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Request for Authorization To Establish Center for Shakespearean Studies, SOSC


Adoption of IMD 6.058, Equipment Replacement Account

Proposed Adoption of QAR 580-21-055, Appeal of Grievance Decisions, and Proposed Amendments to QAR 580-21-050, Grievance Procedures

Chancellor’s Salary Recommendations for 1988-89

Salary Adjustments for 1988-89, House Staff, OHSU

Progress Report on Administrative Data Processing & Telecommunications Projects, OSSHE

Sale of Francis T. Grieshaber Estate Property, UO

SUMMARY OF FACILITIES DIVISION ACTIVITIES, OFFICE OF ADMINISTRATION
   Computer Services Building, SOSC
   AAA Project, UO
   Esslinger Hall, Room 105, Remodeling, UO
   Canyon Topographic and Locational Survey, OHSU
   Cramer Hall, Third Floor Lounge Remodel, PSU
   Millar Library Addition, PSU
   Communications Conduit Installation-Phase I, OSU
SUMMARY OF FACILITIES DIVISION ACTIVITIES, OFFICE OF ADMINISTRATION cont.
Aquarium Suite, Huestis Hall, UO
Skysuites/Pressbox (A Rebid), UO
Controlled Temperature Room Equipment, UO
Autzen Stadium Improvements-Seating/Interior Finishes, UO
Outpatient Clinic, 1st Floor Remodel, East Entrance, OHSU
Parking Structures I & III Repair, Phase 2, PSU
Shattuck Hall Tunnel & Steam Line Extension, PSU
Langton Hall Roof Reconstruction, OSU
Condensate System Refurbishment, UO
Primary Electrical Distribution System Improvements, UO
Museum of Natural History Replacement, UO
Accessibility for the Handicapped (Library), OHSU
Campus Services Building, 5th Floor, (HISD), Computer Room Renovations, OHSU
Modular Magnetic Resonance Imaging Suite, UHN, OHSU
UHS, 11th Floor, CT II Remodel, OHSU

ITEMS FROM BOARD MEMBERS

Governor’s Request re OCATE-OGC

Proposed Amendment to IMD 1.020, Administrative Authority Over Staff and Employees

W. T. Leeman, Designation as Interim Chancellor

PRESIDENT’S REPORT
Appointment of Nominating Committee
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Next Meeting Dates

ADJOURNMENT
STATE BOARD OF HIGHER EDUCATION
MINUTES OF REGULAR MEETING HELD IN THE LOUNGE,
HOKE COLLEGE CENTER, EASTERN OREGON STATE COLLEGE,
LA GRANDE, OREGON

MAY 20, 1988

Meeting #564
A regular meeting of the State Board of Higher Education was held in the Lounge of Hoke College Center, Eastern Oregon State College, La Grande, Oregon.

ROLL CALL
The meeting was called to order at 9:45 a.m., May 20, 1988, by the President of the Board, Mr. James C. Petersen, and on roll call the following answered present:

Mr. Robert R. Adams
Mr. John W. Alltucker
Miss Kasey K. Brooks
Mr. Mark S. Dodson
Mr. Richard F. Hensley

Mr. Michael W. Hermens
Mrs. Janet S. Nelson
Mr. George E. Richardson, Jr.
Mr. James C. Petersen

Absent: Director Chao was absent for business reasons, and Director Schnitzer was absent for personal reasons.

OTHERS PRESENT
Centralized Activities—Chancellor William E. Davis; Secretary Wilma Foster; W. T. Lemman, Executive Vice Chancellor; Lawrence Pierce, Vice Chancellor, Academic Affairs; Wil Post, Vice Chancellor, Public Affairs; John Owen, Vice Chancellor, OCATE; Davis Quenzner, Associate Vice Chancellor, Fiscal Policies; Jim Mattis, Assistant Attorney General; Melinda Grier, Compliance Officer; Holly Zanville and Ray Hoopes, Associate Vice Chancellors, Academic Affairs; Joe Sicotte, Associate Vice Chancellor, Personnel Administration; Virginia Boushey, Assistant to Executive Vice Chancellor; Barbara Barrie, Personnel Officer; Melinda Grier, Compliance Officer; Kay Juran, Assistant Vice Chancellor, Public Affairs; Ron Anderson, Assistant Vice Chancellor, Personnel Administration; James Payne, Assistant Vice Chancellor, Academic Affairs; Roger Olsen, Assistant Vice Chancellor, OCATE; Steve Katz, Controller; Jim Sellers, Director of Communications; Pat Wignes, Assistant Board Secretary.

Oregon State University—President John Byrne; Graham Spanier, Vice President for Academic Affairs and Provost; Ed Coate, Vice President, Finance and Administration; Bill Wilkins, Dean, College of Liberal Arts; Carl Stoltenberg, Dean, College of Forestry; Roy Arnold, Dean, College of Agricultural Sciences; Gene Nelson, Head, Agriculture and Resource Economics; Simon Johnson, Coordinator, English Department; Emery Castle, Chair, Graduate Economics Faculty.
University of Oregon—President Paul Olum; Dan Williams, Vice President for Administration; James Reimuth, Acting Provost.

Oregon Health Sciences University—Interim President David Witter; Bob Koler, Interim Vice President, Academic Affairs.

Portland State University—President Natale Siculo; Frank Martino, Provost; Roger Edginton, Vice President, Finance and Administration.

Eastern Oregon State College—President David Gilbert; James C. Lundy, Dean of Administration; James Hottois, Dean of Academic Affairs.

Oregon Institute of Technology—President Larry Blake; Chris Elsmann, Dean of Academic Affairs; John Smith, Dean of Administration.

Southern Oregon State College—President Joseph Cox; Ernest Ettlich, Dean of Academic Affairs; Ronald Bolstad, Dean of Administration; Jim McFarland, Associate Dean, Academic Affairs; Alan Armstrong, Director, Shakespearean Studies.

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

Others—Chris Voight, President, Associated Students, Oregon State University; Leanne Bradshaw, Assistant to the President, ASOSU; Susan Morse, Executive Director, Oregon Student Lobby.

MINUTES APPROVED

The Board dispensed with the reading of the minutes of the last regular meeting held on April 15 and 19, 1988, and approved them as previously distributed. The following voted in favor: Directors Adams, Alltucker, Brooks, Dodson, Hensley, Hermens, Nelson, Richardson, and Petersen. Those voting no: None.

CHANCELLOR’S REPORT

P. Spencer, Appointment as Director, Center for Occupational Disease and Research, OHSU

The Chancellor reported that after a very extensive search for a director of the Center for Occupational Disease and Research at the Oregon Health Sciences University, it was recommended that Dr. Peter Spencer, presently at the Albert Einstein College of Medicine, Institute of Neurotoxicology, be appointed as director. Dr. Spencer has an outstanding background and career. He was featured recently in one of the leading medical journals for his work. The Chancellor recommended that the Board approve the appointment.

The Board approved the Chancellor’s recommendation, with the following voting in favor: Directors Adams, Alltucker, Brooks, Dodson, Hensley, Hermens, Nelson, Richardson, and Petersen. Those voting no: None.
The Chancellor said several of the institutions had requested a review of the enrollment ceilings adopted by the State System in 1982. After a lengthy discussion with the presidents, it was agreed a high priority item on the agenda should be a review of these ceilings. This is the first time the State System has come up against these ceilings, and it is due to an increased demand for access to the institutions from in-state Oregon students. It is not an expansion of nonresident enrollments. These students meet the full qualifications of rigorous admission standards.

The Chancellor indicated the situation is particularly acute at Western Oregon State College which anticipates another large increase in freshman enrollment for this fall. He reviewed the enrollment situation anticipated at other institutions. The presidents have great concern. The decision will have a tremendous impact on immediate and long-range planning. The presidents will provide further information to staff, and an agenda item will be included for discussion at the June meeting.

President Olum reported that the University of Oregon had opened its Campaign for Oregon. He reviewed the funding for the new library and indicated a specific proposal would be made to the Board to name the library after a living person.

President Olum also mentioned a gift of $1 million from Carolyn Chambers, who chairs the national steering committee to provide a new chair at the University. She considers strengthening the faculty the most important thing and has made her donation for that purpose.

President Blake invited the Board to visit the computerized library at Oregon Institute of Technology when it is on the campus this fall. President Blake cited several special summer faculty activities.

President Blake reported that faculty, students, and staff have formed a task force to react to the Governor's agenda and have adopted the public school system in Klamath Falls as their area of interest. The intent is to work with both the city and county school systems to determine where they might volunteer their efforts in the most unique and useful ways. For example, there will be a pledge from almost everyone to volunteer an hour of tutorial time each week at a school where that is needed. He also described previous enrichment activities with the public schools in Oregon Institute of Technology's special areas.

President Witter reviewed the development of the Biomedical Information Center at Oregon Health Sciences University and distributed information about the project. An appropriation had been received in 1983, through the efforts of Senator Hatfield, for a
biomedical information communication center, but the implementation of the project had not progressed very far. The status of the project was reviewed and progress is being made. The informational materials provided detailed information on the status, development, purpose, and organization of the project. A copy is on file in the Board's Office.

President Witter said it was clear, as part of this project, the institution would need the support of good mathematics, computer science, and electrical engineering departments. Opportunities of working closely with OCATC, Portland State University, and Oregon State University are being explored in terms of trying to rely on their resources to help support this program. He also indicated the search for a director is nearing its conclusion and there are outstanding candidates available.

President Cox reported on his first year as president at Southern Oregon State College. The faculty, staff, and student body have accomplished as a community more than he could have expected. Several accreditations have been completed. There has been a full-scale revision of the freshman-sophomore curriculum. Agreement has been reached on the nine characteristics graduates from the institution should have, and the curriculum revision was designed to produce that sort of graduate. A revision of the role of faculty in advising students is in progress. Enrollments were up sharply this fall, and projections for next fall show further increases.

President Cox commented that the deferral of maintenance still was a problem in spite of the efforts of a dedicated physical plant staff. Equipment is not being replaced as rapidly as it should be, particularly in the science fields.

President Cox said he believed his most critical assignment would be rebuilding the faculty as staff members retire, especially in view of the less than competitive salary structure. He also mentioned the importance of the access question in southern Oregon where there is only one comprehensive four-year institution serving seven counties.

Agreement on General Education Requirements for Transfer Students

Staff Report to the Committee

Background

The 1987 Legislature passed House Bill 2913 which requires the Chancellor and the Commissioner of Community Colleges to "appoint jointly a working committee to develop a set of general requirements for transfer students seeking admission to State System of Higher Education institutions that can provide a high quality curriculum." The bill also requires the committee to "include provisions for the enforcement of the general education requirements and for orderly adjustments to the requirements as curriculum change." Finally, the bill directs the Chancellor and the
Commissioner "to the extent possible ... to establish a common course numbering system for lower-division transfer courses."

The bill requires that the general education transfer agreement be completed in time for the State Board of Higher Education and the State Board of Education to approve the agreement by July 1, 1990. A progress report shall be presented to the 66th Legislative Assembly.

The working committee was appointed and held its first meeting on May 19, 1987. Since that time, the committee has met regularly and produced more than 30 drafts of a transfer agreement. The final agreement, which is being presented to the two boards for approval at this time, required negotiation and compromise from many of the participants. It is a sound agreement that substantially raises the general education requirements at the community colleges and assures State System institutions that students transferring with an Associate of Arts degree are prepared for upper-division college work.

The working committee has also completed a proposal for enforcing the block transfer agreement. Work on the common course numbering system is progressing and should be completed in time for a report to the next Legislative Session.

This is an important agreement. It is something that has been needed in Oregon for many years. Its approval by the Board of Higher Education, the Board of Education, and the community college boards will improve the articulation of community college and State System programs and mark a new level of cooperation between the two segments of higher education in Oregon.

