MINUTES OF REGULAR MEETING OF THE
STATE BOARD OF HIGHER EDUCATION HELD
January 18, 1985

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Legislative Report
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ADJOURNMENT

Supplement A - The Pursuit of Quality Higher Education
STATE BOARD OF HIGHER EDUCATION
MINUTES OF MEETING HELD IN THE GOLD ROOM,
ARNOLD HALL, OREGON STATE UNIVERSITY,
CORVALLIS, OREGON

January 18, 1985

Meeting #520

A regular meeting of the State Board of Higher Education was held in the Gold Room, Arnold Hall, Oregon State University, Corvallis, Oregon.

ROLL CALL

The meeting was called to order at 10:30 a.m., January 18, 1985, by the President of the Board, Mr. Louis B. Perry, and on roll call the following answered present:

Mr. John W. Alltucker
Mr. Alvin R. Batiste
Mr. Gene Chao
Mr. Terrence A. Clark
Mrs. Harriett J. Flanagan
Mr. Edward C. Harms, Jr.

Mr. Richard F. Hensley
Mrs. Janet S. Nelson
Mr. James C. Petersen
Miss Linda L. Walling
Mr. Louis B. Perry

OTHERS PRESENT

Centralized Activities--Chancellor William E. Davis; Secretary Wilma L. Foster; Clarethel Kahananui, Acting Vice Chancellor for Academic Affairs; W. T. Lemman, Vice Chancellor for Administration; Wil Post, Vice Chancellor for Public Affairs; Clifford V. Smith, Jr., Director of CASEERI; Davis Quenzer, Associate Vice Chancellor for Budget and Fiscal Policies; R. S. Perry, Associate Vice Chancellor for Administration and Planning Services; Joe Sicotte, Associate Vice Chancellor for Personnel Services; Larry Pierce, Executive Assistant to the Chancellor; Melinda Grier, Compliance Officer; Kay Juran, Assistant Vice Chancellor for Public Affairs; Debbie Cherry, Secretary, Office of Public Affairs.

Oregon State University--President John V. Byrne; T. D. Parsons, Vice President for Administration.

University of Oregon--President Paul Olum; Richard J. Hill, Provost; Dan Williams, Vice President for Administration.

Oregon Health Sciences University--J. T. McGill, Vice President.

Portland State University--President J. C. Blumel; Margaret J. Dobson,
Interim Vice President for Academic Affairs; Roger Edgington, Interim Vice President for Finance and Administration.

Eastern Oregon State College--President David E. Gilbert; James Hottois, Dean of Academic Affairs; James C. Lundy, Dean of Administration; Terry Edvalson, Director, Regional Services Institute.

Oregon Institute of Technology--President Larry J. Blake; John H. Smith,
Dean of Administration; William W. Smith, Dean of Academic Affairs.

Southern Oregon State College--President Natale A. Sicuro; Ronald Bolstad,
Dean of Administration; Robert A. McCoy, Chairman, Department of Math;
James McFarland, Associate Dean for Academic Affairs; Cynthia Ford, Director, Southern Oregon Regional Services Institute.

Western Oregon State College--President Richard Meyers; Bill Cowart, Provost.

Others--Judge Larry L. Smith, Baker County; Dale Young, Executive Director, Union County Economic Development Corporation; Ben Tyran, Member, Board of Directors, Southern Oregon State College Foundation; April Sveik, President, Southern Oregon State College Regional Advisory Board; Dale Hess, Education Policy Coordinator, Oregon Educational Coordinating Commission.
MINUTES
APPROVED

The Board dispensed with the reading of the minutes of the last regular
meeting held on December 14, 1984, and approved them as previously dis-
tributed. The following voted in favor: Directors Alltucker, Batiste, Chao,
Those voting no: None.

CHANCELLOR’S
REPORT

C. Kahananui,
Retirement
Announcement

The Chancellor reported that Mrs. Clarether Kahananui, Acting Vice Chancellor
for Academic Affairs, had announced her intention to retire on June 30, 1985,
having served as Acting Vice Chancellor for a record period of time. He said
she had done an outstanding job and had been of tremendous assistance in
the transition period, providing strong leadership and stability in the Office
of Academic Affairs. The Chancellor said he was very pleased with the
accelerated speed of handling requests for academic programs. As a result,
a substantial portion of the backlog has been cleared. This would not have
been possible without her strong leadership.

The Chancellor indicated there would be a nation-wide search to fill the
position on a permanent basis by July 1, 1985, if possible. He said he
would be discussing the position description with the Board.

Legislative
Report

The Chancellor reported that the Department of Higher Education and other
educational agencies would be appearing the following week before the Joint
Committee on Education of the Senate and House to present an overview of
current plans and aspirations for the Legislative Session.

Coordinated
Planning with
OECC and SBE

The Chancellor said there had been excellent developments since the December
Board meeting with respect to coordinated planning of the Board with the Oregon
Educational Coordinating Commission and the Department of Education. The
presidents of the three groups have met, and a joint board on statewide
planning has been established with two representatives from each group.
The Chancellor announced that Mr. Alltucker and Mr. Hensley had been
appointed to serve as representatives of the Board of Higher Education on
this joint board. The planning board is expected to meet frequently to
review the planning and coordination so that the meaning of the language is
clear and there is good communication among the boards. In addition,
there will be a joint staff planning committee which will have four staff
members from each of the three agencies. It will be the responsibility of
the staff committee to determine the procedures for developing the several
segmental plans and eventually the Commission’s comprehensive plans.
Actual policy decisions will be made by the joint boards committee, and the
staff would assist the joint boards committee in developing procedures.
Copies of a proposed work plan and time schedule were distributed.

Mr. Perry said that the presidents of the three agencies would be meeting
frequently in order to continue the cooperative relationship and to resolve
any difficulties which might arise either among board members or as a
result of staff discussions.

Emergency
Board Action
Water Board
Building, PSU

The Chancellor said that the request had been approved for the transfer to the
Department of Higher Education of $172,192 from the special emergency fund
reserve to cover operating costs for the Water Board Building from February 1
to June 30, 1985. In transferring the money to the Education and General Fund
appropriation of the Department of Higher Education, the Emergency
Board instructed that everything possible be done to secure the total funding
to acquire this building prior to July 1, 1985.

Overrealized
Tuition and
Fee Income

The Chancellor said that at the December 1984 meeting of the Board, the
staff reported that Fall Term 1984 fourth week enrollments indicated a
slightly higher three-term enrollment for 1984-85 than had previously been
projected. The staff also reported that, based upon revised enrollment forecasts, it was estimating instruction fee income would be overrealized by
approximately $1,500,000 during 1984-85. Based upon this information and
the staff recommendation, the Board approved the allocation of $900,000 of
the overrealized income to the legal expense account, $558,000 to the
University of Oregon and $112,000 to Western Oregon State College. Sub-
sequently, the state Emergency Board acted to allocate additional funds to
the State System, requiring additional action by the Board.
Concerning the Board's past practice, it is correct that the Board in past years has attempted to allocate to institutions which overrealize enrollment any available income in excess of the revenue forecasts. But, contrary assertions notwithstanding, this has not consistently been the case. In the first place, overrealized enrollment is not always accompanied by overrealized income. Income varies according to the numbers of undergraduates, graduates, nonresidents and other categories of students which pay differential tuition. Second, in 1980-81, 1981-82 and 1982-83, overrealized income exceeding $4.2 million was generated at Oregon State University and Oregon Institute of Technology while only about $250,000 was returned to those institutions because the remainder was required to offset underrealizations elsewhere and to avoid the necessity to make further budget reductions.

It is apparently assumed by many that tuition does or should be used to pay only those costs directly related to the instruction of students. The budgeting and accounting structure of the State System, which follows national accounting standards, makes no distinction among the several sources of funds which finance the Education and General budget. Tuition, taxes and other revenue pay not only for books and faculty salaries, but for telephones, postage, collecting the garbage, mowing the lawns, and insurance and legal expenses of the institutions and the Board.

Although we reported to the Board at the last meeting that some of the funds being allocated from a larger than expected number of nonresident students, we did not report the details. Some $690,000 of the $1.6 million excess income is expected from the nonresident fee premium; that is, the extra amount nonresident students pay over the amount charged to residents. If all institutions had precisely realized their forecasted enrollment totals, but had 500 fewer resident students than estimated and 500 more nonresident students, we would have overrealized our income estimate without having any additional expense related to overrealized enrollment.

It is all of these things—the misunderstandings related to the Board's past practice, the relationship (or lack thereof) between source of funds and particular expenditures, and the lack of information concerning the financial effects of changes in the mix of students—that has contributed to the uninform or mistaken assertions concerning the Board's action of last month.

Several days before the meeting of the state Emergency Board on Thursday, January 11, we learned that Senator Ed Fadeley and Representative Grattan Kerans intended to request the Emergency Board to allocate $900,000 for distribution to the institutions. In their presentation to the Emergency Board, they indicated that they believed students were being "shortchanged" by not having the total $1.6 million available for direct or support costs related to instruction. Although we did not initiate the request, we did indicate that all institutions of the System, because of historical underfunding as well as the budget cuts suffered during the past several years, could use well any funds which could be made available to them. There was discussion among the legislators concerning the basis for distributing the funds among institutions, but the motion adopted by the subcommittee and the Emergency Board was to allocate $900,000 to the Department of Higher Education with the manner of distribution to be left to the discretion of the Board.

