MINUTES OF REGULAR MEETING OF THE
STATE BOARD OF HIGHER EDUCATION HELD
JUNE 17, 1988

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PRESIDENT'S REPORT
- Next Meeting Dates

ELECTION OF OFFICERS

ADJOURNMENT
A regular meeting of the State Board of Higher Education was held in the Fir Room, Erb Memorial Union, University of Oregon, Eugene, Oregon.

The meeting was called to order at 10:45 a.m., June 17, 1988, by the President of the Board, Mr. James C. Petersen, and on roll call the following answered present:

Mr. Robert R. Adams  Mrs. Janet S. Nelson
Mr. John W. Alltucker  Mr. George E. Richardson, Jr.
Miss Kaye K. Brooks  Mrs. Arlene D. Schnitzer
Mr. Mark S. Dodson  Mr. James C. Petersen
Mr. Richard F. Hensley

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

OTHERS PRESENT

Centralized Activities—Chancellor William E. Davis; Secretary Wilma Foster; W. T. Lemmon, Executive Vice Chancellor; Wil Post, Vice Chancellor, Public Affairs; John Owen, Vice Chancellor, OCATE; Davis Quenzer, Associate Vice Chancellor, Fiscal Policies; Jerry Casby, Assistant Attorney General; W. C. Neland, Associate Vice Chancellor, Facilities Division; R. S. Perry, Associate Vice Chancellor, Administration and Information Systems Services; Joe Slocote, Associate Vice Chancellor, Personnel Administration; Ray Hoops and Holly Zanville, Associate Vice Chancellors, Academic Affairs; Roger Olsen, Assistant Vice Chancellor, OCATE; Ron Anderson, Assistant Vice Chancellor, Personnel Administration; Kay Juran, Assistant Vice Chancellor, Public Affairs; J. Richard Pizzo and James Payne, Assistant Vice Chancellors, Academic Affairs; Barbara Barrie, Personnel Officer; James Lockwood, Assistant to the Vice Chancellor, Academic Affairs; Steve Katz, Controller; Susan Weeks, Director, Institutional Research Services; Elizabeth Dickenson, Risk Manager; Karen McQuimsey, Secretary to the Chancellor; Jim Sellers, Director of Communications; Kimberly Carnegie, Public Affairs Assistant.

Oregon State University—President John Byrne; Graham Spanier, Vice President for Academic Affairs and Provost; Ed Coate, Vice President, Finance and Administration; W. Bruce Shepard, Associate Professor; Emery Castle, Professor; D. S. Fullerton, Associate Vice President; Stefan Bloomfield, Assistant to the President; Thurston Doler, President, OSU Faculty Senate.
University of Oregon—President Paul Olum; James Reinmuth, Acting Provost; Larry Large, Vice President; James Tattersall, Chair, Economics; James Lemert, Vice President, AOF; Margie Sherman, Legislative Relations; Virginia Boushey, Associate Dean; Naomi Stewart, Career Information System; Richard Stein, Associate Dean; Gaye Vandernyn, Director, News Bureau; Celeste Ulrich, Dean, Human Performance and Development; Michael Hibbard, President, UO Chapter, AUP.

Oregon Health Sciences University—Interim President David Witter; Bob Koler, Interim Vice President, Academic Affairs; Ralph Tuomi, Assistant Vice President for Facilities Management.

Portland State University—President Natale Sicuro; Frank Martino, Provost; Roger Edginton, Vice President, Finance and Administration; Paul Kowalczy, Athletic Business Manager; Ernest Allen, Athletic Director.

Eastern Oregon State College—James Lundy, Dean of Administration; Doyle Slater and Richard Hermens, Professors; Jens Robinson, Dean, School of Education.

Oregon Institute of Technology—President Larry J. Blake; John Smith, Dean of Administration; Chris Eismann, Dean of Academic Affairs; Jim McAtee, Associate Dean; Gary Johnston, student.

Southern Oregon State College—President Joseph Cox; Ronald Bolstad, Dean of Administration; Gary Prickett, Dean, Development and College Relations; Robert McCoy, Director, School of CIS; David Hill and Mary Elizabeth Harris, Vice Presidents, ASSOCS.

Western Oregon State College—President Richard Meyers; Bill Neifert, Dean of Administration; Sherry Perry, Budget Officer; Dick Walker, Assistant to the Provost; Karen J. Buch, Video Producer; Judy Niesslein, Director, Public Information; Victor Baldwin, Director, Teaching Research.

Others—Bob Jenks, Campus Program Director, OSPIRG; Susan Finch, Research Assistant, Oregon Student Lobby; T. K. Olson, Director, Office of Educational Policy and Planning; Elizabeth Johnson, Commissioner, and David V. Myton, Staff Member, Teacher Standards and Practices Commission; Tom McClellan, Budget Analyst, Executive Department; Lee Penny, Legislative Staff; Pat McCormick, Public Affairs Manager, Tektronix.

MINUTES APPROVED

The Board dispensed with the reading of the minutes of the last regular meeting held on May 20, 1988, and approved them as previously distributed. The following voted in favor: Directors Adams, Alltucker, Brooks, Dodson, Hensley, Nelson, Richardson, Schnitzer, and Petersen. Those voting no: None.
Mr. Petersen announced that the Board would meet in Executive Session at 3:00 p.m. on Tuesday, June 21, 1988, in Room 101 of the Division of Continuing Education Building, Portland State University, to discuss the employment of a Chancellor. The meeting is held by direction of the President of the Board, pursuant to ORS 192.660(1)(a). (This meeting was subsequently noticed as a Special Session of the Board and incorporated an Executive Session.)

Mr. Petersen indicated Mr. Dodson and Mr. Richardson had been designated to make on-site inquiries in regard to the candidacy of Dr. J. Wade Gilley. There still are two finalists for the position. He said additional information was being sought in order to make a more informed decision.

Mr. Petersen requested Mr. Charles Duncan, Professor Emeritus of Journalism at the University of Oregon, to come forward. He said Mr. Duncan had served the Board several times in the capacity of search coordinator. He asked Miss Brooks to read the following certificate of recognition honoring Mr. Duncan:

WHEREAS, Charles T. Duncan, Emeritus Professor of Journalism and past Dean at the University of Oregon:

. Served the Oregon State System of Higher Education as co-chairman and chairman of two presidential search committees and as the coordinator of the Chancellor Search Committees in 1981-82 and 1988;

. Expertly facilitated and expedited the work of the Search Committee and served as a liaison between the committee, consultants, and constituent groups, media, and candidates;

. Diligently and tirelessly conducted his responsibilities, including all facets of organization, maintaining confidentiality, and recruitment with great professionalism, spirit, and purpose;

NOW, THEREFORE, BE IT HEREBY RESOLVED that: The Oregon State Board of Higher Education expresses its deep appreciation and gratitude to Charles T. Duncan for all of his outstanding services to the State System of Higher Education, most recently as 1988 Chancellor Search Coordinator.

The Board adopted the above resolution, with the following voting in favor: Directors Adams, Alltucker, Brooks, Dodson, Hensley, Nelson, Richardson, Schnitzer, and Petersen. Those voting no: None.
Mr. Duncan expressed his appreciation for the resolution. He thanked the Board for its support and patience. He paid special tribute to the search committee, individually and collectively. He commended Mr. Richardson, chairman of the search committee, for his diligent, conscientious, and persistent efforts in getting the job done.

Mr. Petersen indicated that three of the presidents had agreed to defer their scheduled reports due to the length of the agenda. However, the presentation from Eastern Oregon State College would be made because the faculty member had traveled some distance to provide the demonstration.

Dr. Richard Hermens, Professor of Chemistry at Eastern Oregon State College, presented a demonstration involving reactions of common household substances. Dr. Hermens was the recipient of the Distinguished Faculty Award at Eastern. The demonstration to the Board was one that he has presented to some 3,000 elementary school students in eastern Oregon.

The Chancellor reported that the University of Oregon had submitted for the Board's information the naming of the courtyard of the Museum of Natural History for Glenn Starlin and the boathouse at the Oregon Institute of Marine Biology for Dr. Paul Rudy.

The Chancellor announced that Mr. J. Richard Pizzo was retiring at the end of June after 27 years of service to the State System. He joined the staff in 1961 as a student counselor, became director of school relations in 1964, and subsequently assistant vice chancellor for student services.

The Chancellor said Mr. Pizzo had contributed much to higher education in Oregon and had represented the state and profession well as a member of the very prestigious executive committee of the College Board.

The Chancellor thanked Mr. Pizzo for his services and wished him the very best in his retirement.

The Chancellor said he had received the official resignation of Mr. Wil Post as Vice Chancellor of Public Affairs, effective on June 30, 1988. He expressed appreciation to Mr. Post for his 22 years of service to the State System, most of it at Oregon State University where he served as a professor in the College of Business and later in an administrative position. He took a leave of absence from that position to become the special assistant to the Chancellor and to establish the new post of Vice Chancellor for Public Affairs. He has travelled extensively in representing the State System throughout Oregon.
The Chancellor thanked Mr. Post on behalf of the staff and the people of higher education for a job well done.

Resolutions
Honoring
J. Petersen & M. Hermens

The Chancellor reported that resolutions honoring outgoing Board members James C. Petersen and Michael W. Hermens had been prepared. The resolutions appear below:

CERTIFICATE OF RECOGNITION
HONORING
JAMES C. PETERSEN
June 17, 1988

In the tradition of the Western Mountain Man, Jim Petersen has wandered the West. And if he is not altogether a Grizzly Adams or a Kalispell Pete, he nonetheless reflects the courage and mental and physical toughness of that very special breed who relish the excitement of new adventure. And like those pioneers who later walked and rode the trails west, he manifests that hunger for schools and libraries and culture that open up new vistas in life for those who seek learning and opportunity.

All his days he has had a special penchant for the underdog, for those who live in remote areas that could boast more jackrabbits and rattlesnakes than people. He became an evangelist for both access and quality, seeking to bring high standards and programs to the people where they were. He strove to keep the costs low so no Oregon student should be denied the chance for an education because of economic barriers.

He never shied away from tough decisions, raising not only the flag above the parapets, but also his head. So honest he squeaked, one never had to guess what was on his mind.

This Montana refugee to the Grande Ronde served with distinction as a member of the Oregon Board of Higher Education for eight years, the last two as its president. Neither snow nor sleet, hail nor rain, nor even someone else's borrowed kidney could deter him from his duties. He has made his mark on all who have known him and has enhanced and enriched the educational opportunities in Oregon for generations yet unborn. With pride and deepest gratitude, his colleagues and friends salute his noble achievements.
CERTIFICATE OF RECOGNITION
HONORING
MICHAEL W. HERMENS

June 17, 1988

The Oregon State Board of Higher Education extends its sincerest appreciation to Michael Hermens of La Grande, who during 1986-88 served in the finest tradition of student membership on the Board.

Mr. Hermens represented not only students but also all Oregonians in Board deliberations on subjects as varied as the biennial budget, state system priorities, converting the academic calendar, and student athletics.

The Board wishes Mr. Hermens a challenging and rewarding future that will include a commitment to public service and to furthering the fortunes of American higher education.

The Chancellor noted that Mr. Petersen had made a tremendous effort to attend every regular and special meeting of the Board and to provide his leadership and influence in moving and promoting access and quality in higher education. He commended Mr. Hermens for his outstanding job as a student body officer and a member of the Board. He said Mr. Hermens had been very conscientious and an outspoken advocate for affairs and interests of students.

In acknowledging Chancellor Davis was making his last report to the Board, Mr. Petersen said the Board and the State System had enjoyed and prospered under his tenure. Board members regret his departure and wish him the best in his future endeavors.

Mr. Alltucker cited some of the accomplishments under the leadership of Chancellor Davis. There is a strategic plan and statement of purpose for the entire State System. Institutional plans are in the process of being integrated into the systemwide plan. The groundwork has been laid for better relations with the Legislature. The Chancellor had an absolutely super record in the last three Legislative Sessions, one of his major responsibilities being to provide the necessary funds for higher education.

Mr. Alltucker indicated the State System has the BAS Model for budget preparation. The forecasting and accounting system will allow the Legislature in the future to trust the figures received from the Board. Steps have been taken to implement some kind of total information system, although the final plan is unclear. Almost all of the institutions have new presidents who appear to have a sense of pride, not only in their own institutions, but in the System as a whole.
The formation of OCATE occurred under the direction of Dr. Davis in response to a community need. Oregon Institute of Technology has transported expertise into another area where it was needed. Changes have been made in teacher training. All of these things have been major, dramatic changes.

Mr. Alltucker said Chancellor Davis had done the hard and dangerous work during his tenure. The next Chancellor will get credit for the work he has done. He concluded by expressing his complete respect for the Chancellor.

Staff Report to the Committee

Introduction

Eastern Oregon State College requests authorization to offer a fifth-year, graduate-level teacher preparation program leading to basic certification for elementary and secondary teachers after one academic year, with an option for a Master’s Degree in Teacher Education (M.T.E.) within an additional term, typically a summer term. With the initiation of the new teacher preparation program, Eastern Oregon State College also seeks authorization to eliminate its undergraduate-level teacher certification program leading to basic certification for elementary and secondary teachers. This would occur on a phase-out basis to enable students to be able to complete the currently offered undergraduate program no later than the end of Spring Term, 1990.

The purpose of the extended teacher education program is to strengthen teacher preparation at Eastern Oregon State College through the requirement of a regular academic major for all prospective teachers, the redesign of undergraduate professional educational courses to a more rigorous graduate level professional curriculum, the testing of students on academic subject matter and pedagogy skills in nationally used tests, and increased field-based experiences in addition to strengthened student teaching experiences with highly qualified supervising teachers in local school districts.

Eastern Oregon State College’s proposal is the first of the State System campuses to respond to the Board’s Strategic Plan 1987–1993 and its subsequent policies regarding the redesign of the teacher preparation programs to a five-year sequence of academic preparation, professional education courses, and practicum opportunities.
Background

The Board adopted guidelines for extended and post-baccalaureate teacher education programs on June 19, 1987. At this time, the Board adopted two tracks that could be available to students:

- For undergraduates interested in preparing as a teacher, the campuses could offer extended five-year programs.
- For post-baccalaureate students with no prior background in education, the campuses could offer an accelerated graduate teacher education program.

These two types of models presumably would serve the two differing student populations currently seeking access to teacher preparation programs — traditional undergraduates who know early they want to be a teacher and students who have completed a baccalaureate degree who wish to return to prepare for a career in teaching. System data suggest that about half of the students seeking admission to teacher education are drawn from the undergraduate population, half from the post-baccalaureate population.

The Board had earlier considered a single track or model for teacher education; i.e., a fifth year professional Master’s degree program in teacher education (often called the Stanford Model). This model called for, among other things, elimination of the undergraduate major in education, standardized academic testing of students, issuing the Master’s degree at the end of the program, and providing some undergraduate prerequisites to teacher education (no more than 12-15 hours).

On March 20, 1986, the Board reviewed and "conditionally adopted" the single model proposal. This was done with the stipulation, however, that hearings be held throughout the state to provide ample opportunity for public comment.

At the May 18, 1987, meeting, the Board received a summary of some 150 comments and proposed revisions to the original teacher education proposal received from seven hearings held in April 1987 (Portland, Medford, Salem, La Grande, Coos Bay, Eugene, and Bend). As a result of hearings and subsequent discussion with legislative leaders, deans of both arts and science and education colleges, and professional groups, including the Oregon Education Association, the Board made a number of refinements to the plan.
The Board subsequently adopted on June 19, 1987, the following proposal (see Attachment A):

1. Two tracks should be available to students wishing to prepare as teachers. This would include a track for undergraduates interested in education who could begin coursework in education during their undergraduate years. Another track would serve post-baccalaureate students who could enter an accelerated graduate teacher program without education prerequisites.

2. Campuses were asked to return to the Board no later than January 1, 1989 with their plans for extended five-year programs. These plans should be developed by the faculties of the institutions, with the participation of professional teachers and administrators in the state.

3. Campuses were asked to be innovative in planning programs within the missions of their institutions. The Board stated it did not want five identical teacher education programs. The common expectation was, however, that programs should prepare students who graduate with strong general education, mastery of subjects they will teach, high quality professional education in effective teaching, and experience in a variety of public school settings.

4. Guidelines were provided to the campuses to aid in their planning. The guidelines included:

- **Academic Major.** All students should be required to complete a baccalaureate degree in a major outside of education. Institutions may offer interdisciplinary or liberal studies degrees especially designed for students working to become elementary school teachers. The undergraduate major in education should be eliminated.

- **Education Courses.** Schools of education may offer education minors, concentrations, and courses for students desiring to begin their professional education courses before completing the baccalaureate degree as part of the extended five year program.

- **Undergraduate Practicum.** Schools of education should provide early exposure to classroom situations for undergraduates considering careers in teaching. These field experiences should be available to all undergraduates regardless of whether they intend to enter the extended five year program or the post-baccalaureate program.
- Extended Teacher Preparation Program. Students entering the extended program as undergraduates should receive a baccalaureate degree when they complete their undergraduate majors, typically after the fourth year. During the fifth year, students should be considered graduate students and a significant proportion of the course work (a minimum of 50 percent) should apply toward a Master’s degree. Students should complete all academic requirements for Standard certification at the end of the fifth year.

- Post-Baccalaureate Programs. Schools of education should establish distinctive post-baccalaureate programs that encourage graduates who may not have previously taken education courses to enter the teaching profession. These "accelerated" graduate programs should be high quality and rigorous programs. They should be designed to enable post-baccalaureate students to complete academic requirements for Standard certification in one year. Schools may want to offer a new Master of Arts in Teaching degree (a professional Master’s) which could be completed at or about the same time as certification requirements, for students who meet the high standards set for these programs.

