeling is not readily available. There seems to be a general consensus, however, that repairs and replacement of roofs, heating plants, electric and plumbing systems should receive continuing attention and that the average cost of such attention probably exceeds 1% of the appraised value of the buildings.

To bring this need to legislative attention, it is recommended that the 1979-1981 budget request include as a part of the operating budget an annual item of one-half of one percent of the appraised value of buildings to be used for building rehabilitation and remodeling. This would call for a General Fund appropriation in a biennial amount estimated to be in the $4 to $5 million range above the current level of expenditure.
### Summary of Operating Budget Commitments for Educational and General Plant Rehabilitation and Remodeling Projects during Fiscal Year Ended June 30, 1977

in Comparison with Building Valuations as of April 1, 1977

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<td>Educational and General Services</td>
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<td>Federal Cooperative Extension</td>
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<td>Forest Research Laboratory</td>
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<td>Crippled Children's Division</td>
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<td>Oregon Educational and Public</td>
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</tr>
<tr>
<td>Broadcasting Services</td>
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<td>Division of Continuing Education</td>
<td></td>
<td>1,553,935</td>
<td>-</td>
<td>533,118</td>
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<td>$2,091,513</td>
<td>$911,541,600</td>
<td>0.2294</td>
<td>$321,949,750</td>
<td>0.6496</td>
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</tbody>
</table>

Office of Facilities Planning
December 5, 1977
Revised December 28 1977
This may be insufficient, but it would permit discussion of an important principle. The appropriate level of support ultimately would be established in the light of more definitive information than is presently available.

3. 'Mandated' expenditures

Supplemental funding appears to be required by the statutes and rules of other Federal and State agencies.

a. Program accessibility for the physically handicapped

The requirements of Federal law and regulation (a precondition for Federal grants) must be met. In the case of the physically handicapped, provision must be made for access to buildings (capital construction budget) and for access to programs (e.g., feasible adaptation of programs to the limitations of the deaf or blind). Although the amounts required should be determined by each institution, there should be a System-wide presentation.

b. Title IX (Equal Opportunity in Intercollegiate Athletics)

Institutions are required to be in compliance with Title IX in July 1978. Accordingly, no System-wide funding in 1979-1981 should be requested. Individual institutions may request special items as a part of their program improvement requests.

c. Other

Safety, consumer protection, health, and other items may require proposals by individual institutions.

4. Computer-related items

The Department is preparing a data processing plan for 1979-1985 which is an extension of its 1974-1980 Plan. As part of the plan, specific objectives and funding requirements are identified for 1979-1981. During this period, the main emphasis will be to improve instructional computing support to institutional programs. The plan proposes to accomplish this by replacing obsolete machines at Oregon State University and the University of Oregon, and by the acquisition of additional equipment by the other institutions. Some personnel additions will be proposed. Other areas of support include library data processing applications, management information support, hospital administrative and clinical data processing, and improving physical and data security status at the State System's computing centers. Funding proposed for the 1979-1981 period will be in part from the base budget, in part as workload increase, and in part as Program Improvement. A more detailed proposal, with dollar estimates, is expected to be available in April.

The review of the April proposal will require a judgment as to the assignment of relative priorities to the components of the plan.

5. Faculty development

There have been past proposals on a System-wide basis for faculty development purposes. These have focused on released time for retraining of faculty in fields of declining enrollment and support for other faculty experiences that would enrich teaching. It is the staff recommendation that requests for faculty development funds be a part of the institution-initiated program improvement requests.
6. **Institution-initiated program improvement requests**

In recent biennia, a significant portion of the program improvement request of the Department has consisted of items identified within a dollar quota assigned to each institution. The quota in the 1977-1979 request amounted to 2% of the institution's base budget. The idea of the quota was to identify a reasonable maximum request. The Board did not prioritize the requests.

For 1979-1981, it is recommended that the institutions identify program improvement items of up to 2% of their base budgets and that the Board present the items for Executive Department review in priority order. It is assumed that the total System-wide request might be nearer 1% and that the allocations would not be strictly proportional.

The needs of institutions for program improvements vary considerably as a result of differences of mission and of past budgetary decisions. One institution may feel its priority need is for library books or periodicals, another for clerical/administrative help. A third for support for research or a public service program. The range is wide but the needs are real. The institutions should have the opportunity to express them in the budget process.

**Statewide Public Services**

The eight separately-budgeted Statewide Public Services do not seem to pose the same kind of budget policy issues as does the category of Education and General Services. Since each of the eight services has a special combination of budget resources, the funding problems and the program options are different. It is assumed that the Services will be subject to the standard base budget and workload increase controls and should be limited to the same program improvement percentage as the Education and General Services institutions.

**A. Cooperative Extension Service**

Approximately half of the Cooperative Extension Service's $10 million annual budget is funded by state appropriation, one-fourth by Federal funds, 16% by county funds, and the remainder from sales and service fees. The proportion of Federal support has been declining in recent years.

The Cooperative Extension Service budget is prepared with a program focus and will allow Board review of individual programs.

The fundamental budget issue will be whether, if necessary, to maintain the base budget through increased use of state funds. Program improvements or reductions will flow from that decision.

**B. Agriculture Experiment Station**

Sixty percent of the $12 million annual Agriculture Experiment Station budget is from state appropriation, 15% from Federal funds, 14% from sales and service fees, and the remaining 11% from grant funds.
This budget, too, has a program focus and the key issue will be the needed activities and the appropriate level of state support.

C. Forest Research Laboratory

Seventy-six percent of the Laboratory's $2.3 million annual budget is almost equally divided between state appropriation and the Forest Products Harvest Tax, 16% from Federal Funds, 6% from grant funds, and 2% from sales and service fees.

The key issue is whether the State's interest in research in forest management and forest product utilization warrants a higher proportion of state appropriations.