In light of the action of the Emergency Board in making additional funds available, we believe it advisable that the Board reconsider its earlier action and decide how it wishes to allocate the entire amount of $1,600,000.
The following was recommended as the allocation of the $1,600,000 of overrealized income and Emergency Board allocation for the 1983-1985 biennium:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>University of Oregon</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Oregon State University</td>
<td>100,000</td>
</tr>
<tr>
<td>Portland State University</td>
<td>140,000</td>
</tr>
<tr>
<td>Western Oregon State College</td>
<td>200,000</td>
</tr>
<tr>
<td>Southern Oregon State College</td>
<td>100,000</td>
</tr>
<tr>
<td>Eastern Oregon State College</td>
<td>20,000</td>
</tr>
<tr>
<td>Oregon Institute of Technology</td>
<td>20,000</td>
</tr>
<tr>
<td>Oregon Health Sciences University</td>
<td>20,000</td>
</tr>
</tbody>
</table>

$1,600,000

This allocation method takes into account several of the approaches which might be used to determine the allocation of funds to the institutions. Among these are: 1984-85 enrollments; 1983-84 enrollments; 1983-84 and 1984-85 enrollments combined (adding algebraically the over- and under-realizations); combining only the overrealizations of 1983-84 and 1984-85; any of these options plus giving some weight to the relative adequacy of funding at institutions; or enrollment options plus giving some weight to 1983-84 or 1984-85 budget adjustments made in anticipation of changes in program or enrollment.

The University of Oregon and Western Oregon State College allocations are approximately 63% and 13% of the $1.6 million. The UO and WOSC have 63% and 14% of the 1983-1985 System overrealized enrollments.

The allocations to Oregon State University and Oregon Institute of Technology recognize in part their overrealizations of enrollment in 1983-84 (OIT) and 1984-85 (OSU).

Portland State University's allocation is based on its overrealization in both years; however, the allocation does reflect in part PSU's above average level of funding as measured by the BAS Model.

Southern Oregon State College's allocation recognizes its 1983-84 overrealized enrollment as well as its below average level of funding as measured by the BAS Model.

The allocation for the Oregon Health Sciences University recognized the overrealized enrollments for 1984-85.

The allocation for Eastern Oregon State College recognizes its general budget underfunding and the difficulties this presents in meeting many of the services to students.

Mr. Perry commented that this was a decision where it would be impossible to satisfy everyone. He said it was unfortunate that some individuals had made statements to the press imputing motives to the Board which certainly were not valid. In the long run, it will be necessary for the Board, the Legislature, and those associated with the institutions to work together in the interests of the entire state.

Mr. Petersen agreed with the comments by Mr. Perry and said it would serve no good purpose to debate the merits of each of the individual allocations. He said he trusted the Chancellor's judgment and moved the adoption of the recommendations in his report.

The Chancellor said he was very appreciative of the action by the Emergency Board. He said he had assured the Emergency Board that the funds could be used wisely between now and the expiration of the current biennium.

Mr. Batiste said he applauded the action of the Emergency Board and suggested that the Board's appreciation be conveyed to that body. Mr. Perry indicated it was his intention to do so.
The Board approved the recommendation of the Chancellor as presented for the allocation of the funds. The following voted in favor: Directors Alitucker, Batiste, Chao, Clark, Flanagan, Harms, Hensley, Nelson, Petersen, Walling, and Perry. Those voting no: None.

Cooperation & Coordination

Dr. Larry Pierce, Executive Assistant to the Chancellor, reviewed a summary of cooperation and coordination among the various educational agencies and segments. A copy of the report was distributed and is on file in the Board's Office. The report was an early project of the State System and Department of Education Policy Council. It summarizes the joint activities of the various groups.

Dr. Pierce said the report reveals that there are many different committees and organizations working together to resolve issues among the educational groups and that cooperation and coordination is extensive.

Mrs. Kahananui commented that the coordination and cooperation were tremendous. In addition to the educational groups, industry and local businesses were often involved in addressing common concerns of education.

Planning and Goals for 1984-85

At the request of the Chancellor, Dr. Pierce presented a report reviewing the plans and actions during the past two and a half years in order to focus actions for the months ahead. Following the presentation of the report to the Board, minor editorial modifications were made to the report in preparation for the first legislative hearing. The revised report, entitled "The Pursuit of Quality Higher Education: A Progress Report on the Implementation of the Oregon State System of Higher Education's Strategic Plan for 1983-87," appears as Supplement A to these minutes.

The Chancellor said the stated goals remain very much the same and significant steps have been taken to achieve them. Within the general framework, more specific goals have been identified. Although the Governor did not recommend all of the budget request, the portions selected would make a significant difference if they were funded. The Chancellor said faculty salaries were a major priority. Access and keeping tuition as low as possible were a second major priority. Automation of the libraries would provide a major step forward. He said it was important also that every student attending State System institutions acquire functional computer literacy in order to be able to use the computer, the word processor, or information services.

The Chancellor emphasized that the economic development targets were intended to build on the existing strengths of the research capabilities of the institutions. These research programs would provide trained manpower at a high level to interact with high technology business and industry, would facilitate research collaboration and opportunities for joint ventures in research, and would attract new investment in terms of research funds.

The Chancellor said each of the regional colleges should be asked to identify one or two areas of specialization and indicate how internal resources might be concentrated in those areas.

Mr. Perry said the members of the Board realized that the presidents, particularly those at the regional colleges, were in a situation where their constituencies wanted more than could be offered with available resources. It is essential to deal with the numerous requests diplomatically, while at the same time working toward broad goals which have been established.

Mr. Perry then asked whether there were any significant changes in the mission statements from those stated in 1982.

Dr. Pierce said the Strategic Plan was for the period 1983-87 and the short mission statements in the plan were still the official Board policy with regard to the missions of the institutions. He said he would encourage those who criticized the mission statements to read the Strategic Plan and
the mission statements included in it. In most cases, they give a very clear description of the programs and a statement of where the Board believes development of any programs at those institutions should take place.

Mr. Petersen said he appreciated very much the effort of the Chancellor and his staff in making what he thought was a significant turnaround in the impact of higher education and how it is viewed by the Legislature and the citizens of Oregon.

Mr. Batiste concurred and asked if the progress report would be distributed. The Chancellor indicated that it would be. Dr. Pierce indicated that after minor revisions were made in the report, it would then be mailed to Board members and others.

It was announced that there would be a joint meeting of the Boards of Education and Higher Education and the Educational Coordinating Commission, either in February or March, possibly on February 15. Board members should submit suggested agenda items to the Chancellor or to Dr. Pierce.

**Staff Report to the Board**

As the result of a bequest from the estate of Mildred M. McKnight, the University of Oregon is the recipient of approximately 68 acres of farmland located about five miles west of Lebanon, Oregon. University of Oregon officials recommend sale of the property because it cannot be used to carry out the mission of the institution. The proceeds of the sale will be used in accordance with Ms. McKnight's will: "All rest, residue and remainder of my estate of every kind and nature and wheresoever situate, I give, devise and bequeath unto UNIVERSITY OF OREGON, Eugene, Oregon, for use of the library of said University, and in memory of my two sisters who graduated from said University, to-wit: Edna C. McKnight and Gladys Marie McKnight, both of whom are now deceased. I request the University make some suitable memorial to my said sisters."

In accordance with state law, county and local governmental units have been notified of the availability of the property. None has expressed interest in acquiring the property. Clearance to sell has been requested of the Department of General Services. It is anticipated that no other state agencies will want to purchase the property.

**Staff Recommendation to the Board**

Assuming that the Department of General Services provides the clearance to sell the 68 acres of unimproved property, the Board's staff requested authorization to offer the property for sale. The minimum acceptable bid price would be $90,000. If sold on contract, the minimum acceptable terms would be 25% down, payable on closing, with the balance payable in equal monthly or annual installments over a period not to exceed 20 years. Payments would include principal and interest. The rate of interest would be comparable to the average lending institution rate in effect at the time the property is advertised for bids. If the advertised invitation to bid results in no acceptable bids, the staff would proceed to negotiate a sale for cash or on contract for not less than the advertised minimum bid price. These procedures are authorized by ORS 273.201, 273.205, 273.211, and 273.216.

**Board Discussion and Action**

The Board authorized the sale as recommended, with the following voting in favor: Directors Alltucker, Batiste, Chao, Clark, Flanagan, Harms, Hensley, Nelson, Petersen, Walling, and Perry. Those voting no: None.
ORS 351.070 provides:

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

(f) Confer, on the recommendation of the faculty of any such institution, such degrees as usually are conferred by such institutions, or as they deem appropriate.

The present policy of the Board in respect to the awarding of honorary degrees was adopted January 28, 1941, in approving the following resolution:

Resolved, that the Board hereby adopts the following policy relative to the granting of honorary degrees in any unit of the System, to-wit, that, in the event the head of any unit shall desire to nominate a person for such honor, he shall file such nomination with the Board not later than March 1, preceding the commencement at which such honor is proposed to be conferred. Such nomination shall be accompanied by detailed information as to the honoree and the reasons why such honor should be conferred. For confirmation, such nomination must have the approval of at least six members of the Board.

Neither the University of Oregon or Oregon State University award honorary degrees. Oregon State has not awarded an honorary degree for more than 40 years. The University discontinued the practice by vote of the faculty in 1947. Both institutions extend recognition to persons they wish to honor through distinguished service awards.

Portland State University considered the possibility of awarding honorary degrees on several occasions during the 1960's but chose not to do so. The Oregon Health Sciences University has expressed interest in making such awards.

May 1984, the American Association of State Colleges and Universities reported results of a survey of its member institutions concerning the awarding of honorary degrees. Of the 256 institutions responding to the survey, 181 (64%) said that they had authority to grant honorary degrees, 75 (26%) did not have this authority.

The Board, at its Retreat in September 1984, requested the staff to prepare a revised honorary degree policy for the consideration of the Board.

Staff Recommendation to the Board

It was recommended that the Board adopt the following policy in respect to honorary degrees:

HONORARY DEGREES

1. Each institution, with the concurrence of its faculty, may decide to award honorary degrees.
2. An institution wishing to award honorary degrees shall adopt criteria and procedures for selection which will assure that the award will honor outstanding contribution to the institution, state, or society or distinguished achievement.
3. Criteria and procedures for selection shall be forwarded to the Chancellor for approval and, when approved, filed with the Secretary of the Board.
4. An institution shall forward its recommendations for honorary degrees to the Board for the Board's approval ninety days before the date for awarding the degrees.
Board Discussion and Action

The Board approved the staff recommendation and adopted the policy as presented. The following voted in favor: Directors Alltucker, Batiste, Chao, Clark, Flanagan, Harms, Hensley, Nelson, Petersen, Walling, and Perry. Those voting no: None.