- Fee Policy. The Board should extend its post-baccalaureate fee policy to preservice students even though the fifth year students are fulfilling some or all of the requirements for a graduate degree.

- Special Education. Special education courses and endorsement requirements should be integrated into the extended programs and the post-baccalaureate programs.

- Multi-ethnic and Multi-cultural Education. Teacher education programs should include courses focusing on multi-ethnic and multi-cultural education.

- Recruitment. Schools of education should recruit well-prepared students to teacher education programs and special emphasis should be given to the recruitment of minority students.

- Admission. Schools of education should implement high admission standards to teacher education programs. Students entering their fifth year of preparation should meet the graduate admission standards established by each campus.
Approval. Each program must be presented and approved by the Board of Higher Education before students are admitted to the program.

Since June 1987, the campuses have been planning their programs. Beginning in September 1987, the Chancellor's Office has been meeting on a monthly basis with deans of education and arts and science, as well as faculty from specialty areas such as special education and elementary education, to address common concerns related to planning. The discussions among these groups have been lengthy, covering a variety of very complicated issues:

- Appropriate undergraduate majors for students once the education major is eliminated (included are concerns about the need for new majors, such as developmental disabilities to serve future special education teachers, or liberal studies for future elementary teachers).

- Types of field experiences appropriate for undergraduate and graduate level students (year-long student teaching versus one semester).

- Number and type of prerequisites to the fifth-year program.

- How specialty endorsements (e.g., reading, special education) can be accommodated.

- Developing effective working relationships with local school districts in the practicum aspects of the program.

- Type of Master's degree that is appropriate and the length and content of degree (100 percent pedagogy degree or some pedagogy plus advanced subject matter).

- Enrollment projections and number of students that can be served by the campuses.

- How programs will meet the standards of the National Council for the Accreditation of Teacher and standards of the Oregon Teacher Standards and Practices Commission.

- Legal issues surrounding advising of students (catalogues and faculty advising), particularly with regard to elimination of the education major.

- Issues surrounding the timing of testing (National Teacher Examination).

- Continuance of existing programs for already admitted students plus students who move from out-of-state who will need access to existing Master's programs.
• Financial implications of change in programs, particularly relying on a self-support summer for a required portion of the curriculum.

In order to assist the campuses in preparing their programs for Board review, the Board adopted a special review form on February 19, 1988, to standardize the type of information that would be requested during the review (see Attachment B).

Staff Analysis of EOSC’s Teacher Education Proposal (See Attachment C for proposal. A copy is on file in the Board’s Office.)

1. Relationship to Assigned Mission

The proposed program is clearly within the mission of Eastern Oregon State College. The Board’s Strategic Plan 1987-1993 states that at Eastern Oregon State College "a major effort will be made during the planning period to strengthen the graduate teacher preparation program in the region . . . . The college will continue to emphasize the preparation of teachers for rural school districts in its teacher education programs."

2. Evidence of Need

The Board conducted a lengthy review of teacher education programs over virtually the last decade. Working with the campuses, the Board’s Office examined teacher supply and demand data on an annual basis, surveyed graduates to ascertain areas needed for program improvements, and conducted meetings with practitioners throughout the state to examine needed reform in the teacher preparation programs of the State System. This examination closely paralleled reviews throughout the nation, using many of the findings of the Carnegie Commission and the Holmes Group, as well as the work of Oregon’s Interim Legislative Committee on Education, which addressed needs for reform of teacher education in Oregon.

As part of its planning and documentation of need, Eastern Oregon State College established a Terminal Teachers Behavior Committee during the past year to identify "terminal behaviors" that graduates of teacher education programs must have in eastern Oregon. The proposed new program has been designed to address the needs identified by practitioners through this effort. Eastern Oregon State College also involved a variety of other groups in needs and planning sessions as part of its program redesign effort.
3. Quality of Proposed Program

The program is designed as a 12-month sequence (one summer plus two semesters or three quarters) that culminates in the Master of Teacher Education (M.T.E.) degree. The 45 quarter hour/38 semester hour Master's degree is a professional education degree (curriculum content is exclusively pedagogy) with no thesis requirement. Students will complete their subject matter preparation through an undergraduate major(s) prior to entry to the program.

Eastern Oregon State College will enroll some 80-100 students in both the elementary and secondary programs, with roughly half of the admissions in each area. Enrollment levels are expected to remain about the same between the current undergraduate program and the newly proposed graduate-level program.

Although there are no required prerequisites to the program, admission standards are rigorous. Students must have a 3.0 grade point average in upper-division coursework, complete an interview process, pass the CBEST basic skills test, have completed a regular academic major and received the baccalaureate degree, have passed the appropriate National Teacher Examination in subject area, and meet competence assurances in a variety of areas key to the elementary and/or secondary teacher (for example, mathematics, computer literacy).

Students could elect to complete the academic school-year program and receive basic certification after the 9-month graduate level program. The optional Master's could be granted after an additional summer.

4. Adequacy of Resources To Offer Program

Eastern Oregon State College currently offers a teacher preparation program for 80-100 students a year with adequate numbers of faculty, library resources, and facilities. This is not expected to change under the extended program, although faculty will have altered loads to accommodate the transition from undergraduate education courses to newly designed and more rigorous graduate level courses (the national accrediting body for teacher education requires a graduate load of 9 semester hours for faculty in contrast to 12 for undergraduate load).

Since the Eastern Oregon State College proposal essentially doubles the amount of field placement in comparison to the existing four-year program, additional resources will need to be placed in the field placement component. This includes compensation to local school districts for increased
supervision, training of local district supervisors, and increased delivery of concomitant coursework to outlying sites for preservice students.

5. **Budget**

The impacts of increased cost for the extended teacher preparation program has been a continuing concern of the campuses during the past planning year. Costs have been anticipated in the following areas:

- additional student credit hours as a result of the fifth year;
- shift from undergraduate education courses to Arts and Sciences courses as elementary students seek regular academic majors;
- continuing the four year program for a period of phase-down while implementing the fifth year program;
- reducing faculty load for graduate level courses to meet National Council for the Accreditation of Teacher Education standards, in comparison to current load for undergraduate programs (9 hours for graduate load, 12 for undergraduate);
- increasing field supervision cost — training district-level teachers as supervisors and remunerating them and/or the districts for their assistance;
- delivering concomitant coursework to students in the field, from campus faculty;
- increased advising, recruiting, and admissions review time for students as new program is phased in.

These costs must be added to the additional costs to students for adding the additional year of study. The Board has recognized the adverse consequences to students for the additional fifth year of study and adopted a policy of undergraduate fee rates for the fifth year for students. This continues to be of concern to the campuses which must meet graduate-level standards for faculty/student ratios, and the like, but which will be unable to receive student tuition at the graduate-level rate.

While it is virtually impossible to develop a budget for the system’s move from four-year to fifth-year preparation programs because it is too early to determine the number of students who will be admitted to the extended programs systemwide, as well as the number who will need to complete four-year programs, the issue of cost must be considered.
The new programs will cost more, and no additional dollars are currently planned to be sought in higher education's budget. This assumes, therefore, that each campus will meet its increased cost through internal reallocation. This is the position of Eastern Oregon State College, which is furthest along in its planning and requests authorization to implement its program in 1989.

Program Duplication

At present, five publicly supported schools of education serve prospective teachers at six campuses throughout the state. Students are placed in practicum opportunities with districts throughout the state, and the "decentralized" model of the training of teachers has generally been regarded as a strength of Oregon's preparation programs.

Eastern Oregon State College has virtually the highest placement rate for its teachers of any institution, serving a major role in preparation of teachers for rural districts in eastern Oregon. This program would not duplicate any other in the system. Furthermore, the program will be unique from others yet to be proposed by other State System campuses.

Review by Other Groups

Eastern Oregon State College's proposal has been reviewed by a wide variety of professional groups as well as the Academic Council. Eastern Oregon State College has received the full endorsement of its faculty, the Terminal Behaviors Committee, and more than 100 practitioners invited to review the program at regional public forums during the past several months.

The Academic Council reviewed the proposal at its May 19, 1988 meeting in La Grande. The only question raised centered on the awarding of the Master's degree, both the title and the length of the degree. Eastern Oregon State College believes it can offer a quality professional degree that does not pretend to include graduate level subject matter or experience in research, as traditional degrees in education have often done. Eastern Oregon State College believes that the professional degree is an appropriate one for its graduates; it does not believe that all the system campuses should offer the same degree necessarily.

Eastern Oregon State College also contends that there are many titles for Master's degrees in education in use nationwide. These include the Master's of arts in teaching, the Master's in education, the Master's of teaching science or Master's of teaching arts, the Master's of teaching studies, etc. These do not have a standardized meaning nationwide or in Oregon. Some discussion focused on whether it would be desirable to have some
standardization in Oregon, so that the M.A.T. would mean one type of curriculum content, the M.T.E. another, the M.Ed. another. The Council was in disagreement about this issue, as were the Deans of Education. The preference appeared to be to let each campus maintain its unique approach. Local school districts always complete a transcript review of their potential employees and would be able to determine the nature of the curriculum in various preparation programs through this means.

Staff Recommendation to the Committee

The staff recommended that the Board approve Eastern Oregon State College's request to implement an extended teacher preparation program leading to a Master's degree in teacher education (M.T.E.), effective Fall Term, 1989. The Board should further authorize Eastern Oregon State College to phase out its current undergraduate program as soon it honors its agreement to students already admitted to the undergraduate program. The staff further recommends that the Board requests that Eastern Oregon State College return in Spring, 1990 with a report on the number of students beginning the program in 1989, as well as a report on financial impacts of implementation.

Discussion and Recommendation by the Committee

Dr. Holly Zarville reviewed the Committee report and recommendation. She commented particularly on the budget implications with respect to the cost to maintain duplicate four-year programs for a period of time while the fifth year is being implemented. The campuses estimate additional costs also will be encountered in trying to place students for a longer period of time with school districts and in asking for higher standards to attract the best teachers to serve as supervising teachers for student teachers. She then asked Dr. Jens Robinson, Dean of the School of Education at Eastern, to describe the program more fully.

Mr. Hensley indicated that, when the Committee on Instruction was reviewing the various proposals, it had pointed out very clearly each program should have its own identity in an institution, its geographic location, and within the mission of its institution.

Dr. Robinson indicated Eastern had a high commitment to the regional mission of the institution, which is to serve the rural schools of eastern Oregon. Slightly over 200 educators from the region were involved in the preparation, review, revision, and submission of the proposal. He described those efforts briefly and then explained major elements and some of the philosophy of the program. It involves rigorous courses in pedagogy, combined with a much higher degree of field-based work. It is designed to produce educators who will be more effective in the classroom. It is not a research-based degree.
Dr. Robinson said a teacher who completes the program will be a better-prepared and better-educated person and, thus, a more effective teacher who will improve education.

In response to a question from Mr. Adams concerning differences in the MTE, MAT, and MED degrees, Dr. Robinson said Eastern had chosen the MTE degree to distinguish it from other degrees. This degree does not have a research component but one that deals almost solely with pedagogy and includes a high degree of field experience.

Mr. Adams asked whether Eastern proposed to charge undergraduate tuition rates for the post-baccalaureate programs for people who return. It was stated this issue has not been resolved as yet. There are continuing concerns with respect to costs.

The Chancellor complimented Dr. Robinson and his staff for its rapidity in developing this program and for its far-reaching consequences. He inquired whether provisions had been made for the participation of teachers in the program while still maintaining their teaching positions. Dr. Robinson indicated those provisions were included.

Mr. Hensley said he had followed development of this program and participated in one of the hearings. He said he had witnessed the cooperation between professional groups, legislators, and the Board of Higher Education in developing this particular plan. It was very, very exciting.

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

Board Discussion and Action

The Board approved the Committee recommendation, with the following voting in favor: Directors Adams, Alltucker, Brooks, Dodson, Hensley, Nelson, Richardson, and Petersen. Those voting no: None. Director Schnitzer was absent from the meeting at this time.

1989-1991
Biennial
Budget
Policies

Staff Report to the Committee

At its meeting on May 20, 1988, the Committee gave staff preliminary approval to proceed with the development of the 1989-1991 biennial budget following the guidelines as outlined in the May staff report to the Committee.
The following issues were left unresolved from the May meeting:

1. Instruction Fee (tuition) Policy — See the separate agenda item that addresses this issue.

2. Academic (Unclassified) Salaries — See the separate agenda item that addresses this issue.

3. Enrollment Ceilings and Corridors of Enrollment — See the separate item that addresses this issue.

4. Decision Packages — What follows in this agenda item is a summary of the institution requests for Centers of Excellence funding and institution-specific requests for 1989-1991. Included with this agenda item is a more complete document which contains the financial and narrative detail for each individual request.

5. Prioritization — The A Budget and C Budget have been reversed (or relabeled) from prior presentations. It is proposed that the A, B, and C Budgets constitute the Board's requested funding priority for the 1989-1991 budget request. The decision packages (labeled A, B, C, etc.) which comprise the alternative budgets are presented in priority order. However, the institution requests that comprise a decision package are not prioritized. See the attached Schedule I for a summary of the A, B, and C Budgets and the decision package priorities within each budget.

The decision packages will be presented first for the B Budget and then for the A Budget. Everything contained in the B Budget is also contained in the A Budget. Therefore, the B Budget items have not been repeated in the A Budget summary.

B Budget

A. Academic Infrastructure — $14,000,000 from increased instruction fees.

The requested Academic Infrastructure items of equipment/computing $8.0 million, capital repair $2.5 million, and library acquisitions $3.5 million are tied directly to the instruction fee policy for 1989-1991. Because these items are of such high priority, and the State System has been led to believe (by the Executive Department) additional General Fund dollars will not be available for needs such as these in 1989-1991, it is proposed they be funded from increased instruction fees.
B. Centers of Excellence — $6,524,000

The request for Centers of Excellence funding for 1989-1991 is the amount necessary to complete the funding for each institution's centers of excellence as first requested in 1985.

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Oregon</td>
<td></td>
</tr>
<tr>
<td>1. Optical Properties of Materials</td>
<td>$660,000</td>
</tr>
<tr>
<td>2. Biotechnology</td>
<td>400,000</td>
</tr>
<tr>
<td>3. Computer Science</td>
<td>320,000</td>
</tr>
<tr>
<td>$3,412,400</td>
<td>$1,380,000</td>
</tr>
<tr>
<td>Oregon State University</td>
<td></td>
</tr>
<tr>
<td>1. Engineering Program</td>
<td></td>
</tr>
<tr>
<td>Expan. &amp; Upgrading</td>
<td>$1,980,000</td>
</tr>
<tr>
<td>2. Gene Research &amp; Biotechnology</td>
<td>94,000</td>
</tr>
<tr>
<td>$3,313,000</td>
<td>$2,074,000</td>
</tr>
<tr>
<td>Portland State University</td>
<td></td>
</tr>
<tr>
<td>1. Upgrade of Engineering Program</td>
<td>$1,190,000</td>
</tr>
<tr>
<td>2. B. S. International Business</td>
<td>540,000</td>
</tr>
<tr>
<td>$1,800,000</td>
<td>$1,730,000</td>
</tr>
<tr>
<td>Oregon Health Science University</td>
<td></td>
</tr>
<tr>
<td>1. Collaborative Geriatrics</td>
<td>$375,000</td>
</tr>
<tr>
<td></td>
<td>$1,340,000</td>
</tr>
</tbody>
</table>

C. Institution Specific Colleges — $2,000,000

The request for institution specific items at the regional colleges and OIT recognizes the need for improved funding for various activities at those institutions.
Western Oregon State College
1. Maple Hall\Instruct. Tech. Demonstration $341,600
2. Micro-Computer Teaching Classroom 188,400

$530,000

Southern Oregon State College
1. International Studies $280,000
2. Student Advising, Retention, and Placement Program 250,000

$530,000

Eastern Oregon State College
1. Advising Coordinator $ 70,730
2. Planning & Management Office 58,818
3. Learning Support Services 214,452
4. Minority Student Advisor 66,000

$410,000

Oregon Institute of Technology
1. Flexible Manufacturing System $190,000
2. Materials Laboratory 160,000
3. Surveying Digital Stereo Plotter 30,000
4. Microwave Laboratory 150,000

$530,000

D. Oregon Center for Advanced Technology Education (OCATE) — $2,000,000

The request for 1989-1991 is to provide resources to expand the technical education and research opportunities in the Portland metropolitan area. A more detailed description is available in the attached document.

E. Agriculture and Forestry — $3,000,000

The request of $3,000,000 consists of $2,850,00 for agriculture and $150,000 for forestry. The Agricultural Experiment Station and Cooperative Extension Service have made two appearances before the Emergency Board in response to a 1987 budget note. These appearances outlined new plans for research and marketing of Oregon's agricultural products. The requests for 1989-1991 finance those plans.
### 1989–1991 Request

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Code</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural Experiment Station</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Maintenance &amp; Equipment</td>
<td></td>
<td>$700,000</td>
</tr>
<tr>
<td>2. Marine Branch Station</td>
<td></td>
<td>460,658</td>
</tr>
<tr>
<td>3. Marketing, Trade, &amp; Product Quality</td>
<td></td>
<td>319,221</td>
</tr>
<tr>
<td>4. Water Quality &amp; Management</td>
<td></td>
<td>131,017</td>
</tr>
<tr>
<td>5. Sales Offset</td>
<td></td>
<td>200,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>$1,894,015</td>
</tr>
</tbody>
</table>

| Cooperative Extension Service                    |      |        |
| 1. Youth and Families                            |      | $355,396 |
| 2. Sheep Specialist                              |      | 112,780 |
| 3. Water Quality & Management                    |      | 120,276 |
| 4. Marketing, Trade, & Product Quality           |      | 121,192 |
| 5. Maintenance & Equipment                       |      | 119,149 |
| 6. Natural Resource Management                   |      | 127,192 |
| **Total**                                        |      | $955,985 |

| Forest Research Laboratory                       |      |        |
| 1. Long-Term Productivity of Forests             |      | $300,000 |
| (50% to be financed from Harvest Tax)           |      |        |
| 2. Adaptive COPE (100% Harvest Tax)             |      | 150,000 |
| **Total**                                        |      | $450,000 |

### F. Languages — $5,000,000

This is a system-wide request to finance increased language requirements at State System institutions. More detail will be provided on this request at the meeting in June.