D. University Hospital

The $49 million annual Hospital budget is supported by patient fees (73%) and state appropriations (27%). The hospital and its clinics exist primarily to provide a teaching resource for the Medical, Nursing, and Dental Schools. In addition, however, the Hospital provides public services, as in the neonatal or amniocentesis programs and in its larger than average load of nonpaying patients. There are four interrelated issues that relate to the budget request for the Hospital:

1. The target workloads for hospital beds, inpatient days, emergency and outpatient clinic visits, and ancillary visits.
2. The appropriate level of state appropriation support.
3. The feasibility of presenting the request for General Fund support in terms of charity allowances and of the additional costs imposed by the educational mission of the Hospital.
4. The usefulness of more active extension of Hospital clinical programs into the community or statewide.

E. Crippled Children's Division

The Division's $4.25 million annual budget is supported by state appropriations (64%), Federal Funds (22%), and the remainder from miscellaneous sources (but only 3% from patient fees).

As is elsewhere reported to the Board, the CCD workload is increasing in response to several factors. ORS 444.010 establishes an open-ended responsibility for the CCD to serve all children with multiple handicaps. The budget however, is finite.

1. Should the CCD reflect an aggressive response to ORS 444.010 or a more passive role?
2. How aggressively should the CCD seek reimbursement from parents of patients and third party payors? There are Federal constraints.

F. Dental Clinics

The $725,000 annual budget of the Dental Clinics is supported entirely by service fees. The Health Sciences Center suggests two budget request issues:
1. Should the Dental Clinics admit persons unable to pay for their care?

2. Can the Dental Clinics continue to be fully self-supporting from fees?

G. Oregon Educational and Public Broadcasting Service

Over 90% of the $1.6 million OEPBS annual budget is funded by state appropriation. An additional $500,000 comes from grants, contributions and sales. One budget issue is whether there are ways that OEPBS should engage in closer collaboration with the programs of other units of the Department.

H. Division of Continuing Education

The $2.5 million OCE annual budget is funded entirely from fees (tuition) and service fee (e.g., film library and publication sales income). For 1977-1979, a proposal for state appropriation support of non-urban course offerings did not receive Legislative approval.

As OCE's operations become increasingly intertwined with those of the seven undergraduate institutions, the central budget question seems to be if the 1979-1981 budget request should anticipate some modification in the financing of continuing education in Oregon, particularly in unserved areas.

Auxiliary Activities

These activities, supported by student fees and payments for service, have annual budgets currently in excess of $45 million per year. Since they must be "self-supporting," Auxiliary Activities budgets receive relatively limited budget review.

There seems to be no issue relating to the 1979-1981 budget request for Auxiliary Activities that will not be addressed adequately during the establishment of the 1978-79 student fees and charges relating to the several activities. The legal and Board policy requirements, plus the impact of the market-place (student preferences), tend to assure effective budgeting.

Gifts, Grants and Contracts

Approximately $75,000,000 is expected to be received by institutions and statewide public services in 1977-78. Nearly all of the receipts are earmarked for particular purposes specified by the donor, grantor, or contracting agency. The expenditures of most of these funds is subject to Federal audit.

Approximately 13% of these funds ($9.7 million) represent indirect costs (business office and physical plant, for example) expended through Education and General Services accounts. Indirect cost recoveries are treated in the Education and General Services accounts as income. Unless the Board advises otherwise, the indirect cost recoveries earned on grants and contracts at
an institution will be treated budgetarily as an institution resource (rather than a System-wide resource). This will mean that if the volume of grants or the amount of indirect cost recoveries earned by an institution declines or increases, the institution's budget is decreased or increased accordingly.

In the alternative, treating indirect cost recoveries as a System-wide resource would mean that institutional budgets would not fluctuate with the volume of grants, although the Board could make specific interim adjustments, if it so chose. This alternative contradicts the accounting principle that indirect costs are real but the cost of maintaining the records required to measure them precisely is more than the increased precision resulting from such cost accounting is worth.

The Board reviews all grant and contract requests that increase enrollments, commit funds beyond the budget, are inconsistent with approved missions, launch new curricula, require real property expenditures, or create a new clientele. This policy appears to provide the necessary safeguards within which the institutions and services can prepare their requests.

**Operating and Sundry Accounts**

These activities ($3.8 million in 1977-78) are fee supported. No special budget issues are raised in this connection, although it is noted that the accounting classification is being reviewed to assure that none of the accounts should, in fact, be treated as an Education and General Services activity or as a Service Account. Reclassification would have no impact on the requirement for state appropriations.

**Service Departments**

Service Departments ($18.3 million in 1977-78) are "self-sustaining" activities funded almost entirely by charges to using units of the Department.

The budget requests for the Service Departments pose no issue except for assurance that planned volume increases are adequately provided for in the other budgets of the Department. For example, an increase in estimated volume or unit cost at a computer center needs to be matched by corresponding resources in Education and General Services, Statewide Public Services, or other budgets.

* * * *

**Budget Format and Process**

**A. Review of the Base Budget**

The 1978-79 Operating Budget is the "base budget" from which preparation of the 1979-1981 budget request begins. It is important, therefore, that the Board be thoroughly familiar with that budget.

It is recommended, therefore, that the Board (or at least its Finance Committee) undertake, with the assistance of its staff, a comprehensive review of each institution's and each statewide public service's annual plan.
Meeting #445  

Such a review should be accompanied by comparisons of costs of instruction in selected disciplines and departments and costs of selected functions. The comparisons would be accompanied by analytical comments by the Board's staff and the institutions.

Institutions and statewide public services would be present at the reviews to assure full expression of the objectives, problems, uncertainties, and needs related to the operating budget plan.

It is anticipated that this review would be undertaken prior to a May or June meeting of the Board.

B. Review of Program Improvement Elements of the 1979-1981 Request

Although readjustment of priorities occurs within a base budget, the volume of such change is quite limited. The adjustments permitted by program improvements is also limited by the financial resources available. In 1979-1981, the possibility of increased General Fund appropriations is forecast to be less than in recent biennia.

