STATE BOARD OF HIGHER EDUCATION
MINUTES OF SPECIAL MEETING HELD BY
CONFERENCE TELEPHONE CONNECTION

April 26, 1985

Meeting #524

At the call of the President of the Board, a special meeting of the State Board of Higher Education was held by conference telephone connection.

ROLL CALL

The meeting was called to order at 2:00 p.m., April 26, 1985, by the President of the Board, Mr. Louis B. Perry. 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
Mr. James C. Petersen
Miss Linda L. Walling
Mr. Louis B. Perry

Absent: Mrs. Janet S. Nelson was out of the country.

OTHERS PRESENT

Centralized Activities--Chancellor William E. Davis; Secretary Wilma L. Foster; W. T. Lemmon, Vice Chancellor for Administration; Wil Post, Vice Chancellor for Public Affairs; Clarethel Kahananui, Acting Vice Chancellor for Academic Affairs; Larry Pierce, Executive Assistant to the Chancellor; Tim Marsh, Information Director.

Media Representatives--Facilities were available for media representatives in offices in Salem, Portland, and Eugene.

Proposal for
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Staff Report to the Board

The Chancellor presented the following proposal for the Oregon Center for Advanced Technology Education (OCATE):

OREGON CENTER FOR ADVANCED TECHNOLOGY
EDUCATION (OCATE)

Abstract

- The time has come for Oregon to develop a world-class network of higher education programs serving the state's growing high-technology community. Building on the existing strengths of its three comprehensive universities and OIT, the State System will establish in the Washington County area the Oregon Center for Advanced Technology Education (OCATE). The Center will provide and coordinate a broad range of graduate programs in electrical and computer engineering, computer science, and business management. In addition, specialized upper-division baccalaureate programs in engineering technologies will be offered by OIT. The Center will also organize and coordinate research activities between the State System's research universities and industry. Other educational institutions will be included in the Center's instructional and research activities whenever possible.

- The Center will be directed by a Vice Chancellor for Continuing Engineering and Technical Education.

- Faculty will be selected from State System universities, private institutions, and industry.

- All degrees will be earned from participating institutions.

- The Governor and State Board will appoint a Commission on Technical Education comprised of chief executive officers of high-technology companies to advise the Board on programs of the Center and other engineering and science programs in the State System.
- Funds will come from four possible sources:
  - A reallocation of funds currently used to staff CASEERI
  - A reassignment of the $1 million included in the Governor's budget for the high-technology consortium
  - A dedication of $5 million of lottery funds to an endowment for the support of OCATE programs
  - Regular state funding of students enrolled for credit courses at the Center

- The extension of graduate programs into Washington County depends upon the full funding of the Governor's higher education budget request. The continuing and expanding operations of the Center should be supported by new funds so as not to dilute existing engineering and science programs at the state's public colleges and universities.

- OCATE will offer courses in Washington County during Fall term 1985.

Staff Recommendation to the Board

The staff recommended that the OCATE proposal be approved and forwarded to the Governor and Legislature for appropriate action.

Board Discussion and Action

The Chancellor presented the proposal and indicated slight modifications in the language made following the telephone discussion with the committee. These changes were made in the abstract only and served to clarify the intent. They were included in the longer document which appears as Supplement A to these minutes.

Mr. Batiste referred to a statement that current programs at Tektronix and Rock Creek would be continued. He said that unless the statement dealt with a concern, he would prefer to delete it.

The Chancellor responded that this language was included to assure people currently in such courses that they would be continued in some way.

Mr. Perry indicated that it was necessary for him to leave the conference call and asked Vice President Batiste to act as chairman. Mr. Perry said he was in favor of the proposal unless there were substantive changes.

Mr. Petersen said he was concerned about the future role of CASEERI because it had a statewide mission regarding economic development. In its first two years, the focus of CASEERI was in the Portland area. There were assurances that its role in economic development would be expanded throughout the state. He said he and Mrs. Flanagan had been trying to establish a network to bring resources of the State System's universities and colleges to the rural areas of Oregon. The new proposal would appear to hamper that effort, if CASEERI is no longer continued.