### G. Tourism Institute — $400,000

This request is to improve the service to the state’s tourism industry by the Oregon Tourism Institute.

### A Budget

Every decision package contained in the B Budget, as described above, is also included in the A Budget. The B Budget decision packages, plus the additional requests outlined below, comprise the complete A Budget. See Schedule I for a priority listing of decision packages for the A Budget.
Meeting #565

A. Academic Infrastructure — $17,500,000 ($14.0 million from increased instruction fees and $3.5 million General Fund)

The A Budget requests an additional $3.5 for Academic Infrastructure to increase the funding for equipment/computing by $2.0 million to $10.0 million and capital repair by $1.5 million to $4.0 million.

B. Institution Specific — $14,000,000

The A Budget requests an additional $12.0 million for institution specific items for the three universities and the Health Sciences University including the Hospital and the Crippled Children’s Division.

1989-1991
Request

University of Oregon
1. Center for Asian & Pacific Studies $1,700,000**
2. Oregon Center for Housing Innovation 500,000**
3. Technology Transfer 400,000
4. Center for Human Well-Being 150,000**
5. Cognitive & Decision Sciences 300,000
6. Pine Mountain Observatory 200,000

$3,250,000

Oregon State University
1. Family Public Policy Center $309,200**
2. International Trade In Natural Resources 774,656
3. Baccalaureate Core * 577,711
4. Hotel, Restaurant, & Tourism Management 424,068
5. College of Pharmacy 757,516
6. Computer Science 406,849

$3,250,000

*Note: The funding plan for this program applies $529,011 in 1990-91. However, OSU realizes that, if the program is approved and funded, it is with the understanding that OSU in 1991-1993 would need to find within its existing base budget an additional $529,011 to maintain the program as begun in 1990-91.

**Note: These programs and centers have not yet received Board approval.
Portland State University
1. North Pacific Area Research Center $ 612,040**
2. International Studies 411,484
3. Ph.D Social Work 399,550**
4. Ph.D Speech Audiology & Pathology 283,847**
5. Ph.D Pub. Admin. & M.S. in Admin. of Justice 293,079**

$2,000,000

Note: Also, Portland State University is proposing to rename its currently approved Ph.D in Urban Studies to a Ph.D in Public Administration.

Oregon Health Sciences University
1. University/Industry Coop. Research Center $ 600,000**
2. Research Program Support 1,600,000
3. Nursing 12 Month Program Support 520,000
4. Research Program Development Support 780,000
5. Gene Therapy Start-up 392,000

$3,892,000

GHSU — Hospital
1. Increased Non-Sponsored Patient Care $ 2,000
2. Hospital Educational Cost Support 600,000

$ 602,000

Note: It will also be necessary to seek an increase in the base budget ($15,740,000) for workload increases associated with increased patient days from 86,000 to 89,000. This increase in the base will be funded from increased patient fees.

GHSU — Crippled Children’s Division
1. Adult Hemophilia Assist.-Increase Subsidy $ 2,000
2. Community Outreach Staffing 270,000
3. Genetic Services, Diagnosis & Prevention 234,000

$ 506,000

**Note: These programs and centers have not yet received Board approval.
C. BAS Model Adjustment — $12,000,000

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.

D. Basic Research — $5,000,000

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

Staff Recommendation to the Committee

The staff recommended that the Board approve preparation of the 1989-1991 Biennial Budget Request, including the individual institution and systemwide requests, as outlined and prioritized in this agenda item. The staff recommended that all institution requests which require Board approval of new degrees, centers, institutes, or programs be approved conditionally, pending completion of the Board's regular academic program review and approval process. Financing proposals are to be withdrawn from the budget request if the approval process is not completed by July 17, 1988. The staff further recommended that the Committee recommend to the Board that the A Budget be the Board's first priority, B Budget second, and C Budget third.

Board Discussion and Action

Mr. Quenzer and Mr. Lemman presented the staff report and recommendations on 1989-1991 Biennial Budget Policies and the three related policy issues with respect to the instruction fee policy, faculty salaries, and enrollment ceilings and corridor of enrollments.

In presenting the 1989-1991 Biennial Budget Policies, Mr. Quenzer presented several modifications to Schedule I. These have been included in Schedule I, appearing on the following page. The changes related to the inflation adjustment, the equipment/computing amount, and corridor and ceiling adjustments.

Mr. Petersen asked when the Centers of Excellence item would be completed since this was the third time it had been part of the budget.
<table>
<thead>
<tr>
<th>A Budget</th>
<th>B Budget</th>
<th>C Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base Budget:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4%+4% Inflation</td>
<td>4%+4% Inflation</td>
<td>4%+4% Inflation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Decision Packages:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>$60.0 mil</td>
<td>Salaries</td>
</tr>
<tr>
<td></td>
<td>$60.0 mil</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Infrastructure:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equip\Comp.</td>
<td>12.5 mil</td>
<td>Equip\Comp.</td>
</tr>
<tr>
<td>Cap. Repair</td>
<td>4.0 mil</td>
<td>Cap. Repair</td>
</tr>
<tr>
<td>Libraries</td>
<td>3.5 mil</td>
<td>Libraries</td>
</tr>
<tr>
<td></td>
<td>$20.0 mil</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$16.5 mil</td>
<td></td>
</tr>
<tr>
<td>Corridor and Ceiling</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustmts:</td>
<td>$ 5.2 mil</td>
<td>Program Improvement:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Improvement:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ctrs.\Excel.</td>
<td>$ 6.5 mil</td>
<td></td>
</tr>
<tr>
<td>Inst. Spec.</td>
<td>14.0 mil</td>
<td></td>
</tr>
<tr>
<td>OCATIE</td>
<td>2.0 mil</td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td>3.0 mil</td>
<td></td>
</tr>
<tr>
<td>Languages</td>
<td>5.0 mil</td>
<td></td>
</tr>
<tr>
<td>Tourism Inst.</td>
<td>.4 mil</td>
<td></td>
</tr>
<tr>
<td>BAS Adjust.</td>
<td>12.0 mil</td>
<td></td>
</tr>
<tr>
<td>Basic Research</td>
<td>5.0 mil</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$47.9 mil</td>
<td>$18.9 mil</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Decision Packages:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gen. Fund</td>
<td>$116.9 mil</td>
<td>$84.4 mil</td>
</tr>
<tr>
<td>Tuition</td>
<td>$ 16.2 mil</td>
<td>$ 16.2 mil</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$ 16.2 mil</td>
</tr>
</tbody>
</table>
Mr. Quenzer responded that, if the appropriation were granted, it would finance the Centers of Excellence as they were originally planned in 1985. Although the program improvement requests have not been prioritized as yet, the Centers of Excellence have been first in the presentations to this point.

Mr. Quenzer also indicated that the proposed tuition increase would be used to finance areas that have a direct impact upon students.

The Board then proceeded to consider the three related budget matters which follow and then approved the staff recommendations as presented. The following voted in favor: Directors Adams, Alltucker, Brooks, Dodson, Hensley, Nelson, Richardson, and Petersen. Those voting no: None. Votes on the individual related budget matters appear at the conclusion of each item.

Staff Report to the Board

The proposed budget for 1989-1991 (discussed in another item in this docket) 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 $1,678 compared to Oregon’s average of $1,535 (UO, 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 nonresident 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.

<table>
<thead>
<tr>
<th>Undergraduate</th>
<th>Graduate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado</td>
<td>$1,859</td>
</tr>
<tr>
<td>Washington</td>
<td>1,764</td>
</tr>
<tr>
<td>Oregon (3)</td>
<td>1,556</td>
</tr>
<tr>
<td>California</td>
<td>1,472</td>
</tr>
<tr>
<td>Montana</td>
<td>1,352</td>
</tr>
<tr>
<td>Utah</td>
<td>1,311</td>
</tr>
<tr>
<td>Arizona</td>
<td>1,196</td>
</tr>
<tr>
<td>New Mexico</td>
<td>1,152</td>
</tr>
<tr>
<td>Hawaii</td>
<td>1,090</td>
</tr>
<tr>
<td>Nevada</td>
<td>1,080</td>
</tr>
<tr>
<td>Alaska</td>
<td>1,046</td>
</tr>
<tr>
<td>Idaho</td>
<td>1,042</td>
</tr>
<tr>
<td>Wyoming</td>
<td>778</td>
</tr>
</tbody>
</table>

Average | 1,284 | 4,076 | 1,458 | 4,148 |

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 experienced a significant tuition increase and the other institutions had no, or very small, increases.

It is estimated that a 8.25% increase each year in the 1989-1991 biennium will generate $19.4 million. The amount necessary to finance $14 million of academic infrastructure improvement and approximately $5.4 million to meet the Other Funds portion of the base budget adjustments.
When considering the level of instruction fees, the Board in the past has reviewed fee levels in the western states, national averages, and the level of instruction fees as compared to the cost of instruction. The discussion above has addressed the areas of western states and national averages. The following discussion addresses the area of instruction fees as compared to the cost of instruction.

**Cost of Instruction Fee Policy**

The Board, in its Biennial Budgets of 1983-1985 and 1985-1987, accepted in principle a Cost of Instruction Fee Policy. However, the policy was not implemented in either biennium because the fee rates resulting from the percentages of the cost of instruction selected by the Board were less than the existing fee rates. Therefore, the implementation of the policy would have required many millions of General Fund dollars to offset a loss in Other Funds revenue resulting from a reduction in fee rates. In 1987-1989, the Board again reviewed the Cost of Instruction Fee Policy but chose to set fees based on western states comparisons and the Executive Department guideline of a 3% inflationary adjustment.

According to the Cost of Instruction Fee Policy accepted by the Board instruction fees are to be set as follows:

<table>
<thead>
<tr>
<th></th>
<th>Univ\OIT</th>
<th>Colleges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate</td>
<td>25%</td>
<td>100%</td>
</tr>
<tr>
<td>Graduate</td>
<td>33</td>
<td>50</td>
</tr>
</tbody>
</table>

The following table gives current and projected percentages that instruction fees are of the cost of instruction as well as a historical perspective.

<table>
<thead>
<tr>
<th></th>
<th>Historical</th>
<th>Current</th>
<th>Projected*</th>
<th>Projected*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident Undergrad.</td>
<td>26.5%</td>
<td>24.3%</td>
<td>25.6%</td>
<td>26.9%</td>
</tr>
<tr>
<td>Nonresident Undergrad.</td>
<td>88.1</td>
<td>80.8</td>
<td>85.0</td>
<td>89.3</td>
</tr>
<tr>
<td>Resident Graduate</td>
<td>29.6</td>
<td>27.5</td>
<td>28.9</td>
<td>30.3</td>
</tr>
<tr>
<td>Nonresident Graduate</td>
<td>50.2</td>
<td>46.6</td>
<td>49.0</td>
<td>51.5</td>
</tr>
</tbody>
</table>

*Note: The projected years assume a 3% increase in the cost of instruction each year and a 8.25% instruction fee increase.
The table above shows that with an 8.25% per year increase, instruction fees would still be below the 1985-86 levels as a percent of the cost of instruction. By 1990-91, resident undergraduate fees would be slightly ahead of the Board's guideline, and nonresident undergraduate fees would remain below the expressed percentage targets.

If the Board were to set instruction fees in 1989-1991 in strict accord with the Cost of Instruction Fee Policy, it would generate approximately the same revenue as a 8.25% per year increase. However, the percentage increase (as well as dollar increase) for all students except resident undergraduates in 1989-90 would be unacceptable. The following table compares the 8.25% per year increase with a strict adherence to the Cost of Instruction Policy for 1989-1991.

<table>
<thead>
<tr>
<th></th>
<th>Undergraduate</th>
<th>Graduate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual Rates 1988-89</td>
<td>$1,236</td>
<td>$4,104</td>
</tr>
<tr>
<td>8.25% Rates:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1989-90</td>
<td>1,338</td>
<td>4,443</td>
</tr>
<tr>
<td>Percent Incr.</td>
<td>8.25%</td>
<td>8.25%</td>
</tr>
<tr>
<td>1990-91</td>
<td>1,449</td>
<td>4,809</td>
</tr>
<tr>
<td>Percent Incr.</td>
<td>8.25%</td>
<td>8.25%</td>
</tr>
<tr>
<td>Cost of Instr. Policy:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1989-90</td>
<td>1,308</td>
<td>5,230</td>
</tr>
<tr>
<td>Percent Incr.</td>
<td>5.8%</td>
<td>27.4%</td>
</tr>
<tr>
<td>1990-91</td>
<td>1,347</td>
<td>5,387</td>
</tr>
<tr>
<td>Percent Incr.</td>
<td>3%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Staff Recommendation to the Board

The staff recommended to the Board that the budget be prepared assuming an increase in instruction fees sufficient to yield $14 million during the biennium for academic infrastructure improvements and a sum sufficient to meet the Other Funds portion of base budget adjustments, but not to exceed 10% per year in 1989-1991. (Present estimates indicate an increase of 8.25% per year.)

Board Discussion and Action

Mr. Quenzer reviewed the history of the fee policy and presented the staff report and recommendation.
Mr. Dodson moved approval of the staff recommendation but read the following statement from a letter from Ms. Susan Morse, Executive Director of the Oregon Student Lobby: "At a time when the economy of the state is flourishing and the government officials are supportive of higher education, we should not be faced with a choice between access and quality. We hope the Board will tackle the challenging task of securing both." Mr. Dodson said he intended to do that.

Miss Brooks said she was deeply concerned about the proposal for an increase of 8.25% per year, or approximately 16% in two years. She said she could not support the recommendation when she looked at Oregon's ranking for resident and nonresident tuition in the western states. She said she had requested the staff to show how different levels of tuition increases would affect the budget and the impact of an adjustment between resident and nonresident tuition. Miss Brooks indicated she did not see that information and was concerned that all of the options had not been explored. She stated she realized money was tight and an increase was necessary but she was not convinced this substantial increase was essential at this time. She said she was uncomfortable with the proposal from the standpoint of access and the relationship of Oregon's tuition to that of other western states. She said Oregon's tuition was obviously very high.

Mr. Petersen requested Mr. Quenzer to comment on the increases anticipated in other states. Miss Brooks said she had noted the information in the material but thought Oregon's rank would stay about the same, even though all of the states had increases.

Mr. Quenzer agreed the rank would not change. He said Oregon, Washington, and Colorado, are substantially ahead of the other western states in tuition. If Oregon were to freeze tuition for the next three or four years, it would still be at the same rank. Further, if Oregon were to increase tuition 10% a year or more during the next two years, it would still be at the same rank. Western states have a history of low tuition. The low tuition states are beginning to catch up, but Oregon's rank is unlikely to change.

The Chancellor stated it was a matter of forced choices. He said there had been a major increase in the three to four year period prior to 1981-82. This was followed by three years of absolute tuition freeze and then some small adjustments. Limited funds have been provided by the Legislature for scientific equipment, computers and libraries, and the State System is falling farther and farther behind in all of these areas. It is a question of students paying slightly more and having these things. The Chancellor said it was his opinion the students who would be paying this increased rate for the next few years would be served much...
better by having modern equipment. If this money were built into the ongoing base budget, it would then be added to the amount being expended. Then the normal inflationary adjustment would adjust the amount without seeking a new decision package each biennium.

The Chancellor said there was general concern about access and quality. This adjustment should accommodate better quality without reducing access.

Miss Brooks stated she really understood the need but tuition was becoming exorbitant, particularly in view of the discussion of a computer fee. She commented again on the discrepancy between resident and nonresident tuition and the fact that Oregon students were paying much more than nonresident students comparatively in the western states.

Mr. Lemman reminded the Board of the state expenditure limitation cap. The base adjustments and inflation allowances already described above in the State System's budget, and similar ones in other budgets, bring the total to within $12 million of the cap on a $3.5 billion base. If there is to be any increase or support of quality within this context, money must be found outside the cap or non-General Fund sources must be found. Tuition is one of those sources, and the plan is submitted in that context.

Mr. Petersen asked the percentage of the cost of instruction which would be represented by the proposed increase.

Mr. Quenzer said by 1990-91, tuition would be about 27% of the cost of instruction with the 8.25% increase. In 1985-86, the resident undergraduate percentage of cost was 26.5%, and it is presently 24.3%. The Board's target is for tuition to be 25% of the cost of instruction. He also indicated the staff was not proposing that the 8.25% would apply necessarily to all categories of students. It is an aggregate percentage.

Mrs. Nelson said she shared the concerns of Miss Brooks and also agreed with the possibility of raising out-of-state tuition. She said the proposal definitely would affect access in certain parts of the state more than others, due to the economy of those areas. During the visit to Southern Oregon State College, people there felt the tuition increase would affect that campus a great deal because the economic climate is poorer in the southern part of the state. She stated the effect of the increase on access was unfair because income levels throughout the state were not at all equal. Mrs. Nelson said in her view the increase was too high in order to make up all the difference in one year, even though she recognized the additional resources were important.
Mr. Petersen inquired about the elasticity issue with respect to nonresident tuition. He also asked if the mix had settled in terms of the contribution nonresident students make to the revenues and the potential loss of students if nonresident students were required to pay a greater share.