It therefore is prudent to suggest that there be a detailed examination in April by the Committee on Finance (or the Committee of the Whole) of the proposed System-wide, institution, and statewide service program improvements. The review would involve presentation by the sponsors and analysis by the Board, with the assistance of its staff, to identify priority ranking of the several requests and to consider alternative methods of funding.

C. Budget Request Presentation Format

The budget request must conform to Executive Department requirements but these allow a fair degree of latitude. It is planned to incorporate a wider range of comparative data than has been customarily included.

One aspect of budget format relates to separate consideration of each of the several fund groups. Although it is fiscally logical, it tends to underemphasize the managerial unity of each institution or state-wide public service. An institution's budget includes its gifts, grants, contracts, auxiliary activities, operating and service accounts, as well as its Education and General Services budget.

It would be unwise to revert to the discredited practice of direct Legislative action on individual institutional budgets. However, it may be useful to provide, as a supplement to the Department's budget request, a document which provides a substantive presentation of the total budget request for each institution and statewide public service. This would allow for presentation of materials that are inappropriate in a "fund group" presentation but which illuminate needs, goals, and methods, thus adding a measure of reality to the budget presentation.

There is a risk that such a presentation might engender overt inter-institutional rivalry. To minimize such risk, the Board is advised to require that the presentations, prepared by the institutions and services be subject to editing by the Board's staff before submission to the Executive Department, the Educational Coordinating Commission, and the Legislature. To afford some assurance that such presentations would be used, it is suggested that they be limited to a maximum number of pages (perhaps 10) for the universities and the Health Sciences Center and to a lesser number of pages (perhaps 5) for the other units and that they follow a common format.
Meeting #445

Report of Staff Report to the Board
Appointment of In accordance with the recommendation of officials of the University Architects for of Oregon Health Sciences Center, and pursuant to the provisions Consulting for AR 70.146, arrangements have been made with two architectural firms Services, UOHSCT for consulting services on minor capital improvements and/or rehabi-
lation work during 1978. The work will include feasibility studies, the preparation of drawings, specifications, cost estimates and related materials, as well as contract administration, all in response to requests from the institution's director of facilities management and planning.

The firms commissioned for these services are Architects Atelier/Northwest and Hicks/Chiocote & Associates, A.I.A., both of Portland.

Compensation is to be based upon time and materials within a maximum limitation of $15,000 for each firm unless a larger sum is authorized in advance by the Vice Chancellor for Facilities Planning.

Board Discussion and Action

The Board received the report as presented.

Report of Staff Report to the Board
Inspection and Acceptance of Upon the recommendation of institutional officials and Zimmer/Gunsul/ Dental School Frasca Partnership, Architects, Portland, the work of the prime Continuing contractor for remodeling work within the basement area of the Dental School Building for the Department of Continuing Education at the University of Oregon Health Sciences Center, was accepted on behalf of the Board as of December 19, 1977. The work was inspected on behalf of the Board by the Vice Chancellor for Facilities Planning prior to releasing the letter of acceptance.

A revised semifinal project budget is shown below in comparison with the budget reported to the Board on May 27, 1977:

<table>
<thead>
<tr>
<th></th>
<th>Revised Budget 12/19/77</th>
<th>Original Budget 5/27/77</th>
<th>Increase or Decrease</th>
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<tr>
<td>Direct construction costs</td>
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<tr>
<td>Associated Building Contractors, Inc., Beaverton</td>
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<td>15,468</td>
<td>(15,468)</td>
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<tr>
<td>Total</td>
<td>$241,000</td>
<td>$241,000</td>
<td>$ -</td>
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</table>

(1) Includes the addition of a wood slatted ceiling (additive Alternate No. 2), adding four ionization smoke detectors, adding a new concrete slab at removed ramp area, adding a new reinforced concrete retaining wall, providing plumbing modifications to accommodate light fixture installations and other minor modifications contained within three approved change orders.
The work of the contract included alterations to an area of approximately 5,503 square feet which provides offices, operatory, laboratory and conference rooms for the Department of Continuing Education, as well as the construction of a new grade-level entrance to this area.

Funds required for this project were provided from gifts and grants principally through the Oregon Foundation for Dental Research and Development with the assistance of the Alumni Association of the School of Dentistry.

RECAPITULATION UPON INSPECTION AND ACCEPTANCE

Project - UDHSC Dental School Continuing Education Department Alterations
Architects - Zimm/ Gunsul/ Frasca Partnership, Portland
Board's priority - Not applicable
Legislative authorization - Emergency Board action on November 19, 1976

Total project costs $241,000
Approximate area remodeled - 5,503 square feet
Total direct construction costs
Average cost per sq. ft. - $38.37
Financing plan:
Oliver Garret quasi-endowment gift account $45,000
Other gifts, principally through the Oregon Foundation for Dental Research and Development 196,000
Total $241,000

Board Discussion and Action
The Board received the report as presented.

Staff Report to the Board
Based upon the recommendation of officials of Portland State University, and in accordance with the provisions of AR 70.146, arrangements were made with Zaik/Miller, A.I.A., Portland, for professional services relating to the design and contract administration of the proposed Parking Structure III. This facility is expected to be constructed between S. W. 12th and 13th Avenues and between S. W. Montgomery and Market Streets, immediately south of the Helen Gordon Child Development Center, in order to accommodate at least 346 vehicles initially, but with provision for future expansion to an ultimate capacity of approximately 865 automobiles.

The Board included the proposed first unit within its requests for capital construction for 1977-1979 conditional upon authorization to proceed with the first phase of the Professional Schools Building, but when the 1977 Legislature amended the Governor's budget recommendations near the close of the session to include funding for the Professional Schools Building, Phase I (Education), an opportunity was
Meeting #445

March 24, 1978

Report of Bids and Contract Awards for Utility and Energy Conservation Improvements (Heating Plant Interconnection and Metering), SOSCC not available to add Parking Structure III to the listing of approved auxiliary enterprise projects. Institutional officials have urged that the planning for the parking structure proceed so that construction might be undertaken later this year upon authorization by the Board and the State Emergency Board.