The Chancellor said CASEERI would be continued and indicated this statement was made in the longer document. In response to further questions from Mr. Petersen, the Chancellor said there was no intention of changing the missions of CASEERI but that the new Vice Chancellor would be the director or chairman of CASEERI.

Mr. Petersen said CASEERI had been very beneficial but this new proposal, once again, was directed toward the Portland area. The proposal is not reassuring that economic development, community development, secondary manufacturing, or the cottage industry would be of any interest to the OCATE group. These are the areas of concern to those outside of the Portland area.
The Chancellor said the OCATE program was intended to build on high technology, specifically the fields of electrical engineering, computer science, and business management in the Portland area. It was not a directive for economic development in the state. He assured Mr. Petersen that CASEERI would continue its function on a statewide basis.

Mr. Alltucker pointed out that the proposal contained language in several places stating that the OCATE activity in the Portland area would not begin unless the existing facilities were properly funded. Further, it would not continue unless it was fully understood that the OCATE program was in addition to, rather than at the expense of, any of the existing programs to deliver educational services any place in the state. He said he had raised the same philosophical questions in the drafting of the proposal and he was satisfied that the language was strong enough now to eliminate concerns about a reduction in the present or planned services as a result of the new program. There would be an increased emphasis in the Portland area in addition to activities elsewhere.

Mrs. Flanagan indicated she was supportive of the proposal and also concurred with the comments made by Mr. Petersen. She said she was satisfied with the clarification of the role of CASEERI as stated by the Chancellor. She commented that CASEERI was very important to the rural areas.

Mr. Petersen said there seemed to be a very narrow focus for the proposed Vice Chancellor.

Mr. Alltucker said the presidents had been interested in having a traditional president for OCATE, comparable to the structure for other campuses. The committee pointed out that the procedure for this program was unusual in that it would draw on the resources from all of the campuses throughout the state, including private institutions who might wish to be involved. This justifies a different organizational structure to coordinate the activities of six different college presidents. Therefore, the program should be coordinated through the Chancellor's Office. The presidents accepted that explanation.

Mr. Harms said he had every confidence in the ability of the Chancellor and the Board, and in the recommendation of the engineering committee, to make the program work. However, he said he was concerned regarding the dilution of scarce resources to provide, in effect, a private graduate school for one industry. He said he recognized the present economic development needs but he did not believe that the most pressing demand is an adjustment of the State System's programs for the provision of graduate continuing education programs in the Portland area. He said he knew many people believed that but he did not.

Mr. Harms said the State System needed an increased effort to get some state support and funding for continuing education generally, rather than obtaining a subsidy for just one aspect of continuing education.

Mr. Harms said the engineering committee worked very hard in developing the proposal and he was sure the Chancellor and future boards could make it work.

Mr. Batiste said there had been discussion about funding of off-campus instruction and that issue could be raised on a broader scale at some future time.

Mr. Petersen said he would be more comfortable with the proposal if a paragraph were included on the role of CASEERI. The statement presently mentions nothing about the economic development mission of CASEERI, particularly in the development of secondary industry in rural areas.
The Chancellor indicated it would be possible to incorporate the sense of Mr. Petersen's comments in the proposal. The Chancellor said he would agree with Mr. Harms that the State System was not getting enough continuing education. The present proposal would be a significant step in terms of revitalizing the continuing education mission.

In commenting on the proposed position of Vice Chancellor, the Chancellor said the assignment would be more a staff assignment with the person working closely with the other Vice Chancellors and staff in coordinating the program.

The Chancellor stated that the proposal would be forwarded to the Governor with a request that he convene a meeting to include the Governor, legislative leaders, appropriate business leaders, and institutional presidents concerned for the purpose of discussing the proposal. The proposal will be refined and modified before a final document is brought back to the Board for final action. He said the action requested of the Board was preliminary in order to begin discussions and there would be subsequent final review and adoption by the Board at the time the program was implemented.