Mr. Quenzer said nonresident students now are not paying 100% of the cost of instruction. However, they are paying three times the amount charged a resident student, so the loss of one nonresident student is equivalent to losing three resident students in terms of the generation of revenue. In 1983-84, the limit was reached for that period of time because students dropped off very dramatically. The Board allowed the nonresident tuition to move off the 100% policy and also utilized scholarships and remissions to encourage nonresident students to come back to Oregon. The percentage of nonresident students now is probably about 12% of the total enrollment.

Mr. Hensley said he shared the concern of most Board members about the impact of a tuition increase on students. The Board should listen to the student representatives. At the same time, Board members and staff who have been exposed to past budgets realize the problem of continuing the quest for quality with the resources available. He urged the staff to examine every possible avenue for increasing revenues in other areas.

Mr. Hensley said a cap on enrollment might be one alternative. It would still impact students but would ensure having resources available for a full term up front.

It was pointed out this would not be beneficial because the State System does not earn interest on the money it collects. That is all dedicated to the General Fund.

The Board approved the staff recommendation as presented, with the following voting in favor: Directors Adams, Alltucker, Dodson, Hensley, Richardson, and Petersen. Those voting no: Directors Brooks and Nelson. Director Schnitzer was absent from the meeting at this time.

**Academic**
(Unclassified)
Salary Policy
1989-1991

**Staff Report to the Board**
The increase in average salaries for faculty at public and private colleges and universities from 1986 to 1987 was 4.9%. At public doctoral-granting universities, the average increase was 5.2%. Oregon's public colleges and universities experienced an average salary increase of 7.1% from 1986 to 1987. This increase was achieved by including the 3.25% increase granted in May 1987 with the 3.65% increase granted in September 1987 (2% plus rank
adjustment). In September of 1988, Oregon institutions will receive a rank adjustment (approx. 1.65%), followed by a 4% across-the-board adjustment in February 1989 (January for 12-month appointments), for a 3.65% increase in 1988. Based on average salary increases granted throughout the country, the increase for Oregon faculty will again be less than the increase of their peers at comparator institutions during the 1987-1989 biennium.

The American Association of University Professors in their "Annual Report on the Economic Status of the Profession, 1987-88" make the following statement:

"The data on salary levels reflect at least three different perspectives of academic markets. First, there is a market for new faculty appointments. The normal result of the operation of that market is that there is an increase in salary levels offered to assistant professors, either when colleges and universities expand or when fewer qualified people want to go into academics. At those times, the rate of increase in salaries of assistant professors will outpace the rate of increase of their less mobile colleagues and mentors, and the distribution of salaries will tend to narrow, as many people claim it did in the 1960's. Second, there is a "market," internal to the institution, where the salary differentials have to match differences in responsibility, prestige, experience, etc. Third, there is a market within disciplines, where there may be substantial differences in the opportunities not only in academia but off the campus as well."

The academic salary policy of the State System in 1985-1987 specifically addressed the "third academic market" referred to above when it authorized a special 6% increase for all faculty in the disciplines of business, computer science, engineering, and law. It is proposed that the policy for 1989-1991 address the remaining two "markets" as well as making progress on the Board's goal (as outlined in the Strategic Plan) to achieve a salary average for Oregon universities in the upper one-third of public doctoral-granting institutions. The following academic (unclassified) salary plan is proposed for 1989-1991:

1. A 2% increase per year for all staff performing satisfactory service.

2. A 10% per year new faculty recruitment differential. Each institution would be given a fund equal to a 10% increase on 5% of its salary base to permit the institution to address the market factors associated with hiring new assistant professors. It would enable the institution to be more competitive in seeking and retaining higher quality young academics who will staff our institutions in the future.
3. A 10% per year highest quality differential. Each institution would be given a fund equal to a 10% increase on 33% of its salary base to permit the institution to reward those faculty who are of the highest quality and without whom the institution would suffer the greatest loss in the level of excellence in instruction, research, and public service. The fund would enable the institution to respond to market factors associated with retaining these key faculty members.

4. A 5% fund to recognize above average performance. Each institution would be given a fund equal to 5% of 50% of its salary base to allow the institution to recognize the meritorious performance of faculty, other than those eligible for the highest quality differential. It would address the Board's goal of improving Oregon's ranking relative to comparator institutions and thus, over time, permit institutions to attract and retain quality faculty.

Such a salary increase program would translate into an average 8.30% per year increase in the total average salary for academic staff. The following chart is presented to depict the method of calculation.

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<th>Differential</th>
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<th>Adjust. Factor</th>
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Annual Adjustment Factor for 1989-1991 8.30%

The 1989-1991 biennial cost of the academic salary policy as outlined above will be $60 million. The request is that the General Fund finance the required amount.

Attached to this agenda item are the 1987 salary averages for the public doctorate-granting institutions.

Staff Recommendation to the Board

The staff recommended that the Board approve the academic (unclassified) salary policy as outlined in this agenda item and that $60 million be requested from the General Fund to finance the salary policy.
### Average Faculty Salaries in Public Doctorate Granting Institutions, 1987-88
(Salary in thousands)

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<tr>
<th>Institution</th>
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### Average Faculty Salaries in Public Doctorate Granting Institutions, 1987-88

(Salary in thousands)

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<th>Institution</th>
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<th>Asst</th>
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</table>
Average Faculty Salaries in Public Doctorate Granting Institutions, 1987-88
(Salary in thousands)

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<tr>
<th>Institution</th>
<th>Prof</th>
<th>Assoc</th>
<th>Asst</th>
<th>Instr</th>
<th>All Ranks</th>
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<td>20.1</td>
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<td>28.5</td>
<td>23.2</td>
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</tr>
<tr>
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<td>20.7</td>
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<td>27.7</td>
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</tr>
<tr>
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<td>27.5</td>
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<td>34.3</td>
</tr>
<tr>
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<td>34.0</td>
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<td>33.1</td>
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<tr>
<td>104 Kansas State U</td>
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<td>27.8</td>
<td>21.4</td>
<td>32.8</td>
</tr>
<tr>
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<td>27.7</td>
<td>17.7</td>
<td>32.4</td>
</tr>
<tr>
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<td>26.8</td>
<td>18.4</td>
<td>31.7</td>
</tr>
<tr>
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<td>38.3</td>
<td>31.2</td>
<td>26.8</td>
<td>23.0</td>
<td>31.5</td>
</tr>
<tr>
<td>108 U of South Dakota</td>
<td>39.5</td>
<td>29.4</td>
<td>25.6</td>
<td>19.2</td>
<td>31.0</td>
</tr>
<tr>
<td>109 Texas Woman's U</td>
<td>40.4</td>
<td>31.6</td>
<td>26.6</td>
<td>23.6</td>
<td>30.7</td>
</tr>
<tr>
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<td>27.6</td>
<td>24.6</td>
<td>20.0</td>
<td>30.5</td>
</tr>
<tr>
<td>111 Texas Southern U</td>
<td>37.8</td>
<td>34.1</td>
<td>23.6</td>
<td>19.4</td>
<td>29.2</td>
</tr>
</tbody>
</table>

Weighted Average

|                  | 51.1 | 37.3 | 31.4 | 22.0 | 41.2 |

NOTE: Although Portland State University does not qualify as a Category I (Public Doctorate Granting) university, it is included in this list in accordance with Board of Higher Education policy reaffirmed on February 20, 1986. That policy requires that PSU be compared to the University of Oregon and Oregon State University in comparative salary studies.
Board Discussion and Action

Mr. Leman presented the staff report and recommendation. He indicated he believed the presidents supported the proposal in general terms but there would be some fine-tuning of the concept for the July meeting. The total would not change, but the factors might vary.

Mr. Adams commended the imagination and difference in this proposal because it offered the Board a little variety and recognizes merit in a much better way than has been done previously. He suggested that some thought be given to the breakdown in the table so that it would be available in the event the total should be something other than 8.3%.

Mr. Dodson agreed with Mr. Adams. He urged staff to work with the presidents and other representatives of the institutions to make sure they concur with the recommendations for July.

Mr. Richardson said this was a very creative proposal that accomplishes some good things that need to be done in the State System. He said the Board had made a commitment to improving minority under-representation within the System. One of the ways to do that is to recruit faculty from under-represented classes. Mr. Richardson proposed inserting in the last sentence of Item 2 after the words "higher quality" a statement such as "traditional and under-represented classes of young academics."

Mr. Alltucker asked about Oregon's ranking compared with the average salary increases for the 13 western universities and whether the other western states would be gaining faster than Oregon. Mr. Leman indicated this data could be provided.

President Olum said the presidents had proposed creating a committee consisting of Board members and a college and university president to discuss the issue of salary policy. There are a lot of complicated factors, and there may be differences of opinion among faculties and institutions.

Mr. Petersen said the committee could be formed without Board action.

The Board approved the staff recommendation with the addition of Mr. Richardson's statement and with the understanding the proposed salary committee would be formed. It was understood also the factors might change but the total will remain the same. The following voted in favor: Directors Adams, Alltucker, Brooks, Dodson, Hensley, Nelson, Richardson, and Petersen. Those voting no: None. Director Schnitzer was absent from the meeting at this time.
Staff Report to the Committee

Introduction

The Board established enrollment ceilings for seven institutions, exclusive of the Health Sciences University, in May 1972. The purposes of the initial ceiling proposal were to establish a framework for 1973-1975 budget preparation and to provide for orderly planning for the 1977-1979 biennium. At its July 1984 meeting, the Board adopted the Corridor of Enrollment funding policy as a mechanism to lend more stability to institution budgets by removing the annual adjustments due to small changes in enrollment. The enrollment ceiling policy seeks to limit the size of an institution. The Corridor of Enrollment policy provides a framework to finance enrollment change.

History of Enrollment Ceilings

In the Spring of 1972, the Board's discussion on enrollment ceilings contained much reference to the need to develop a framework within which institutions could plan and budget for the future. In 1972, the prospects were for limited growth and an eventual decline of enrollments in the 70's and 80's. It was also recognized that changes might be necessary in the enrollment ceilings that were adopted for the institutions. The following excerpt is taken from the minutes of the May 22, 1972, meeting:

Chancellor Lieuallen said that if the universities should reach a point where numbers of students applying for admission were greater than could be accommodated under the prescribed enrollment limits, it might be necessary to adjust the limits of some of the institutions in the State System. Mr. Mosser (President of the Board) suggested that the enrollment limits be reviewed after each two years and that he would expect that some adjustments in limits might be indicated as the result of developments in the state, especially in the colleges and Oregon Technical Institute.

The Board reviewed the ceilings several times during the ensuing decade. The following summary displays the enrollment ceilings by institution as they were initiated in 1972 and modified by subsequent Board actions:

-315-
### Enrollment Ceilings Set By Board Action

#### Fall Full-Time Equivalent Students

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
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<td>15,000</td>
<td>15,500</td>
<td>15,500</td>
<td>15,500</td>
<td>15,500</td>
<td>15,500</td>
</tr>
<tr>
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<td>15,500</td>
<td>15,500</td>
<td>15,500</td>
<td>15,500</td>
<td>16,000</td>
</tr>
<tr>
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<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,500</td>
<td>10,500</td>
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<tr>
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<td>4,000</td>
<td>3,000</td>
<td>3,200</td>
<td>3,200</td>
<td>3,200</td>
<td>3,200</td>
</tr>
<tr>
<td>SOSC</td>
<td>5,000</td>
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<td>4,000</td>
<td>4,000</td>
<td>4,000</td>
<td>4,000</td>
</tr>
<tr>
<td>EOSC</td>
<td>2,000</td>
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<td>2,000</td>
<td>2,000</td>
<td>2,000</td>
<td>2,000</td>
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<tr>
<td>OIT</td>
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<td>2,000</td>
<td>2,000</td>
<td>2,500</td>
</tr>
</tbody>
</table>

The staff report to the Board at its March 26, 1974, meeting made the following observations and suggestions:

In adopting the enrollment limits the Board seems to have sought two quite different objectives. The first is to declare explicitly the Board's conception of the long-range enrollment dimensions of an institution; the second is to provide a shorter range guide to institutional planning. The two may coincide, as in the case of the University of Oregon, where the 15,000 limit becomes an immediate operational consideration for 1974-75. Or, the two may be quite different, as in the case of Portland State University, where 15,000 may be an appropriate ultimate expectation but may not be a very useful planning guideline through 1977 or 1979.

It is suggested that the Board may wish to consider adoption of two separate categories of enrollment standards. The first would represent a considered judgment about the appropriate size of the institution in relation to its assigned missions. Presumably, it would change rarely and only reflect changes of institutional program. The second would be influenced by consideration of the first but modified to reflect the realities of actual enrollments and reasonable expectations for the next three to five years. The second group of enrollment standards would be reviewed at least biennially as a guide to budget and other planning efforts.

The Board, in adopting the ceilings in 1974, obviously chose to use the ceilings more as a short-range guide to institutional planning rather than as the long-range enrollment dimensions of an institution when it changed the ceilings downward at PSU, WOSC, and SOSC to reflect more their anticipated enrollments. This more short-range approach was again evident when the Board changed the ceilings at OSU and OIT in 1982 in response to the enrollment pressures at those two institutions.
Discussion of Enrollment Ceilings

The Board has the enrollment ceiling and Corridor of Enrollment policies in place to assist it and the institutions in long-range as well as short-range planning. Prior to 1984, the ceiling policy was the only enrollment policy. Since 1984, however, the Corridor of Enrollment policy has replaced the ceiling policy as the mechanism for short-range enrollment planning. Thus, it seems appropriate for the Board to consider using the ceiling policy to reflect the long-range enrollment dimensions of each institution, as envisioned in the March 1974 staff report referred to above, and the Corridor policy to manage enrollment in the short-range.

If the enrollment ceiling policy were limited to long-range planning and used to define optimum size institutions for Oregon, then the discussion could focus on the type of institutions which would best serve Oregonians. Such discussion would lead to:

1. Identifying the optimum enrollment size for comprehensive or research universities necessary to give them sufficient economies of scale, breadth of offerings, critical mass, etc., to be quality institutions.

2. Identifying the optimum enrollment size of a comprehensive state college necessary to give it sufficient breadth of offerings, critical mass, etc., to be able to offer students an alternative to a large research university and to serve regional needs.

3. Identifying the ideal enrollment size of a technical institute.

Although such an exercise may be predominantly subjective, it is possible to draw on a variety of data and experiences. Some institution administrators indicated a research university in the range of 15,000 to 16,000 fall-term FTE or 18,000 head-count is of sufficient size to accomplish its mission without the ambience of a mega-university. Likewise, a state college that can offer a sensible alternative to a large university is perceived to be one with less than 5,000 FTE. Furthermore, ceilings must be considered in light of the state's college-age population and the need to train individuals to be productive and fulfilled citizens. Ceilings must also take into account the ability to accommodate additional students, although present physical capacity should not be the primary reason for setting a ceiling. The more important considerations should be criteria as mentioned above.

In considering whether to adjust enrollment ceilings, the Board should weigh several factors.
Displayed on the table on the next page are the following data:

- Fall term FTE enrollment at the seven institutions from 1972-73 (when ceilings were first established) through the forecasts for 1992-93.

- Oregon high school graduating classes for the same period and beyond.

- The participation rate of OSSHE institutions, i.e., the ratio of first year students to the size of the high school graduating classes the previous spring.

- Ceilings currently in force at the institutions.

Note that only in a few instances has any institution exceeded its ceiling since their inception in 1972-73. Note that this year—1988—represents the largest high school graduating class that Oregon is forecast to have until the year 2001, 13 years away. Note that we are approaching our all time high participation rate. Although enrollment growth does not come solely from high school graduating classes, enrollment forecasting methods as well as historical data meld the various sources of students into a statistical pattern related to the high school graduating classes.

From this data, it is apparent that no substantial changes in the size of our institutions are needed, unless there are significant shifts toward higher levels of upper division and graduate enrollments, or there is a large increase in the rate of immigration. It is equally evident, however, that the distribution of students among institutions is not now, nor is it ever apt to be, optimum. This phenomenon relates to the location of institutions, their size, reputation and popularity of available programs.

It is recognized that some institutions are currently growing more rapidly than others, countering somewhat the demographic expectations. Arguably, these institutions should be adequately financed for the existing student population even while attempts are being made to limit growth.