In this assignment, the architects will be assisted by several consultants, including Van Dornelen/Looijenga, structural engineers, Keith Kruchek Consulting Engineers, Inc., mechanical engineers, and Langton, Mehlig & Associates, Inc., electrical engineers. Compensation for all professional services will be based upon time and materials in accordance with rates of charge outlined in the agreement and within a total of $71,471. This maximum includes fees and expenses applicable to the schematic design phase of planning for future phases of construction.

Funds required for the planning are being provided from balances available to the institution from parking operations.

Board Discussion and Action

The Board received the report as presented.


Staff Report to the Board

Upon the recommendation of institutional officials, the final drawings and specifications which Marquess & Associates, Inc., consulting engineers, Medford, prepared for the heating plant interconnection and the metering of electrical energy use in various buildings at Southern Oregon State College, were accepted on behalf of the Board. Separate bids were called for the two major divisions of work, with Basic Bid "A" being for the general and mechanical work required for the heating plant interconnection and Basic Bid "B" being for electrical and electronic work required for the metering of campus buildings. An optional Basic Bid "C" was also provided in the bid form to encourage bids for a combination of both divisions of work in "A" and "B".

Six bids were received for the work of Basic Bid "A" on February 1, 1978, ranging from a low of $550,350 to a high of $865,000. Only one bid was received for Basic Bid "B" and it was in the amount of $69,974. No bids were received for the optional combination Basic Bid "C". Inasmuch as the lowest bid in each phase was within the engineers' estimate and the funds were available, contract awards were made and the following tentative budget was approved for the project:

Direct construction costs -

- Jack Mathis General Contractor, Inc., Roseburg (Basic Bid "A") $550,350
- Sims Electric of Medford, Inc., Medford (Basic Bid "B") 69,974

Total direct construction costs $620,324

Professional services fees 41,562

Construction supervision and miscellaneous costs (including landscaping) 57,098

Contingencies 31,016

Total $750,000

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In this assignment, the architects will be assisted by several consultants, including Van Dornelen/Looijenga, structural engineers, Keith Kruchek Consulting Engineers, Inc., mechanical engineers, and Langton, Mehlig & Associates, Inc., electrical engineers. Compensation for all professional services will be based upon time and materials in accordance with rates of charge outlined in the agreement and within a total of $71,471. This maximum includes fees and expenses applicable to the schematic design phase of planning for future phases of construction.

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Board Discussion and Action

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Total direct construction costs $620,324

Professional services fees 41,562

Construction supervision and miscellaneous costs (including landscaping) 57,098

Contingencies 31,016

Total $750,000
The total budget requirements of $750,000 are substantially below the expenditure limitation of $1,145,000 authorized by the Board, the 1977 Legislature and the State Emergency Board.

The work of the contract for Basic Bid "A" includes the construction of a below-grade utility tunnel connecting Churchill Hall and Siskiyou Commons with the existing utility tunnel at Greensprings Residence Hall. With the exception of a seven-foot diameter corrugated steel-lined tunnel beneath Siskiyou Boulevard, the tunnel is to be constructed of reinforced concrete having an interior cross section six feet wide and seven feet high. The tunnel is to be equipped for utility services, including steam, condensate return, chilled water service and interior lighting. The work also includes the installation of additional storm drainage lines under Siskiyou Boulevard.

The work of the contract for Basic Bid "B" includes the installation of meters at various campus buildings and their connection with the existing central data processing system at the Physical Plant offices. Included are data gathering point modifications and cards including terminating resistors, transducers, modifications to the existing Honeywell Delta 2000 computer to print out the new data and to reset the Kwh devices, and the calibration of all remote readouts of Kw and Kwh and building identification.

Of the total estimated expenditure requirements, $525,000 will be financed in equal shares from the General Fund appropriation within Chapter 560, Oregon Laws 1977, and from bond borrowings under the provisions of Article XI-G of the Oregon Constitution, and the remaining $225,000 will be provided from proceeds from the sale of self-liquidating bonds issued under the provisions of Article XI-F(1) of the Constitution and/or from balances available for auxiliary enterprises.

RECAPITULATION UPON RECEIPT OF BIDS AND CONTRACT AWARD

Project - SOSC Utility and Energy Conservation Improvements (Heating Plant Interconnection and Metering)

Engineers - Marquess & Associates, Inc., Medford

Board's priority - No. 9 in 1977-1979 (Educational and General Plant) and No. 2 in 1977-1979 (Auxiliary Enterprises)

Legislative authorization - Chapter 560, Oregon Laws 1977

Estimated total project costs $750,000

Estimated total direct construction costs $620,324

Scheduled completion - December 1978

Tentative financing plan:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund appropriation</td>
<td>$262,500</td>
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<tr>
<td>Article XI-G bond proceeds</td>
<td>262,500</td>
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<tr>
<td>Subtotal</td>
<td>525,000</td>
</tr>
<tr>
<td>Article XI-F(1) bonding and/or auxiliary enterprises balances</td>
<td>225,000</td>
</tr>
<tr>
<td>Total</td>
<td>$750,000</td>
</tr>
</tbody>
</table>

Board Discussion and Action

The Board received the report as presented.
Upon the recommendation of institutional officials, the final drawings and specifications for improvements in the fire protection systems within Hunt Hall, a residence hall at Eastern Oregon State College, prepared with the assistance of Morrison, Funatake, Inouye, Andrews, Inc., consulting engineers, Portland, were approved on behalf of the Board. Two bids were received for the work on January 12, 1978, in the amounts of $35,055 and $55,020 as adjusted to include work within additive Alternate B. Inasmuch as the lower bid was within the funds available, a contract award was made and the following tentative budget was approved for the project:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct construction costs - Johnson Controls, Inc., Portland</td>
<td>$35,055</td>
</tr>
<tr>
<td>Professional services fees</td>
<td>3,506</td>
</tr>
<tr>
<td>Construction supervision and miscellaneous costs</td>
<td>1,935</td>
</tr>
<tr>
<td>Contingencies</td>
<td>2,804</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$43,300</strong></td>
</tr>
</tbody>
</table>