Sublease of Land to OSU Foundation for Construction of Residential Housing at OSU Hatfield Marine Science Center, OSU

Staff Report to the Board

The Board's capital construction program for 1985-1987, as recommended by Governor Atiyeh, includes $280,000 for planning, constructing, and equipping of additional housing at the Mark O. Hatfield Marine Science Center, Newport. Financing for this auxiliary enterprise project is to be provided from gifts and grants. The project budget is based on two buildings, each with 1,920 gross square feet, or a total of 3,840 gross square feet. Total estimated cost is $280,000.

At a December 5, 1984, meeting involving Oregon State University officials, OSU Foundation representatives, members of the Board's staff, and other interested parties, OSU officials proposed that the Board be requested to grant permission to the Board's staff to sublease to the OSU Foundation for 15 years, approximately one acre of land at the Hatfield Marine Science Center. Such a lease would enable the Foundation to arrange for the design and construction of the needed student housing. This latest proposal for new housing, however, would involve three buildings, each of which would include four living units. Two of the buildings would be planned for student occupancy and would accommodate 32 students at four students per unit. The third building would be planned for faculty occupancy. It would accommodate eight faculty at two persons per unit. Each of the three buildings would contain approximately 1,920 gross square feet, or a total of 5,760 square feet for the three buildings. Estimated cost is $420,000.

These new housing facilities would be located adjacent to existing housing facilities. This area of the Center has been set apart for such housing. Presently there are two residential housing buildings in the immediate area proposed for additional housing as well as multipurpose meeting/dining facilities and associated parking facilities. The one acre of land on which the additional housing would be located is part of 17 acres of land that were leased for 50 years, with an automatic extension for an additional 49 years, by the Port of Newport to the State and Board on behalf of Oregon State University on November 1, 1962.

Although the existing lease allows the Board to sublet portions of the property only to cooperating governmental entities, preliminary informal discussions of the proposed project with the Port of Newport authorities have been favorably received. Formal written approval for the Board to enter into a sublease with the Oregon State University Foundation would be requested if the recommendations below are approved by the Board.

If granted a 15-year sublease, the Foundation would contract with the architectural firm of Hewlett, Jamison, Atkinson and Luey, the same firm which has planned and designed all of the other facilities at the Center, for the purpose of planning, designing, and monitoring progress during construction, as well as giving final approval of the construction upon completion. This action would assure consistency of design and construction materials throughout the area. The sublease with the Foundation would also provide for review and approval of the design and construction documents by the Board's Office of Facilities Planning. It is anticipated that the construction documents could be ready on or before February 15, 1985.

The Foundation would contract with an outside organization for the construction of the facilities. The agreement with the organization which contracts for the construction would include a requirement that the contractor provide a bond to assure completion of the facilities. Total funding for construction, equipment, and furnishings would be provided by the outside organization with which the Foundation contracts. It is anticipated that construction and equipping would be completed on or before June 1, 1985, and that occupancy would begin June 15, 1985.
Assuming completion in accordance with the above schedule, the Foundation would then lease the facilities from the outside organization for 15 years. The Foundation would also contract with the University to operate and maintain the facilities for the Foundation. It is anticipated that rental of the housing to students and faculty would realize sufficient income to meet operational and maintenance costs, and to fund equipment replacement and building repair reserves. The agreements between the Foundation-outside organization and Foundation-University would require that these expenses be fully funded from gross rental income before any balances were turned over to the outside organization. The Foundation-outside organization agreement would also provide that if the outside organization terminates the agreement prior to the expiration of 15 years, the facilities would revert to the Foundation or be removed by the outside organization, at the discretion of the Foundation.

Oregon State University officials have projected student occupancy to average 66% during the first academic year, beginning with 40% in the fall term and increasing to 90% during the summer. Occupancy of the faculty facility is projected for 90% year-around. An occupancy rate of 40%-50% would provide sufficient income to meet all operating costs and reserve funding requirements; 33% occupancy would meet the break-even point.

To assure minimum financial risk and liability for the Board and University and to place appropriate responsibilities on all parties who would be involved, University officials have provided the Board's staff with required provisions for inclusion in leases and contracts, as well as detailed lists of responsibilities to be assumed by each party.

The Board's staff (Chancellor Davis, Vice Chancellor Lemmon, Vice Chancellor Hunderup, and Associate Vice Chancellor Perry) and University officials (President Byrne and Vice President Parsons) presented the proposed plan to the Executive Committee of the Board (Messrs. Batiste, Harms, Perry, and Petersen) on December 14, 1984. The Executive Committee agreed to recommend that the Board approve the plan as proposed.

If the Board approves the recommendations, the $280,000 item for the Hatfield Marine Science Center Housing will be deleted from the Board's 1985-1987 capital construction request for auxiliary enterprise projects.

Staff Recommendation to the Board

Based upon the preliminary approval of the Board's Executive Committee, it was recommended that the Board (1) authorize the Board's staff, pending receipt of written approval from the Port of Newport, to enter into a 15-year sublease with the Oregon State University Foundation for approximately one acre of land at the Oregon State University Hatfield Marine Science Center, Newport, so that the Foundation can arrange for the planning and construction of residential type housing to accommodate 32 students and eight faculty; (2) approve an increase in the estimated cost of this project from $280,000 to $420,000; and (3) approve a change in the current financing plan for this project which anticipates gifts and grants as the sources of funds, to permit alternate forms of financing to be arranged for and guaranteed by the Foundation.

Board Discussion and Action

In commenting on the reasons for the involvement of the Foundation in the project rather than having the institution arrange for the design and construction of the housing, it was indicated that this plan would expedite the project because the University would not have to solicit gifts and grants to finance construction. The institution would still have to approve the final plans and specifications. If the funds are raised, the project will be deleted from the Board's capital construction request for 1985-1987 and construction would begin immediately.
Mr. Perry said it was his understanding a private organization would have the tax advantage of the depreciation and debt service, and the lease terms between the Foundation and the private organization would enable the private organization to recover its investment. The institution would obtain use of the facilities. At some future time, the facility would revert to Board ownership. It was stated also that the project would not begin until the money was raised.

The Board approved the staff recommendation as presented, with the following voting in favor: Directors Alltucker, Batiste, Chao, Clark, Flanagan, Harms, Hensley, Nelson, Petersen, Walling, and Perry. Those voting no: None.

Discussion and Recommendation by the Committee

Mr. Petersen introduced the discussion on Economic Development in Southern and Eastern Oregon. He said a little more than two years ago, the Chancellor had proposed the establishment of CASEERI. Its initial focus was Portland to assist in the development of high technology and economic development in the Portland and Willamette corridor areas. At the time CASEERI was established, the Board added the directors of the regional service institutes at Eastern Oregon State College and Southern Oregon State College to the board of directors of CASEERI, with the understanding that its focus ultimately would be expanded to the entire state.

Mr. Petersen indicated the present discussion would deal with economic development in the eastern and southern regions of the state and how higher education could assist in that endeavor.

Mr. Petersen then commented on the geography and population of those regions. The area of eastern and southern Oregon includes about 70,000 square miles and serves about 525,000 people. Areas of a similar size on the East Coast serve approximately 35 million people. The area and population in southern and eastern Oregon create significant problems in terms of the delivery of services. There are also significant economic problems in these regions as evidenced by increases in unemployment over the last year.

Mr. Petersen explained that in an effort to respond to these problems, he and Mrs. Flanagan had requested Dr. Clifford Smith, Director of CASEERI, to visit these regions and confer with local residents with respect to what was needed to enhance economic development. Several tours were arranged. The presentation before the Committee represented a compilation of the findings by the presidents of Eastern Oregon State College and Southern Oregon State College.

Mrs. Flanagan reviewed the situation in eastern Oregon. She said Malheur County was the largest county in size, with a population of 27,000. The unemployment rate varies between 6% and 8.5% in the summer and reached a much higher rate of 13.9% in November of 1984. The latter figure compares with 9% for the state as a whole. She then described some of the industries in the area and commented on the visits made.

Mrs. Flanagan said the visits in eastern Oregon sought information on whether the persons and companies felt that higher education could play a role in economic development and what that role might be. The suggestions were compiled after these visits and small group meetings. She said all of the areas shared the common problems of being in a rural region where it is sometimes difficult to know where to seek the necessary information.

Mr. Petersen said higher education could assist in economic development and he had requested the presidents to appear before the committee and to invite any resource people they might wish to have to assist them in their presentations.
President Sicuro introduced three community leaders who accompanied him. He said Mrs. Cynthia Ford, Director of the Regional Services Institute, had wide experience in both the public and private sector. Mrs. April Sevcik, president of the regional advisory board, owns two small businesses in Medford. She is the past manager of Pacific Northwest Bell and is heavily involved in many community activities. Mr. Ben Tyran is a retired executive vice president of a major oil company and past president of the Council on Economic Development for the State of Oregon. He currently serves on the Economic Development Commission and has accompanied the Governor on trade missions.

President Sicuro said Southern Oregon State College has been vitally involved in economic development from its inception and particularly in recent years, first by providing the human resources through alumni employed in a wide variety of occupations. In addition, the college has provided faculty expertise in many community services. The physical presence of the College results in economic benefits to the region. The most recent study indicated the College had a $70 million economic impact on the southern Oregon region.

Mrs. Ford then discussed the activities of the Southern Oregon Regional Services Institute as they relate to the economic development of southern Oregon. She cited the original mandate establishing the Institute and described several specific projects.

Mrs. Ford indicated that supplemental funding from the State of Oregon and the Small Business Administration had enabled the Institute to expand the resources available to area businesses through the establishment of two small business development centers.

Mrs. Ford said that service in the area of regional information sharing, addressing common issues, and the coordination of regional projects was yet to be achieved. Full realization of all goals is contingent upon more adequate funding. Additional funding would extend the Institute's service in the following ways:

1. Applied research directed toward the study of the economic and environmental problems of the region. Seed money is needed to initiate regional research activities.

2. Small business assistance, particularly in Ashland, to meet more adequately the needs of the business community.

3. Data collection and distribution.

4. Grant-writing assistance which would provide a substantial increase in governmental and private funding for the region.