In the concluding discussion, a few minor editorial changes were proposed. The modifications proposed during the discussion have been incorporated in the material included in these minutes. The revised document has been forwarded to the Governor.

The Board approved the staff recommendations as presented, incorporating the editorial changes agreed upon during the discussion. The following voted in favor: Directors Alltucker, Batiste, Chao, Clark, Flanagan, Harms, Hensley, Petersen, and Walling. Those voting no: None. Director Perry indicated his concurrence with the proposal prior to leaving the conference call.

ADJOURNMENT The meeting was adjourned at 2:35 p.m.

Louis B. Perry, President

Wilma L. Foster, Secretary
Introduction

Progress starts with a vision of the future. What can Oregonians expect for a state with an abundance of natural resources, an incomparable quality of life, and proximity to some of the fastest growing markets in the world, especially if we dedicate ourselves to developing the state's important human resources? Oregon can become a mecca for new science-based industries including those in the fields of microelectronics, computer software, biotechnology, laser optics, and many others. The state can become a major tourist and exporting center lying as it does between the continental states and the increasingly prosperous Pacific basin countries. The state can become a leader in the uses of technology in the traditional extractive industries of agriculture, forestry, fishing, and mining, and thereby produce an economic recovery for those industries and many communities across the state. All of these developments can occur without jeopardizing Oregon's enviable quality of life. A key element in achieving this vision, however, is a modern and highly effective educational system.

For higher education to play its role in achieving this vision, two essential steps must be taken. First, we must bring our current higher education programs up to competitive standards. Second, we must adjust the delivery of our education programs to the expected needs of the state during the next fifteen years.

At the current time, Oregon's public colleges and universities are inadequately funded to provide effective leadership in Oregon's economic recovery. Faculty salaries are among the lowest in the country. In order to attract and retain outstanding teachers and researchers salaries must be raised. Legislative approval of the Governor's request for $40 million to raise faculty salaries would still leave average faculty salaries in Oregon substantially below average salaries in comparable universities. Facility maintenance has been neglected and many buildings need repair. Much of higher education's instructional and research equipment is out-of-date and needs to be replaced. Oregon educates only half the number of engineers and computer scientists as do states such as Colorado and Arizona with comparable populations. Proposals in the Governor's budget to upgrade and expand engineering programs at Oregon State University and Portland State University must be funded. They are absolutely essential to meet the needs of business and industry in the state. The first step in meeting the challenges envisioned above, in other words, is to restore current higher education programs to competitive levels.

The second step that must be taken for higher education to be an effective partner in Oregon's economic future is to adjust the delivery of higher education programs to meet the changing educational needs of Oregonians. To do this requires a look into the future. What can we expect of higher education by the year 2000?
* We can expect that more high school students will go on to postsecondary education institutions than they do today. Currently about 50% of the students attend such institutions immediately after graduation from high school. To meet the human resource needs of Oregon's future economy, this proportion should be at least 75%.

* We can expect a much greater emphasis on the continuing education of Oregon citizens, especially those working in high-technology and science-based industries.

* We can expect much greater cooperation between higher education and industry in the development, funding, and delivery of instructional and research programs.

* We can expect a greater use of electronic and telecommunications technologies in the delivery of educational programs and services in the state.

* We can expect the State System to be more flexible in responding to educational needs throughout the state.

One of the most pressing demands for an adjustment of the State System's programs is for the provision of graduate continuing education programs in the Portland metropolitan area.

Meeting the Challenge in Washington County

For the past twenty-five years, groups have discussed the need for graduate continuing education programs in Washington County. In recent years and months the demands have escalated. In January, 1985 the Business Education Compact of Washington County proposed that a Center for Advanced Technology be established in honor of Paul Lintner, former president of Electro-Scientific Industries. The Oregon Council of the American Electronics Association proposed the establishment of an Oregon Center for Advanced Technology to be created with funds from the state's new lottery. More recently, Earl Wantland, President of Tektronix, has proposed that a new world-class institution be established in Washington County to provide graduate instruction and research in engineering and science.