The work of the contract includes the installation of a non-coded, fully supervised fire alarm system including a central control panel, power supply, signal initiating devices, battery back-up, a conduit and wiring system, and all accessory devices required to provide a completely operating system. Alternate B adds magnetic door holders and their associated ionization detectors and wiring to selected existing exitway and corridor doors. This work is in accordance with the recommendations of the Fire Marshal in LaGrande, which were endorsed by college officials and concurred in by the Board’s office.

The expenditures for this project are being financed from resources currently available to the institution within the dormitory building repair reserve.

RECAPITULATION UPON RECEIPT OF BIDS AND CONTRACT AWARD

<table>
<thead>
<tr>
<th>Project</th>
<th>EOSC Hunt Hall Fire Protection Improvements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineers</td>
<td>Morrison, Funatake, Inouye, Andrews, Inc., Portland</td>
</tr>
<tr>
<td>Board’s priority</td>
<td>not applicable</td>
</tr>
<tr>
<td>Legislative authorization</td>
<td>not applicable</td>
</tr>
<tr>
<td>Total project costs</td>
<td>$43,300</td>
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<tr>
<td>Total direct construction costs</td>
<td>$35,055</td>
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<tr>
<td>Scheduled completion</td>
<td>May 1978</td>
</tr>
<tr>
<td>Tentative financing plan</td>
<td>Dormitory building repair reserve $43,300</td>
</tr>
</tbody>
</table>

Board Discussion and Action

The Board received the report as presented.
Meeting #445

Report of Bids and Contract Award for Safety Deficiency Corrections, Phase I (Agriculture, Cordley, Wiegand & Weniger Halls Flammable Storages and Exitway Improvements), OSU

Staff Report to the Board

Upon the recommendation of institutional officials, the final drawings and specifications which had been prepared with the assistance of Morrison, Funatake & Associates, Inc., consulting engineers, Portland, for the construction of masonry flammable storage facilities at three buildings and the revisions to corridor doors in Weniger Hall at Oregon State University were accepted on behalf of the Board. Three bids were received for the work on January 5, 1978, ranging from a low of $49,980 to a high of $67,475. Inasmuch as the lowest bidder had not received an addendum in time to include the work described therein, his request to be excused from the bid without penalty was granted and a contract award was made to the second low bidder. The following tentative budget was approved for the project:

Direct construction costs - Dale Ramsay Construction Co., Corvallis $59,225
Professional services fees (net of fees of $2,478 charged to Safety Deficiency Corrections, Phase I) 2,852
Construction supervision and miscellaneous costs 745
Contingencies 1,000

Total $63,822

The work of the contract includes the construction of separate concrete masonry storage facilities for holding flammable materials at Agriculture, Cordley and Wiegand Halls and the revisions to corridor doors and hardware to provide one-hour exitways from selected rooms in Weniger Hall.

Funds required for this work are being provided from the budget allocation of $575,000 for safety deficiency corrections, Phase II, at Oregon State University, as part of the program authorized by Chapter 560, Oregon Laws 1977. A portion of the design was financed from resources provided within the 1975-1977 authorization for Phase I of the safety program; however, the earlier appropriation was not sufficient to fund the contract requirements.

RECAPITULATION UPON RECEIPT OF BIDS AND CONTRACT AWARD

Project - OSU Safety Deficiency Corrections, Phase I (Agriculture, Cordley, Wiegand and Weniger Halls Flammable Storages and Exitway Improvements)


Board’s priority - Part of No. 1 in 1975-1977 (Educational and General Plant)

Legislative authorization - Chapter 48, Oregon Laws 1975 and Chapter 560, Oregon Laws 1977

Estimated total project costs (for this portion only) $63,822
Estimated total direct construction costs (for this portion only) $59,225
Scheduled completion - June 1978

Tentative financing plan -
- General Fund appropriation $31,911
- Article XI-O bond proceeds 31,911
- $63,822

Board Discussion and Action

The Board received the report as presented.

Staff Report to the Board

In accordance with authorization granted by the Board on December 16, 1977, a memorandum of understanding was executed with the National Marine Fisheries Service, National Oceanic and Atmospheric Administration, U.S. Department of Commerce, dated January 3, 1978, for the design, construction, and operation of the proposed federal aquaculture facility on a site adjacent to the Oregon State University Yaquina Bay Marine Science Center, Newport. Subsequently, the Northwest Administrative Office of the National Oceanic and Atmospheric Administration committed $145,000, or as much thereof as may be required, for the preparation of drawings and specifications for the project.

Based upon the recommendation of officials of Oregon State University, and pursuant to the provisions of AR 70.146, arrangements were made with Hewlett, Jamison, Atkinson & Luey, Architects, Portland, for the design and contract administration of this work. They will be assisted by CHM/Hill, Inc., consulting engineers, Corvallis and Portland, in this assignment. The agreement was approved on January 23, 1978, by the appropriate official of NOAA, so it was executed that day and the architects were authorized to proceed with the schematic design phase of planning based upon a direct construction cost allowance of $1,741,000.

For their services and expenses, the architects are to be compensated on a time and materials basis not to exceed 5.77% of the direct construction costs. In addition, they are to be reimbursed for the invoiced charges of their engineering consultants within prescribed limitations. All of the funds required for the project are being provided by the federal government.

Board Discussion and Action

The Board received the report as presented.