Mrs. Ford concluded by saying that the future of Southern Oregon State College and the health and vitality of southern Oregon were inseparably linked. The College must fulfill its public service mission as a partner in the economic development of southern Oregon. Increased funding for regional services would contribute substantially to the success of that mission.

Mrs. Sevcik explained her own experiences with the College and as the owner of a small business. She said many students at Southern Oregon State College were also placebound. She added that people in small business activities in the area need the assistance the College can offer because most have few, if any, employees in specialized fields.

Mrs. Sevcik said the Southern Oregon State College Regional Advisory Board is a board vitally concerned about the success of the College and the region. It advises the College regarding the needs of the community, and the College has been a positive partner in the development of the region.
Mrs. Sevcik said self-help and positive attitudes need reinforcement. She said she represented a group who believed that the time had come for additional considerations. She presented the following proposals:

1. The Regional Services Institute needs increased funding to expand its ability to serve small business.

2. The instructional program of the College needs funds to support the economic development of the region through a School of Information Systems.

3. A School of Nursing and Health Professions is needed to train a large unemployed population in new job skills to meet the health care needs of the region.

4. Southern Oregon State College should be a regional university, but not a research or urban university, in order to compete successfully with similar institutions which are designated as universities.

5. The funding level for southern Oregon should be similar to that given the northern corridor of the state.

Mr. Tyran said that as a representative of local economic development groups he had two main recommendations to make to the Board. The first was the need for a School of Computer Information Systems. Such a school would make the region more attractive to companies seeking to expand in new locations. In addition, Southern Oregon State College is the only institution available to many students of the state who need an opportunity to become computer literate.

Mr. Tyran also requested the Board to correct what appeared to be a serious inequity in the share of the higher education budget allocated to Southern Oregon State College. He stated that the institution received 5.25% of the total budget but had an enrollment of 7.75% of the total State System enrollment. He said the allocation per student at Southern Oregon State College was the lowest of the eight State System institutions. If donors and prospective donors perceived that their donations are replacing state dollars which should be coming to the institution, the very successful fund-raising efforts of the Foundation may deteriorate.

Mr. Tyran concluded by saying that friends and boosters of Southern Oregon State College solidly supported the Board's and the Governor's budget to the Legislature and they were making that fact known to their legislators.

President Sicuro summarized the recommendations from the report, as follows:

1. Increased funding for the Regional Services Institute is essential to expand and enhance efforts for economic development.

2. Designation of a School of Computer Information Systems and a change in name for the nursing program from department to School of Nursing.

3. Construction of a flexible, adaptable computer building.

4. Preparation of a tourism management program for Board approval.

5. Preparation of an arts management program.

6. Completion of the arts complex.
President Gilbert introduced community representatives who accompanied him: Mr. Dale Young, Executive Director of the Union County Economic Development Corporation; Judge Larry Smith, Judge of the Baker County Court; and Mr. Terry Edvalson, Director of the Regional Services Institute at Eastern Oregon State College.

President Gilbert said Eastern Oregon State College took its regional role seriously and was dedicated to bringing its resources to bear on the needs of the eastern region of Oregon. He noted that the region was large and sparsely populated, encompassing 46% of the state but with only about 6% of its population. It is characterized by serious economic and unemployment problems with very limited public and private resources available to solve problems. He said economic development includes not only new jobs and new business, but also community development. He cited the nursing program and the agribusiness management program as being of great importance to the region. The office of continuing education represents another important part of the economic development effort by providing instructional services courses, workshops, and degree programs to prepare placebound students by means of non-traditional delivery modes.

President Gilbert described the Small Business Development Centers and their value to the communities. He then discussed the Regional Services Institute at Eastern Oregon State College, indicating that it had been very active and highly successful in utilizing the resources of the College to support community and economic developments in the region.

President Gilbert said that in eastern Oregon resources are sparse and distances are great. Public entities supported by tax dollars cannot duplicate and compete. They must complement, support, and carefully coordinate with each other. Such cooperation has been, and will continue to be, the philosophy of Eastern Oregon State College as it continues to work in partnership with other groups, public or private.

Dr. Gilbert then proposed a series of general recommendations whereby Eastern Oregon State College, CASEERI, and the State System, might assist with future economic development in eastern Oregon by:

1. Development by CASEERI of a specific mechanism whereby the resources of the State System could be accessed in an affordable, systematic, and equitable way by the Research Services Institute, the Small Business Development Centers, community colleges, and other community service agencies in eastern Oregon.

2. Identifying a way to increase the funding level of the Regional Services Institute in order to meet the need to extend the services to communities currently not served.

3. Continuation of the strong support from the Board for the economic development package in the Governor's budget.

4. Resolution of the issue of meeting the vocational-technical instructional needs of areas not served by community colleges.

5. Determination of the feasibility of extending to eastern Oregon the proposed microwave network linking the University of Oregon, Oregon State University, Portland State University, and the Oregon Graduate Center through the monitoring of the progress of this network by CASEERI.

6. Continuation of the strong support from the Board to keep the institution vital and competitive.
Mr. Young said the Union County Corporation was a private non-profit corporation established as cooperative effort to address the problems of high unemployment in the area. The Regional Services Institute and Eastern Oregon State College are involved closely in economic development in the community, and the personal involvement of President Gilbert has been significant through his work in a number of groups and organizations. Other faculty also are involved with economic development. The College responds immediately with help for programs that have very limited staffs so that people with necessary skills available through the Institute can provide that expertise.

Mr. Young said the goals stated when the Regional Development Institute was established originally have been accomplished. He said the cooperative effort between the College and the community also had been of benefit to the College in its instructional mission. Any additional investment in the Regional Services Institute would result in significant economic benefits to eastern Oregon.

Judge Smith said there were few, if any, professional municipal managers in his area of eastern Oregon, but it is still necessary to accept the responsibility for running a local government. The one entity in the region that can readily cross political boundaries is the College, and it is to be commended.

Judge Smith then cited some of the problems and needs of the area and requested the Board to assist in meeting these needs.

Dr. Smith then reviewed the primary mission of CASEERI. The instructions were to determine the needs of industry and how to meet them, to recommend steps to attract and retain competent engineering and science faculty, and to assist economic development. This was done initially in the Portland area. A study of the eastern and southern regions of the state was requested subsequently.

Dr. Smith said his study of the situation in southern Oregon revealed a strong interest in high technology development and the possibility that the present development could be expanded if some impediments could be overcome. There is a lack of professional engineering and computer science courses in that particular part of the state and a lack of adequate programs for electrical engineering technologists and technicians. In addition, advanced business courses and perhaps courses in engineering management are needed.

Dr. Smith said a significant high technology development in eastern Oregon is remote at this time. Citizens in eastern Oregon were unanimous in their praise of the Regional Services Institute at Eastern Oregon State College and expressed interest in having more assistance from it. Dr. Smith also noted that there was a desire for greater access to the resources of the universities in the State System because these institutions have the talent to furnish the help which is needed. It is difficult to hire professional consultants because of the size of the jobs and the cost. There was some discussion of a possible technical assistance program to facilitate the utilization of these resources.

Dr. Smith said Oregon should have a strong and coordinated statewide continuing education program. Resources are available to serve the population of the state, but the delivery mechanism is not organized to make the services available to a population dispersed in many different locales. A statewide telecommunications network would facilitate sharing expertise on a statewide basis.

In response to a question from Mr. Perry concerning the role of Oregon Institute of Technology, Mr. Petersen said it was his intention to include the expertise of that institution in developing a package that might be presented to the Board at a later time.
Mr. Hensley asked about the relationship of the recommendation concerning continuing education and the community education programs in the community colleges. Dr. Smith said he did not see a conflict because he had not been referring to continuing education at the lower-division level. His recommendation envisioned upper-level continuing education programs, primarily at the graduate level, either credit or noncredit.

In response to a question from Mrs. Nelson with respect to making programs available in areas where there is no community college, Dr. Smith said the courses could be offered but the difficulty is finding faculty who have the time and who are willing to engage in this activity. Resources are also needed for faculty pay and expenses.

Dr. Sicuro said he thought a centralized continuing education program and courses offered through telecommunications were impractical. Proximity is important in educational programs. He said the present system with individual institutions providing the expertise was adequate.

Dr. Gilbert said that where community colleges were available, the kind of programs offered in Bend and at Treasure Valley and Blue Mountain Community Colleges were very satisfactory. The community college offers the first two years of work, and the last two years are given by a State System institution.

The Chancellor said several recommendations had been made in the presentations for training in high technology and computer sciences. He indicated the Board had requested $10 million as a high priority in the budget to develop computer literacy at all of the campuses. This amount was not among the things the Governor recommended at this time. The Chancellor said computer literacy is as basic in the training of students now and in future decades as English, mathematics, and other subjects.

Mr. Petersen pointed out that the new budget allocation system was not enrollment driven and suggested that it might be helpful for President Sicuro to explain the new system to his constituents.

Mr. Harms commented that the conception the Board had perpetuated an inequity in funding was an attack on the confidence which the institutions and the public must have in the integrity of the Board. Therefore, it must be pointed out that it is impossible to derive any sense of equity in this complex system simply by dividing the budget by the number of students. The State System budget is immensely complex, and the Board believes the new budget model will do a better job of distributing the funds.

Mr. Chao said he would like the regional colleges especially to specify the minimum level of programs required to serve their constituencies and to identify one or two areas of distinction which they would like to develop.

Mr. Hensley inquired about the Legislature's intention with respect to the continuation of funding for the Regional Services Institutes. Dr. Gilbert said the budgets of the institutions were increased by $50,000 initially to fund the institutes. This funding has been maintained in the base budgets except for the various cuts that have occurred.

Mr. Alltucker asked whether the proposal was to consider providing continuing education on the upper-division or graduate levels in outlying areas, to consider making technical undergraduate courses available in those locations, or perhaps both. He said it might be cost effective and better to move the training to the students.