What is the rationale underlying the urgency of recent proposals for a greater higher education presence in Washington County?

* Washington County is experiencing a rapid expansion of new and existing businesses in the microelectronic and computer software fields.

* The technologies of these companies change rapidly.

* In order to keep up with these changing technologies, employees need access to graduate courses in electrical and computer engineering, computer science, and strategic management. They also need access to basic and applied research in these and other fields.
* Higher education institutions in the Portland metropolitan area lack the resources and the range of programs necessary to keep Washington County competitive with other high-technology communities across the country.

* The economy of the entire state will benefit from developments in Washington County. In other words, an investment of resources in higher education programs to serve the high-technology community in Washington County, will spill over into other economic development activities throughout the Willamette Valley and the rest of the state.

The Oregon State System of Higher Education is eager to meet the educational challenge in Washington County. The major problem is to find a mechanism for delivering high-quality educational services in Washington County that builds upon existing strengths and available resources. At the present time, public higher education programs in Oregon are not sufficiently funded for the State System to be able to reallocate existing resources for a new graduate instructional and research institution in Washington County.

Oregon Center for Advanced Technology Education (OCATE)

Goal

The State System of Higher Education proposes to establish in the Washington County area an Oregon Center for Advanced Technology Education (OCATE). The Center will develop and coordinate a broad range of graduate instructional, and, when appropriate, research programs in the areas of electrical and computer engineering, computer science, business management and specialized upper-division courses in engineering technologies. The Center will utilize existing faculty and programs at the state’s three comprehensive universities (OSU, PSU, and UO), OIT, and faculty from the Oregon Graduate Center, University of Portland, Reed College, and other institutions that wish to participate. Scientists and engineers from industry will also be included as adjunct faculty. The goal of OCATE is to create a highly flexible and responsive set of graduate level and specialized technology programs to meet the existing and future needs of high-technology industry in Oregon.

Organization

OCATE should be established and governed by the Oregon State Board of Higher Education in accordance with existing laws, rules, and policies. The Center will be directed by a Vice Chancellor for Continuing Engineering and Technical Education who will serve as director of OCATE. The vice chancellor will report directly to the Chancellor on matters involving the coordination of continuing technical education programs. The vice chancellor will also facilitate cooperation between business and university researchers. Many of the people served by OCATE will be employed in the growing number of high-technology companies in the state.

In addition to the vice chancellor, the Center will have an associate director who will be responsible for the day to day scheduling and administration of courses and programs.
To provide effective liaison with industry, the State Board and Governor should jointly appoint a Commission on Technical Education. The Commission will be comprised of 5 to 7 chief executive officers representing high-technology businesses in Oregon. The Commission will meet at least four times a year and will give advice to the State Board of Higher Education on long-range plans, implementation of existing and future engineering and high-technology programs, and the acquisition and allocation of resources for the Center's programs, facilities, and equipment. The chairman of the Commission will be selected by the Commission from its membership. The vice chancellor will be the principal staff assistant to the Commission. The chancellor and the presidents of OSU, PSU, UO, and OIT will attend many of the meetings as advisers to the Commission.

CASEERI, which in its short life of two years has brought together representatives of public and private institutions as well as business and industry leaders, will continue to meet under the direction of the vice chancellor. It's principal role will be to continue analyzing the need for new instructional and research programs to serve the economic development needs of the entire state.

Funding

Funds for the operation of the Center will come from three sources if this proposal is approved. The salaries of the vice chancellor and Center's staff will be provided by a reallocation of funds currently being used to staff CASEERI.

Funds to pay for the leasing or acquisition of office and instructional space and the purchase of instructional equipment will come in large part from industries in the Washington County area or possibly from a reassignment of the $1,000,000 in the Governor's budget for the high-technology consortium.