The juxtaposition of these facts, and the Alice in Wonderland statutes governing General Fund expenditure limitations, set the stage for the Board’s deliberations.
### Fall FTE Enrollment, Oregon High School Graduates, and Freshman Participation Rates 1972-73 through 1997-98*

<table>
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<tr>
<th>Academic Year</th>
<th>UO</th>
<th>OSU</th>
<th>PSU</th>
<th>WOSC</th>
<th>SOSC</th>
<th>EOSC</th>
<th>OIT-KF</th>
<th>7 Inst</th>
<th>High School Grads#</th>
<th>Fresh Rate</th>
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<td>14,553</td>
<td>15,329</td>
<td>8,885</td>
<td>3,447</td>
<td>4,140</td>
<td>1,491</td>
<td>1,686</td>
<td>49,531</td>
<td>33,752</td>
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<td>14,992</td>
<td>15,539</td>
<td>9,190</td>
<td>3,039</td>
<td>3,890</td>
<td>1,484</td>
<td>1,624</td>
<td>49,758</td>
<td>32,610</td>
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<tr>
<td>1974-75</td>
<td>15,117</td>
<td>15,963</td>
<td>9,999</td>
<td>3,147</td>
<td>4,051</td>
<td>1,482</td>
<td>1,855</td>
<td>51,614</td>
<td>32,172</td>
<td>22.1%</td>
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<tr>
<td>1975-76</td>
<td>15,448</td>
<td>16,443</td>
<td>10,241</td>
<td>3,279</td>
<td>3,969</td>
<td>1,419</td>
<td>2,064</td>
<td>52,863</td>
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<td>2,093</td>
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<td>51,922</td>
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<td>22.8%</td>
</tr>
<tr>
<td>1980-81</td>
<td>15,266</td>
<td>16,883</td>
<td>10,684</td>
<td>2,774</td>
<td>3,939</td>
<td>1,602</td>
<td>2,390</td>
<td>53,538</td>
<td>31,310</td>
<td>22.4%</td>
</tr>
<tr>
<td>1981-82</td>
<td>14,826</td>
<td>16,722</td>
<td>9,643</td>
<td>2,565</td>
<td>3,776</td>
<td>1,622</td>
<td>2,506</td>
<td>51,660</td>
<td>30,853</td>
<td>20.4%</td>
</tr>
<tr>
<td>1982-83</td>
<td>13,723</td>
<td>15,884</td>
<td>9,267</td>
<td>2,208</td>
<td>3,569</td>
<td>1,564</td>
<td>2,449</td>
<td>48,664</td>
<td>30,235</td>
<td>18.0%</td>
</tr>
<tr>
<td>1983-84</td>
<td>13,784</td>
<td>15,196</td>
<td>9,260</td>
<td>2,300</td>
<td>3,662</td>
<td>1,514</td>
<td>2,478</td>
<td>48,194</td>
<td>29,565</td>
<td>18.4%</td>
</tr>
<tr>
<td>1984-85</td>
<td>14,137</td>
<td>14,638</td>
<td>9,115</td>
<td>2,455</td>
<td>3,573</td>
<td>1,414</td>
<td>2,315</td>
<td>47,647</td>
<td>28,804</td>
<td>19.3%</td>
</tr>
<tr>
<td>1985-86</td>
<td>14,584</td>
<td>14,196</td>
<td>9,546</td>
<td>2,741</td>
<td>3,593</td>
<td>1,539</td>
<td>2,441</td>
<td>48,640</td>
<td>28,373</td>
<td>20.6%</td>
</tr>
<tr>
<td>1986-87</td>
<td>15,208</td>
<td>14,083</td>
<td>9,990</td>
<td>2,989</td>
<td>3,680</td>
<td>1,439</td>
<td>2,423</td>
<td>49,812</td>
<td>27,598</td>
<td>21.7%</td>
</tr>
<tr>
<td>1987-88</td>
<td>15,529</td>
<td>13,939</td>
<td>9,946</td>
<td>3,242</td>
<td>3,902</td>
<td>1,497</td>
<td>2,418</td>
<td>50,473</td>
<td>28,666</td>
<td>21.9%</td>
</tr>
<tr>
<td>1988-89</td>
<td>15,574</td>
<td>14,127</td>
<td>10,159</td>
<td>3,469</td>
<td>4,041</td>
<td>1,550</td>
<td>2,521</td>
<td>51,441</td>
<td>30,019</td>
<td>21.9%</td>
</tr>
<tr>
<td>1989-90</td>
<td>15,560</td>
<td>14,149</td>
<td>10,280</td>
<td>3,602</td>
<td>4,107</td>
<td>1,537</td>
<td>2,635</td>
<td>51,870</td>
<td>29,092</td>
<td>22.1%</td>
</tr>
<tr>
<td>1990-91</td>
<td>15,416</td>
<td>14,332</td>
<td>10,410</td>
<td>3,676</td>
<td>4,109</td>
<td>1,514</td>
<td>2,591</td>
<td>52,048</td>
<td>27,299</td>
<td>22.2%</td>
</tr>
<tr>
<td>1991-92</td>
<td>15,404</td>
<td>14,299</td>
<td>10,338</td>
<td>3,573</td>
<td>4,032</td>
<td>1,477</td>
<td>2,543</td>
<td>51,666</td>
<td>26,290</td>
<td>22.4%</td>
</tr>
<tr>
<td>1992-93</td>
<td>15,285</td>
<td>14,002</td>
<td>10,104</td>
<td>3,472</td>
<td>3,926</td>
<td>1,437</td>
<td>2,476</td>
<td>50,682</td>
<td>26,328</td>
<td>22.4%</td>
</tr>
<tr>
<td>1993-94</td>
<td>15,238</td>
<td>13,764</td>
<td>9,940</td>
<td>3,414</td>
<td>3,877</td>
<td>1,423</td>
<td>2,440</td>
<td>50,096</td>
<td>27,124</td>
<td></td>
</tr>
<tr>
<td>1994-95</td>
<td>15,338</td>
<td>14,374</td>
<td>9,921</td>
<td>3,412</td>
<td>3,881</td>
<td>1,428</td>
<td>2,442</td>
<td>50,166</td>
<td>27,421</td>
<td></td>
</tr>
<tr>
<td>1995-96</td>
<td>15,641</td>
<td>14,084</td>
<td>10,090</td>
<td>3,484</td>
<td>3,972</td>
<td>1,462</td>
<td>2,497</td>
<td>51,203</td>
<td>28,781</td>
<td></td>
</tr>
<tr>
<td>1996-97</td>
<td>15,927</td>
<td>14,341</td>
<td>10,265</td>
<td>3,557</td>
<td>4,055</td>
<td>1,489</td>
<td>2,550</td>
<td>52,184</td>
<td>28,978</td>
<td></td>
</tr>
<tr>
<td>1997-98</td>
<td>16,279</td>
<td>14,689</td>
<td>10,487</td>
<td>3,648</td>
<td>4,162</td>
<td>1,530</td>
<td>2,616</td>
<td>53,411</td>
<td>30,238</td>
<td></td>
</tr>
</tbody>
</table>

* High school graduate projections are reported through OSSHE academic year 2004-05.

** All FTE calculations assume 1 FTE = 15 credit hours, for both undergraduate and graduate students.

# High school graduates from the previous school year who would have entered OSSHE as freshmen in the academic years displayed in this table.

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*NOT AVAILABLE*

Ceilings

| 15,500 | 16,000 | 10,500 | 3,200 | 4,000 | 2,000 | 2,500 | 53,700 |

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#-317-
It appears that there will be but minimal additional funds for enrollment increases in the next biennium. In addition, the Board faces other pressing needs for financial resuscitation to maintain, if not increase, existing levels of instructional quality. As a result, should the Board add to that pressure by increasing ceilings at some institutions in the hope of encouraging additional appropriations? At some point, someone has to decide (unless we are willing to let the decision be made by default) whether we constrain enrollment in a period of limited resources and focus our energies and finances on maintaining or improving quality, or permit unlimited access for all those who meet minimum qualification requirements, with the resulting diminution of quality for all. It makes little sense to have a ceiling policy at all if each institution’s ceiling is raised each time enrollment approaches or exceeds the stated limit.

If the Board chooses to adjust enrollment ceilings, it might consider some revised groundrules.

1. Institute a policy of having two limitations—a long-range, mission-oriented ceiling, which relates to anticipated size (both in terms of land and students), and also a second intermediate-range planning and financing ceiling. Short-range adjustments should be made on the basis of the Corridor of Enrollment policy within the intermediate-range limits. The intermediate-range horizon would be 3-10 years and the long-term horizon 11-25 years.

2. Review intermediate-range ceilings every two years, but modify ceilings of both types only when there is clear and convincing evidence that steady growth (in contrast to temporary or aberrational growth) is both possible (from the standpoint of student demand) and desirable (from the standpoint of public policy and societal needs), and when it is clear that the state can finance the total enrollments of the state system at an acceptable level. The latter criterion includes the ability and willingness to finance needed capital construction.

Three institutions have requested adjustments in enrollment ceilings (all expressed as Fall Term FTE)—WOSC from 3,200 to 5,000, UO from 15,500 to 16,000, and OIT from 2,500 to 3,000. Although neither WOSC nor OIT has the upper limit of students in prospect now, the biennial increase in operating budgets would be as follows:

WOSC—$11,800,000; UO—$3,500,000; OIT—$4,200,000.
These figures do not include any capital construction costs.

**Recommendations on Enrollment Ceilings**

It was recommended that the Board adopt the two-dimension ceiling policy described above, with the ceilings set as follows:

<table>
<thead>
<tr>
<th>Enrollment Ceiling</th>
<th>Long-Range</th>
<th>Intermediate-Range Ceiling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall Term FTE</td>
<td></td>
<td>Fall Term FTE</td>
</tr>
<tr>
<td>University of Oregon</td>
<td>16,000</td>
<td>15,500</td>
</tr>
<tr>
<td>Oregon State University</td>
<td>16,000</td>
<td>15,500</td>
</tr>
<tr>
<td>Portland State University</td>
<td>16,000</td>
<td>10,500</td>
</tr>
<tr>
<td>Western Oregon State College</td>
<td>5,000</td>
<td>3,600</td>
</tr>
<tr>
<td>Southern Oregon State College</td>
<td>5,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Eastern Oregon State College</td>
<td>5,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Oregon Institute of Technology (K. Falls campus only)</td>
<td>3,500</td>
<td>2,750</td>
</tr>
</tbody>
</table>

Budget recommendations flowing from this policy are presented at the end of this agenda item.

* * * * * * * * * * * * * * * * * *

**History of Corridors of Enrollment**

For nearly three decades, the budget adjustments for enrollment change have been an integral part of the budget preparation process. The decade of the sixties saw a steady trend in enrollment growth which translated into increased funding for all institutions. During the seventies and early eighties, enrollments, and therefore budgets, began an up-and-down fluctuation. These fluctuations became a management concern for all institutions. An institution’s budget could be increased one year and reduced the next. This "sawtooth" effect on the budget led to the criticism that budgets were "enrollment driven" rather than being a function of an institution’s mission.

Dollar adjustments related to enrollment or workload change will always be an element in formulating an institution’s budget. The Corridor of Enrollment policy adopted by the Board in July 1984 recognizes that small increases in enrollment can be accommodated without additional funds, and small negative changes do not reduce the costs of an institution. The Corridor policy funds an institution for a range of enrollment. Budgets do not fluctuate as a result of changes in enrollment if enrollment remains within the established range (corridor). The following characteristics comprise the Corridor of Enrollment funding policy:
1. Three-term full-time equivalent enrollment is the measure used in the Corridor of Enrollment policy.

2. The width of the corridor from the midpoint is +/- 500 for the University of Oregon and Oregon State University, +/- 350 for Portland State University, +/- 200 for Southern Oregon State College, +/- 150 for Western Oregon State College and Oregon Institute of Technology, and +/- 125 for Eastern Oregon State College.

3. A new mid-point is established when actual enrollment is outside the established corridor for two successive years, or if outside the corridor one year and the projected enrollment for the following year is 3% or more above the upper or below the lower range of the corridor. The new mid-point is the average of the last three years of actual enrollment. Or, if outside the corridor one year and the next year is projected to be 3% or more above the upper or below the lower range, then the new mid-point is determined by averaging the two most recent actual years and the one projected year. This method of corridor adjustment provides for gradual adjustments in response to enrollment trends.

4. Funding adjustments are made on the basis of the change from the mid-point of the old corridor to the mid-point of the new corridor.

When the Corridor of Enrollment policy was originally discussed the issue of changing an institution’s corridor width as that institution grew (or declined) in enrollment was not addressed. Since 1984, one institution (WOSC), in terms of a percentage of enrollment, has grown quite dramatically. This points out the need to have a plan to change an institution’s corridor width as institutions grow or decline. Also, it is becoming evident that an institution with fewer than 2,700 three-term FTE students should have a corridor width no larger than +/- 125. Currently, Oregon Institute of Technology with less than 2,500 three-term FTE has a corridor width of +/- 150. It is proposed that the Board modify its Corridor of Enrollment policy by adopting the following schedule of corridor widths:

<table>
<thead>
<tr>
<th>Size of Instit. Three-term FTE</th>
<th>Corridor Width</th>
<th>Corridor Width as Percent of Mid Enroll. Low Enroll. High Enroll.</th>
</tr>
</thead>
<tbody>
<tr>
<td>12,500 to 16,000</td>
<td>+/- 500</td>
<td>3.5% 4.0% 3.1%</td>
</tr>
<tr>
<td>10,500 to 12,499</td>
<td>+/- 400</td>
<td>3.5  3.8  3.2</td>
</tr>
<tr>
<td>7,500 to 10,499</td>
<td>+/- 350</td>
<td>3.9  4.7  3.3</td>
</tr>
<tr>
<td>5,000 to 7,499</td>
<td>+/- 275</td>
<td>4.4  5.5  3.6</td>
</tr>
<tr>
<td>3,000 to 4,999</td>
<td>+/- 200</td>
<td>5.0  6.6  4.0</td>
</tr>
<tr>
<td>2,000 to 2,999</td>
<td>+/- 125</td>
<td>5.0  6.25 4.2</td>
</tr>
<tr>
<td>below 1,999</td>
<td>+/- 100</td>
<td>10.0  NA  5.0</td>
</tr>
</tbody>
</table>
Based on current enrollment projections for Fall 1988 and Fall 1989, no institution's Corridor of Enrollment adjustment would be affected by this policy modification in 1989-1991. However, if the Board modifies WOSC's ceiling, allowing the institution to grow beyond 3,000 three-term FTE (3,200 Fall FTE), then its corridor width would move from +/- 150 to +/- 200 after the Corridor of Enrollment adjustment for 1989-90. If WOSC's ceiling is not modified, then WOSC would be funded at ceiling in 1989-1991 and its corridor width would change from +/- 150 to +/- 200. The other institutions that would experience a change in corridor width are EOSC and OIT. OIT's corridor width would change from +/- 150 to +/- 125. However, OIT is currently projected to be outside its present corridor of +/- 150 and thus is not advantaged by this proposed change. EOSC's corridor width would change from +/- 125 to +/- 100. This change would not have an immediate impact on EOSC because its enrollment is currently under 1,500 FTE.

**Recommendation for Corridors of Enrollment**

The Corridor of Enrollment policy should be used by the Board to manage enrollments in the short-range, addressing such issues as availability of state funding, physical size of campus, curricular allocations, student access, etc. The Board in its biennial budget review should indicate (for each institution) whether additional students will be funded, based on the characteristics of the corridor policy and the short-range planning parameters as they relate to available funding, classroom capacity, etc. However, when an institution reaches its ceiling, the corridor mid-point and upper range should be set at ceiling, thus not allowing for additional funding beyond the ceiling.

For 1989-1991, the Board should seek funds to finance the enrollment growth at PSU, WOSC, DOSC and OIT in accordance with the Corridor of Enrollment funding policy and within ceilings which existed prior to this meeting. The justification for this position is:

1. Each of the institutions would be able to accommodate the additional students within present facilities. It should be noted that PSU, WOSC, and SOSC each have had Fall FTE enrollments considerably above their current enrollments or those projected for the next biennium, and OIT has just opened a new classroom facility.

2. Enrollment financed for each institution would be within its ceiling.

3. Student demand is clearly present.
4. The Executive Department has indicated a willingness to finance additional enrollment in 1989-1991 under the Corridor of Enrollment policy as adjustments to the base budget.

Staff Recommendation to the Board

The staff recommended that the Board authorize inclusion in the 1989-1991 biennial budget request the sum of $7,352,000 as adjustments to the base budgets for RSU, WOSC, SOSC and OIT. It was further recommended that the Board authorize a decision package to finance additional enrollment increases at WOSC and OIT within the higher ceilings in the amount of $1,707,000. It was further recommended that the Board seek a non-recurring appropriation of $3,500,000 to finance a two-year temporary increase in the enrollment ceiling at the University of Oregon to assist the University in meeting the costs of students already enrolled while measures are being instituted to limit enrollment to the 15,500 ceiling.

Board Discussion and Action

Mr. Lemm and Mr. Quenzer reviewed the staff report and recommendations. Mr. Lemm explained the proposal with respect to Western Oregon State College and Oregon Institute of Technology which would provide a corridor of enrollment adjustment to their existing ceilings. These adjustments would be within current policy. A decision package would be included to carry these institutions to their proposed intermediate ceilings. The students are already at the University of Oregon, and it would be impossible to reduce the number of students immediately to the point the institution wants to be. One solution would be to increase the ceiling and adjust the budget and ceiling permanently. A second option would be seek a nonrecurring appropriation during 1989-1991 to finance the instructional program while it moves toward the desired ceiling.

None of these solutions will help the institutions in Fall 1988 as they face difficulties with the number of students seeking to register. To assist with that problem, two possibilities could be considered but are not part of the staff recommendation. Once the admission figures are far enough along to give staff confidence in the ultimate enrollment, the instruction fee revenue can be reviewed. It may be possible to reduce somewhat the cuts that have been allocated to the institutions on the results of last fall’s enrollment. Another possibility is to seek relief from the Emergency Board. A request could not be submitted to the July meeting of the Emergency Board unless immediate action were taken. The staff would have an opportunity to explore with legislative leaders whether there would be any possibility such a recommendation might receive favorable consideration.
Mr. Alltucker moved that the Board approve the staff recommenda-
tions as presented.

President Meyers said he appreciated the opportunity to discuss
with the Board the enrollment cap for Western Oregon State Col-
lege. He stated that, while it was not easy to disagree publicly
with a recommendation from the Chancellor's Office, this was the
major issue facing the institution. He reviewed past enrollment
history and said Western was at a very low point in 1982. The
Board, in 1983, had directed President Meyers specifically and
had encouraged and supported Western Oregon State College's come-
back. All of its long-range plans, the institutional review, the
campus facility plan, and accreditation have been based on a
5,000 FTE enrollment figure.

President Meyers said Western's success in the last few years has
become known nationally, and the quality of the new students and
new faculty has improved dramatically. Western is on the verge
of its highest enrollment in 132 years, but the enrollment cap
has not been raised since 1976. This potential problem, which is
now critical, has been reported for several years. The institu-
tion has a base budget for 3,519 students and expects 4,000 this
year. There is no question many students will be turned away,
based on a lack of budget, unless something dramatic financially
occurs immediately for this fall. The long-range question, and
the only one before the Board, is whether the enrollment cap will
be raised for 1989-91 and future biennia. If it is, there will
be some incentive to squeeze in some students for 1988-89 beyond
Western's budget limitation. If it is not, there will be a dis-
incentive with no reason to stretch faculty and other resources
to the breaking point in 1988-89.