Dr. Gilbert commented that the needs in eastern Oregon vary greatly. He said most of the continuing education effort addresses the problem of placebound students who may need some specific kinds of expertise for job improvement. Many interesting delivery modes have been developed, but implementation is constrained by realistic problems of resources and distance.
Dr. Sicuro urged that the institutions be considered as unique institutions and that the Strategic Plan be taken almost literally in terms of describing the institutions and what they are supposed to do.

Judge Smith said the remote areas needed whatever assistance higher education could provide toward achieving economic development in remote areas.

The Committee recommended that the Board approve a motion by Mr. Petersen to (1) accept the reports which indicate that there is a demonstrated need for enhanced efforts in the area of economic and community development in southern and eastern Oregon; (2) that Eastern Oregon State College and Southern Oregon State College, in cooperation with appropriate Board staff and other entities, develop and package specific proposals and recommendations relative to economic and community development for presentation to the Board; and (3) that these proposals be presented at the May meeting of the Board at Eastern Oregon State College.

In commenting on the motion, Mr. Clark urged that these packages be developed with creative ideas and suggestions using the funds already available. Mr. Batiste emphasized the need for Board communication as the proposals are developed. Mr. Petersen indicated this had been the intent of his motion.

Mr. Perry expressed appreciation for the time and effort given by those making the presentations to the Board. He indicated that he agreed the institutions were different. However, he said it was essential to avoid fragmentation and any unseemly duplication in the State System. At the same time, the Board seeks to maximize and improve the services that are provided and to meet individual needs.

Board Discussion and Action

The Board approved the Committee recommendation as presented, with the following voting in favor: Directors Alltucker, Batiste, Chao, Clark, Flanagan, Harms, Hensley, Nelson, Petersen, Walling, and Perry. Those voting no: None.

**ITEMS FROM BOARD MEMBERS**

**Legislative Committee**

Mr. Alltucker reported that the Legislative Committee had had a series of meetings and had identified a course of action which would be communicated to the Board. He said the Legislature was expected to be involved in tax matters until March and that the main appearances for the State System would probably follow sometime in March. He indicated that certain legislators had requested information and this would be provided to them shortly.

**Joint Teacher Education Committee**

Mrs. Flanagan reported on plans of the joint teacher education committee for a March conference on "Teacher Testing and Performance Evaluation Policy and Teacher Direction." Legislators and Board and Commission members will be invited, as well as State System and public school staff members.

Mrs. Flanagan said the emphasis of the teacher education committee had been a follow-up on the recommendations presented in the report on quality in teacher education that was completed in 1982. Some topics require further study and the staffs have been instructed to prepare statements for use with legislators in this session so that they are aware of the areas that are under review as joint agencies. It is anticipated funds will be requested for teacher education during the next biennium, possibly in the areas of research and staff development.

**PRESIDENT'S REPORT**

Mr. Perry announced that the next Board meeting would be held on February 15 at Portland State University. He thanked President Byrne and his staff for the excellent presentations during the visit to Oregon State University and for the courtesies extended to the Board.
Staff Report to the Board

As part of the Board's 1983 capital construction program, an expenditure limitation of $4,750,000 was approved for a proposed National Forage Seed Research Center to be constructed by the U. S. Department of Agriculture (USDA) on the Oregon State University campus. Financing will be from federal grants.

On September 21, 1984, the Board authorized a lease agreement with USDA for the site on the campus. Plans and specifications are subject to prior concurrence of institutional officials and the Board's Office of Facilities Planning.

Following institutional and Board's staff review, the equivalent of a design development phase of planning was accepted and completion of the construction documents phase was authorized. Permission to solicit bids and award a contract was withheld until a satisfactory lease has been completed for the land.

The project will include a greenhouse with a two-story headhouse located north of Campus Way and adjacent to other land leased by USDA; and a three-story office and laboratory building, with a penthouse and adjacent parking, south of Campus Way at the corner of S.W. 35th Street. The construction materials of both facilities will be complementary to other campus structures, featuring red brick and some concrete with appropriate fenestration. The lab/office building will have a concrete structural frame, and the greenhouse will have a steel frame. Within 19,084 gross square feet, the lab/office building will house 10 laboratories with 18 support spaces, 15 offices, a conference room, and general building support areas. The greenhouse will have 8,712 gross square feet.

No state tax funds are involved.

RECAPITULATION UPON COMPLETION OF DESIGN DEVELOPMENT PHASE OF PLANNING

Project - OSU National Forage Seed Research Center

Architects - Moreland/Unruh, P.C., Eugene (formerly Moreland/Unruh/Smith)

Board's priority - No. 28 in 1983-1985 (Educational and General Plant)

Legislative authorization - Chapter 422, Oregon Laws 1983

Estimated total project costs $4,750,000

Estimated direct construction costs: Laboratory/Office Building $2,457,345
Greenhouse $789,202

Tentative financing plan: Federal grant provided to the Agricultural Research Service of the U. S. Department of Agriculture $4,750,000

Board Discussion and Action

The Board accepted the report as presented.
Report of Acceptance of Medical Research Building Fume Hood Isolation Project, OHSU

Staff Report to the Board

The Medical Research Building Fume Hood Isolation Project, Oregon Health Sciences University, was accepted on behalf of the Board as of October 4, 1984.

A revised project budget as of the date of acceptance and on January 7, 1985, is shown below in comparison with the budget reported to the Board on January 27, 1984:

<table>
<thead>
<tr>
<th>Revised Budget 1/7/85</th>
<th>Original Budget 1/27/85</th>
<th>Increase or (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct construction costs - Markman, Inc., Portland</td>
<td>$160,257</td>
<td>$151,579</td>
</tr>
<tr>
<td>Professional services fees</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Construction supervision and miscellaneous costs</td>
<td>44,743</td>
<td>38,421</td>
</tr>
<tr>
<td>Contingencies</td>
<td>-</td>
<td>15,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$220,000</strong></td>
<td><strong>$220,000</strong></td>
</tr>
</tbody>
</table>

(1) Minor modifications within two approved change orders.

The work of the contract was in accordance with the design development phase of planning which the Board reviewed and approved on July 22, 1983.

The total expenditure requirements were financed from building use credits available to the institution.

RECAPITULATION UPON ACCEPTANCE

Project - OHSU Medical Research Building Fume Hood Isolation

Engineer - W. Alan Gold, Consulting Engineer, Portland

Board's priority - Part of No. 2 in 1983-1985 (Educational and General Plant)

Legislative authorization - Emergency Board action on August 23, 1983

Estimated total project costs | $220,000

Estimated total direct construction costs | $160,257

Financing plan:

Building use credits | $220,000

Board Discussion and Action

The Board accepted the report as presented.

Staff Report to the Board

Based upon Oregon Health Sciences University officials' recommendations, arrangements were made with ETS Pacific, Inc., Portland, for feasibility studies, the preparation of drawings, specifications, cost estimates, and other related mechanical engineering services for the benefit of that institution.

Compensation for these services for 1985 shall be made on a time and materials basis not to exceed $24,000.

OAR reference: 580-50-020

Board Discussion and Action

The Board accepted the report as presented.
Staff Report to the Board

Arrangements were made with architects Paul Edlund, FCSI, and Nagao & Oroyan Associates, P.C., both of Eugene, to assist the Board's Office of Facilities Planning in the review and critique of drawings and specifications prepared by other consultants or institutional staff members for the various capital construction, rehabilitation and maintenance projects of the Department of Higher Education.

These services were arranged for the handling of workload on an interim basis until a successor to J. I. Hunderup is appointed and staff requirements filled.

Compensation for services shall be on a time and materials basis provided the maximum charge for each firm does not exceed $5,000 for the six-month period beginning January 1, 1985.

Funds for these services will be provided from operating funds available to the Office of Facilities Planning.

Board Discussion and Action

The Board accepted the report as presented.

Staff Report to the Board

In further response to the Board's request in 1987 for an annual report of student housing, a study has been prepared for the Fall Term 1984. Data for the study were obtained from the Auxiliary Enterprise Housing Occupancy Report of the Controller's Division and from information provided by the staff of Portland State University, reflecting conditions at the close of the fourth week of classes. Data on residence hall capacities and occupancies were obtained for all eight institutions. However, data on family dwelling units were obtained only from Eastern Oregon State College, Oregon State University, Southern Oregon State College, and the University of Oregon.

Residential facilities at Portland State University are leased to Portland Student Services, Inc., a non-profit corporation. Family dwelling units are not owned and operated now by Western Oregon State College, Oregon Health Sciences University or Oregon Institute of Technology.

The arrangement of the data and the tables within the report are similar to last year. The tables for the Fall Term 1984 identify (a) where students live, (b) the capacities and occupancies of residence halls, cooperative houses, permanent housing for students with families, other housing for students with or without families and miscellaneous other housing, and (c) student enrollments analyzed by academic level.

Some of the main features of the Fall Term 1984 report may be summarized as follows:

Where Students Live

1. The eight institutions provided housing accommodations for 10,836 students, or 18.5% of the total headcount enrollment of 58,482 at the end of the fourth week of classes. This 18.5% figure was comprised of 16.1% within single student housing, 1.0% within permanent housing for students with families and 1.1% in other housing. (See Table I).

2. The number of students living in institutionally-owned housing increased 1 student, while the Fall Term 1984 headcount enrollment of 58,482 was down 152 from the total of 58,634 for the Fall Term 1983.

3. Of the total headcount enrollment of 58,482 in the Fall Term 1984, 47,646 students (81.5%) were living in private homes, apartments, fraternities, sororities, etc. (See Table I). In the report for Fall Term 1983, the comparable figures were 47,801 and 81.5% respectively.
4. Table III, Residence Hall Occupancy By Student Class Level, indicates that over half of the spaces are occupied by freshmen (4,902), an increase of 30 over Fall 1983, with smaller numbers in each of the succeeding class levels.

**Housing Capacity**

5. Institutionally-owned housing facilities could accommodate a total of 13,957 students at the eight institutions with the State System. This total includes a capacity of 12,362 spaces for students in permanent residence halls and cooperative houses. (See Table II).

6. Seven hundred seventy-six of the 780 family dwelling units which were constructed or acquired specifically to accommodate students were occupied. (See Tables I and II).