Staff Recommendation to the Committee

The Board's staff recommended that the Board approve the working committee's proposed transfer agreement entitled, "General Education Requirements to be Included in an Associate of Arts Degree for Community College Students Transferring to Oregon State System Colleges and Universities."

Discussion and Recommendation by the Committee

Dr. Pierce presented the staff report, noting that the agreement had been completed two years ahead of the date mandated by the Legislature when the bill was passed. He said this earlier completion gives community colleges time to accomplish the necessary curriculum reform so that students who enter State System institutions in 1990 will have met all of the requirements. In addition, it shows the ability and willingness of the two segments to work together cooperatively. He also stated very few students would have completed all of these requirements
during the last two years. However, for those who have, the State System institutions are being asked to accept the general education program as meeting the institutional general education program. They have indicated a willingness to do that.

Dr. Pierce indicated the Board of Education received this same report a month ago and would be taking action on the proposal this month. It will then go to the individual community college boards for their approval.

Dr. Pierce thanked Dr. Paul Holbo from the University of Oregon for his extensive efforts in drafting and negotiating many different agreements and bringing the project to a successful conclusion.

Mr. Hermens inquired whether the Board would receive a status report on the students perhaps in 1990 or 1991, and Dr. Pierce indicated this would be provided. Dr. Pierce said the State System now receives about 3,000 transfer students a year, of which 10-15% transfer with the Associate of Arts degree. The community colleges hope that this agreement will encourage more students to complete their Associate of Arts degrees at the community colleges and then transfer.

Dr. Pierce said the community colleges and the State System were working together in developing an academic performance report for community college students who enter the State System. Data is now available on how community college students do when they transfer, comparing one institution with another and comparing them with native students.

In response to a question from Mr. Alltucker concerning the requirements in the legislative action, Dr. Pierce said there were three parts to the bill. The agreement before the Committee was one requirement. The presentation to the Committee also included a second requirement of the bill for a mechanism for reviewing the agreement. The third part of the bill asks the segments to develop, to the degree feasible, a common numbering system. It will require another six to nine months to resolve some problems in connection with the numbering system, but great progress has been made.

Mrs. Nelson said the agreement was excellent but inquired about problems within the State System of students losing credits due to numbering when transferring from one of the state colleges to a state university.

Dr. Pierce agreed there were some problems but indicated the common course numbering system will help to resolve some of the difficulties because State System numbers will also be more consistent.
Mr. Hensley commented that he had investigated a number of such alleged problems and found that a majority of those he investigated to a reasonable conclusion showed a great deal of fault on the part of students in misrepresenting the situation to parents or in not getting adequate counselling. Dr. Pierce stated there was a very complete transfer book available which provides all the information necessary about what is required to transfer.

In response to a question from Mr. Richardson about the effective date, it was stated the agreement would be effective as soon as all of the community colleges have approved it.

The Committee recommended that the Board approve the staff recommendation, with the effective date of the agreement following the approval by the Board of Education and the boards of all of the community colleges.

Board Discussion and Action

Mr. Richardson presented the report and recommendation of the Committee.

The Board approved the Committee recommendation with the following voting in favor: Directors Adams, Alltucker, Brooks, Dodson, Hensley, Hermens, Nelson, Richardson, and Petersen. Those voting no: None.

Request for Authorization
To Initiate New Instructional Program Leading to MA and MS Degrees in Scientific and Technical Communication, OSU

Staff Report to the Committee

The Board's Office of Academic Affairs is forwarding a request from Oregon State University for the consideration of the Committee on Instruction, Research, and Public Service Programs, and to the Board. Oregon State University requests authorization to initiate a new instructional program leading to M.A. and M.S. degrees in Scientific and Technical Communication. A copy of the full report is on file in the Board's Office.

The proposed program will integrate and strengthen existing curricular focus. The program will be interdisciplinary in nature and build on the courses offered in English, technical journalism, and speech communication.

The program will draw upon each of these fields and concentrate on the training of competent persons needed for an information-based economy which will be increasingly centered around telecommunication and computer data bases.

Resources To Offer the Program

This program will be initiated with existing faculty and support staff reallocation. One additional faculty member will be hired in the second year of the program. There will be a request for
funds to support graduate teaching assistants, to purchase additional titles for the library, and to purchase movable equipment. The reallocation of resources will not adversely impact the ongoing institutional programs. The incremental costs for implementation of the program are outlined in the budget on page 11 of the full report.

Program Review

The proposal has been reviewed by the Academic Council and by representatives of Oregon’s independent colleges and universities. Scientific and technical communication is an emerging field undergoing dynamic growth and demand. Due to concerns about overlap in program offerings, the proposers of this program consulted with the University of Oregon staff in journalism.

All of the institutions of the State System are supportive of this request by Oregon State University. The program was also given strong support by the independent institutions within the review process.

Staff Recommendation to the Committee

The Board’s staff recommended that the Board authorize Oregon State University to initiate a new instructional program leading to the M.A. and M.S. degrees in Scientific and Technical Communication, effective Fall Term, 1989-90.

Discussion and Recommendation by the Committee

At the request of Dr. Pierce, Dr. Graham Spanier presented the proposal from Oregon State University. He indicated there were currently very extensive offerings in the area of scientific and technical communications at the undergraduate level. Students in virtually all of the professional schools are required, in addition to their basic composition course, to take further course work in the area of technical, business, or other kinds of writing. Substantial faculty expertise is available in this general area. There is a growing demand for people to be employed in this field. He then asked Dr. Bill Wilkins, Dean of the College of Liberal Arts, to comment on the questions of internal reallocation.

Dr. Wilkins said the program would encompass the three departments of English, journalism, and speech communications where people are already working in these areas. As the University moves toward a more writing intensive program, this proposed new program is expected to supplement and complement the other activities of the University across all the colleges.
With respect to funding, Dr. Wilkins said he would request help in this regard from the president and provost at the annual budget hearings and cycles. If this is not forthcoming, Dr. Wilkins said he was prepared to fund the program within the College of Liberal Arts. Some savings will result from senior personnel who will be retiring over the next one to three years, and the faculty has agreed to funds being reallocated for this important program.

There was some discussion of the costs and the number of students involved when the program was in full operation, particularly in light of comments from the Governor’s Office and the Legislature about adding new disciplines.

Mr. Hensley said the proposed program did not duplicate anything. It was a new program which met a need and which had good employment opportunities.

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

Board Discussion and Action

Mr. Hermens presented the report and recommendation from the Committee.

The Board approved the Committee recommendation, with the following voting in favor: Directors Adams, Alltucker, Brooks, Dodson, Hensley, Hermens, Nelson, Richardson, and Petersen. Those voting no: None.

Request for Authorization
To Initiate New Instructional Program Leading to BA/BS Degree in Theatre Arts, SOSC

Staff Report to the Committee

Introduction

Southern Oregon State College seeks authorization to initiate a new instructional program leading to a BA/BS degree in Theatre Arts. This would be a complementary degree to the College’s Bachelor of Fine Arts in Theatre which is a performance-oriented degree focusing on acting, stage management, stage craft, costume and scenic design, costume and scenic construction, and directing. The proposed degree would provide a broad-based program of theatre arts study that covers dramatic literature, theatre history, dramatic theory and criticism, acting, directing, costuming, stage scenery, lighting, and make-up. The program would emphasize a balance between a liberal arts-based program of study and practical experience in putting theatre skills and knowledge to use in a variety of production situations. This program would provide a foundation for students interested in moving to graduate work in theatre history, dramatic literature, dramatic theory, or related academic fields.
Staff Analysis

The proposed BA/BS in Theatre Arts is clearly within Southern Oregon State College's mission. Southern Oregon State College is authorized to provide a full range of undergraduate programs in the liberal arts, with an emphasis on the fine and performing arts.

Southern Oregon State College argues that the BA/BS is a needed and customary concomitant to the B.F.A. program. A survey of the 1985 Directory of Theatre Programs found that 110 colleges and universities nationwide offered the B.F.A., but only 11 of the "liberal arts" institutions did not offer the B.A. degree in conjunction with the B.F.A.; i.e., 95% of the liberal arts institutions that offer the B.F.A. degree also offer the B.A. degree.

Southern Oregon State College has identified a number of students who wish a degree in theatre without completing the more narrow pre-professional training of the B.F.A. During the last three years, approximately 15 to 25 students have dropped out of the B.F.A. program or opted for the BA/BS in General Studies due to the absence of the proposed degree. Southern Oregon State College argues that those choosing the BA/BS in General Studies would be better served by the proposed degree. At present, faculty also tend to stretch the B.F.A. degree to try to accommodate students with the more "liberal arts" interest; this does a disservice to students who are not really able to receive the academic preparation they seek in theater arts, however.

The program would draw upon existing courses in Theatre Arts, English, and related departments. It will not require the addition of new courses, but rather is a reconfiguring of existing courses into a new curriculum. For this reason Southern Oregon State College does not anticipate additional costs for the program. Faculty and support staff needed to offer the program are already in place. Library holdings and theatre facilities are adequate to meet the needs of this program.

Review by Academic Council

The proposal has been reviewed by the Academic Council and independent institutions. The reviews have found the proposed program to be sound and appropriate for Southern Oregon State College. The program will complement the existing B.F.A. in Theatre and enhance Southern Oregon State College's designation as a regional center of excellence for the fine and performing arts.

Staff Recommendation to the Committee

The Board's staff recommended that the Board authorize Southern Oregon State College to initiate a new instructional program leading to a B.A. and B.S. degree in Theatre Arts, effective Fall Term, 1988.
Discussion and Recommendation by the Committee

In response to questions, Dr. Ettlich explained that the BFA degree is focused on the development of skills in the arts themselves. The BA/BS degree is the traditional degree associated with the academic areas of theatre.

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

Board Discussion and Action

Mrs. Nelson presented the report and recommendation from the Committee.

The Board approved the Committee recommendation, with the following voting in favor: Directors Adams, Alltucker, Brooks, Dodson, Hensley, Hermens, Nelson, Richardson, and Petersen. Those voting no: None.

Staff Report to the Committee

Southern Oregon State College requests authorization to establish a Center for Shakespearean Studies.

The Center for Shakespearean Studies will have as its purpose the advancement of Shakespearean Studies by sponsoring research; promoting intellectual discussions of dramatic performances and literary criticism; and extending educational programs to fine and performing arts students, teachers, scholars, and the general public. The Center will serve as a Pacific Northwest focal point for Shakespearean Studies by capitalizing on Ashland's award winning Oregon Shakespearean Festival and Southern Oregon State College's Margery Bailey Renaissance Collection. A copy of the full report is on file in the Board's Office.

Relationship to Institutional Mission

The development of the Center for Shakespearean Studies is consistent with the assigned mission of Southern Oregon State College, as approved by the Board and stated in the Oregon State System of Higher Education's 1987-93 Strategic Plan. The Board has directed Southern Oregon State College to carry out its mission and responsibilities via a "strong undergraduate liberal arts and sciences program, with an emphasis on the fine and performing arts . . ." The College will continue its mission in the future by drawing "together and strengthening the diverse activities currently offered in its Shakespearean Studies Program, building upon the unique resources available through the Margery Bailey Collection on campus and through the Oregon Shakespearean Festival in Ashland."
The Center is being developed in response to a local, regional, and national need. This is evidenced by the 4,800 student participants in the Shakespearean Studies Program in the past two years. These students have come to Southern Oregon State College from as far away as San Diego, California, to the south and Victoria, British Columbia, to the north. In addition, there have been over 200 Elderhostel visitors to Ashland who have participated in the Shakespearean courses and seminars offered by the Southern Oregon State College faculty.

**Resources to Offer the Program**

The Center's programs and faculty are of the highest quality. The quality of the faculty and program has been acknowledged by the awarding of two National Endowment for the Humanities (NEH) competitive grants in 1987. The program has been encouraged to reapply for NEH funding for 1989 and 1990. Activities of the Center are being supported in 1988 by NEH Program Improvement funds.