President Meyers said the staff proposal was flawed. He then re-
viewed its major points, pointing out what he believed were its
deficiencies and suggesting changes which, in his opinion, would
strengthen the proposal. A copy of his testimony is on file in
the Board's Office. He made the following major points during
his testimony:

1. The current policy limits the dreams and aspirations of an
   institution by placing artificial and inadequate limits on
   potential.

2. The mandate to President Meyers "to save the college and
   better serve the Salem area" was the basis for all of
   Western's growth and must be reflected in an increased
   ceiling at least equal to the 1972 ceiling of 4,000 which
   was for an institution with less potential, facilities,
   faculty, and programs.
3. Two separate categories of enrollment standards are not in the best interest of long-term planning. The current Corridor of Enrollment Funding policy serves the function outlined for the proposed intermediate range enrollment standard.

4. Enrollment standards should be set by the potential of the institution to achieve its mission, based on its facilities, land availability, and educational programs. Mission should drive the budget; the budget should not drive the mission.

5. The enrollment ceiling policy should be limited to long-range planning, and the long-range optimum size must consider the mission.

6. Ceilings should not be based on the state's college-age population because it is changing dramatically. The average age of students at Western is now 29.

7. One ceiling should be enacted by the Board for each institution, and it should be evaluated every three to five years.

8. Western's proposal for an enrollment ceiling of 5,000 is supportable by mission and enrollment projections. Western will surpass the 3,600 intermediate ceiling this September.

9. The second paragraph of the recommendation for Corridors of Enrollment refers to ceilings which existed prior to this meeting. It is crucial the word "prior" be changed to "after."

10. The recommendation should be altered and should include as adjustments to the base the full amount of $9,050,000 rather than separating part of it into a decision package.

President Meyers concluded with a plea that Western Oregon State College be permitted to continue to meet the public's expectations for the future. The actions requested above would provide the necessary resources and would be consistent with previous Board support for the institution.

The Board also received communications in support of higher enrollment ceilings from students and members of the community.

Dr. Graham Spanier said Oregon State University was not supportive of several aspects of the staff's proposal. First, it did not support lowering Oregon State's ceiling by 500. Oregon State would like an opportunity to review whether that would be an appropriate adjustment to its long-range plan. More importantly,
any lifting of ceilings should await a specific decision that there is new funding. If it is not contingent on new funding, some or all of the institutions are at risk. Some institutions engage in planning according to the funds in the base budget. If another institution exceeds its approved ceiling and funds must come from within the State System to meet the needs of that institution, those funds must come from somewhere within the System.

Dr. Spanier said Oregon State would be supportive of any campus existing within its corridor of enrollment and having funds provided in terms of excess tuition. However, the staff would not want Oregon State to be jeopardized by having ceilings raised before funding was available. In the past, Oregon State exceeded its ceiling, but only with the understanding excess tuition would be the only additional funding available.

Mr. Hensley asked Dr. Spanier if the intermediate range projections were realistic for Oregon State. Dr. Spanier said he would want to balance them against Oregon State’s own projections and long-range plan and discuss the number further with the Board’s staff. He added there should be a clarification of the intent with respect to having funding approved at the time enrollment ceilings are increased.

Mr. Lemman explained the budget instructions received from the Executive Department. Increases in enrollment according to the existing corridor of enrollment policy, and within the existing ceilings, can be included in the base budget adjustments for workload increases. That means Western Oregon State College cannot be funded for anything more than 3,200 fall-term FTE in the base budget adjustments. Anything more than that must be in a decision package. The Board’s staff has made the budget recommendations in accordance with the Executive Department’s instructions and guidelines.

Mr. Richardson requested clarification on how the intermediate-range ceilings had been determined. He referred specifically to the fact Oregon State University’s projections never reached its proposed intermediate-range ceiling.

Mr. Lemman first called attention to the fact that all of these numbers are based upon calculations that include both graduate and undergraduate students as 15 credit hours equal one FTE. Last year, the staff and institutions agreed to change that forecasting methodology so that for master’s degree students 12 hours would equal one FTE, and 9 hours would equal one FTE for doctoral students. It was also agreed those numbers would not be changed for purposes of budgeting because it would be changing the definitions to the State System’s advantage, without any actual change in the factual situation.
The projections are made every year for five years ahead because the central staff agrees the planning horizon beyond that loses its authenticity very quickly. All of these five-year projections have been agreed to by the institutions and the designated individuals have signed off on those numbers for budgetary and other purposes. With respect to Oregon State University, it seemed useful to treat the two larger universities similarly and have the same long-range and intermediate-range ceilings. This has done nothing to harm Oregon State.

President Olum said his problem was the reverse of that stated by President Meyers. It was clear by April 1 at the University of Oregon that the applications were coming in at a rate which indicated there would be over 19,000 students. The decision was made to stop accepting applications after May 1. Transfer applications would not be accepted after July 15. The University of Oregon has no disagreement with the projections or ceilings, but in spite of all the cutoffs which could be managed, there will be 18,200 fall term headcount students, for an FTE of 16,100. In addition, because the institution was at its ceiling, the ceiling also became the corridor midpoint and corridor ceiling. Thus, formal calculations do not say the University of Oregon should not get support for these students, but they are there.

President Olum said the University would be selective for 1989, but that will only resolve the freshman enrollment. It will not help with the large sophomore-junior-senior group. He requested that need be included in the base budget to provide the necessary funds to teach these students.

President Cox said Southern Oregon State College had no problem with the long-range ceiling of 5,000. However, projections would indicate Southern will exceed the intermediate range this fall. There are three community colleges and one comprehensive institution south of Eugene. When Southern Oregon State College runs out of space, there is no place else for students to go. He requested some flexibility and opportunity to negotiate on the intermediate number.

President Blake indicated the situation at Oregon Institute of Technology was similar to that at Oregon State. He stated he endorsed generally the staff proposal, but he did not favor the establishment of intermediate ceilings at this time. There is no new money for adjusting enrollment ceilings. All of the institutions have known their ceilings for some time.

Mr. Edgington reported that Portland State University last year turned away about 1,000 students because of insufficient funds for faculty and extra sections. If consideration is given to providing additional funds for additional enrollments, Portland State would like to be included in such requests.
The Chancellor said the question was whether there was an enrollment policy or not. If there were no ceilings and each institution grew to its maximum capabilities, then the appropriation is allocated to the institutions on that basis. Fluctuations in the enrollment affect that amount of dollars allocated. He said when the Board adopted the policy, he had the impression it was at the urging of the institutions to move to budgets which were less specifically enrollment-driven and were more programmatic budgets.

Mr. Petersen said he was concerned about dealing with the fixed appropriation and the idea of adding more and more students. This dilutes the quality of program that can be provided. The institutions have done a lot of good things and have attracted more students. However, quality should not be cut just to accommodate those additional students. The community college system is an access point, and Oregon has a wonderful array of private colleges. He said the Board should look at the total picture rather than assuming public higher education could accommodate every student at this time with a fixed appropriation. It is a critical decision and one that would deny access under this policy.

Mr. Hensley inquired whether there was any possibility at all of making adjustments and still comply with the directions of the Executive Department. Mr. Lemman stated there was not any opportunity within the base budget because the request for base budget adjustment has been maximized within the existing policy that has been stated clearly.

Miss Brooks indicated she found the proposal confusing and the presidents also had stated they did not understand the basis for the ceilings. In addition, they had not had an opportunity to respond to the intermediate range ceilings. She said they should have a chance to discuss this with the Board's staff. Miss Brooks said she was particularly concerned about Western Oregon State College. The Board asked President Meyers to revive that campus and should be prepared to follow through on the charge he was given. She noted Western had an enrollment cap of 4,000 which was reduced. Further, it had not been reviewed since 1976.

Miss Brooks said she strongly disagreed this was an issue of quality. It was an issue of qualified students seeking and deserving access to these institutions. This was especially true at Western Oregon State College which has made dramatic progress and done an outstanding job of meeting its mission. She stated it would be a drastic disappointment to students, faculty, and administrators at that institution to have a reduction after all of the efforts to bring Western to the point the Board wanted it to be.
Miss Brooks commented that many students who wanted a four-year college the size of Western might choose to go out of state rather than attending a community college.

Mr. Adams said he did not understand fully the setting of the intermediate ceilings. He stated it was time to review the ceilings but further information and comment was needed from the institutions, with further discussions with staff and a subsequent proposal to the Board.

Mr. Lemman commented on the statement that current policy limited the dreams and aspirations of the institutions and on the access issue, noting that it was not the intent to limit either dreams and aspirations or access. However, the State of Oregon has an expenditure limitation and there is not enough money within that cap to accommodate free access to all levels of higher education at the level of quality that exists now, much less providing the ability to increase that level of quality. The program improvement requests of $48 million and the $60 million for the faculty salary improvements would be in excess of the cap, or the cap must be broken, because there is only $12 million within the limitation for the entire State of Oregon.

Mr. Lemman stated the decision must be made at some point with respect to the importance of program improvements and salary adjustments in relation to access. He said this is a financial resources issue. He said, in his opinion, if there ever was a public policy issue that needed to be faced by the Governor and the Legislature, it was access versus quality in respect to resources. Access times quality still equals budget. If access is increased by adding more students and the budget is frozen, quality will go down to some degree. If quality is increased and the enrollment is maintained, the budget must go up. The budget proposal seeks improvements to both access and quality.

In commenting on President Meyers' statement that he had warned of problems with Western's present ceiling, Mr. Lemman said this really meant President Meyers did not accept the ceiling. The issue before the Board is whether it wants to have a ceiling policy which it will support and which provides guidance to the institutions for long-range planning. The specific numbers are not important, but the Board either should establish and follow a ceiling policy or eliminate it. Otherwise, it is meaningless. He also commented that, in addition to the operating budgets, an increase of 1,000 students at Western would undoubtedly result in subsequent requests for more capital construction.

Mr. Adams said he understood changing the ceilings now would not make any difference at this time but the ceilings should be reviewed for the next biennium.
Mr. Alltucker said he viewed any automated budget system as a point of reference from which to begin each annual search for an equitable distribution of resources. He said he has also been troubled that the ceilings coming out of the program do not seem to recognize the limitations imposed by the physical asset. If students are added to a campus, a number of physical facilities are also impacted. He said there have been negotiations over the past few weeks with governmental agencies in an effort to determine the probable size of the State System's budget for the next biennium. At the same time, it is clear the Board does not have its own house in order. These things must be resolved prior to the Legislative Session.

Mr. Hensley said the Board should build another budget that would reflect the pressures the State System was experiencing in providing access. The Board must be able to defend its position and must know what the impact would be on community colleges if a reduction in access resulted in diverting more students to the community colleges.

Mr. Dodson said the Board had received very responsive presentations from the presidents in terms of his request at the last meeting for additional explanation. However, the Board basically has an ultimatum from the Executive Department and has no authority to exempt itself from any kind of executive order. He mentioned one of the candidates had said the future of Oregon higher education looked great if one looked only at the enrollments. The State System may have to enter into a discussion of access and quality.

Mr. Petersen said the policy represented the current Executive Department thinking. The Board's objective would be to change that thinking and have the policy accommodate that.

President Meyers said Western was in a crisis situation and the timing is very critical. He said he wished this had not occurred when the Board was pressed on a number of other issues. The success of the institution has created a flow of students that are waiting, and the institution already would be turning away several hundred students for the coming year because it does not have the money for them. The question is one of timing and notifying the public in the least distressing manner. If the Board were to take any time for a decision, President Meyers said he would delay the notice to the public. The notice will turn off the momentum achieved during the past five years in accordance with what he understood the Board wanted. He urged the Board to reach a decision quickly and indicated his main concern was with the intermediate corridor. In response to a question, he said some students would probably go to Chemeketa Community College and others would go out of state if they were unable to attend Western Oregon State College.
Mr. Lemman said if there were no intermediate ceilings, or if they were increased, it would not change the budget recommendation for next year because the Board was limited in the next biennium by the corridor of enrollment policy. Mr. Quenzer added that the staff report is dealing with how the budget is categorized in presenting it to the Governor. The $7.3 million, which is part of the base, is based on current ceilings. If the ceiling is changed, any enrollment growth funding would be proposed as a high priority decision package. The Governor and Legislature could then determine whether to finance access. The Board could then decide over the coming months whether it wants an intermediate range ceiling, a one-ceiling policy, or a corridor of enrollment policy.

Mr. Adams said, if he understood the staff recommendation correctly, it would help institutions having the largest problem at the present time, either in a decision package or by other means. He suggested the Board had little choice but to proceed.

Mr. Lemman proposed another alternative to eliminate the ceilings from the staff recommendation. Unless the Board wished to keep the existing ceiling of 3,200 for Western Oregon State College, the proposed $1.7 million decision package for Western and Oregon Institute of Technology would not be confined by the immediate enrollment ceiling. The $7.35 million package for the four institutions under the existing enrollment and corridor policies has been agreed to by the Executive Department. The nonrecurring appropriation of $3.5 million for the University of Oregon would be a decision package regardless of whether it was recurring or nonrecurring.

It was pointed out the problem the Board had with a lack of funding still would not be addressed. However, the Board still must follow the budget process and make a request to the Governor and the Legislature. Part of the base is the enrollment adjustment, but there are enrollments beyond the current policy which require a budget request to provide funding.

Mr. Adams moved to amend the staff recommendation to exclude the enrollment ceilings in accordance with the alternative suggested by Mr. Lemman. The motion was seconded by Mr. Dodson. It was explained this amendment essentially would remove the modification of the corridor and ceiling policies by deleting the first two lines of the staff recommendation and making necessary editorial changes.

Mr. Richardson inquired whether a further change was needed immediately preceding the amount of $1.7 million for the higher ceilings. Mr. Lemman said the recommendation could be stated to authorize the $7.35 million base adjustment for corridor of enrollment adjustments within the ceiling, $1.707 million for the
enrollments above existing ceilings for two institutions, and the $3.5 million for the University of Oregon. He stated there was no way to assist Western with the problem it has for the fall of 1988. Western Oregon State College has a second problem in that the Board's adopted corridor of enrollment policy has set these numbers for the institution without regard to a ceiling. The staff is now suggesting elimination of all references in the policy adoption to ceilings. The Board then would authorize the request for funding irrespective of existing ceilings. To the extent an institution was under the existing ceilings, there would be a base adjustment; to the extent the institution was over the ceiling there would be a decision package.

President Meyers indicated this would be acceptable for the present but requested the ceiling issue be placed on a future docket. Mr. Lemman concurred.

The Board approved the amendment proposed by Mr. Adams, with the following voting in favor: Directors Adams, Alltucker, Brooks, Dodson, Hensley, Nelson, Richardson, and Petersen. Those voting no: None. Director Schnitzer was absent from the meeting at this time.

The Board approved the main motion as amended, with the following voting in favor: Directors Adams, Alltucker, Dodson, Hensley, Nelson, Richardson, and Petersen. Those voting no: Director Brooks. Director Schnitzer was absent from the meeting at this time.

M.A./M.S. & Ph.D. Degrees in Economics, OSU

Staff Report to the Committee

At its May meeting, the Committee on Instruction deferred a decision on Oregon State University’s request for a new instructional program leading to M.A./M.S. and Ph.D. degrees in Applied Economics. Committee members wanted more time to have their questions answered and agreed to take up the request again as the first item on the Committee's June agenda.

Oregon State University's proposal and the staff analysis were distributed with the May docket. The staff recommended that the Board authorize Oregon State University to discontinue its Masters' and Ph.D. degrees in Resource Economics and initiate new interdisciplinary M.A./M.S. and Ph.D. degree programs in Economics. The staff also recommended that Oregon State University be authorized to offer the degrees through the Graduate School or any of the participating colleges.

As a result of the Committee discussion, the staff, in consultation with Oregon State University, has a revised recommendation. The revised recommendation limits the fields within economics to be covered and identifies the departments that will be offering the degrees.
Staff Recommendation to the Committee

The staff recommended that the Board authorize Oregon State University to discontinue its Masters' and Ph.D. degrees in Resource Economics and initiate new interdisciplinary M.A./M.S. and Ph.D. degree programs in Economics with areas of concentration limited to industry economics (agriculture, forestry, and marine economics), resource and environmental economics, and the economics of growth and change. The staff also recommended that the departments authorized to offer these degrees will be limited to Agricultural and Resource Economics, Economics, and Forest Management. If approved by the Board, the new programs would be effective Fall Term, 1988.

Discussion and Recommendation by the Committee

Dr. Zanville presented the staff report and the revised staff recommendation.

Dr. Spanier indicated that, based on further discussions that had taken place since the last Board meeting, Oregon State University was prepared to support the revised language in the staff recommendation. In addition, discussions will continue between Oregon State University and the University of Oregon about the specific implementation of the details of the program so that individuals on both campuses can feel comfortable with the directions Oregon State University is taking in economics and that the program is developing in the best interests of both universities and the State System.

In response to a question from Mr. Adams concerning the adequacy of the library holdings to produce this program, Dr. Spanier said there was a general inadequacy of library holdings at Oregon State but there is no special deficit in the area of economics. He stated the library has been the principal beneficiary of all units on the campus with the internal reallocations that have been made and is the only major unit that did not have to take a budget cut. It is Oregon State's first building priority for capital construction to alleviate space problems.

Dr. Spanier explained Oregon State was very heavily involved in issues dealing with economics. In the past, the focus has been principally in the colleges of forestry and agriculture. The intent is to forge a new interdisciplinary program which will involve also liberal arts.