7. Of the grand total of 1,008 family dwelling units that were available on four campuses during the Fall Term 1984, shown in Table II as "Permanent housing for students w/family" and as "Other housing," 518 (51.4%) were constructed within the last twenty-three years. At Oregon State University, the 94 apartments in Orchard Court were completed for occupancy in 1961 and 1963. At the University of Oregon, the 408 apartments in Westmoreland Village were completed for occupancy in 1960 to 1964. At Eastern Oregon State College, 16 apartments were completed for occupancy in 1962. All of these are in good condition.

8. The remaining 490 family dwelling units available consisted primarily of war surplus buildings obtained from the federal government or residences of varying ages and conditions acquired with property within the campus boundaries of the institutions. The war surplus housing, which is in fair to good condition, has varying life expectancies dependent upon the upkeep, condition and future need for such housing. At Eastern Oregon State College, some of these units are scheduled for removal soon. "Other housing" includes miscellaneous dwelling units at Eastern Oregon State College, Oregon State University, Southern Oregon State College, and the University of Oregon which are in fair to excellent condition and will be retained subject to their condition, the need for the land and the use of the structures for housing or other purposes.

9. In accordance with the Internal Management Directives adopted by the Board on December 14, 1979, it is expected that student housing facilities shall be fully self-supporting and self-liquidating, primarily from user fees, gifts, or grants. Inasmuch as the circumstances and conditions at each institution are unique, the Board adopted a staff recommendation on March 27, 1973, to delegate to the institutions the rental rate determination for family dwelling units, subject to approval by the Chancellor and with the understanding that the rate structure would be consistent with policies adopted by the Board to assure fiscal adequacy and propriety.

**Board Discussion and Action**

The Board accepted the report as presented.
OREGON STATE BOARD OF HIGHER EDUCATION

REPORT ON STUDENT HOUSING FOR FALL TERM 1984

The attached exhibits have been prepared in response to the request of the Oregon State Board of Higher Education for an annual report on student housing, including various categories of housing for students with and without families.* Data for the Fall Term 1984 study were obtained from the Auxiliary Enterprise Housing Occupancy Report by the Controller's Division and from Portland State University, reflecting conditions at the close of the fourth week of classes.

The arrangement of data within the current report which is similar to last year, is derived from the Controller's Division Report. It includes an analysis of student enrollments, housing capacities and occupancies, as follows:

<table>
<thead>
<tr>
<th>TABLE</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>I.</td>
<td>Summary Analysis of Where Students Live</td>
</tr>
<tr>
<td>II.</td>
<td>Summary Analysis of Student Housing Capacities</td>
</tr>
<tr>
<td>III.</td>
<td>Analysis of Head-Count Enrollment and Residence Hall Occupancy by Student Class Level</td>
</tr>
</tbody>
</table>

# Table I

**Summary Analysis of Where Students Live**  
**Fall Term 1984**

<table>
<thead>
<tr>
<th>Occupancies:</th>
<th>EOSC</th>
<th>WOSC</th>
<th>OSU</th>
<th>SOSC</th>
<th>UO</th>
<th>PSU</th>
<th>OIT</th>
<th>Sub-totals</th>
<th>OHSU</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within institutionally owned</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>facilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In residence halls</td>
<td>346</td>
<td>611</td>
<td>3,958</td>
<td>961</td>
<td>3,630</td>
<td>692</td>
<td>534</td>
<td>10,732</td>
<td>104</td>
<td>10,836</td>
</tr>
<tr>
<td>In cooperative housing</td>
<td>309</td>
<td>611</td>
<td>3,539</td>
<td>900</td>
<td>2,862</td>
<td>275</td>
<td>534</td>
<td>9,030</td>
<td>104</td>
<td>9,134</td>
</tr>
<tr>
<td>In permanent housing for</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>students w/family</td>
<td>31</td>
<td>-</td>
<td>94</td>
<td>-</td>
<td>651</td>
<td>-</td>
<td>-</td>
<td>776</td>
<td>-</td>
<td>776</td>
</tr>
<tr>
<td>In other housing</td>
<td>6</td>
<td>-</td>
<td>42</td>
<td>61</td>
<td>117</td>
<td>417</td>
<td>-</td>
<td>643</td>
<td>-</td>
<td>643</td>
</tr>
<tr>
<td>Within privately owned</td>
<td>1,280</td>
<td>2,086</td>
<td>11,676</td>
<td>3,348</td>
<td>12,301</td>
<td>13,760</td>
<td>2,114</td>
<td>46,565</td>
<td>1,081</td>
<td>47,646</td>
</tr>
<tr>
<td>facilities</td>
<td></td>
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<tr>
<td>Totals (Headcount</td>
<td>1,626</td>
<td>2,697</td>
<td>15,634</td>
<td>4,309</td>
<td>15,931</td>
<td>14,452</td>
<td>2,648</td>
<td>57,297</td>
<td>1,185</td>
<td>58,482</td>
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<tr>
<td>enrollment)</td>
<td></td>
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</tbody>
</table>

**Percentage analysis of occupancies:**  
**Within institutionally owned**  
facilities:

<table>
<thead>
<tr>
<th>Totals</th>
<th>21.3%</th>
<th>22.7%</th>
<th>25.3%</th>
<th>22.3%</th>
<th>22.8%</th>
<th>4.8%</th>
<th>20.2%</th>
<th>18.7%</th>
<th>8.8%</th>
<th>18.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>In residence halls &amp; cooperatives</td>
<td>19.0</td>
<td>22.7</td>
<td>24.4</td>
<td>20.9</td>
<td>18.0</td>
<td>1.9</td>
<td>20.2</td>
<td>16.2</td>
<td>8.8</td>
<td>16.1</td>
</tr>
<tr>
<td>In permanent housing for</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>students w/family</td>
<td>1.9</td>
<td>-</td>
<td>0.6</td>
<td>-</td>
<td>4.1</td>
<td>-</td>
<td>-</td>
<td>1.4</td>
<td>-</td>
<td>1.3</td>
</tr>
<tr>
<td>In other housing</td>
<td>0.4</td>
<td>-</td>
<td>0.3</td>
<td>1.4</td>
<td>0.7</td>
<td>2.9</td>
<td>-</td>
<td>1.1</td>
<td>-</td>
<td>1.1</td>
</tr>
<tr>
<td>Within privately owned</td>
<td>78.7</td>
<td>77.3</td>
<td>74.7</td>
<td>77.7</td>
<td>77.2</td>
<td>95.2</td>
<td>79.8</td>
<td>81.3</td>
<td>91.2</td>
<td>81.5</td>
</tr>
<tr>
<td>facilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
COMMENTS ON TABLE I

Table I indicates that during the Fall Term 1984 institutions within the State System provided housing accommodations for 10,836 students, or 18.5 percent of the 58,482 students who were enrolled at the close of the fourth week of classes. This 18.5 percent was comprised of 16.1 percent within residence halls and cooperatives, 1.3 percent in permanent housing primarily for students with families and 1.1 percent within other housing, principally for students with families.

Of the total headcount enrollment of 58,482 students in the Fall Term 1984, 81.5 percent were living in private homes, apartments, fraternities, sororities and private cooperatives. The comparable figure for 1983 was 47,801 or 81.5 percent of the total enrollment of 58,634 that term.

@ Understated at EOSC, WOSC, OSU, SOSC and UO about one percent inasmuch as Resident Assistants are not included.

! Includes 54 in Arbuthnot Hall which is occupied by the Oregon Police Academy.

* For PSU, the 275 occupancies represent residents within the Ondine and the 417 occupancies represent those housed in apartments and sleeping rooms, all institutionally owned facilities leased to Portland Student Services, Inc.
### TABLE II

SUMMARY ANALYSIS OF STUDENT HOUSING CAPACITIES - FALL TERM 1984

<table>
<thead>
<tr>
<th>Rated capacities of institutionally owned facilities:</th>
<th>BOCS</th>
<th>WOSC</th>
<th>OSU</th>
<th>SOSC</th>
<th>UO</th>
<th>PSU</th>
<th>OIT</th>
<th>Subtotals</th>
<th>OHSU</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residence halls</td>
<td>627</td>
<td>775</td>
<td>4,487</td>
<td>1,463</td>
<td>3,370</td>
<td>576*</td>
<td>556</td>
<td>11,854</td>
<td>170</td>
<td>12,024</td>
</tr>
<tr>
<td>Cooperative houses</td>
<td>-</td>
<td>-</td>
<td>338</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>338</td>
<td>-</td>
<td>338</td>
</tr>
<tr>
<td>Permanent housing for students w/family</td>
<td>33</td>
<td>-</td>
<td>94</td>
<td>-</td>
<td>653</td>
<td>-</td>
<td>-</td>
<td>780</td>
<td>-</td>
<td>780</td>
</tr>
<tr>
<td>Other housing for students w/family or wo/family</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>587*</td>
<td>-</td>
<td>587</td>
<td>-</td>
<td>587</td>
</tr>
<tr>
<td>Other housing</td>
<td>7</td>
<td>-</td>
<td>42</td>
<td>61</td>
<td>118</td>
<td>-</td>
<td>-</td>
<td>228</td>
<td>-</td>
<td>228</td>
</tr>
<tr>
<td>Totals</td>
<td>667</td>
<td>775</td>
<td>4,961</td>
<td>1,524</td>
<td>4,141</td>
<td>1,163</td>
<td>556</td>
<td>13,787</td>
<td>170</td>
<td>13,957</td>
</tr>
</tbody>
</table>

Total headcount enrollment

- BOCS: 1,626
- WOSC: 2,697
- OSU: 15,634
- SOSC: 4,309
- UO: 15,931
- PSU: 14,452
- OIT: 2,648
- Subtotals: 57,297
- OHSU: 1,185
- Totals: 58,482

- Percentage of enrollment which could be accommodated within institutionally owned residence halls and cooperatives:
  - BOCS: 38.6%
  - WOSC: 28.7%
  - OSU: 30.9%
  - SOSC: 34.0%
  - UO: 21.2%
  - PSU: 4.0%
  - OIT: 21.0%
  - Subtotals: 21.3%
  - OHSU: 14.3%
  - Totals: 21.1%