The first of the grants was awarded to Professor Carol McNair in the English Department. Her grant of $77,079 was used to support a summer institute which brought 25 high school teachers to Southern Oregon State College to study Shakespeare's plays. The second grant of $67,488 was awarded to Alan Armstrong, Director of the Shakespeare Studies Program, and Harold Otness of the College Library. That grant was used to fund an eight-month-long lecture/discussion series.

The facilities needed to carry out the Center's programs are already in place. The funds needed to implement the Center will come from resource redirection. The Board approved a Southern Oregon State College program improvement request to establish the Center prior to the 1987 legislative session. The Legislature's Subcommittee on Education concurred and directed the institution to redirect $50,000 annually to fund the Center.

**Program Review**

The Southern Oregon State College request for authorization to establish the Center for Shakespearean Studies has been reviewed by the Academic Council and representatives of the independent institutions. The establishment of the proposed Center has the unqualified support of both groups. The review by the Board's staff finds the proposed program to be sound, of high quality, and key to the mission of Southern Oregon State College. The Center will compliment and enhance the present programs in Theatre and the proposed B.A./B.S. in Theatre Arts.
Staff Recommendation to the Committee

The Board's staff recommended that the Board authorize Southern Oregon State College to establish a Center for Shakespearean Studies, effective Fall Term, 1988.

Discussion and Recommendation by the Committee

In response to a question concerning funding, Dr. Ettlich stated the Board had approved a program improvement request to the 1987 Legislature. This was funded at $50,000 a year. The base funding will continue at that level, with supplemental funding being all self-support from outside grants and contracts. Dr. Pierce explained the $50,000 was part of the redirect package in the 1987 Legislative Session which directed Southern Oregon State College to reallocate money from its base budget to support of the Shakespearean Center. He said there was some legislative interest in the Center and instruction to the Board to develop it.

Mr. Hensley inquired whether the problems concerning the Elder-hostel program had been resolved. Dr. Ettlich indicated that they were with the decision of the Oregon Supreme Court. The central issue was not commerce but how education was defined. The court case argued that unless a program involved regular students enrolled in credit classes, it was commerce and not education. The case was heard in Marion County District Court and was appealed to the Oregon Appeals Court, which reversed virtually all of the findings in Marion County. The Supreme Court has now upheld the Appeals Court reversal.

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

Board Discussion and Action

Mrs. Nelson presented the report and recommendation from the Committee.

The Board approved the Committee recommendation, with the following voting in favor: Directors Adams, Alltucker, Brooks, Dodson, Hensley, Hermens, Nelson, Richardson, and Petersen. Those voting no: None.

Staff Report to the Committee

The budget policy for 1989-1991 is to formulate the request in three alternatives referred to as Budgets A, B, and C. These various budget request levels referred to as A, B, and C represent the absolute minimum (Budget A) necessary for operating the institutions in 1989-1991 to the documented need (Budget C) if the institutions are to continue in their movement towards an
ever improving quality of instruction, research, and public service. Schedule I summarizes the various budget levels. However, the following brief narrative provides a description of what is contained in the proposed budget for 1989-1991.

**Budget A**

The A Budget assumes the state's statutory expenditure cap will not be lifted or modified by the 1989 Legislature. The Governor's budget instructions for 1989-1991 state that one of the goals of the 1989-1991 budget is to build "a budget which maintains legislatively-approved programs within the appropriation growth limit." To implement such a goal, the Executive Department has indicated there will be insufficient additional expenditure authority to finance salary increases or any program improvements in the 1989-1991 biennium. They also indicated that such salary increases as may be authorized and new program initiatives are expected to be funded within existing base budgets. For the State System this means the overall program level would need to be reduced to finance any approved salary increases in 1989-1991.

1. **Base Budget** — The base budget for 1989-1991 will consist of the following adjustments to the Board approved 1988-89 budget:

   A. Inflation adjustments for services and supplies and equipment will be 2.95% per year in the coming biennium. An exception request has been submitted to the Executive Department to allow for a 10+10% increase in library acquisition inflation.

   B. The full year cost of the mid-year salary adjustments for academic and classified staff in 1988-89 will be reflected in the 1989-1991 budget.

   C. The total cost of the 1987-1989 academic and classified salary packages will be reflected in the base budget for 1989-1991. (The 1987-1989 approved salary packages were underfinanced by $2.5 million).

   D. The budget reductions in 1988-89 resulting from a loss in revenue due to lesser enrollment growth than had been projected will be restored in 1989-1991. The revenue to finance this budget restoration is proposed to come from a recommended tuition increase. See the discussion on tuition below.

   E. **Corridor of Enrollment Adjustment** — $7.3 million

   The Corridor of Enrollment funding policy states that an institution is entitled to enrollment growth funding when its actual enrollment exceeds the upper limit of its enrollment corridor two successive years, or if its
projected enrollment in the upcoming biennium is 3% or more above the upper range of its enrollment corridor. However, when an institution's enrollment reaches or exceeds its Board established enrollment ceiling funding is provided only to ceiling. Western Oregon State College and Oregon Institute of Technology are both projected to experience enrollment growth that will exceed their enrollment ceilings in 1989-1991. However, the enrollment adjustment funds are limited to their enrollment ceilings. Based on current projections, Portland State University, Western Oregon State College, Southern Oregon State College, and the Oregon Institute of Technology are entitled to a Corridor of Enrollment or up-to-ceiling adjustment in 1989-1991. The General Fund share of the enrollment adjustment funding is approximately $5.6 million.

2. Academic Infrastructure — Academic Infrastructure is defined as those elements of an institution that must be adequately maintained (other than faculty and support staff) if the institution is to provide an environment conducive to quality instruction and research. It is recommended that the resources to finance this improvement in the funding for academic infrastructure come from a tuition increase. The following items totalling $14.0 million are recommended for funding under the general heading of Academic Infrastructure:

A. Equipment/Computing — $8.0 million

The institutions have a major problem that is getting worse each year with the inability to replace worn out, obsolete, and dangerous equipment in the classrooms and laboratories. Furthermore, an increase in base budget funding to purchase needed instructional computing equipment has never been provided requiring institutions to teach students in today's computer dominated world with less than adequate resources.

B. Capital Repair — $2.5 million

The 1985 Legislature provided $7.0 million for Capital Repair which represented about .25% of the valuation of Education and General facilities. The Board's goal is to achieve a funding level for Capital Repair equal to .75% of building valuation. However, in 1987, the Education Subcommittee of Ways and Means by way of a Budget Note reduced the $7.0 million by $2.5 million. This recommendation is to restore the Capital Repair base budget to the 1985 level.
C. Library Acquisitions — $3.5 million

The inadequate funding level for library acquisitions has been a major budgetary issue for nearly two decades. In the past ten years only $1.0 million of additional funding (above inflation) has been provided for improving the library acquisition budgets and that was in 1983-1985.

Budget B

The B Budget contains all base budget adjustments and academic infrastructure items discussed in the A Budget above. It also assumes, as does the A Budget, a tuition increase to finance all requested infrastructure items. The B Budget further assumes either a modification to, or the repeal of, the state's expenditure cap because all additional items requested in the B Budget are requested to be financed from the General Fund. The B Budget contains the following additional items:

A. Academic Salaries — $60.0 million (Estimate)

It is proposed that the Board again present to the Governor and Legislature a six-year plan to achieve a salary average at the 35th rank of the 108 public doctorate-granting institutions. In 1987-1989, the Board presented the first phase of such a plan and requested an annual 8.35% increase. The actual funding provided by the Legislature financed a 3.65% annual increase. Because the national averages continue to increase at a 5% to 7% annual rate, Oregon institutions continue to fall farther behind their comparators. A more refined estimate of the cost to finance a six-year plan to achieve the 35th rank will be provided in June 1988 after further analysis of 1987 data.

B. Program Improvements — $18.3 million

(1) Completion of the Centers of Excellence — $6.5 million

In 1983-1985, the Board embarked on a program to fund centers of excellence at the universities associated with economic development. The 1985 and 1987 Legislatures each provided funding toward these centers. This request is to complete the Board's original request for the centers of excellence program.

(2) Institution Specific (Colleges only) — $2.0 million

This request is to recognize some special and unique needs at the regional colleges and Oregon Institute of Technology. Further detail and justification will be presented on these requests.
(3) Agriculture and Forestry — $3.0 million

The Oregon State University Agricultural Experiment Station and Cooperative Extension Service have made two appearances before the Emergency Board in response to a 1987 Budget Note. These appearances have dealt with new plans for research and marketing of Oregon's agricultural products. This request is to finance the plans being developed by Oregon State University.

(4) Languages — $5.0 million

This request is to finance the program related to foreign language graduation requirements at State System institutions.

(5) OCATE — $2.0 million

This request would finance an enhanced program of graduate education and research in the computer/electronics industry in the Portland metropolitan area.

(6) Oregon Tourism Institute — $400,000

In June 1987, the State Board of Higher Education created the Oregon Tourism Institute as an interinstitutional center to coordinate the State's higher education activity in tourism research and technical assistance. Members of the institute are Oregon's public universities and colleges. This request provides funding to support significant technical assistance in research and administration of the institute. It visualizes service to the tourism industry similar to that service provided to the forest and agricultural industries through research and extension activities at Oregon State University.

Budget C

The C Budget contains all assumptions and items requested in Budgets A and B. It is different from the B Budget in that it depicts more completely the resource needs of the State System institutions by requesting additional funds for equipment/computing, and capital repair, as well as the following items not contained in Budgets A or B:

A. Institution Specific (Universities only) —$10.0 million

This request is to recognize some special and unique needs at the universities. Further detail and justification will be presented on these requests.
B. BAS Adjustment — $12.0 million

This request is to raise the general level of funding at each institution. The request is to provide resources to the institutions to address the funding inequity that exists at Oregon institutions when compared to a funding standard that measures the resources necessary to maintain quality in instruction, public service and research. Currently, Oregon institutions are funded at approximately 76% of the BAS standard. This request would provide funding to achieve approximately 78% of the BAS standard.

C. Basic Research — $5.0 million

This request is to achieve the legislative goals pertaining to basic research embodied in the Research Policy Act of 1983.

D. Health Science Programs — $2.0 million

These funds are requested to provide resources to the Oregon Health Sciences University to improve programs in the health sciences. Further details will be provided.

Instruction Fee (Tuition) Policy for 1989-1991

The proposed budget for 1989-1991 (discussed above) assumes an instruction fee increase sufficient to maintain the base budget and finance $14.0 million in improvements to the academic infrastructure.

Justification for an increase in instruction fees is based on the need for resources to finance critical needs in light of limited State General Fund support in the next biennium. The academic infrastructure items proposed for enhancement are those which impact students most directly if they are inadequately financed.

Instruction fee increases targeted for laboratory equipment, microcomputers and library acquisitions will have a much more significant impact on the educational experience of students than if those same funds were used to provide faculty an inadequate salary increase of 2% per year.

Not as justification, but in an attempt to place an instruction fee increase in perspective, the following comparisons of peer institutions are provided:
A. 108 Public Doctoral-Granting Institutions

In 1987, the most recent data, the average undergraduate resident tuition of the 108 institutions was $1,878 compared to Oregon's average of $1,535 (UD, OSU, PSU). The average undergraduate nonresident tuition was $4,572 compared to the Oregon average of $4,320. The 35th institution out of the 108 had an undergraduate resident rate of $1,783 and a non-resident rate of $5,119. The Oregon institutions ranked 58th, 60th, and 63rd for resident rates and 53rd, 55th, and 57th for nonresident rates. The average increase of the 108 from 1986 to 1987 was 7.8% for undergraduate residents and 8.2% for nonresidents. The 108 are expected to increase at a 6% to 7% rate in 1988, 1989 and 1990.