Staff Report to the Board

On September 30, 1977, the Board approved the sale of eight parcels of unimproved properties located in Depoe Bay, in Lincoln City, and in the vicinity of Corvallis, Oregon. Subsequently, the Board's staff advertised in five newspapers, then accepted bids for six of the eight parcels on November 1, 1977. A report of the disposition of six of the parcels was made to the Board on January 27, 1978. ORS 273.216 permits a state agency, if no satisfactory bid is received, to sell property in such manner as it considers appropriate at any time during a period of six months after the advertised date of sale at no less than the minimum terms offered in the original notice of sale. By placing announcements of the availability of the two parcels
Meeting #445  
March 24, 1978

in the eight campus newspapers, the Board's staff sold the two remaining parcels. Ms. Frances M. Toobert purchased Block 1--Lots 4-7, inclusive, for $6,000 cash. This amount will be divided with Mr. and Mrs. John H. Miller, owners of an undivided one-half interest in the property. Ching-Yan Li and Su-Chen Li are purchasing Block 2--Lots 4-13, inclusive, for a total purchase price of $35,000, with $22,000 down ($3,500 on January 25, 1978 and $18,500 to be paid on February 27, 1978) and the remainder of $13,000 on a land sale contract payable over ten years with interest at 9%. The land sale contract and two deeds have been prepared in the Board's Office, approved by the Board's Legal Counsel, Ed Branchfield, and signed by the Board's President and Acting Secretary.

The net sale proceeds and down payment related to the Depoe Bay transactions were deposited with Oregon State University, Account No. 30-260-8004, Braly Estate Fund, for use in accordance with terms of the bequest.

Board Discussion and Action

The Board received the report as presented.

Report of Bids and Contract

Award for Safety Deficiency Corrections, Phase I (Central Heating Plant Boiler Feedwater Supply Deaerating Heating Capacity Improvements), UO

Upon the recommendation of institutional officials, the final drawings and specifications for improvements to the boiler feedwater supply and the deaerating heating capacity in the central utility plant at the University of Oregon, which had been prepared with the assistance of CH2M/Hill, consulting engineers, Corvallis, were approved on behalf of the Board. Three bids were received for the work on January 10, 1978, ranging from a low of $133,477 to a high of $159,887. Inasmuch as the lowest bid was within the estimate and funds were available, a contract award was made and the following tentative budget was approved for the project:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct construction costs</td>
<td>$133,477</td>
</tr>
<tr>
<td>Contractors, Inc., Springfield</td>
<td>$133,477</td>
</tr>
<tr>
<td>Professional services fees</td>
<td>13,348</td>
</tr>
<tr>
<td>Construction supervision and miscellaneous costs</td>
<td>23,166</td>
</tr>
<tr>
<td>Contingencies</td>
<td>8,009</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$178,000</strong></td>
</tr>
</tbody>
</table>

The work of the contract includes the installation of a new spray-type deaerator with piping, accessories and necessary structural modifications; the installation of a new steam turbine-driven boiler feedwater pump; and the installation of a 100-foot long 6-inch boiler feedwater header, all within the existing central utility plant.

Of the total expenditure requirements of $178,000 for the project, 65%, or $116,000, is being charged against the allocation of state funds of $1,675,000 for safety deficiency corrections, Phase I, at the University of Oregon, as part of the program authorized by Chapter 48, Oregon Laws 1975. The remaining 35%, or $62,000, is being charged against resources available to the institution and the Board for auxiliary enterprises. This distribution of funding is consistent with the capital construction policies of the Board and was approved by the Board and the State Emergency Board on January 27, 1978.
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RECAPITULATION UPON RECEIPT OF BIDS AND CONTRACT AWARD

Project - ID Safety Deficiency Corrections, Phase I (Central Heating Plant Boiler Feedwater Supply and Deaerating Heating Capacity Improvements)

Engineer - CH2M/Hill, Corvallis

Board's priority - Part of No. 1 in 1975-1977 (Educational and General Plant)

Legislative authorization - Chapter 48, Oregon Laws 1975, and Emergency Board Action on January 27, 1978

Total project costs (this portion only) $178,000

Total direct construction costs (this portion only) $133,477

Scheduled completion - August 1978

Tentative financing plan -

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund appropriation</td>
<td>$58,000</td>
</tr>
<tr>
<td>Article XI-G bond proceeds</td>
<td>88,000</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$146,000</td>
</tr>
<tr>
<td>Auxiliary enterprises balances</td>
<td></td>
</tr>
<tr>
<td>and/or Article XI-F(1) bonding</td>
<td>62,000</td>
</tr>
<tr>
<td>Total</td>
<td>$178,000</td>
</tr>
</tbody>
</table>

Board Discussion and Action

The Board received the report as presented.

Report of Appointment of Professional Consultants for KOAP-FM and KOAP-TV Building Remodeling, OEPBS

Staff Report to the Board

Based upon the recommendation of officials of Oregon Educational and Public Broadcasting Service, and in accordance with the provisions of AR 70.146, arrangements were made with Dielschneider Associates, Inc., Project Management and Engineering Consultants, Portland, for professional services relating to the proposed remodeling of the KOAP-FM and KOAP-TV Building at 2828 S. W. Front Avenue, Portland. Funds in the total amount of $545,000 for the acquisition and remodeling of the building were included within the 1977-1979 capital construction program approved by the Board and the Legislature. As noted in a separate report, $400,000 was paid for the property, leaving $145,000 for all other project costs. It is expected that the alterations will be limited to work required to correct various safety deficiencies and to make the office, studio and service areas within the building more accessible to the physically handicapped.

For their services and expenses in the design and management of this project, the consultants are to be compensated on a time and materials basis within prescribed limitations for specific phases of work. Funds required therefor are being provided from the General Fund appropriation within Chapter 560, Oregon Laws 1977.