Funds for the development of a microwave telecommunication system, the support of cooperative research programs, the hiring of temporary or resident faculty, and the high costs of specialized graduate courses will come from a combination of private and state funds, possibly including lottery funds. Specifically, the State System will explore the feasibility of having $5 million of lottery funds placed in an endowment, the income from which would be used to pay the future operating costs of the Center. A similar dedication might be made in the succeeding two biennia to establish an adequate endowment.

The State System will request that students enrolled in credit courses provided by the Center be counted as regular on-campus students for purposes of computing the State System's budget. Currently all continuing education courses must be self-supporting, which means they receive no state subsidy. Because of the highly specialized nature of many graduate engineering and advanced science courses, it would not be possible to generate enough enrollment in classes to rely on the self-support concept. Even with state support, however, tuition in many programs would have to be higher than in regular institutional programs in order to cover the program's full costs.
OCATE Programs

The Center will offer nondegree course work and seminars, short courses, and symposia, in addition to course work leading to master's and doctoral degrees in electrical and computer engineering, computer science, and business management, and baccalaureate degrees in engineering technologies. Faculty for the courses will be drawn principally from Oregon State University, Portland State University, the University of Oregon, and Oregon Institute of Technology. Adjunct faculty will also be employed from industry and from private institutions in the area. Space will also be available for faculty who may be assigned full-time to the Center.

Once the instructional program is underway, the Center could also become a clearinghouse for joint university-industry research projects. It could perform this function by establishing contact and dialog between the university and industry researchers. It is conceivable that faculty and industry researchers might join together in an application for a federally funded research program. Faculty might also develop research proposals for funding by high-technology companies in Oregon.

Eventually, the Center could become a think tank for experts in fields related to emerging sciences and technologies. Distinguished research scholars from across the county could be invited for a period of time to meet with university and industry researchers on specific areas of inquiry. The Center could provide the space, support, and means for bringing thinkers, researchers, and producers together for either short or extended discussions.

The Center will not employ its own faculty. The highest quality programs and faculty will be selected from participating universities and industry. Temporary faculty who are resident at the Center will be affiliated with one or more of the participating institutions. The Center will not grant degrees. Students enrolled in degree programs will earn degrees from the institution offering the program and will have to meet all of the requirements of the institution.

Facilities

A facility for the Center will be located in the Washington County area. It should contain office space for the vice chancellor, associate director, and administrative staff. As soon as practical, classroom and laboratory space should be found.

There are many possibilities for such a facility. Oregon State University has provided engineering programs at Tektronix for many years. The University of Oregon, Portland State University, and Oregon Institute of Technology currently provide courses through the Washington County Education Park on the Rock Creek campus of Portland Community College. Space may be available at Rock Creek. Other possibilities include the Oregon Graduate Center, Portland State University, and a private building in Washington County.

The Center will acquire modern telecommunications equipment as soon as funds can be found to allow for live transmission of courses from participating institutions to the Center or to strategically located industrial locations.
Summary

Oregon is just beginning to enjoy the benefits of a more diversified, modern industrial structure. The State System of Higher Education has an opportunity to increase its participation in this economic transformation by reorganizing its programs to serve the higher education needs of high-technology business growing up in the state. The programs must be of high quality, be up-to-date, and be delivered in a manner that is convenient for people working in Oregon's high-technology companies. The best way to meet this need for high-quality engineering, computer science, management, and engineering technologies courses in the immediate future is to bring the existing programs of our established research universities into the Washington County area. This proposal to establish the Oregon Center for Advanced Technology Education (OCATE) will do this. Current programs at Tektronix and at Rock Creek will be continued. By the Fall of 1985, the State System will have this refocused management system and structure in place and will be providing a broader range of graduate, continuing education programs and services in Washington County.

The successful extension of programs into Washington County depends, however, on high quality programs at the existing institutions. It is essential, therefore, that the Governor's requests for faculty salary improvements, facilities maintenance, economic development, equipment purchases, and library automation be approved by the Legislature.

Oregon State System of Higher Education
Office of the Chancellor
4/26/85