B. Western States Universities

The following table summarizes the 1987 tuition levels in the western states. In summary, the rank of Oregon institutions in the western states would change only if Oregon institutions had a significant tuition increase in 1989-1991, and the other western states had no or very small increases. However, it can be assumed that most western states will experience tuition increases from 4% to 7% during the next three years.

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<td>Wyoming</td>
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<td>Average</td>
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C. Regional College Comparators

For salary comparisons the regional colleges are compared with 16 institutions from throughout the United States. If those same 16 institutions are used in making tuition comparisons the Oregon colleges rank 4th, 5th, and 6th for
undergraduate resident and 8th, 9th and 19th for undergraduate nonresident. The ranking of Oregon colleges would change only if Oregon experiences a significant tuition increase and the other institutions had no or very small increases.

Staff Recommendation to the Committee

The staff recommended that the Committee on Finance, Administration, and Physical Plant recommend to the Board of Higher Education the 1989-1991 budget preparation guidelines as outlined in this agenda and referred to as Budgets A, B, and C. Furthermore, the staff recommended that the Committee recommend to the Board of Higher Education that the budget be prepared assuming an increase in instruction fees in 1989-1991.

Discussion and Recommendation by the Committee

Mr. Lemman reviewed the context in which the budget recommendations had been prepared. He explained the statutory limitation on the growth of the General Fund budget, the impact of inflation allowances and other base budget adjustments, and other factors which will leave very little opportunity for any kind of program improvement, salary adjustments, or workload increases. In addition all agencies have been instructed by the Executive Department to prepare negative decision packages totalling 10% of the existing budget and to anticipate absorbing some salary increases for all employees—academic, classified, and student employees within the existing budget. A salary increase of 2% in each year of the next biennium would require approximately $25 million.

Mr. Lemman also indicated the institutions were underfunded by about $3.3 million in the present biennium for Workers’ Compensation costs.

Mr. Dodson said he understood the budget presentation merely was intended as a guideline for the final budget. Since the material included some very critical issues, Mr. Dodson stated he would be concerned about even discussing it if it appeared in any way to be the final budget. Mr. Quenzer responded the presentation was a guideline for preparation of the budget.

Mr. Dodson said the corridor of enrollment adjustment, specifically the enrollment ceilings, was a very critical issue. He asked how the enrollment ceilings were determined originally and what factors were considered at that time.

Mr. Lemman said the first enrollment ceilings were adopted in 1972, and they were discussed on subsequent occasions and modified in one or two instances. The policy of having enrollment ceilings has not been changed. One of the basic reasons for the
establishment of enrollment ceilings was to provide institutions with planning horizons so they did not plan or request substantial increases in staffing as a result of temporary increases. Another reason was to distribute enrollment among institutions, and the allocation of curriculum was also a factor. At the university level, a trend toward the mega-university was emerging at that time, and it was believed this was not good educationally or in other human terms. The Board and State System institutions favored institutions of a more limited size which were large enough to be comprehensive in response to their missions but not so large as to bring the complications and other factors that are present with extremely large institutions.

Mr. Lemman commented that the Board had been reluctant to change the enrollment ceilings without good and sufficient reason since ceilings are of little value if they are changed whenever an institution reaches its limit. He said there was sufficient reason to review the matter again, but it was a complex issue. He urged the Committee not to make changes at the present meeting on an expedient ad hoc basis.

In response to a question from Miss Brooks, Mr. Lemman said the data on enrollment forecasting did include the nontraditional students.

Mr. Dodson inquired whether the Board had made readjustments when enrollment ceilings had been reached in the past and whether it had been done periodically, perhaps by percentages. Mr. Lemman reviewed the adjustments made to the ceilings, and Mr. Dodson suggested more detailed historical information be provided for future discussions.

Mr. Dodson said he understood that a ceiling would mean little if it changed every time it was reached, but asked if any consideration had been given to relaxing the ceiling in a given year to meet the needs of a peculiar situation such as the large number of high school graduates in 1988.

Mr. Lemman said his recollection was there was discussion of a flexibility percentage of 1% or 2%. He noted that the only thing the enrollment ceiling meant in terms of enrollment funding was that the Board would not ask the State of Oregon for tax support in excess of the ceiling. The Board already has the overrealized tuition for those students. If the ceiling were relaxed temporarily, the implication is that tax support would be sought and received for those students. Presumably, there would also be a commitment to giving back that temporary General Fund support once the aberration was over.

Mr. Adams said it would be helpful to have comparison graphs showing the ceilings and history of enrollments together with high and low estimates of future growth.
Mr. Dodson commented that he could not view lightly the spectre of turning away legitimate students from a campus that appeared to be attracting people. For this reason, the Committee and the Board should focus on the issue in some detail.

Mr. Lemman concurred but pointed out also that accepting all comers and letting quality deteriorate rapidly was equally offensive. This is the issue facing the Board, the institutions, and the State of Oregon.

Mr. Dodson said he still believed academic salaries should be the Board's first priority for the 1989 Legislature. He stated that talking about a six-year plan to achieve a salary average ranking of 35 among 108 public doctorate-granting institutions would not have enough appeal. He suggested it would be more effective to discuss how many excellent people were being lost by the institutions to schools that could pay a higher salary. The six-year plan represents something of an abstraction.

Mr. Lemman said the presidents could provide this information very quickly. In fact, several presidents have been asked during the course of the Governor's visitations about the proportion of faculty who are critical and are the magnets for attracting other outstanding persons. Probably a quarter to a third of the faculty are so critical it would be unlikely they could be replaced by a person of equal quality.

Mr. Adams said he would be interested in knowing the anticipated number of retiring faculty because that would affect the problem of attracting new people.

Mr. Dodson clarified his priorities. He said it was important to retain the people who carry the reputation of the institution. If there is any extra money, consideration should be given to the areas where some kind of a critical mass is needed and start trying to recruit people of that calibre. Finally, there should be some way to package this as a compelling need to the Legislature and other constituencies.

Mr. Lemman and Mr. Quenzer responded to several questions for further clarification of individual items, particularly those in Budgets B and C. It was indicated greater detail would be available at the June Board meeting. Budget B represents a completion of items started in previous biennia, and Budget C would do some additional things.

Ms. Susan Morse, Executive Director of the Oregon Student Lobby, presented a statement on the tuition policy presented as part of the budget policies. She said equity, student access, and quality of education should be the primary educational objectives served by tuition policy in the coming biennium. Access and quality cannot be achieved without an equitable distribution of the burden of support for higher education. Since both students
and society benefit, both should pay a portion of the costs. Students who have the ability to utilize higher education should not be precluded from attending institutions of public higher education because of an inability to pay or because of discriminatory admission policies. Assuring access is one of the primary missions of public higher education. Ms. Morse stated students desire excellence in teaching and support funding for educational equipment and resources, both of which are deemed necessary to provide the skills to participate in the competitive job market and to play a positive role in society.

Ms. Morse then cited statistics from tuition comparisons done by the Oregon Student Lobby. She said resident undergraduate tuition and fees at Oregon's public universities have improved over the last few biennia but are still the third highest in the West, and resident graduate costs are the second highest. Tuition and fees at the state colleges are the highest in the West for both resident undergraduate and graduates, compared to comparable institutions. She noted the Oregon Student Lobby had used a somewhat different comparison than the staff. The staff compared to a selected set of colleges, the same group used for comparing the faculty salaries. She commented that Oregon's need grant ranked 39th nationally in the size of the average grant.

Ms. Morse said since specific rates were not mentioned in the budget policies, the Board of Directors of the Oregon Student Lobby did not have a position on an acceptable level of tuition increase at this time. The Board of Directors recognizes the budgetary constraints imposed by the state limit and also that quality will suffer if additional funding is not generated for library acquisitions, educational equipment, and computer resources. However, a budget that serves critical needs solely through tuition revenues would place an unfair burden on students and would relinquish the responsibility for basic quality from its appropriate place in the state Legislature. The Oregon Student Lobby urges the Board to work towards competitive tuition rates and equitable and adequate state support for higher education through repeal of the state expenditure cap and increased General Fund support for basic educational resources and program improvements.

In addition, Ms. Morse said the Board of the Oregon Student Lobby believes access could be threatened by attempts to limit enrollment as a cost savings measure. If enrollments must be limited, the Oregon Student Lobby would support more selective admissions requirements but would urge the Board to provide stipulations for special admission for minorities, student parents, and returning students to insure against discriminatory admissions practices.

Mr. Dodson commented that nonresident tuition seems to lag far behind resident tuition in terms of comparators used by both the Oregon Student Lobby and the staff. He asked Ms. Morse if she had any comment on increasing nonresident tuition. She said the
Oregon Student Lobby had not looked specifically at whether it would advocate an increase for nonresident tuition. She said she thought the more competitive position reflected decisions made by the Board in the past.

Mr. Petersen asked whether Ms. Morse could account for the increased admission of Oregon students and the tremendous demand in applications for admission for next fall in view of the higher tuition levels in Oregon as compared to other western states. He also asked whether tuition based on a percentage of the total costs of instruction was viewed as a fair way to assess tuition.

Ms. Morse said the Office of Educational Policy and Planning had attributed part of that to rapidly increasing college costs in the private sector. She indicated the Oregon Student Lobby had supported the policy of tuition based on a percentage of the cost of instruction. However, students do object to tuition increases to cover infrastructure costs with no additional support coming from the state’s General Fund.

Mr. Adams said he would be interested in a comparison of tuition rates in states which have no sales tax. However, only two other states do not have a sales tax.

Mr. Lemman commented that the Board has had a policy of attempting to establish resident undergraduate tuition at 25% of the cost of instruction, resident graduate tuition at one-third of the cost of instruction, nonresident undergraduate at the full cost, and nonresident graduate at 50% of the cost of graduate instruction. He indicated the staff would attempt to obtain information on what other states were planning to do for next year. In response to a question from Mr. Dodson, Mr. Lemman said the revenue from nonresidents is substantial.

The Committee explored briefly the potential for an increase in nonresident tuition. Mr. Dodson said he would like to see as much information as possible with respect to nonresident enrollments, including any elasticity in nonresident tuition.

Miss Brooks requested the staff to provide comparisons of the effect for tuition increases of various percentages, with perhaps different percentages for resident and nonresident students.

Mr. Petersen mentioned that the Board had a great deal of difficulty with the elasticity issue after previous increases in the nonresident tuition. Mr. Lemman added that the elasticity study undertaken in 1982 or 1983 suggested that somewhere in the 7-8% per year range of tuition increase begins to result in a decline in demand. Mr. Quenzner reported that one study indicated a tuition increase of $100 a year would correlate with an enrollment reduction of 1-1.5%.
Mr. Dodson requested the addition of language to the staff recommendation to indicate the guidelines were preliminary guidelines for the preparation of the final budget.

Mr. Lemman expressed agreement with that addition. He said he assumed the Committee was fairly well in agreement with the proposals on infrastructure, equipment, capital repair, libraries, and centers of excellence. He also assumed the Committee wanted further information and discussion on enrollment ceilings, which will affect the corridor of enrollment adjustments, on tuition increases, and some of the institution specifics and omnibus items.

The Committee recommended that the Board approve the staff recommendation as preliminary budget guidelines.

Board Discussion and Action

Mr. Dodson presented the report and recommendation of the Committee, stating some of the major concerns and items for further discussion as set forth above in the Committee discussion. In accordance with the Committee recommendation, he moved the Board adopt the staff recommendation as a preliminary guideline for the final 1989-1991 budget.

The Board approved the Committee recommendation, with the following voting in favor: Directors Adams, Alltucker, Brooks, Dodson, Hensley, Hermens, Nelson, Richardson, and Petersen. Those voting no: None.