Board Discussion and Action

The Board received the report as presented.
Meeting #445
Report of Acquisition of KOAP-FM and KOAP-TV Building, OEPBS

Staff Report to the Board

Pursuant to authorization granted by the Board and the 1977 Oregon Legislature, the property located at 2828 S. W. Front Avenue, Portland, was purchased from Robert M. Lindahl, Marlene K. Lindahl and Sheldon Goldstein at the option price of $400,000. It may be described more completely as Lots 3, 4, 5, and 6, and the South 42.2 feet of Lot 7, Block 47, Caruthers Addition to the City of Portland, in the City of Portland, County of Multnomah and State of Oregon.

The building will continue to be used for studio and office facilities of the Oregon Educational and Public Broadcasting Service.

Funds required for the purchase of the property were provided in equal shares from the General Fund appropriation within Chapter 560, Oregon Laws 1977, and from proceeds from the sale of bonds under the provisions of Article XI-G of the Oregon Constitution.

Board Discussion and Action

The Board received the report as presented.

Staff Report to the Board

Reference is made to an item appearing elsewhere in this docket which reports the appointment of Architects Hewlett, Jamison, Atkinson & Luey for the design and contract administration of the proposed federal aquaculture research facility to be constructed on a site adjacent to the Oregon State University Yaquina Bay Marine Science Center, Newport.

Upon the recommendation of institutional officials, the schematic design phase of planning for this facility was approved on behalf of the Board and forwarded to the Marine Fisheries Service of the National Oceanic and Atmospheric Administration of the U. S. Department of Commerce. The architects have been authorized to proceed with the design development phase of planning.

The schematic design proposes two separate wings to be constructed east of the present Marine Science Center complex. One unit, identified as the isolation wing, would house experimental areas, isolation rooms, laboratories, controlled temperature laboratories, an animal room, and offices. The estimated total gross area of this unit is 10,489 square feet, including a small mechanical area in the attic. The other unit, labeled the experimental wing, would contain experimental areas, laboratories, controlled temperature laboratories, a ration preparation area, an instrument room, offices, three freezer rooms and three refrigerated rooms. This wing is planned to have a total gross area of 14,979 square feet, including about 2,399 square feet on the second floor for data processing and simulation which likely would remain unfinished in the initial construction project because of budget constraints. Thus, the total gross area of the proposed facility is 25,468 square feet. The design contemplates the future construction of a connector between the two portions of the project in order to accommodate additional offices, conference areas, and other spaces for equipment and supply storage; however, the total budget allowance of $2,125,000 has been deemed insufficient to build the connector at this time.
The appearance of the proposed new facility would conform to the existing buildings in configuration, roof line, and finish materials. The exterior walls would be constructed as tilt-up exposed aggregate concrete panels to match existing structures. The roof would be sloped, formed with scissors trusses, wood rafters and wood glu-lam beams and finished with hand-split cedar shakes to match the existing. Some skylights would be provided. Interior finishes and appointments would be similar to those provided for standard laboratory and science facilities. An elevator is planned in the future for the two-story experimental wing.

Northeast of the proposed research units, support facilities would be provided, including improvements at the experimental tank farm which would be readily accessible from the building. New seawater pumps, a large settling pond and an experimental raceway would be located adjacent to the existing high-volume tank farm near the Marine Science Center’s small boat dock. These support facilities would be capable of providing raw seawater, pathogen-free seawater and temperature controlled seawater to the experimental laboratories in the building.

Based upon the price level expected later this year when bids would be solicited for the project, it is estimated that the direct construction costs would be approximately $1,706,444. Of this amount the building units, including fixed equipment, would be $1,306,444 and the remaining $400,000 would be applicable to the support facilities. As noted above, the estimated total project costs are $2,125,000, including the direct construction costs, fees, furnishings and equipment, construction supervision, contingencies, etc.

The project is being funded by the federal government from an appropriation to the National Oceanic and Atmospheric Science Administration of the Department of Commerce. The planning is being done in accordance with contractual arrangements which the Board authorized December 16, 1977.

**RECAPITULATION UPON APPROVAL OF SCHEMATIC DESIGN PHASE OF PLANNING**

**Project** - OSU Newport Aquaculture Laboratory

**Architects** - Hewlett, Jamison, Atkinson & Luey, Portland

**Board’s priority** - not applicable

**Legislative authorization** - not applicable

**Estimated total project cost**  
$2,125,000

**Estimated total gross area** - 25,468 square feet

**Estimated total direct construction costs:**

- Buildings and fixed equipment  
  $1,306,444
- Support facilities  
  $400,000

**Total**  
$1,706,444

**Estimated direct construction costs for building units,**

excluding site development and utility connections

**Total**  
$1,284,444

**Average (per square foot)** - $50.45
Tentative schedule:
Bidding - September 1978
Completion - December 1979

Financing: Marine Fisheries Service, National Oceanic and Atmospheric Administration, U. S. Department of Commerce

Board Discussion and Action

The Board received the report as presented.

<table>
<thead>
<tr>
<th>Condition of Board's Special and Plant Rehabilitation Reserves</th>
<th>CONDITION OF BOARD'S SPECIAL AND PLANT REHABILITATION RESERVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of March 24, 1978, for Fiscal Year Ending June 30, 1978</td>
<td></td>
</tr>
</tbody>
</table>

Staff Report to the Board

I. Board's Unallocated Reserve

II. Board's Reserve for Plant Rehabilitation

<table>
<thead>
<tr>
<th>Balance as of January 27, 1978</th>
<th>$ 150,039</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less: Accounts approved by the Chancellor:</td>
<td></td>
</tr>
<tr>
<td>For re-roofing Britt Center at SOSC</td>
<td>(7,000)</td>
</tr>
<tr>
<td>For Millar Library Carpeting replacement at PSU</td>
<td>(16,000)</td>
</tr>
<tr>
<td>Estimated Balance as of March 24, 1978</td>
<td>$ 127,039</td>
</tr>
</tbody>
</table>