- Occupancy of institutionally owned residence halls and cooperatives:
  - BOCS: 309
  - WOSC: 611
  - OSU: 3,822
  - SOSC: 900
  - UO: 2,862
  - PSU: 275
  - OIT: 534
  - Subtotals: 9,313
  - OHSU: 104
  - Totals: 9,417

- Percentage occupancy of rated capacity:
  - BOCS: 49.3%
  - WOSC: 78.8%
  - OSU: 79.2%
  - SOSC: 61.5%
  - UO: 84.9%
  - PSU: 47.7%
  - OIT: 96.0%
  - Subtotals: 76.4%
  - OHSU: 61.2%
  - Totals: 76.2%

- Marketable capacities of institutionally owned residence halls and cooperatives:
  - BOCS: 378
  - WOSC: 781
  - OSU: 4,445
  - SOSC: 1,103
  - UO: 2,981
  - PSU: 288*
  - OIT: 544
  - Subtotals: 10,520
  - OHSU: 170
  - Totals: 10,690

- Percentage occupancy of marketable capacity:
  - BOCS: 81.7%
  - WOSC: 78.2%
  - OSU: 86.0%
  - SOSC: 81.6%
  - UO: 96.0%
  - PSU: 95.5%
  - OIT: 98.2%
  - Subtotals: 88.5%
  - OHSU: 61.2%
  - Totals: 88.1%
COMMENTS ON TABLE II

Table II indicates that during the Fall Term 1984, there was a rated capacity of 12,362 students within institutionally owned residence halls and cooperative houses.

Exclusive of Portland State University and the Oregon Health Sciences University, the percentage of students who could be housed within institutionally owned residence halls and cooperatives varied from a high of 38.5 percent at Eastern Oregon State College to a low of 21.0 percent at Oregon Institute of Technology.

Age, Condition and Notes on Life Expectancy of Family Dwelling Units

Of the grand total of 1,008 family dwelling units that were available on four campuses during the Fall Term 1984, shown in the Table as "Permanent housing for students w/family" and "Other housing", 518 (51.4%) were completed within the last twenty-three years. At Oregon State University, the 94 apartments in Orchard Court were completed for occupancy in 1961 and 1963. At the University of Oregon, the 408 apartments in Westmoreland Village were completed for occupancy in 1960 to 1964. At Eastern Oregon State College, 16 apartments were completed for occupancy in 1962. All of these are in good condition.

Other permanent family housing complexes, including 17 units within the old portion of EOCene Court at Eastern Oregon State College and 245 units within the Amazon Apartments at the University of Oregon, are war surplus buildings obtained from the federal government. These have a life expectancy dependent upon upkeep, condition and need for housing.

"Other housing" includes miscellaneous dwelling units at EOSC, OSU, SOSC and UO acquired within the campus boundaries. These vary from fair to excellent condition and will be retained subject to their condition, the need for the land and the use of the structures for housing or other purposes.

* For PSU, the capacity of the Ondine is listed in the permanent residence halls category and the capacities of nine other residential buildings leased to Portland Student Services, Inc., a non-profit corporation, are shown under other housing for students with family or without family.

The Ondine, in which the rated capacity was established in a design/remodeling stage, does not appear to be attractive with double occupancy rooms and is therefore leased on a single occupancy basis.

"Other housing" capacity at PSU is based upon 1 person for bachelor units, 2 persons for 1-bedroom units and 3 persons for 2-bedroom units.

@ Understated at EOSC, WOSC, OSU, SOSC and UO about one percent inasmuch as Resident Assistants are not included.
### TABLE III
ANALYSIS OF HEAD-COUNT ENROLLMENT AND RESIDENCE HALL OCCUPANCY BY STUDENT CLASS LEVEL
FALL TERM 1984

<table>
<thead>
<tr>
<th></th>
<th>EOSC</th>
<th>WOSC</th>
<th>OSU</th>
<th>SOSC</th>
<th>UO</th>
<th>PSU</th>
<th>OIT</th>
<th>Sub-totals</th>
<th>OHSE</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graduate students</td>
<td>94</td>
<td>559</td>
<td>2,444</td>
<td>3,511</td>
<td>3,205</td>
<td>-</td>
<td>9,942</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seniors</td>
<td>419</td>
<td>559</td>
<td>3,871</td>
<td>777</td>
<td>3,015</td>
<td>2,780</td>
<td>565</td>
<td>12,184</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Juniors</td>
<td>329</td>
<td>449</td>
<td>2,905</td>
<td>698</td>
<td>2,537</td>
<td>2,266</td>
<td>502</td>
<td>9,655</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sophomores</td>
<td>298</td>
<td>424</td>
<td>2,776</td>
<td>829</td>
<td>2,439</td>
<td>1,815</td>
<td>512</td>
<td>9,074</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freshmen</td>
<td>275</td>
<td>715</td>
<td>3,222</td>
<td>1,360</td>
<td>3,391</td>
<td>2,217</td>
<td>885</td>
<td>12,293</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special</td>
<td>143</td>
<td>193</td>
<td>416</td>
<td>306</td>
<td>738</td>
<td>2,169</td>
<td>184</td>
<td>4,149</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>1,626</td>
<td>2,697</td>
<td>15,634</td>
<td>4,309</td>
<td>15,931</td>
<td>14,452</td>
<td>2,648</td>
<td>57,297</td>
<td>1,185</td>
<td>58,482</td>
</tr>
<tr>
<td>Total number of students enrolled in Fall Term 1983</td>
<td>1,741</td>
<td>2,514</td>
<td>16,119</td>
<td>4,319</td>
<td>15,478</td>
<td>14,497</td>
<td>2,698</td>
<td>57,366</td>
<td>1,268</td>
<td>58,634</td>
</tr>
</tbody>
</table>

**Residence hall occupancy by class level:**

<table>
<thead>
<tr>
<th></th>
<th>EOSC</th>
<th>WOSC</th>
<th>OSU</th>
<th>SOSC</th>
<th>UO</th>
<th>PSU</th>
<th>OIT</th>
<th>Sub-totals</th>
<th>OHSE</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graduate students</td>
<td>1</td>
<td>6</td>
<td>111</td>
<td>2</td>
<td>73</td>
<td>-</td>
<td>0</td>
<td>193</td>
<td>49</td>
<td>242</td>
</tr>
<tr>
<td>Seniors</td>
<td>20</td>
<td>18</td>
<td>424</td>
<td>57</td>
<td>111</td>
<td>-</td>
<td>30</td>
<td>660</td>
<td>13</td>
<td>673</td>
</tr>
<tr>
<td>Juniors</td>
<td>26</td>
<td>70</td>
<td>596</td>
<td>95</td>
<td>184</td>
<td>-</td>
<td>65</td>
<td>1,036</td>
<td>12</td>
<td>1,048</td>
</tr>
<tr>
<td>Sophomores</td>
<td>61</td>
<td>87</td>
<td>823</td>
<td>191</td>
<td>407</td>
<td>-</td>
<td>126</td>
<td>1,695</td>
<td>18</td>
<td>1,713</td>
</tr>
<tr>
<td>Freshmen</td>
<td>201</td>
<td>376</td>
<td>1,558</td>
<td>538</td>
<td>1,926</td>
<td>-</td>
<td>303</td>
<td>4,902</td>
<td>0</td>
<td>4,902</td>
</tr>
<tr>
<td>Special</td>
<td>0</td>
<td>54</td>
<td>27</td>
<td>17</td>
<td>161</td>
<td>-</td>
<td>10</td>
<td>269</td>
<td>12</td>
<td>281</td>
</tr>
<tr>
<td>Not classified</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>275</td>
<td>-</td>
<td>275</td>
<td>-</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>309</td>
<td>611</td>
<td>3,539</td>
<td>900</td>
<td>2,862</td>
<td>275</td>
<td>534</td>
<td>9,030</td>
<td>104</td>
<td>9,134</td>
</tr>
</tbody>
</table>

**Residence hall occupancy in Fall Term 1983**

<table>
<thead>
<tr>
<th></th>
<th>EOSC</th>
<th>WOSC</th>
<th>OSU</th>
<th>SOSC</th>
<th>UO</th>
<th>PSU</th>
<th>OIT</th>
<th>Sub-totals</th>
<th>OHSE</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>342</td>
<td>520</td>
<td>3,765</td>
<td>823</td>
<td>2,738</td>
<td>224</td>
<td>549</td>
<td>8,961</td>
<td>111</td>
<td>9,072</td>
<td></td>
</tr>
</tbody>
</table>

**Comments on Table III**

Table III has been prepared to analyze the student headcount enrollment in each class level (year of academic standing) living in institutionally owned residence halls. For comparison, summary data are also shown for Fall Term 1983.
The Board meeting was adjourned at 12:15 p.m.

Louis B. Perry, President

Wilma L. Foster, Secretary
SUPPLEMENT A

THE PURSUIT OF QUALITY HIGHER EDUCATION


Introduction

One of the board's important decisions in the summer of 1982 was to prepare a strategic plan. Its purpose was to assess the conditions and needs of higher education in Oregon, establish realistic goals for the State System of Higher Education, and then devise a strategy to achieve those goals. Economic conditions were terrible at the time, and prospects of achieving even modest improvements seemed bleak. Nevertheless, there was a consensus that improvements were essential and that progress would require a carefully developed plan of action.

The plan that was approved by the board in the winter and spring of 1983 established four principal goals. The first was to improve access to our colleges and universities. The second was to improve the quality of our student bodies, our programs, and our institutions. The third goal was to strengthen programs that would contribute to the state's economic recovery. The final goal was to do a better job of explaining the importance and potential of the state's colleges and universities to the citizens of Oregon.

This paper reviews the progress made in each of these areas and describes how the board's 1985-1987 budget request and the governor's budget proposals enhance the state system's goals and strategy.

Improving Access to Oregon's Colleges and Universities

In the early 1980s, many students were unable to afford the high cost of attending Oregon's public, four-year colleges and universities. To lower this financial barrier, the board proposed and the 1983 legislature agreed to freeze student tuition during the current biennium. Because tuition in Oregon continues to be above tuition levels of other western public colleges and universities, the board again proposed a tuition freeze for 1985-1987. The governor's budget recommends a modest 3 percent increase in each of the next two years.