Staff Report to the Committee

The Agricultural Experiment Station at Oregon State University has an agricultural (farm) equipment inventory of approximately $2.0 million. A management problem for the Agricultural Experiment Station is how to replace this equipment in a timely and programmed fashion with an annual equipment budget of approximately $150,000. Current budget and accounting policies of the State System do not allow for the funding of depreciation. Therefore, equipment must be purchased from resources in the current budget. This presents a problem when the annual budget is not large enough to purchase several expensive pieces of equipment, should such purchase be necessary. For example, the cost of tractors ranges from $15,000 to $50,000 and some combines cost between $80,000 and $100,000. The Agricultural Experiment Station needs a mechanism by which depreciation can be accumulated to purchase equipment in a more business like manner.

It is proposed that the accounting and budget policies of the State System be amended by Internal Management Direct (IMD) to
allow for the establishment of an Equipment Replacement Account for the Agricultural Experiment Station. The description of the Account is as follows:

IMD 6.058 Equipment Replacement Account

The Agricultural Experiment Station-Oregon State University is authorized to use a -56K- Equipment Replacement Account for the funding of depreciation for the replacement of any piece of equipment whose purchase price exceeded $2,000. The Equipment Replacement Account provides a mechanism for the funding of depreciation by making charges to - 05K- Current Unrestricted Funds and other accounts for the replacement of equipment. The Agricultural Experiment Station-Oregon State University shall submit a plan to the Executive Vice Chancellor detailing the use of the Equipment Replacement Account. The plan must contain the type of equipment which will be purchased and the depreciation method to be used. The Agricultural Experiment Station-Oregon State University is authorized to purchase equipment directly from the Equipment Replacement Account.

The Equipment Replacement Account is limited to the Agricultural Experiment Station because of the unique problem associated with replacing equipment vital to its mission. The extension of this policy to other institutions or programs will be contingent upon the merits of each individual case. If this policy is extended to include other institutions or programs, it would require amending this Internal Management Directive.

Staff Recommendation to the Committee

It was recommended that the Committee on Finance, Administration, and Physical Plant recommend to the Board adoption of IMD 6.058 Equipment Replacement Account as described above.

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

Board Discussion and Action

Mr. Adams presented the report and recommendation from the Committee.

The Board approved the Committee recommendation, with the following voting in favor: Directors Adams, Alltucker, Brooks, Dodson, Hensley, Hermens, Nelson, Richardson, and Petersen. Those voting no: None.
Proposed Adoption of OAR 580-21-055, Appeal of Grievance Decisions, and Proposed Amendments to OAR 580-21-050, Grievance Procedures

Staff Report to the Committee

In June of 1987, the Board adopted OAR 580-21-050, Grievance Procedures, which contains a requirement that the Board adopt a procedure for hearing appeals of institutions' grievance decisions. The proposed rule for appeal of grievance decisions is set forth below following some proposed amendments to the grievance procedure rule itself.

The proposed amendment to the grievance procedure rule deletes language in Section (9) that will be obsolete upon adoption of the appeals rule, and makes some additional changes in Sections (1), (2) and (3) that consolidate the definitions section and add a definition of "days". The addition will eliminate ambiguity regarding time limits.

A public hearing on the proposed adoption of OAR 580-21-055 Appeal of Grievance Decision, and proposed amendments to OAR 580-21-050, Grievance Procedures, was held on Tuesday, May 17, 1988. Virginia Boushey was the Board's designated hearing officer.

Staff Recommendation to the Committee

The Board's staff recommended that after consideration of any comments received at the public hearing, the Board adopt the following Administrative Rule and amendments to an Administrative Rule:

Appeal of Grievance Decisions

580-21-055 (1) A grievant may request Board review of a president's decision described in OAR 580-21-050(7). The Board or its designee shall review the record of the grievance. The Board shall decide, based on its own review or on the recommendation of a designee, whether to support the president's decision. The Board decision must be reached within 60 days of the date on which the request is received in the Chancellor's Office.

(2) A request for Board review shall be in writing and must be received in the Chancellor's Office within 15 days of the grievant's receipt of the president's decision. The request shall briefly state the basis for the request for review and the specific facts which would support Board action consistent with section (6) of this rule. The request shall include a copy of the president's decision.

(3) Upon receipt of a request for Board review, the Chancellor shall notify the institution president and the President of the Board. The institution president shall forward a copy of the record of the grievance to the Chancellor within 7 days. The President of the Board shall decide whether initial review will be by the Board or by a designee and notify the grievant and the institution president accordingly. If initial review is delegated, the President of the Board shall select the designee and identify that person in the notice to the grievant and the institution president.
(4) Board review shall consist of an examination of the record of the grievance. The Board (or its designee) may elect to receive additional written or oral presentations from the grievant and the institution president.

(5) If initial review is by a designee, the designee will prepare a written recommendation to the Board including reasons for the recommendation. The Board is not bound by the recommendation of the designee.

(6) The Board shall not reverse a decision of a president unless:

(a) procedural error was committed by the institution during the grievance procedure and the error resulted in prejudice to the grievant;

(b) the decision of the president is not supported by substantial evidence; or

(c) the decision is in conflict with applicable rules or law.

(7) The Board decision shall be in writing and shall be sent to the grievant and the institution president.

Grievance Procedures

580-21-050 (1) The institutions shall adopt, in consultation with faculty advisory committees including female and minority faculty and representatives of certified bargaining units, if any, appropriate grievance procedures, in accordance with the rulemaking procedures of the Administrative Procedures Act. The grievance procedures shall apply to all unclassified academic employees with faculty rank. The adopted procedures shall not lessen any employee rights under existing institutional grievance procedures.

(2) For purposes of this rule and OAR 580-21-055:

(a) "Grievance" means a complaint by an academic employee that the employee was wronged in connection with compensation, tenure, promotion, or other conditions of employment or the employee's rights were denied as to reappointment.

(b) "Other conditions of employment" shall include, but not necessarily be limited to, violations of academic freedom, discriminatory employment practices and nondiscriminatory employment practices, and laws, rules, policies and procedures under which the institution operates. However, challenges to disciplinary actions or procedures shall be raised under OAR 580-21-320. [The adopted procedures shall not lessen any employee rights under existing institutional grievance procedures.]

(c) "Days" means calendar days unless expressly designated otherwise.

(3) The institutions' grievance procedures [rules] shall:

(a) Set out the details of a grievance procedure appropriate to the institution.
of the president, the president may appeal the decision of the president to the faculty committee. The appeal must be in writing and a copy provided to the complainant.

(4) The faculty committee shall make recommendations regarding the disposition of the complaint.

(5) Access by each party to a complete record of the hearing and at the hearing:

(a) Written conclusion based only upon evidence presented that the academic matter at issue is determined by law.

(b) A written opinion of the public on the objection of the party's expense.

(c) The right to representation for each party at that hearing.

(d) An opportunity for each party to present evidence.

(e) A meaningful opportunity for the grievant to be heard.

(f) A faculty committee selected by the faculty at the institution.

(g) Procedure for a hearing or the option of the grievant.

(h) Next steps:

- The hearing shall be in writing.
- If a complaint is filed, the hearing shall be de novo on the complaint.
- A formal complaint shall be in writing and a copy provided to the complainant.
- The hearing shall be conducted by a faculty committee.
- A faculty committee shall include an appropriate determination of the complaint.

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(10) Where collective bargaining agreements or administrative rules exist at an institution in which grievance procedures are specified and such procedures exceed the standards in this rule, such agreements or administrative rules shall control.

(11) After consultation with the appropriate faculty committees and approval of the Chancellor's Office, each institution shall adopt its rules by June 1, 1988.

(12) Each institution shall report annually to the Board beginning July 1989 on the number, basis, and outcome of all formal grievances filed under the rules herein required.

Discussion and Recommendation by the Committee

In presenting the report, Ms. Boushey indicated that comments had been received at the public hearing from Jetta Siegel, Executive Secretary, and Katherine Eaton, Secretary-Treasurer, of the Oregon Conference of the American Association of University Professors. The comments expressed concern regarding the qualifications, the selection process, and the appointment of the Board designee that is described in the appeal rule. No comments were received regarding the proposed amendments to the grievance procedure itself. Ms. Boushey said the comments suggested modifications to the proposed appeal rule language that would specify the qualifications of a designee, describe a selection process which would include use of a panel of prequalified designee candidates, and state specifically who is to appoint the designee.

Ms. Boushey explained that, with respect to the comments regarding qualifications of a designee, the nature of faculty grievances are diverse. The staff believes it is impractical to try to anticipate the type of advisor the Board would want to appoint in every instance. A designee must be a person in whom the Board has confidence relative to the specific circumstance that is being appealed. To limit the Board in the selection of that individual could result in a less-than-ideal appointment. She said it was recommended, therefore, that there be no limitation on the qualification of a Board designee or on the population from which that person could be selected.

With respect to the selection process, Ms. Boushey pointed out that the Board was limited to 60 days for review of a grievance, the same limitation contained in SB 619 adopted by the 1987 Legislative Assembly. It was also in the bill adopted by the 1985 Legislative Assembly and vetoed by the Governor. It is important to accommodate legislative concerns relative to the grievance process, and the 60-day limitation is included in the rule for that reason. Given that limitation, the staff did not recommend any change in the selection procedure. The Board president needs to be free to act quickly in selecting a designee, to consult with others in making that selection, and to select a designee from any area of expertise to fit the circumstances.
With respect to the comment that the rule should state who is to appoint a Board designee, Ms. Boushey said the rule appears to imply that person but does not state it explicitly. For that reason, the staff recommended a modification to the last sentence of OAR 580-21-055(3) so that it would read: "If initial review is delegated, the President of the Board shall select the designee and identify that person in the notice to the grievant and the institution president."

The Committee recommended that the Board approve the staff recommendation, including the modification to OAR 580-21-055(3), as stated above.

Board Discussion and Action

Miss Brooks presented the report and recommendation from the Committee.

The Board approved the Committee recommendation and, on roll call vote, adopted OAR 580-20-055, Appeal of Grievance Decisions, and the amendments to OAR 580-21-050, Grievance Procedures. The following voted in favor: Directors Adams, Alltucker, Brooks, Dodson, Hensley, Hemans, Nelson, Richardson, and Petersen. Those voting no: None. The additional modification to the appeal rule, as recommended by staff following the public hearing, has been included in the rule set forth in the staff report.

Mr. Lemman reported that Ms. Boushey would be leaving her position in his office to accept a 15-month appointment at the University of Oregon as Associate Dean of the College of Arts and Sciences. He acknowledged her contributions to the Office of Administration and thanked her for the assistance she provided. He said he hoped she would return following the 15-month period.

Chancellor's Salary Recommendations for 1988-89

Chancellor's Recommendation to the Board

IMD 1.020(1) provides that the Chancellor recommend to the Board salary adjustments for the Secretary of the Board, the Vice Chancellors, and the Presidents, Vice Presidents, and Deans of the institutions. The President of the Board recommends the salary of the Chancellor.

There is displayed in the following schedule the list of persons whose salary is subject to Board approval.

The Board will recall that the Legislative Assembly provided a 2% cash salary increase for 1988-89, and the Board, at its January 15, 1988, meeting, adopted a pay plan which parallels that given other state employees. Under this plan, employees are to receive a 4% salary adjustment on January 1, 1989, rather than a 2% salary adjustment on July 1, 1988.
The salary rate for those Deans at the colleges and Oregon Institute of Technology, whose salary rate on June 30, 1987, was less than $60,000, also includes the flat amount related to academic rank which was directed by the Ways and Means Committee in 1987.

In anticipation of the appointment of a new Chancellor effective July 1, 1988, or as soon thereafter as possible, President Petersen recommends that the Chancellor be authorized to fix the other terms and conditions of employment of the positions of the Vice Chancellors within the confines of present Board policies.