III. Board's Reserve for Equipment Replacement

<table>
<thead>
<tr>
<th>Balance as of January 27, 1978</th>
<th>$ 1,442,019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less: Distributed to institutions per Board approved plan of January 27, 1978</td>
<td>(1,442,019)</td>
</tr>
<tr>
<td>Balance as of March 24, 1978</td>
<td>-</td>
</tr>
</tbody>
</table>

IV. Reserve for April 1, 1978, Academic Pay Adjustment (4/1/78-6/30/78)

<table>
<thead>
<tr>
<th>Balance as of March 24, 1978</th>
<th>$ 983,689</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less: Distributed to institutions to fund April 1, 1978, academic pay adjustments</td>
<td>(983,689)</td>
</tr>
<tr>
<td>Balance as of March 24, 1978</td>
<td>-</td>
</tr>
</tbody>
</table>

V. Reserve for Underfunding 1% of Academic Salaries and OPE for 1977-78

<table>
<thead>
<tr>
<th>Balance as of March 24, 1978</th>
<th>$ 907,476</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributed to institutions to meet required academic underfunding of 1%</td>
<td>907,476</td>
</tr>
<tr>
<td>Balance as of March 24, 1978</td>
<td>-</td>
</tr>
</tbody>
</table>
PRESIDENT'S REPORT

Resolutions, G. Hearn and E. Dean Anderson

President Perry reported that the Board had approved a resolution expressing warm appreciation to Dr. Gordon Hearn, the founder and first dean of the School of Social Work at Portland State University. He also reported that he had received a letter from Dr. E. Dean Anderson, Vice President for University Relations at Portland State University, expressing appreciation for the resolution which he had received on the occasion of his retirement.

Commencement Representatives

Mr. Perry announced that the Board had agreed on commencement representatives and the institutions and the Board members would be advised of the appropriate details.

Hearing Procedures

President Perry requested the Board's Office Staff to discuss with Mr. Harms and Mr. Anderson the possibility of developing guidelines to facilitate hearing procedures in connection with items not previously presented to the Board's Committees. He said individuals should have an opportunity for an adequate hearing but the Board also needed adequate time to conduct other business scheduled for the meeting.

Adjournment and Reconvener Date

The Board adjourned the meeting at 5:00 P.M., P.D.T., March 24, 1978, to reconvene at 11:00 A.M., P.D.T., April 28, 1978.

Adjourned Session of Meeting of March 24, 1978

President Perry called the adjourned session of the regular State Board of Higher Education meeting of March 24, 1978, to order at 11:00 A.M., P.D.T., April 28, 1978, in the Main Lounge of Hoke Hall, Eastern Oregon State College, La Grande, Oregon. The following Board members were present:

Mr. Lester E. Anderson
Mr. Jonathan A. Ater
Mr. Alvin R. Batiste
Mrs. Jane H. Carpenter
Mrs. Ruth Daniels
Mrs. Betty Feves

Mr. Edward C. Harms, Jr.
Mr. Robert C. Ingalls
Mr. Gregory G. Moore
Mr. Loren L. Wyss
Mr. Louis B. Perry

Absent: None.

Welcome and Response on Eastern Oregon State College Visitations

President Briggs welcomed the Board to the campus of Eastern Oregon State College and presented them with copies of the Eastern Oregon State College creed and a pine tree seedling.

Tuition and Fees 1978 Summer Session

It was recommended that the Board adopt, following public hearing, the 1978 Summer Session tuition policy, rates, and board and room charges. The specific charges are detailed in Supplement A, which is a part of these minutes.

Tuition Policy

On January 21, 1975, the State Board adopted statements of policy relating to summer session instruction fees and other compulsory charges. These policy statements made the summer session tuition policy independent of
the academic year policy but they maintained the historical relationship of summer session charges to academic year charges. The policy statements adopted by the Board in 1975 are proposed to continue into the 1978 Summer Session.

The 1978 Summer Session tuition rates are detailed in the attached supplement to the 1977-78 "Tuition, Board and Room Charges, and Married Student Housing Charges" for the Oregon Department of Higher Education.

Board and Room Charges

Summer session consists primarily of eight and eleven-week sessions; however, daily as well as weekly rates are provided. Most campuses provide for room only or board only in addition to the normal room and board plans.

Rates for Summer Session 1978 were developed to cover all variable costs plus a portion of the fixed costs. Consideration also was given to maximize income during this session based on each institution's occupancy.

The rates of charge are comparable to an individual term during the academic year (September-June).

The 1978 Summer Session board and room rates are detailed in the supplement to the 1977-78 "Tuition, Board and Room Charges, and Married Student Housing Charges" for the Oregon Department of Higher Education. (Supplement A to these minutes).

Board Discussion and Action

Mr. Perry stated that the time set for the public hearing on Tuition and Fees for the 1978 Summer Session had arrived and asked if anyone wished to be heard for or against the proposed charges. There being no response, Mr. Perry declared the public hearing closed.

The Board approved the staff recommendation as presented, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Daniels, Feves, Harms, Ingalls, Moore, Wyss, and Perry. Those voting no: None.

Further Amendment of AR 60.050, Institutional Authority to Establish Fees and Charges

It was recommended that the Board adopt, pursuant to the Administrative Procedure Act, a revised AR 60.050 (in the language shown in the 'Further Staff Report') which will incorporate into the Rule Board-adopted policy pertaining to the authority of the president of the institution to establish rental rates for family, cooperative, and miscellaneous housing at amounts sufficient to meet operating costs and required assessments, and to satisfy the Board's debt service and building repair and equipment replacement policies. The revisions also clarify the responsibility of residents of each of three types of housing--family, cooperative, and miscellaneous--to contribute by means of applicable rental rates toward the total debt service of that type of housing. In addition, the proposed amendment of the original Rule adopted by the Board on July 20, 1976, reflects several of the suggestions made by Board members at the March 24, 1978, meeting at which time the proposal to amend the Rule was tabled pending further revision.