High school students are also learning more about state system programs as a result of public information programs. The message, that Oregon's colleges and universities have many high-quality programs, is reaching more of the public. A consequence of the revitalized public information programs and the tuition freeze has been a reversal of the enrollment declines of the previous few years. Enrollments of new resident freshmen, nonresident students, and foreign students are going up at a time when the number of high school graduates in Oregon is going down.
Many other small steps have been taken to improve access. There has been greater cooperation with the community colleges. Transfer problems are being eliminated. Retention programs, including academic advising, have been strengthened, thereby improving access for students to upper-division programs. Engineering programs in Portland have been expanded and strengthened. Baccalaureate programs in engineering technologies are now offered in Portland through cooperative arrangements between OIT and Portland institutions. These new programs improved access to many placebound students in that community and helped serve the educational needs of high-technology industry. The new merit scholarship programs make it possible for some of Oregon's brightest high school students to attend state system institutions.

Improving the Quality of Our Students, Our Programs, and Our Institutions

To improve the preparation of students entering our colleges and universities, the board adopted new course requirements for admission. These requirements become effective in the fall of 1985, but they have already increased high school enrollments in college preparatory courses, especially in math and science. To attract more of Oregon's best students, the colleges and universities raised private funding for presidential scholarships. In the last two years, 238 students have received presidential scholarships worth $1,000 a year for four years. Another 444 outstanding nonresident scholars have received a $1,000 reduction of their nonresident tuition and are now enrolled in our institutions. Both of these programs have brought additional, well-prepared students to the campuses and increased the overall resources of the state system.

Because faculty salaries in Oregon are substantially below those provided at comparable institutions in other states, the state system placed the improvement of faculty salaries at the top of its legislative priorities. This step was considered essential in order to attract and retain outstanding faculty to the state system. The 1983 legislature fully funded faculty salary increases granted during the 1981-1983 biennium, but there have been no new salary increases for most of higher education faculty during the 1983-1985 biennium. The legislature did appropriate a small amount of money to keep a few outstanding faculty on our campuses. That $200,000 appropriation was used to provide 23 faculty excellence awards. These provide recurring salary supplements to outstanding researchers, scholars, and teachers. The problem of uncompetitive salaries persists, however. Consequently, the board requested a large $54 million improvement package to bring faculty salaries up to the average of peer institutions by the end of the 1985-1987 biennium. The governor has recommended $40 million, which (with a careful phasing in of those increases) should substantially improve faculty salaries. This is the board's top priority for the 1985 legislative session.

The Strategic Plan also recommended improvements in academic programs, especially in the first two years of general education. Most of the institutions have reviewed and reformed their general education requirements in the last few years. New freshman seminars are being offered at the University of Oregon with apparent success. The board has requested that the institutions carefully consider changing to an early semester academic calendar as a means of further strengthening the undergraduate curriculum. The institutions are continuing to review this proposal and, so far, have expressed mixed opinions on the likely consequences of such a change on the quality of college and university programs.
Teacher education continues to receive close scrutiny and a number of ideas for improving teacher preparation programs are being considered, tested, and/or implemented. The schools of education at OSU and WOSC were merged in 1982-83. A new "teacher warranty" program is in place as OSU/WOSC. Admission and retention requirements have been strengthened. The UO is considering an extended teacher education program.

Curriculum evaluation and reform is an ongoing activity throughout the institutions.

The Plan recommended a number of steps to improve quality by modernizing instructional and research facilities in the state system. It is obvious that Oregon institutions cannot effectively provide high-quality, 1980's educational programs with 1950's equipment in 1930's facilities. Requests have been made in each of the last two budgets for funds for deferred maintenance, remodeling, equipment replacement, computers, and library books and automation. During the last legislature, a million dollars was appropriated for libraries, and three million dollars for maintenance. The board's 1985-87 budget request was for $14.5 million for maintenance and remodeling, $20 million for equipment and computer improvements, and $8.5 million for libraries. The governor's budget proposes $6 million for maintenance, $4 million for equipment and computers, and $6 million for library automation. This is a beginning, but it does not fully meet the biennial needs of eight institutions. New ways will have to be found to modernize our instructional and research facilities.

**Improving Programs Contributing to Oregon's Economic Recovery**

Special attention has been given to strengthening program offerings in the Portland area. Portland State University's mission statement was expanded to include development of programs serving high-technology industries and international businesses. Engineering programs at PSU have been reorganized, expanded, and improved. The board recently authorized PSU to begin a Ph.D program in electrical engineering. Similarly, international studies and international business programs have been expanded at PSU. Funding of the governor's 1985-1987 budget request for higher education would continue the development of engineering and international programs in Portland. A center of excellence in international trade and business, housed in a new facility, would enhance the board's clear strategy of making Portland State University the hub of programs serving international trade development in the state. The upgrading and expansion of electrical engineering and computer science at PSU would lay the foundation for a second center of excellence oriented to high-technology programs.

Economic development requires cooperation among many groups. To facilitate cooperation between the state system and business groups involved in economic development, the board established CASEERI. Located in Portland and under the leadership of Clifford Smith, CASEERI has worked with all of the state system institutions and businesses to strengthen higher education's contributions to the state's economic recovery. CASEERI's efforts have produced an extensive review of engineering programs in the state, developed recommendations for strengthening economic development programs in eastern and southern Oregon, as well as in Portland and the Willamette Valley, and assisted in organizing a cooperative instructional program known as the Washington County Educational Park on the Rock Creek campus of Portland Community College in Washington county.
University research is a magnet for economic development. Oregon is fortunate to have an excellent university research record. The $115 million research and service contracts that our universities earn annually create jobs and help Oregon business and industry remain competitive. Oregon ranks in the top ten states in research dollars per faculty member or research dollars per student. This is an astounding achievement. The board has attempted to build on this comparative advantage in research by enhancing programs that will assist new industry in the state.

The 1983-1985 budget provided new program support for engineering and advanced science programs. Computer science and the biological sciences received particular attention.

The governor's 1985-1987 budget requests funds to continue support of advanced research. Funds are requested to develop new medical technology programs at OHSU. These programs would build on the work already being started in the Institute for Advanced Biomedical Research. Electrical and computer engineering programs and research facilities would be expanded at both OSU and PSU if the governor's budget is approved. A new center for academic and industrial research in the biological sciences, the optical sciences, and various material sciences is targeted for development in conjunction with the University of Oregon's Riverside Park development. All of these new programs would strengthen existing research facilities and enhance Oregon's competitive position in attracting new industry.

Improving the Image of Public Higher Education in Oregon

Many people in Oregon did and still do not know the importance of higher education to the economic and cultural health of the state. They also are unaware of the many high-quality programs that exist in the state system.

The Strategic Plan was a small beginning of a campaign or strategy of explaining the importance of higher education. It described the conditions of the state system, set realistic goals for the immediate future, and explained a feasible strategy for gradually improving essential higher education services during the 1983-1987 period.

As part of the plan, each of the institutions helped develop a shorter and clearer statement of the purposes and programs of the institution. These new mission statements assist legislators and other interested groups understand the purpose of the institutions and the board's plans for developing new programs in the state. They also help parents and students match their interests with the programs of the institutions.

As the institutions modernize their programs and seek more competitive levels of funding, it is important to improve management systems in the state system. Especially important has been the development of a new budgeting system which enables us to clearly show the costs of providing the particular mix of new and old programs at each of our institutions. The Budget Allocation System (BAS) model is built from information on the average salaries and staffing ratios in each of the disciplines offered in our institutions. The BAS model will assist the board in its responsibility of acquiring and allocating funds for the state system.

Staff members in the central office and the institutions are continuing efforts to acquire a modern telecommunication and data management system for
the Department of Higher Education.

Ultimately the task of improving understanding of the state system in Oregon has required improved communications. With the assistance of the Office of Public Affairs in Salem, representatives of the state system have sought to explain our strategy for developing high-quality higher education to every legislator, business group, public agency, and citizen organization that would listen. To assist in this effort, the staff has compiled a comprehensive "Fact Book" to provide basic information on the state system for anyone interested in our institutions. Communications with other education agencies have been strengthened with the establishment of the State System/Department of Education Policy Council. In addition, the state system, the OECC, and the Department of Education have cooperated to develop a system for monitoring the postsecondary destinations of Oregon high school graduates. Once students arrive at state system institutions, their performance and progress is reported to their high schools to assist the schools in improving their college preparation courses. The joint board committees, and new informal board committees, are improving cooperation and communications and helping to avoid misunderstandings among educational groups in the state.

It is clear that higher education's message has been heard by the governor and those responsible for economic development in Oregon. Understanding of higher education in the legislature and the business community has also been improved. Probably most important, the board and its staff, and the institutions are doing a better job of providing information to the citizens of the state on Oregon's system of higher education, its services, its quality, and its needs.

Summary

The goals of the state system for 1984-85 are much the same as those adopted by the board in the Strategic Plan. They are to continue efforts to increase enrollment of well-prepared students; to improve the quality of students, faculty, equipment, and facilities; to strengthen higher education's role in Oregon's economic recovery; and finally to do a better job of promoting higher education in Oregon. The strategy for accomplishing these goals might be described as "staying on course," if a slightly altered and tarnished partisan slogan is appropriate. Although our goals and strategy remain steady, our tactics have changed somewhat. During the 1983-1985 biennium, emphasis was given to steps that could be taken with little improvement in our budget. New admission requirements, presidential scholarships, program reorganization, and interinstitutional and interagency cooperation helped improve quality despite limited resources. This biennium the focus is on selective improvements that will have a high payoff for the state, but that also require an improved budget. Expansion of engineering and international business programs require new faculty and equipment. Expansion of modern research facilities require new buildings and equipment, as well as support for science programs that will generate research grants. To bring faculty salaries up to competitive levels is expensive. Particular board attention this year, in other words, must be given to building support for the governor's budget. A more adequate level of financial support is essential to achieve the board's goals of high-quality higher education and a revitalized state economy.