<table>
<thead>
<tr>
<th>University of Oregon</th>
<th>May 20, 1988</th>
<th>January 1, 1989</th>
</tr>
</thead>
<tbody>
<tr>
<td>Olum, Paul; President</td>
<td>$92,100</td>
<td>$95,760</td>
</tr>
<tr>
<td>Expenses Incident to Position</td>
<td>7,680</td>
<td>7,980</td>
</tr>
<tr>
<td>Wessells, Norman K.; Vice President for Academic Affairs and Provost</td>
<td>90,000</td>
<td>93,600</td>
</tr>
<tr>
<td>Williams, Daniel A.; Vice President, Administration</td>
<td>73,980</td>
<td>76,920</td>
</tr>
<tr>
<td>Moseley, John T.; Vice President, Research</td>
<td>73,980</td>
<td>76,920</td>
</tr>
<tr>
<td>Large, Larry D.; Vice President, University Relations</td>
<td>73,980</td>
<td>76,920</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Oregon State University</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Byrne, John V.; President</td>
<td>92,100</td>
<td>95,760</td>
</tr>
<tr>
<td>Expenses Incident to Position</td>
<td>7,680</td>
<td>7,980</td>
</tr>
<tr>
<td>Coates, L. Edwin; Vice President, Finance and Administration</td>
<td>76,860</td>
<td>79,920</td>
</tr>
<tr>
<td>Keller, George H.; Vice President, Research, Graduate Studies and International Programs</td>
<td>80,280</td>
<td>83,520</td>
</tr>
<tr>
<td>Trow, JoAnne A.; Vice President, Student Affairs</td>
<td>69,660</td>
<td>72,420</td>
</tr>
<tr>
<td>Spanier, Graham B.; Vice President, Academic Affairs and Provost</td>
<td>83,220</td>
<td>86,520</td>
</tr>
</tbody>
</table>
**Portland State University**

<table>
<thead>
<tr>
<th>Name</th>
<th>Salary 2018</th>
<th>Salary 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sicuro, Natale A.; President</td>
<td>92,100</td>
<td>95,760</td>
</tr>
<tr>
<td>Expenses Incident to Position</td>
<td>7,680</td>
<td>7,980</td>
</tr>
<tr>
<td>Edginton, Roger N.; Vice</td>
<td>73,980</td>
<td>76,920</td>
</tr>
<tr>
<td>President, Finance and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Martino, Frank; Provost</td>
<td>83,640</td>
<td>87,000</td>
</tr>
<tr>
<td>Nichols, Judith E.; Vice</td>
<td>71,400</td>
<td>74,280</td>
</tr>
<tr>
<td>President, Development</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Western Oregon State College**

<table>
<thead>
<tr>
<th>Name</th>
<th>Salary 2018</th>
<th>Salary 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meyers, Richard S.; President</td>
<td>76,500</td>
<td>79,560</td>
</tr>
<tr>
<td>Expenses Incident to Position</td>
<td>6,240</td>
<td>6,480</td>
</tr>
<tr>
<td>Cowart, Bill; Provost</td>
<td>61,992</td>
<td>64,440</td>
</tr>
<tr>
<td>Neifert, William D.; Dean of</td>
<td>57,492</td>
<td>59,760</td>
</tr>
<tr>
<td>Administration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Faircloth, Kathleen P.; Dean</td>
<td>50,160</td>
<td>52,140</td>
</tr>
<tr>
<td>of Students</td>
<td></td>
<td></td>
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**Southern Oregon State College**

<table>
<thead>
<tr>
<th>Name</th>
<th>Salary 2018</th>
<th>Salary 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cox, Joseph; President</td>
<td>76,500</td>
<td>79,560</td>
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<tr>
<td>Expenses Incident to Position</td>
<td>6,240</td>
<td>6,480</td>
</tr>
<tr>
<td>Ettlich, Ernest E.; Dean of</td>
<td>64,140</td>
<td>66,720</td>
</tr>
<tr>
<td>Academic Affairs</td>
<td></td>
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<tr>
<td>Bolstad, Ronald; Dean of</td>
<td>61,980</td>
<td>64,440</td>
</tr>
<tr>
<td>Administration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flynn, Stephen T.; Dean of</td>
<td>54,120</td>
<td>56,280</td>
</tr>
<tr>
<td>Student Services</td>
<td></td>
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</tr>
<tr>
<td>Pickett, Gary L.; Dean of</td>
<td>61,980</td>
<td>64,440</td>
</tr>
<tr>
<td>Development and College</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Institution</td>
<td>Name</td>
<td>Salary 2018</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>-----------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Eastern Oregon State College</td>
<td>Gilbert, David E.; President</td>
<td>76,500</td>
</tr>
<tr>
<td></td>
<td>Expenses Incident to Position</td>
<td>6,240</td>
</tr>
<tr>
<td></td>
<td>Hottois, James W.; Dean of</td>
<td>60,612</td>
</tr>
<tr>
<td></td>
<td>Academic Affairs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lundy, James C.; Dean of</td>
<td>58,140</td>
</tr>
<tr>
<td></td>
<td>Administration</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Stenard, Richard A.; Dean of</td>
<td>53,328</td>
</tr>
<tr>
<td></td>
<td>Student Affairs</td>
<td></td>
</tr>
<tr>
<td>Oregon Institute of Technology</td>
<td>Blake, Larry J.; President</td>
<td>76,500</td>
</tr>
<tr>
<td></td>
<td>Expenses Incident to Position</td>
<td>6,240</td>
</tr>
<tr>
<td></td>
<td>Eismann, Christian; Dean of</td>
<td>59,532</td>
</tr>
<tr>
<td></td>
<td>Academic Affairs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Smith, John H.; Dean of</td>
<td>58,128</td>
</tr>
<tr>
<td></td>
<td>Administration</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Stanaway, Timothy J.; Dean of</td>
<td>54,060</td>
</tr>
<tr>
<td></td>
<td>Students</td>
<td></td>
</tr>
<tr>
<td>Oregon Health Sciences University</td>
<td>Kohler, Peter O.; President</td>
<td>112,680</td>
</tr>
<tr>
<td></td>
<td>Expenses Incident to Position</td>
<td>7,980</td>
</tr>
<tr>
<td>Centralized Activities</td>
<td>Davis, William E.; Chancellor</td>
<td>98,160</td>
</tr>
<tr>
<td></td>
<td>Expenses Incident to Position</td>
<td>8,220</td>
</tr>
<tr>
<td></td>
<td>Lemman, W.T.; Executive Vice</td>
<td>82,440</td>
</tr>
<tr>
<td></td>
<td>Chancellor</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pierce, Larry; Vice Chancellor for Academic Affairs</td>
<td>75,120</td>
</tr>
<tr>
<td></td>
<td>Post, Wil H.; Vice Chancellor for Public Affairs</td>
<td>68,400</td>
</tr>
<tr>
<td></td>
<td>Owen, John; Vice Chancellor for OCATE</td>
<td>88,980</td>
</tr>
</tbody>
</table>
Foster, Wilma L.; Secretary of
the Board

34,380

35,760

Discussion and Recommendation by the Committee

In presenting the report to the Committee, Mr. Lemman indicated
the proposed salaries were consistent with previous approvals by
the Board and the Legislature for executive salaries to give a 4%
increase in January 1989. The salary and expense allowance for
the new Chancellor's position were inserted in accordance with
the recommendation of the Executive Committee earlier in the day.

The Committee recommended that the Board approve the recommenda-
tions of the Chancellor and the Executive Committee.

Board Discussion and Action

Mr. Petersen presented the report on the salary recommendations,
indicating the action of the Executive Committee with respect to
the salary and expense allowance for the new Chancellor. He said
the Search Committee had requested the Executive Committee con-
sider the salary package and a fringe benefit package for the new
Chancellor so the Search Committee would know what would be ap-
priate to discuss with finalists for the position. The Executive
Committee agreed to establish a 10% margin over the university
presidencies in setting the Chancellor's salary in the future.
In addition, the expense allowance incident to the position was
established. Both figures have been included in the above salary
recommendations.

Mr. Richardson said the effective date for all of the salaries
was shown as January 1, 1989, and there had been some discussion
that the Chancellor's salary would be effective with the appoint-
ment date.

The Board approved a motion by Mr. Hensley that the Chancellor's
salary recommendations for all positions, except that of the
Chancellor, be approved, effective January 1, 1989; and further
that the recommendation of the Executive Committee for the salary
and expense allowance for the new Chancellor be approved, effec-
tive with the appointment of the person to that position. The
following voted in favor: Directors Adams, Alltucker, Brooks,
Dodson, Hensley, Hermens, Nelson, Richardson, and Petersen.
Those voting no: None.

Salary Adjust-
ments for
1988-89, House
Staff, OHSU

Staff Report to the Committee

Salaries for house staff (interns and residents) at University
Hospital traditionally have been set in consultation with the
Portland Council of Teaching Hospitals, using other western
teaching hospitals as comparators.
A 3% adjustment in salaries was made in 1984-85, no adjustment in 1985-86, an average 4.7% in 1986-87, and 3% in 1987-88.

The Portland Council of Teaching Hospitals concurs in the recommendation of the Oregon Health Sciences University to increase house staff salaries by 3% for 1988-89. These specific salary levels recommended are as follows:

<table>
<thead>
<tr>
<th>Training Level</th>
<th>1987-88 Salaries</th>
<th>Proposed 1988-89 Salaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Postgraduate Year 1</td>
<td>$20,865</td>
<td>$21,491</td>
</tr>
<tr>
<td>2</td>
<td>21,116</td>
<td>22,779</td>
</tr>
<tr>
<td>3</td>
<td>23,444</td>
<td>24,147</td>
</tr>
<tr>
<td>4</td>
<td>24,851</td>
<td>25,597</td>
</tr>
<tr>
<td>5</td>
<td>26,342</td>
<td>27,132</td>
</tr>
<tr>
<td>6</td>
<td>27,922</td>
<td>28,760</td>
</tr>
</tbody>
</table>

The following table displays the comparison between house staff salaries at the Oregon Health Sciences University and the 14 other western university hospitals:

<table>
<thead>
<tr>
<th>Training Level</th>
<th>OHUS</th>
<th>All Western Except California</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>OHUS</td>
<td></td>
</tr>
<tr>
<td>Postgraduate Year 1</td>
<td>$20,865</td>
<td>$22,966</td>
</tr>
<tr>
<td>2</td>
<td>22,116</td>
<td>25,257</td>
</tr>
<tr>
<td>3</td>
<td>23,444</td>
<td>27,215</td>
</tr>
<tr>
<td>4</td>
<td>24,851</td>
<td>29,060</td>
</tr>
<tr>
<td>5</td>
<td>26,342</td>
<td>31,001</td>
</tr>
<tr>
<td>6</td>
<td>27,922</td>
<td>32,732</td>
</tr>
</tbody>
</table>

The recommended 3% increase for house staff is less than the expected increase in salary rate for unclassified academic staff generally.

The recommended increases can be financed within the patient fee schedule anticipated in the biennial budget approved by the Board.

**Staff Recommendation to the Committee**

Interim President Witter, with the concurrence of the Chancellor, recommended that University house staff salaries for 1988-89 be adjusted as proposed and displayed in the table above.

**Discussion and Recommendation by the Committee**

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

The Board approved the Committee recommendation, with the follow-
ing voting in favor: Directors Adams, Alltucker, Brooks, Dodson, Hensley, Hermens, Nelson, Richardson, and Petersen. Those voting no: None.

Staff Report to the Board

Telecommunications Systems Project

Planning for the State System's Total Information System has included a telecommunications system capable of transmitting both voice and data signals within and among the eight institutions and the Board's Office in Eugene. Planning for administrative data processing services and telecommunications services was integrated to insure compatibility of the systems installed. Such planning also enables the State System to maximize cost savings resulting from larger volume discount purchasing.