It was noted that the title of applied economics had been changed to economics.
Dr. James E. Reimuth, Dean of the College of Business Administration, stated most of the issues of difference had been resolved. The program is a strong one that will serve Oregon State University well and will serve the University of Oregon's interests in terms of developing a larger collegial base of economists in Oregon. The remaining concern is in one of the degree specialties in the area of growth and change with respect to what it means and the breadth of that subject. Dr. Reimuth said the University of Oregon did not want to delay implementation of this program and he was confident the interpretation of this third specialty could be resolved. This program is one of the first to designate specialties within an area. This may offer a unique way of initiating new program activity that is in a sense duplicative of some other program activity without jeopardizing what another campus is doing.

Mr. Hensley inquired whether the University of Oregon would be enhanced by the proposed program in that it would be a complementary endeavor. Dr. Reimuth said that it would in the sense that the program specialties covered by Oregon State were not overly duplicative of the University of Oregon offerings. There will be more common experiences for faculty in economics at both institutions with respect to their professional associations. The purpose proposed to be served by Oregon State fit its mission well as a land-grant institution.

Mr. Alltucker asked if the remaining problem was related to whether economics of growth and change would be interpreted too broadly and lead to duplicative advanced degrees. Dr. Reimuth stated that was correct, but he indicated the problem could be resolved. Dr. Spanier concurred, indicating those concerned already had agreed to further discussions.

The Committee recommended that the Board approve the staff recommendation, contingent upon reaching agreement on any remaining issues and a subsequent informational report to the Board.

Board Discussion and Action

The Board approved the recommendation of the Committee, with the following voting in favor: Directors Adams, Alltucker, Brooks, Dodson, Hensley, Nelson, Richardson, and Petersen. Those voting no: None. Director Schnitzer was absent from the meeting at this time.

Mr. Hensley noted that applied economics referred to resource economics.
Staff Report to the Committee

On April 15, 1988, the Board received a report on planning activities at Portland State University. At that time, the staff was directed to prepare for Board consideration those elements of the "PSU Plan for the 90s" which require specific action.

One element which requires review and approval by the Board is the plan for the university campus, which is included as Part II in the "PSU Plan for the 90s." To maintain currency with the City of Portland and through it to the Land Conservation and Development Commission, the university is required to file an approved campus plan with the city every few years. This plan becomes the basis upon which city authorizations for conditional use, building, and other required permits are issued.

This plan update was accomplished within guidelines approved by the Board in early 1986. The University had the assistance of Architects Yost-Grube-Hall, who have prepared plans in 1967 and 1979. The 1988 plan works toward an enrollment of 15,500 FTE students, which anticipates 24,000 headcount students. The time of achieving those goals is not set out. In the Fall of 1987, the University enrolled approximately 15,700 headcount students, which produced an estimated 10,319 FTE.

The last campus plan approved by the Board and accepted by the City of Portland occurred in 1979. Since that plan, a number of additional facilities has been constructed or acquired, additional land has been brought within the campus boundaries, and the concept of a university planning district has emerged.

New facilities added since 1979 include a third parking structure at the west edge of the campus; buildings for the Schools of Education and Business Administration; new student housing structures, with related parking; and the former Water Bureau building which was purchased from the City of Portland to provide a home for the Portland Center for Advanced Technology. The university increased its land holding by 17,000 square feet through a trade of land and a related purchase at discounted prices. The university also razed Francis Manor, one of the several former apartment buildings used for academic offices.

The trade of 10,000 square feet of land, which enabled the private development of a major housing facility immediately north of Lincoln Hall, and the purchase of 17,000 of additional land provides Portland State with a major ownership (67.5%) of Block 153, Portland Addition. The planning guidelines for updating Portland State University's campus plan, approved by the Board in February 1986, anticipated the inclusion of Block 153 within the approved boundaries of the campus, together with other blocks which appear necessary to the long-term development of the institution.
The proposed plan would bring Blocks 157, 158, 160, 162, 193, and 194 within the campus boundaries, as well as Block 153. Full city blocks in the vicinity of Portland State University contain 40,000 square feet. Blocks 157 and 194 are truncated below the 40,000 square feet by the I-405 freeway. Adding the seven blocks would increase the current authorized land base by approximately 240,000 square feet (just under six acres) of developable land. In current dollars and land values, the land cost, exclusive of improvements, would run toward $6 million.

The 1988 plan provides for 2,972,115 gross square feet of academic and related building area at full development. This total is consistent with the 1979 plan. Currently, Portland State University has an inventory of 1,785,432 gross square feet of academic and related space. This leaves a net increase of 1,186,683 gross square feet to reach full development, which has a current dollar value of approximately $180 million.

The plan also contemplates additional net housing area of 325,000 gross square feet (over the present 562,000) and 685,000 gross square feet of additional structured parking (over the present 765,000 gross square feet.) Most of the additional parking will come with housing additions.

The concept of an institutional planning district, called a "university district" or a "college district" is an emerging improvement in urban planning. Such districts exist in Morristown for Western Oregon State College and in Ashland for Southern Oregon State College. In Portland, such special districts are in process for hospital campuses as well as for colleges and universities. The University District contemplated at Portland State University will embrace a geography greater than that recommended in the campus boundaries.

By its location, Portland State is bound by zoning and design codes established for downtown Portland. Many of these design codes anticipate commercial structures, such as retail stores, and the university has long had difficulty in merging its buildings and environmental needs with the codes. The University District would enable the university, with the Portland Planning Commission and the Portland Development Commission, as well as other landowners within the District, to evolve a special set of code and design criteria which respond to the City's needs, yet permit recognition of the special requirements of academic facilities. The District would also permit a more unified look at parking within the area, rather than by a series of individual parking districts, and would enable the establishment of other standards, such as street lighting, trees, street furniture, and utility service.
Staff Recommendation to the Committee

The staff recommended that the Board approve the 1988 campus plan for Portland State University, including the boundary amendments contained within it; that the Board endorse the University district planning concept; and that staff be directed to advise the City of Portland of these approvals and endorsements.

Discussion and Recommendation by the Committee

In response to a question from Mr. Alltucker concerning potential adverse consequences of the staff recommendation, Mr. Neland said the proposal would lead to significant investments, if ultimately implemented, because land in downtown Portland costs $1-1.5 million an acre. A University District can only enhance the value because it will result in coordination and unification that does not exist at the present time. The acquisition will be a burden to the University, the State of Oregon, and the Board, when they move to acquire that land. However, the majority of the land will be auxiliary land, and it is hoped the impact on a particular housing development will not be significant through the use of some commingling and evening out over many years.

Mr. Adams inquired whether any opposition to the plan was anticipated, and Mr. Neland indicated none was expected. Owners have been notified and have participated. Most see the action as a benefit because it indicates all the land the University would ever want to own. The plan also begins to deal comprehensively with the whole parking question.

Mrs. Schnitzer requested further clarification of the terms university district and campus boundaries. Mr. Neland explained the campus boundaries define an area which ultimately is intended for acquisition and development. The university district is broader and takes in land which will not be owned by the State System but to which it will contribute its influence, expertise, and encouragement.

In response to other questions, Mr. Neland indicated the Board would be responsible to the taxing district for signing, lighting, and other improvements to the property it owned, but not to the other properties in the University District. With respect to any additional restrictions on the willing or unwilling private property owners included in the district, Mr. Neland said he did not believe there would be. Experience generally has been that there was no negative impact on the value of property included within a boundary, but not intended for immediate acquisition or use. The approach would be to seek the right of first refusal if the resources were available and there was a willing seller and a fair market value established.
It was stated that approval of the campus plan did not carry the connotation also that there was approval of the PSU Plan for the 90s.

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

Board Discussion and Action

The Board approved the Committee recommendation, with the following voting in favor: Directors Adams, Alltucker, Brooks, Dodson, Hensley, Nelson, Richardson, and Petersen. Those voting no: None. Director Schnitzer was absent from the meeting at this time.

Acceptance of
Preliminary
Design, Swimming Pool
Addition, Student Union
Building, OHSU

Staff Report to the Committee

The 1987 Legislative Assembly authorized a student union building for the Oregon Health Sciences University. The authorization is contained within Chapter 595, Oregon Laws 1987, with a limitation of $6,925,000 of Other Funds, provided from proceeds of Article XI-F(1) bonds serviced by commingled building fees. In evaluating the possible sites and program requirements, the University has concluded that portions of the program requiring physical activity, such as weight lifting, aerobics, and swimming, should be centralized at the existing Student Activity Building, with necessary additions and remodels. Activities more social in nature would be sited at the west end of the ravine which divides the campus north and south.

The Student Activity Building site does not have sufficient capacity to contain the entire student union requirements; but it does provide sufficient site capacity to provide for the addition of a swimming pool to the north side, and modifications of existing spaces to enhance weight training and aerobic activities, as well as improve shower and locker facilities. A whirlpool or a sauna will be added within the building or the proposed addition.

A budget of $1.5 million of a total project budget of $6,925,000 has been identified for this portion of the work. WE-Group Architects are concluding preparatory studies and are prepared to proceed with construction documents for the addition and remodeling, with a bid at the end of the summer of 1988.

Architectural work on the balance of the student union project is pending resolution of some major planning decisions, particularly the possible integration of the proposed Parking Structure V with the Student Union.
Staff Recommendation to the Committee

The staff recommended acceptance of preliminary studies for the addition of a swimming pool to an related remodeling within the Student Activities Building at the Oregon Health Sciences University as a part of the Student Union Building project authorized within Chapter 595, Oregon Laws 1987, with the pool addition and remodeling project having a project budget of $1.5 million within the total Student Union Building project authorization of $6,925,000 of Other Funds; and authorization for the staff to direct the University and architect to proceed to completion of design, bidding, contract award, and construction of the addition and remodeling, subject to authorization by the State Emergency Board to expend the funds.

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 following voting in favor: Directors Adams, Alltucker, Brooks, Dodson, Hensley, Nelson, Richardson, and Petersen. Those voting no: None. Director Schnitzer was absent from the meeting at this time.

Naming of Environmental Science Complex, SOSC

Staff Report to the Committee

President Cox, upon approval by the Faculty Senate at Southern Oregon State College, recommends that the Board approve naming the institution’s north campus environmental science complex for Senator Mark O. Hatfield. This area would be formally designated as the Mark O. Hatfield Environmental Science Complex.

In June 1986, the Board approved the concept of a long-term lease of land on the north campus to Pacific Northwest Raptor Rehabilitation Corporation for development of a natural history museum of the Pacific Northwest and other complementary sub-leases. In September 1986, the Board accepted a report concerning execution of a long-term lease of approximately four acres of land on the north campus to the U. S. Fish and Wildlife Service for construction of a national forensics laboratory.

President Cox states that it is especially fitting this complex should be named in honor of Senator Hatfield, whose considerable support has ensured needed federal capital construction monies and operating funds for the cornerstone project on the site, the National Forensics Laboratory.
Staff Recommendation to the Committee

The staff recommended that the Board approve the naming of the designated north campus area for Senator Hatfield.

Discussion and Recommendation by the Committee

Mr. Hensley said he had followed this project very closely and believed the naming of it in honor of Senator Hatfield was well-deserved. He moved approval of the staff recommendation.

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

Board Discussion and Action

The Board approved the Committee recommendation, with the following voting in favor: Directors Adams, Alltucker, Brooks, Dodson, Hensley, Nelson, Richardson, and Petersen. Those voting no: None. Director Schnitzer was absent from the meeting at this time.

Designation of Main Library as Knight Library, UO

Staff Report to the Committee

President Olum recommends the Main Library at the University of Oregon be named the Knight Library in honor of Philip H. Knight and his family, in recognition of a major contribution toward the expansion and renovation of the library. The name has been approved by a University committee and has the consent of the Faculty Advisory Council. The proposed name has also been presented, without objection, to the University Assembly.

President Olum stated that one of the people included in this naming after the Knight family is William Knight, a 1932 graduate of the University of Oregon School of Law, now deceased.

Staff Recommendation to the Committee

The staff recommended that the Board approve the designation as requested.

Discussion and Recommendation by the Committee

Dr. Larry Large, Vice President for University Relations at the University of Oregon, said the University has about $4 million of the $9.35 million needed for the project and the public phase of the fund-raising campaign has just started.

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

The Board approved the Committee recommendation, with the following voting in favor: Directors Adams, Alltucker, Brooks, Dodson, Hensley, Nelson, Richardson, and Petersen. Those voting no: None. Director Schnitzer was absent from the meeting at this time.

Acceptance of Schematic Design for Computer Services Building, SOSC

Staff Report to the Committee

Southern Oregon State College, with the assistance of Architects Broome, Oringdulpf, O'Toole, Rudolf, Boles and Associates, Portland, has completed schematic design of the Computer Services Building. This new building was authorized by the 1987 Legislative Assembly within an expenditure limitation of $4,205,000 from General Funds.

The initial request to the Legislature on behalf of Southern Oregon State College contemplated two major remodeling components, in Churchill Hall and Britt Center, with improved computing facilities as the goal. Inasmuch as potential structural problems in Britt Center were anticipated, but not verified, an agreement was reached with the appropriate legislative committee to have permission to move to a new building alternative if the Britt remodel problems proved to be significant. Subsequent evaluation indicated that Britt Center was not appropriate for the facilities requirements of large-scale computer activities and the new building alternative was adopted. The project has been renamed to Computer Services Building.

The Architects assisted the College in evaluating sites, anticipating an ultimate development of 75,000 gross square feet, with this building element providing approximately 32,600 gross square feet. A site known as the Central-Taylor site has been selected.

The design solution contemplates two two-story building elements, connected by a steel frame skybridge. The building exteriors will consist of stucco, brick, and glass. Interior finishes will be standard, with 18" raised floors in the major computer rooms. Floor coverings in occupied areas will be carpet or carpet tiles.

The building will be fully accessible to handicapped persons. It will be of Type V one-hour construction, and will be fire sprinklered, except that Haylon will be used as fire suppressant in the major computer rooms.

A design feature will be the use of skylight tubes occurring above the computer rooms to bring light into the building. The tubes will have glass on the north and east sides and opaque panels on the south and west. These tubes will be similar in size to tubes over the mechanical room required for exterior air access. Cooling requirements have been mitigated by retaining the southwest side of the building, containing the largest computers, in the earth.
The building is located astride the central utility tunnel system, which facilitates heating and other utility services. The building will be air-conditioned from chillers located on the site.

This project will provide 4,900 gross square feet of office and related facilities, 3,700 gross square feet of machine rooms, two classrooms, consulting and student programming areas, and substantial workstations for individual instruction and practice.

The project is scheduled for bidding in November of 1988 and will take approximately one year to construct.

The completion of this building complex at some future time will provide approximately 45,000 gross square feet of additional instructional space.

A presentation form on the 1987 project is included with this report.

Staff Recommendation to the Committee

The staff recommended acceptance of the schematic design for the Computer Services Building for Southern Oregon State College within an expenditure limitation of $4,205,000 of General Funds; and authorization for the staff to authorize the College and the architect to proceed to the completion of design, advertising, bidding and construction of the Computer Services Building, subject to the release of expenditure authorization by the State Emergency Board.

Discussion and Recommendation by the Committee

Mr. Dodson inquired whether this project had been discussed with staff of the Emergency Board and was the staff prepared for this kind of presentation. Mr. Neland said he had no reason to believe they were not. In fact, the Board's staff had received strong encouragement from Senator Hannon to accomplish this at the very earliest opportunity.

Mrs. Nelson commented that during the visit Mr. Adams and she had made to Southern Oregon State College at the end of April every part of the constituency of that campus had been supportive of this facility and anxious to have it as soon as possible.

Mr. Hensley requested Mr. Neland to explain the reasons for the selection of a Portland architectural firm for a Southern Oregon State College project rather than selecting a local firm.
Mr. Neland said the primary reason was to find an architectural firm that had established experience in designing these very technical facilities with all of their requirements. He said he had received a very extensive evaluation of professional consultants, including those of adequate size in the local area. The selection of this firm was fully supported by the evaluation, and that level of expertise was not found in the local area firms.

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

Board Discussion and Action

The Board approved the Committee recommendation with the following voting in favor: Directors Adams, Alttucker, Brooks, Bodson, Hensley, Nelson, Richardson, and Petersen. Those voting no: None. Director Schnitzer was absent from the meeting at this time.

Termination
Due to Program Reduction, OSU

Staff Report to the Board

Mr. Lemman explained that the Board's rules require that any termination other than for cause of a faculty member with indefinite tenure be made as a result of sanctions, program reduction, departmental reductions, or financial exigency. A situation at Oregon State University requires action of that nature. The rules provide that the responsibility shall rest with the president as to whether a program reduction is necessary, but they also require that the president confer with appropriate faculty, faculty councils, the Chancellor, and the Board before reaching such a decision. All of this has been done except for conferring with the Board. Dr. Graham Spanier made the presentation for Oregon State University.

Dr. Spanier stated he was conferring with the Board under the provisions of OAR 580-21-315 regarding the plans of Oregon State University to eliminate the office of instructional development. The office includes, among other staffing, one tenured faculty member. He referred to President Byrne's April 1988 report to the Board outlining the budget allocation process in which an internal reallocation of approximately $2.1 million was needed. About half of this was due to externally-imposed constraints and resulted in a number of cuts of programs, activities, and positions, mostly through eliminating vacant positions, not filling positions following retirements, cutting back in program reductions, and other budgetary actions. Within the academic support area, the decision was made to eliminate the office of instructional development which includes one tenured faculty member.
Dr. Spanier reported all Board procedures have been followed carefully, including consultation with the affected tenured faculty member, and exploration of options for other positions within the University. Specific requests were made to all deans and vice presidents to consider the incumbent for openings for which he is qualified. There was consultation with faculty through the Faculty Senate Executive Committee and the faculty consultative group, and the committee on faculty governance concurred with the administration's decision. The incumbent has been informed about developments at all key stages. There has been consultation with the Chancellor's Office through the Office of Academic Affairs. An alternative assignment has been worked out with the incumbent for the coming year since 12-months' notice is required.