The Board's staff, in late 1986, released a Request For Proposal (RFP) for telecommunications consulting services because OSSHE does not have on its combined staffs anyone knowledgeable about preparing Requests for Proposal for a telecommunications system, generally supervising an installation, and training personnel on the use of new equipment following installation. Twelve responses were received from nationally known telecommunications consulting organizations. JIM Associates of Atlanta, Georgia, was selected, based on its outstanding national reputation in the university and hospital environments, its comprehensive work plan, and the cost-effectiveness of its proposal. Thereafter, an 11-member OSSHE interinstitutional Ad Hoc RFP Telecommunications Committee, working with JIM Associates, developed a Request for Proposal for a telecommunications system.

On April 25, 1988, the Board's staff distributed the Request for Proposal which was carefully written to minimize the risks to the State of Oregon, the State System, and the institutions, and to attract proposals from qualified manufacturers or providers of telecommunications equipment and services throughout the United States. Each of twelve prime vendors of telecommunications equipment and services paid the $400 fee which covers the cost of duplicating the 3,000-page document. Nine vendors, accompanied by representatives of the Board's staff, made site visits to all campuses between April 25 and May 9. A second vendor conference with those vendors expected to respond to the Request for Proposal will be conducted on May 23. The deadline to receive the final proposals is July 25.

The structure of the Request for Proposal encourages free and open competition by permitting fixed-price alternatives of all options: campus-owned PBX or central office-provided Centrex
(e.g., Pacific Northwest Bell off-site) equipment and centralized or distributed hardware configurations on each campus. The most significant accomplishment in the development of this telecommunications Request for Proposal is the equitability with which all proposals will be evaluated.

Following an extensive evaluation of the proposals received, the Board's staff expects to award a contract in early September 1988.

Automated Library Services—UO, OSU, OHSU

Since 1983, the institutions have given high priority to determining ways to automate more of the library operations. As holdings have increased, the need to control as well as to avoid additional cost has become more critical.

At its July 24, 1987, meeting, the Board approved a staff-recommended plan whereby each institution would proceed to develop plans for upgrading existing automated library systems and acquiring new systems as institution resources permit.

The Board's staff issued a Request for Proposal in September 1987 for an upgrade of the library system at the University of Oregon. Innovative Interfaces of Berkeley, California, was awarded a contract. The installation will be completed in December 1988 at a cost of $914,500 spread over four years.

Following the same procedures, the Board's staff issued similar RFPs in February 1988 for library systems at Oregon Health Sciences University and Oregon State University. Vendor proposals received in response to those RFPs are being evaluated. It is anticipated that selections will be made and contracts awarded in late May or early June. Oregon State University's plan involves only a partial installation because there are not sufficient funds available to purchase a complete system. The cost of each of the two acquisitions will approximate $450,000 at Oregon Health Sciences University and $600,000 at Oregon State University. Oregon Health Sciences University's acquisition will be paid for in total after the equipment has been accepted. Oregon State University will enter into an installment contract which will enable the institution to use the new system while accruing cost savings created by the efficiencies inherent in the new system.

The Board's staff is also working with Portland State University, the regional colleges, and the Oregon Institute of Technology to find ways to meet at least some of their needs for automated library equipment, including funding from existing budgets.
Student Information System Administrative Applications Software, PSU

The first step in acquiring a new student information system for Portland State University will be initiated in June 1988 when a Request for Proposals is issued, including specifications for student administrative applications software pertaining to admissions, registration and records, and financial aid. The new application software must be capable of operating on an existing IBM 4381, which has unused capacity, and will require only minor increases in memory as well as communications and storage hardware. The total cost which will be financed from Portland State's base operating budget is expected to approximate $1,150,000 spread over five years. By purchasing vendor software instead of developing the software on campus, the Portland State University administration expects to gain the advantages of fast implementation and, therefore, early online use; lower cost over the life of the payoff period; easier maintenance and, when necessary, faster development of any additional modules or applications; and present and future availability of purchased "end user" tools.

Board Discussion and Action

The Board accepted the report as presented.

Sale of Francis T. Grieshaber Estate Property, UO

Staff Report to the Board

On July 22, 1983, the Board authorized the sale by bid of the Francis T. Grieshaber estate property consisting of a small house and lot at 5313 S. E. Long Street, Portland, Oregon. Shortly thereafter, the property was advertised for sale by bid for $43,000, 12% interest, to be paid off in 25 years. No bids were received.

In late 1979, a new appraisal of $38,000 was obtained. On November 13, 1987, the Board again authorized sale of the property by bid with 20% down if sold on contract, using the average rate of interest in effect at the time the property was to be advertised, and 30 years to pay off. The Board also authorized the staff to obtain another appraisal and to readvertise if the property was not sold. The property was advertised in accordance with state statutes. Again, no bids were received.

In early 1988, the property was reappraised at $35,000, then readvertised at 20% down, 10% interest, and 30 years for payoff. No bids were received. The staff, in cooperation with the Department of General Services, Real Property Division, posted a sign and showed the property. Recently, a prospective buyer offered to purchase the property at the advertised terms of $35,000, $7,000 down, 10% interest, 30 years to pay off. Such a sale subsequent to the official bid invitation is authorized by ORS 273.201, 273.205, 273.211, and 273.216.
Meeting #564

May 20, 1988

Closing occurred on May 16, 1988. The Board’s President and Secretary executed the Land Sale Contract and the Bargain and Sale Deed. The latter will be filed for safekeeping in the Controller’s Office until the contract is completely paid off. The Board’s legal counsel approved the documents for legal sufficiency.

As directed in the will, the proceeds from the sale will be used to provide scholarships for deserving University of Oregon students.

Board Discussion and Action

The Board accepted the report as presented.

SUMMARY OF FACILITIES
DIVISION ACTIVITIES, OFFICE OF ADMINISTRATION

Staff Report to the Board

A summary of activities within the Office of Administration’s Facilities Division is presented below:

Contracts for Professional Services

Computer Services Building, SOSC

An Agreement was negotiated with BOOR/A Architects, Portland, for architectural services not to exceed $328,000. Financing will be provided from state funds.

AAA Project, UO

An Agreement was negotiated with BOOR/A Architects, Portland, for architectural services not to exceed $652,076 for the Architecture and Allied Arts Addition & Alterations Project. Financing will be provided from state funds.

Esslinger Hall, Rm 105, Remodeling, UO

An Agreement was negotiated with Brockmeyer/McDonnell Architects, Eugene, for architectural services not to exceed $5,700. Financing will be provided from state funds.

Canyon Topographic and Locational Survey, OHSU

An Agreement was negotiated with Chase, Jones & Associates, Inc., Portland, for engineering services not to exceed $5,000. Financing will be provided from state funds.

Cramer Hall, Third Floor Lounge Remodel, PSU

An Agreement was negotiated with David R. McMillen, Portland, for architectural services not to exceed $875. Financing will be provided from state funds.

Millar Library Addition, PSU

An Agreement was negotiated with Robert Perron, Portland, for architectural services not to exceed $1,000. Financing will be provided from state funds.
Award of Construction Contracts

Communications Conduit Installation-Phase I, OSU

On April 4, 1988, Highland Sitework, Ltd., was awarded a contract for this project in the amount of $10,450. Financing will be provided from state funds.

Aquarium Suite, Huestis Hall, UO

On April 8, 1988, McKenzie Commercial Contractors was awarded a contract for this project in the amount of $93,826. Financing will be provided from state funds.

Skysuites/Pressbox (A Rebid), UO

On April 1, 1988, Meili Construction Co. was awarded a contract for the Autzen Stadium Improvements—Skysuites/Pressbox (A Rebid) Project in the amount of $2,006,007. Financing will be provided from gift funds.

Controlled Temperature Room Equipment, UO

On May 3, 1988, Harvey and Price Co. was awarded a contract for the acquisition of controlled temperature room equipment in the amount of $37,940. Financing will be from state funds.

Autzen Stadium Improvements—Seating/Interior Finishes, UO

On April 18, 1988, three contracts were awarded for Autzen Stadium Improvements—Seating/Interior Finishes Project. Western School Supply was awarded a contract for Basic Bid A in the amount of $103,286; Rubenstein’s Contract Carpet was awarded a contract for Basic Bid B in the amount of $89,722 and Smith Brothers Office Environments, Inc., was awarded a contract for Basic Bid C in the amount of $45,256.21. Financing will be provided from gift funds.

Outpatient Clinic, 1st Floor Remodel, East Entrance, OHSU

On March 31, 1988, OIIRM Construction, Inc., was awarded a contract for this project in the amount of $264,387. Financing will be provided from funds available to the institution.

Parking Structures I & III Repair, Phase 2, PSU

On April 15, 1988, Pioneer Waterproofing Co. was awarded a contract for this project in the amount of $121,400. Financing will be provided from Parking Operations balances and/or building reserves attributable to Parking.

Shattuck Hall Tunnel & Steam Line Extension, PSU

On April 14, 1988, Silco Construction Company was awarded a contract for this project in the amount of $208,650. Financing will be provided from excess parking reserves, Building Use Credits and funds available to the institution.

Langton Hall Roof Reconstruction, OSU

This project is complete and was accepted on April 28, 1988. The estimated total project cost remains at $180,470.74. Financing was provided from funds available to the institution.

Acceptance of Projects
This project is complete and was accepted on March 15, 1988. The estimated total project cost remains at $185,467. Financing was provided from funds available to the institution.

Primary Electrical Distribution System Improvements, UO

This project is complete and was accepted on April 12, 1988. The estimated total project cost remains at $330,315. Financing was provided from funds available to the institution.

Museum of Natural History Replacement, UO

The Science Facilities Additions and Alterations (Museum of Natural History Replacement Building) Project is complete and was accepted on November 15, 1987. The estimated total project cost remains at $611,818. Financing was provided from federal funds.

Accessibility for the Handicapped (Library), OHSU

This project is complete and was accepted on March 8, 1988. The estimated total project cost remains at $154,290. Financing was provided from state funds.

Campus Services Building, 5th Floor, (HISD), Computer Room Renovations, OHSU

The Campus Services Building, 5th Floor, Hospital Information Systems Division (HISD), Computer Room Renovations Project is complete and was accepted on March 18, 1988. The estimated total project cost remains at $62,671. Financing was provided from state funds.

Modular Magnetic Resonance Imaging Suite, UHN, OHSU

The Hospital and Clinics Rehabilitation and Alterations, UHN, Modular Magnetic Resonance Imaging Suite Project is complete and was accepted on December 31, 1987. The estimated total project cost remains at $314,918. Financing was provided from funds available to the hospital.

UHS, 11th Floor, CT II Remodel, OHSU

The Hospital and Clinics Rehabilitation and Alterations (University Hospital South, 11th Floor, CT II Remodel) Project is complete and was accepted on February 20, 1988. The estimated total project cost remains at $47,036. Financing was provided from funds available to the hospital.

Board Discussion and Action

The Board accepted the report as presented.

Items from Board Members

Mrs. Nelson reported that on April 28, 1988, Mr. Adams and she had visited Southern Oregon State College and met with 13 faculty and about 5 students. There was a very profitable discussion for approximately two hours. She said she found the format of these visits by the Board/Institutional Relations Committees to be very profitable because it allowed for frank discussion. Faculty concerns centered around salaries, replacement of faculty, limited budgets for equipment replacement and repairs. There was a presentation of a Siskiyou Commons remodeling project as the top
building priority on campus. The art department is housed in several locations, and fine arts is a mission assigned by the Board to this institution. There were other meetings with the president and foundation members.

Mr. Adams reported on a similar visitation Mr. Alltucker and he made to Oregon Institute of Technology on April 22. There was a combined visitation and dedication of Purvine Hall, a beautiful new classroom building on the campus. At meetings with faculty and students, particular concerns were expressed about the semester conversion, the language requirements for their institution, and the way that the five-year teacher training program might fit that institution because the fifth year probably would need to be elsewhere. There was discussion of the necessity for economic development to include higher education institutions and the importance of that to the state. The visitation concluded with an exit interview with the president.

Mr. Alltucker suggested the Board consider abandoning its current Committee structure. It is anticipated there will be four new Board members, and they will become familiar with the issues more quickly if they can hear all of the discussion rather than having meetings of two separate committees. Mr. Petersen indicated the possibility of more frequent meetings as a Committee of the Whole had been discussed at a previous meeting. The new President of the Board will be dealing with those issues.

Mr. Alltucker said two other issues were of concern—the proper status of intercollegiate athletics in the State System, and the issue of semester conversion. He indicated several schools were now in a crisis condition in athletics. The Board must give them some clear direction very soon or it will be too late for some of the programs. Mr. Hensley indicated he would be commenting on a report pertaining to the status of the semester system.

Mr. Petersen commented there was an initiative petition being proposed relating to intercollegiate athletics and he believed the Board could not reach any definitive financial assessment until the petition issue is resolved.

Mr. Alltucker disagreed. He said the Board had to give the state some idea of the proper direction for intercollegiate athletics or it was going to be fragmented and any group that wanted to start a petition would be setting policy. He said he did not think that was wise. Mr. Petersen stated the petition would have an impact on what the Board did.

Mr. Adams inquired whether more recent information was now available in current audit reports. The Chancellor indicated data with respect to athletics would be available during consideration of the budget. At some point, the Board will need to decide if it will make a specific policy recommendation as part of the budget proposal or address the issue as a Board without bringing it
to the Legislature. The Board also would need to determine what priority that funding request would have in the total decision packages of the Board.

Mr. Alltucker reiterated his sense of urgency on this issue because he said he would anticipate the budget would be determined by that time.

Mr. Hermens reported briefly on the Board’s visitation the previous day to Eastern Oregon State College. He also indicated that Mr. Petersen and he had met earlier in the month with faculty members and discussed a number of issues.

Mr. Richardson reported that the Chancellor’s Search Committee now had ten very highly-qualified semifinalists and initial interviews with those individuals would begin the following week. He said the Search Committee hoped to make a selection of three to five finalists about June 9. The finalists would then be invited to Oregon for interviews with key individuals and for discussions about the State System itself. The finalists would then be presented to the Board for a selection process on June 16 and a possible appointment at the June 17 Board meeting. Mr. Richardson listed a tentative schedule of interviews with semifinalists.

Miss Brooks reported on the visitation she and Mrs. Schnitzer made to Western Oregon State College. She said they were very impressed with the students, faculty, and administration who participated. Students were pleased with their experience at the institution but were concerned about the amount of dormitory space available and overcrowding in classes. They mentioned the priority position on the capital construction list of the new classroom building for Western and indicated they did not think it would be likely to be approved in Position 4 on that list. Students also discussed the self-support concept for summer session. All of the groups viewed the enrollment situation as critical to the future of the institution because of the work and planning that has occurred over the past several years. She indicated, in response to a question from Mr. Hensley, that she viewed these visits as a worthwhile endeavor because they provided a more informal atmosphere for discussion. Faculty members had expressed their appreciation and indicated it was encouraging for them to have Board members visit the campus.

Mr. Dodson concurred in Mr. Alltucker’s earlier comments about holding more meetings of the Board as a Committee of the Whole, particularly to benefit new Board members. He said he would also like more meetings with legislators.

Mr. Hensley indicated the Committee on Instruction had heard a report from Dr. Pierce on the semester conversion program. He said Dr. Pierce had been scheduled to give a report to the subcommittee on education, but that report has been deferred until after the July Emergency Board meeting. At that meeting, a
report will be made to the Emergency Board on the semester conversion program with any recommendations the Board might have at that time. The Committee received a spread sheet showing costs and staff requirements. However, at this time the information on savings that are materializing through the conversion is not available, so the net costs, if any, cannot be calculated. The Committee also explored the concerns that have been registered, primarily from agriculture and food processing industries. The Committee is not making any recommendation at this time. The report will be made to the Emergency Board in July, and representatives from the Board probably will be requested to attend that session.

The Board discussed the potential for assembling detailed data prior to the meeting with the Emergency Board. Dr. Pierce commented that the issue now seems to be less the semester system and more the timing. A traditional semester start in late September might be an acceptable alternative, and the Board might wish to consider that possibility.

The Chancellor commented briefly on costs. He said the key issue in the decision should be whether the semester system is the best way to deliver the educational process.

Mr. Dodson said there were three issues—quality of instruction, cost, and the impact on student employment and certain constituencies important to the Oregon economy. He indicated he was convinced the Board members who looked at the quality of instruction made a good decision in that regard. He said he did not think cost was a factor. On the third issue of the impact on student employment, Mr. Dodson said he recognized the difficulty of getting that data and suggested the burden be placed on the interest groups to provide the best data they can assemble.

Dr. Pierce reported Representatives Katz and Thorne had stated at the Emergency Board meeting that the semester conversion should not be in the Legislature but should be a Board decision. The politics of the matter is putting pressure on legislators. If the political problem could be solved, legislators would prefer to leave the decision to the Board.

Mr. Hensley indicated it would be very helpful for the student members on the Board to make every attempt to communicate with students so that the Board would have the full and accurate feeling of students toward the employment issue.
Mr. Hensley read the following letter from Governor Goldschmidt concerning the expansion of the existing relationship between the Oregon Center for Advanced Technology Education (OCATE) and the Oregon Graduate Center (OGC):

As you know, there is a clear need for additional graduate education in high technology in the Portland metropolitan area to support the needs of existing industry and to enhance the prospects for further economic development.

I believe that the state could assist in meeting this need in a timely fashion by expanding the existing relationship between the Oregon Center for Advanced Technology Education (OCATE) and the Oregon Graduate Center (OGC).

My office has discussed this potential with OCATE and OGC and it is our belief that there is a great potential for a public/private partnership. Should the Board of Higher Education find such a strategy desirable, I would be willing to make funds available in FY 1989 to support the instructional activities of OGC faculty in specific areas, provided that OGC would reduce its tuition fees in these areas for State System students. I would also anticipate proposing continuing funding in the host OSSHE budget. In recognition of this expanded relationship with OGC, the state would also be represented on the OGC board.

I believe this concept recognizes the existing needs in the Portland area and builds upon existing institutions to meet those needs. As you know, we have already joined with the Graduate Center to create a new Institute for Advanced Computing. These efforts represent an efficient use of scarce financial resources, avoiding duplication of costly but necessary educational programs.

I believe it is appropriate for this project to move beyond the conceptual stage. If the board agrees that this is worth pursuing, I suggest that it authorize discussion between the State System and OGC to determine whether a mutually acceptable arrangement is feasible.

Mr. Hensley said he had discussed the proposal with Dr. Owen and recommended that the Board work through the OCATE subcommittee and through the office of the President of the Board to initiate these conversations with the Oregon Graduate Center to explore the Governor's proposal further.

Mr. Petersen said he believed that action could be taken without a motion and requested Mr. Hensley to respond to the Governor accordingly.
Staff Report to the Committee

A recent request to the Chancellor from an institution president for an extended leave for the purpose of studying and writing about an issue of importance to him as an academic and as an administrator has highlighted the need to establish a policy for responding to similar requests.

Unlike other members of the faculty, chancellors, vice chancellors, the Secretary of the Board, presidents, vice presidents and executive deans cannot realistically expect to take even a one-term sabbatical leave due to the intense time demands of their positions. However, it is sometimes possible for a top administrator to be absent from the campus for a time period shorter than one term but longer than the standard vacation time allowed each year. The only Board-established procedure for the Chancellor to approve a request for leave with pay that exceeds the standard vacation is the sabbatical leave procedure.

The Board has statutory authority granted in GRS 240.240(4) to establish arrangements for leave with pay for unclassified employees. The following proposed amendment to the Board's Internal Management Directives would grant authority to the Chancellor to approve up to sixty days of paid leave, at 90% of the requestor's regular pay, for top administrators in the Department for purposes of pursuing study and/or research of benefit to the institution or the System. Leaves requested by the Chancellor will be subject to approval by the Board.

Staff Recommendation to the Committee

The Board's staff recommended the Board adopt the following amendments to IMD 1.020, Authority of the Chancellor:

INTERNAL MANAGEMENT DIRECTIVES

Authority of the Chancellor

1.020 Administrative Authority Over Staff and Employees

(1) The Chancellor shall make recommendations to the Board, in which rests the sole power of decision, concerning the selection, appointment, promotion, salaries, transfers, suspensions, and terminations of appointments of the Secretary (and Assistant Secretary) to the Board and the Vice Chancellors, Presidents, Vice Presidents, and Executive Deans (e.g., deans of faculties, deans of administration) of the Department. Upon recommendation of the Chancellor, the Board shall designate a classified employee to serve as Assistant Secretary to the Board.
(2) The Chancellor is authorized to approve, on recommendation of the President, the selection, appointment, promotion, salaries, transfers, suspensions and terminations of appointments of school or college deans.

(3) The Chancellor is authorized to approve up to 60 days of paid leave at 90% of regular pay for employees (other than the Chancellor) listed in Section (1) above, for purposes of undertaking study or research that will be of benefit to the institution or the State System of Higher Education.

(4) The Chancellor is authorized to approve, on recommendation of the President (or Division Head in the case of divisions appended to the Board's Office), appointments, transfers, resignations, leaves of absence, changes in tenure status, promotions, establishment of emeritus status, fixing of salaries, or terminations of appointments of faculty members and other unclassified employees of the institutions and divisions, except as provided in subsections (1) and (2) above, or the Chancellor may delegate full responsibility for the foregoing personnel actions to the presidents or division heads.

(5) The Chancellor is authorized to select, appoint, promote, fix the salaries and tenure status of, grant leaves to, transfer, suspend or terminate the employment of all Board's Office unclassified employees, except as provided in subsection (1) above.

Board Discussion and Action

Mr. Petersen reported the Executive Committee had considered the proposed amendments and recommended approval.

The Board approved the Committee recommendation and adopted the amendments to IMD 1.020, with the following voting in favor: Directors Adams, Alltucker, Brooks, Dodson, Hensley, Hermens, Nelson, Richardson, and Petersen. Those voting no: None.

Mr. Petersen stated it was unlikely that a new chancellor would be able to assume the position on July 1. For that reason, the Executive Committee discussed the appointment of an Interim Chancellor. The Executive Committee recommended that the Board designate W. T. Lemman, Executive Vice Chancellor, as Interim Chancellor, effective July 1, 1988, until his successor assumes office.
The Board approved the Committee recommendation, with the following voting in favor: Directors Adams, Alltucker, Brooks, Dodson, Hensley, Hermens, Nelson, Richardson, and Petersen. Those voting no: None.

**PRESIDENT’S REPORT**

Mr. Petersen indicated the election of officers of the Board was scheduled for the June meeting. He appointed Mr. Adams as chairman of the nominating committee. Mrs. Nelson and Mr. Petersen were designated as the other members of the committee, with a report to be made at the June meeting.

**Appointment of Nominating Committee**

Mr. Petersen expressed the Board’s appreciation to the staff at Eastern Oregon State College for the excellent visitation and the courtesies extended to the Board. He said he considered these visits as one of the ways a Board member becomes more aware of each institution’s role and mission. He stressed the need for Board members to make every effort to participate in the visits if they are continued.

**Appreciation to EOSC**

Mr. Petersen announced that the next regular Board meeting would be held on the campus of the University of Oregon on June 17, 1988. It will be preceded by interviews with the finalists for the Chancellor’s position.

**Next Meeting Dates**

The Board meeting was adjourned at 11:45 a.m., after which the Board met for luncheon. No business was transacted during the luncheon.

James C. Petersen, President

Wilma L. Foster, Secretary