Dr. Spanier said that, following the Board meeting, if there were no objections, the incumbent faculty member would be notified of the president's final decision concerning elimination of the tenured faculty position. The incumbent retains the rights to all avenues of appeal to ensure full compliance of rights under the Board's rules.

Dr. Spanier said this decision clearly results in a reduction in services, including, but not limited to, staff availability for consultation with faculty about instructional improvement, teaching evaluations and techniques, the offering of a regular program of workshops, and special programs for instructional development. The institution will attempt to meet from existing resources the needs that legitimately can be provided by other units, but the elimination of a unit and its staff clearly results in a reduction of services within the University.

Mr. Petersen requested that the computer resource fee be placed on the agenda for the July Board meeting.

Mrs. Nelson said she had enjoyed her experience on the Board and had learned a great deal. She said she had enjoyed the people very much, especially those met during campus visitations and those present at the meeting.

She commented on the excellent job President Meyers had done at Western Oregon State College and indicated she had a great deal of sympathy for his problem because the Board had encouraged him in his recruitment efforts. She wished the Board well in solving some of these difficult problems.

Mrs. Nelson concluded with a presentation of a gift of a myrtlewood basket filled with southwestern Oregon goodies to the Board Secretary in appreciation for her efforts on behalf of Board members. The Secretary thanked Mrs. Nelson and indicated it was a pleasure working with all of the Board members.
Miss Brooks thanked President Petersen, Mrs. Nelson, and Mr. Hermens for their assistance to her during her first year on the Board. She also especially thanked Mr. Richardson for doing an outstanding job and for his diligent work during the Chancellor's search process. Mr. Dodson concurred.

Mr. Hensley concurred in the comments concerning Mr. Richardson and the members of the Chancellor's Search Committee. The entire committee had done an outstanding job. Mr. Hensley also said he appreciated comments made by the presidents during discussions of the candidates. It is very encouraging to the Board to have that kind of support from the leaders of its various institutions. He thanked all who had participated in the search.

Sale of Shelton Property, UO

Staff Report to the Board

In September 1888, approximately 18,000 square feet of unimproved real property was donated to "The Regents of the University of Oregon" for educational purposes. The property is located on the easterly side of Skinner's Butte within the city limits of Eugene and directly adjacent to the City of Eugene Skinner's Butte Park. Atop the property is a small communications equipment shed and police radio tower installed by the City of Eugene under a long-standing agreement with the University of Oregon. The property is zoned Public Land Use. Estimated market value of the property ranges from $4,500 to $5,400. The property is surplus to the needs of the mission of the University of Oregon.

Recently, the University of Oregon received an offer to purchase the land from the City of Eugene. The offer is within the range of the estimated market value. Inasmuch as the property contains the Eugene police communications facilities, is adjacent to a City of Eugene public park, has been zoned for public land use, and the University has received a cash offer which is within the range of estimated value, it seems appropriate to sell the property to the City of Eugene.

However, ORS 273.201, which is the policy for disposing of state property, requires that other state agencies be provided first opportunity to purchase such surplus property. Thereafter, assuming no other State agencies are interested, the property must then be offered to political subdivisions. If political subdivisions express no interest, the property may be offered for sale by bid to private purchasers. The Board's staff has already requested that the Department of General Services determine whether any other state agencies wish to purchase the property.

Staff Recommendation to the Board

The Board's staff recommended that the Board authorize the staff to dispose of the property by selling it to another state agency, a political subdivision, or a private party—in that order of priority.
If no other state agencies are interested in purchasing the property, the Board's staff will sell the property to the City of Eugene for the cash amount offered. If for some reason that transaction is not consummated, the Board's staff will advertise the property for cash bid in accordance with procedures authorized by ORS 273.201, 273.205, 273.211, and 273.216. If for some unknown reason the property cannot be disposed of in accordance with the initial minimum cash bid procedure, the Board's staff requested further authority to obtain additional appraisals, as necessary, and to reduce the price until such time as a sale can be made. Should a sale be consummated, the Board's staff in cooperation with the Board's legal counsel will prepare a Bargain and Sale Deed for execution by the Board's president and secretary.

Board Discussion and Action

The Board approved the staff recommendations, with the following voting in favor: Directors Adams, Alltucker, Brooks, Dodson, Hensley, Richardson, and Petersen. Those voting no: None. Directors Nelson and Schnitzer were absent from the meeting at this time.

Alcohol and Drug Use and Abuse—State System Universities and Colleges Response

Board Chairman James Peterson has requested that the institutions file a report on the efforts on each campus to control the uses and abuses of alcohol and drugs, including how problems are identified on campus and how students with problems are served.

The campus reports are digested herein and will be supplemented with a display of brochures, posters, and additional information at the June 17, 1988, Board meeting.

Staff Report to the Board

Systemwide Endeavor. Since the fall of 1983, the State System chief student affairs officers have discussed the problem of alcohol and drug use and abuse on their respective campuses. Through this sharing of information, the implementation of new policies and programs, and cooperative effort among the institutions and with community agencies, substantial progress in addressing the problem is now evident on all campuses.

Our institutions have programs on substance use and abuse. However, the problem transcends campus boundaries and institutional authority. Students come to the campus experienced in the use of alcohol and drugs. The substances are readily accessible. General permissiveness in substance use prevails in the community at large. The privacy of students in residence living is protected by law (unless there is suspicion of law violation).
It is obvious that persons coming to our campuses, whether new from high school, transfers, or returning, have been exposed to substance use and many have developed addiction before enrolling. For example, a 1985 survey of Oregon eleventh graders showed that 91.4% had used alcohol, 56.4% marijuana, 25.4% amphetamines, and 22.6% cocaine; 5.7% reported daily use of marijuana and 3.2% reported daily use of alcohol.

Campus conduct codes and student handbooks describe the laws, regulations, and practices on the possession, use, and responsibilities associated with alcohol and drugs. Special attention has been given in these publications to Oregon legislation on driving under the influence of alcohol and the application of liability to "hosts" who contribute to the intoxication of their guests.

Educational programs on substance use and abuse for enrolled students have been enhanced, utilizing new training techniques designed to recognize the problems and do something about them for oneself and for others. Attention in teacher education, counseling, and related training programs offered in State System institutions include preparation to deal with substance use and abuse in schools and other youth activities.

The chief student affairs officers believe that we, as a State System and as institutions, as administrators and as individuals, should take very clear stands on the inappropriateness of substance abuse, particularly drug use and abuse of alcohol. They believe that strong action should be taken when regulations are violated to make it clear that we do not believe drug use and alcohol abuse is appropriate in an educational environment, that such behavior does not contribute to a person’s educational achievement, and that we will not condone illegal activity.

**Statewide Endeavor.** In the fall of 1985, State System officials met with representatives of the Office of Alcohol and Drug Abuse Programs in the Department of Human Resources to discuss the problem of substance abuse state-wide at the higher education level. It was noted that no unified effort had been prompt by that office to help colleges and universities address the issue.

It was concluded that there was a need to learn what campuses were currently doing in this regard, to ascertain what they might need to improve their programs, and to provide incentive and assistance in campus endeavor through sponsoring a statewide conference. The outcome of the meeting was the formation of the Higher Education Alcohol and Drug Steering Committee (HEADS) to plan and execute the conference.
The first conference was held in February 1987. Teams of students, faculty and staff from all State System institutions, as well as most community colleges and independent colleges in Oregon participated in two days of intensive information and training sessions. The teams returned to their respective campuses to set about reviewing institutional policies and practices on substance use and abuse, to increase awareness about the problem, and to promote action to combat it.

A second conference, held in February 1988, was well attended and productive to the point that national leaders who work at combatting alcohol and drug problems identify Oregon as sponsoring the best such conference in the nation. Team leaders from around the state have just met to assist in planning the 1989 conference and the HEADS committee has been restructured to assure its effectiveness in responding to the continuing needs of Oregon institutions in addressing the problem.

Conclusion. State System institutions are making progress in addressing concerns in the abuse of alcohol and use of drugs, but we know that the problems will persist and that we will need to continue efforts on each campus to overcome them. Our institutions are committed to exerting full attention to the matter and to providing all available resources in efforts to improve the situation.

Following are highlights of reports prepared by the institutions in response to President Peterson's direction. The complete reports are available on request.

UNIVERSITY OF OREGON

The University of Oregon has established COSAFE (Campus Organization for a Substance Abuse Free Environment) to provide proactive prevention, publicity, training, and curriculum development in the area of alcohol and drug issues among students. Twenty-nine different campus and community constituencies are represented in the COSAFE leadership structure providing education, training, intervention, and treatment for students at the University.

Identification of Problems. Through campus surveys and monitoring caseloads of campus student affairs agencies, the extent of the problem is exemplified by the following observations: 95 percent of the students in Greek organizations use alcohol to some extent. Since March 1986, six students have died in incidents directly related to substance abuse. Ninety-three percent of last year's conduct cases were drug or alcohol related. During the 1987-88 winter quarter, 84 students were diagnosed with substance abuse problems by the Student Health Center. And, 16 percent (651) students seeking counseling center assistance the past two quarters identified substance abuse as their problem.
Students involved in the educational aspects of the COSAFE pro-
gram identify their own substance abuse problem and then seek
help from the campus resources available to them. In addition to
specific classes, IMPACT training, newsletters, life skills
training, and poster campaigns, emphasis has been placed on
training faculty and staff in recognizing signs of substance
abuse among the students they serve and in developing the skills
needed to intervene with students who are at risk. Since Feb-
uary of 1986, 1,193 students and staff have participated in
IMPACT training where many students and staff begin to recognize
their own dependency upon chemical substances and reach out for
help.

How Students are Served. Once students are identified either
through intervention or self-identification, they seek or are
referred to campus resources for the help they need. To respond
to the demand brought about by new initiatives, the health center
has added a half-time substance abuse expert, and the counseling
center has added one full-time and two half-time staff who are
specially trained in dealing with substance abuse problems. In
addition, five Alcoholics Anonymous groups are active on
campus under the direction of the counseling center, and AA, NA,
and Al-Anon all have established chapters on campus to serve
University of Oregon students.

In addition to the educational and assistance programs provided
to serve student needs, institutional policies regarding the use
of alcohol and the prohibited use of illegal drugs have been re-
viewed and strengthened. For example, a policy recently adopted
prohibits living organizations from purchasing volume alcohol and
from using organizational funds to purchase alcohol.

Recognizing that the problem transcends campus boundaries, uni-
versity staff serve on the HEADS committee for statewide inter-
action and the Board of Directors and Activities Coordinating
Council of the Community Substance Abuse Consortium. The latter
is a local (Eugene) organization whose goal is to decrease the
incidence of drug and alcohol abuse by developing the community’s
ability to provide comprehensive prevention, treatment, and
rehabilitation services.

PORTLAND STATE UNIVERSITY

Portland State University sees its role in addressing alcohol and
drug problems as integral to solving the problems of the
Portland urban community as well as those of its diverse student
body. The City of Portland has become a major port of entry for
illegal drugs shipped from South America and Southeast Asia.
Oregon produces a significant proportion of the nation’s mari-
juana crop each year. A considerable number of methamphetamine
labs are known to be in the state. Aware of these factors and prompted by participating on the HEADS Committee and collaborating with the Multnomah County Traffic Safety Coordinating Council, the University established a task force to write an alcohol and other drug policy statement which is now in effect.

Identification of Problems. A study conducted on the Portland State University campus in 1983 revealed "problem drinkers (those who average 1.5 or more drinks per day) made up 20% of the sample. Likewise, "binge" drinkers made up about 15% of the sample. It is felt that alcohol and drug problems are very common to the Portland State community and that existing social forces indicate the likelihood of increased use rather than a trend in the direction of reduction or abstinence.

The Wellness Resource Center in the Student Health Service provides information, materials, and referral resources regarding alcohol and other drug issues. The Mental Health Unit has implemented a student assessment program to identify drug problems, and the new student orientation program includes information to assist students in understanding the problem and doing something about it. Also, various recognized support groups are providing space on campus for meetings.

How Students Are Served. To implement the new alcohol and drug policy for students and staff, leadership will be provided by a designated coordinator for drug education and prevention. The program coordinator will be a member of the Mental Health Unit in the Student Health Service assigned half-time to this endeavor. Planned programs include two campus-wide and special interest sessions to focus on the problem; administration of The Drinker's Checkup to provide participants with a profile of their consumption, level of dependence, physical and psychological impact, and alcohol use; development of a behavioral training program for monitoring and changing alcohol and drug use patterns; coordination of a broad spectrum prevention strategy (life skills training); and numerous information, assessment, and referral activities.

A psychiatric nurse within the Mental Health Unit of the Student Health Service is a certified alcohol counselor who assesses alcohol and other drug problems and makes referrals to specific treatment agencies in the community.

Longitudinal studies of persons involved in the campus intervention programs which respond to individuals who wish to alter their drinking or drug use patterns will be of particular importance because students have been reluctant to involve themselves in treatment programs which focus on abstinence.
OREGON STATE UNIVERSITY

Oregon State University has had an extensive program in drug and alcohol awareness for many years including a strong policy defining expected student behavior, identification of drug and alcohol problems, and prevention and education programs. Three years ago, a Drug and Alcohol Resource Team (DART) was formed to coordinate all policies, prevention programs, educational programs, assessment, intervention, and special issues for the campus. The fourteen members represent students, faculty, staff, and alumni from all areas of the campus.

Identification of Problems. Staff from four main offices coordinate their efforts in identifying drug and alcohol problems: the Student Health Center, Office of Student Services, Counseling Center, and Department of Student Housing and Residence Programs. Data concerning the incidence of substance users is not available. However, ten-year student conduct data reveal an increase in alcohol related cases from 4 (3%) in 1977-78 to 37 (25%) in 1986-87; in drug related cases, 2 were reported in the earlier year and 6 in the latter. Of reported violations in all living groups, most recent three year data show (respectively since 1984-85) that 44 (43%), 10 (35%), 67 (54%) were alcohol-related cases and 15 (14%), 0 (0%), 5 (4%) were other drug-related cases.

How Students are Served. Mental health staff in the Student Health Center counsel and treat substance abuse referrals and the Student Health Educator coordinates programs and information for all University students. The Office of Student Services, through the efforts of the Sorority/Fraternity Advisors, Conduct Coordinator, and other office staff, help to identify student needs related to substance use. The Counseling Center staff is alert in counseling sessions to the influence of drugs and alcohol as underlying issues in the problems students face. The Department of Student Housing and Residence Program staff spend a significant portion of student contact time with alcohol and drug issues.

Oregon State University has earned national awards from the National Association of Student Personnel Administrators for programs in alcohol awareness for the past three years. A wide variety of programs are available to students, faculty, and staff. Living organizations sponsor preventive education programs and have encouraged participation in IMPACT, a program to learn how to deal with peer pressure on drinking and how to feel good about responsible use. A wellness residence hall (tobacco, alcohol and drugs prohibited) has been established, and an Alcohol Information School (started in 1984) is required of students who have violated university regulations or have been involved in abusive behavior while under the influence of drugs or alcohol. Discussions concerning AIDS has provided opportunity to educate students on substance abuse.
SOUTHERN OREGON STATE COLLEGE

In 1985, Southern Oregon State College established a Council on Alcohol and Other Substances Awareness charged with developing recommendations for a comprehensive alcohol and drug education and intervention program. A three-tiered approach was developed: a primary level providing basic education and information across campus related to the problem, a secondary level targeting specific students or groups which have greater risk of developing substance abuse problems, and a third level focusing on students already experiencing substance-related problems.

Identification of Problems. The student conduct system requires first-time offenders to meet with the Resident Life Hearings Officer or the Associate Director who are trained in recognizing problem behavior related to substance abuse. Second-time offenders (approximately 80 to 100 this year) are required to attend an alcohol and drug video presentation. Students who are found to have symptoms of a serious substance problem or who voluntarily seek assistance for this reason, approximately 30 to 35 this year, are referred for an alcohol and drug assessment by a certified counselor from OffTrack. Approximately 20 of these students have been referred to an educational/treatment group.

How Students Are Served. Alcohol and drug information sessions for new freshmen residence hall students are held during orientation and at the beginning of each term, special campus-wide programs are held, and video tapes addressing the issue are readily available in the residence halls. Students who voluntarily seek assistance or are referred through the student conduct system or others are provided assessment services and the small group education/treatment sessions at no cost to the student.

OREGON INSTITUTE OF TECHNOLOGY

In September 1986, a task force on drug policy consisting of faculty, student and staff representatives was formed. A policy is now fully adopted and the task force has been delivering programs, with the assistance of community resources, to educate the campus community and the general public about substance use and abuse.

Identification of Problems. Through the Counseling Center, of twenty persons with specific problems served this year, sixteen were alcohol or drug related and of seventeen major cases treated by Health Services, fifteen were related to substance use or abuse. In 393 residence hall disciplinary cases investigated, 121 were alcohol and 26 drug-related, the most ever experienced on campus. Of the 147 substance related cases, 8 were referred to ADAPT (Alcohol and Drug Abuse Prevention and Treatment for OIT students).
How Students are Served. In addition to awareness week activities, special displays, and presentation to educate the campus community concerning substance use and abuse, Alcoholics Anonymous and Narcotics Anonymous meet daily at noon and a health education course, "Drugs and Alcohol in Modern Society" is offered all students and required of all athletes. The ADAPT program was established using a community agency that provides assessment, referral, counseling, and educational programs for students and staff.

EASTERN OREGON STATE COLLEGE

The Eastern Oregon State College Campus Assembly approved a drug and alcohol policy in May 1987, which calls for educational, intervention, and treatment programs to assist students in addressing substance use problems.

Identification of Problems. Housing, the Health Center, and the Health and Physical Education department, as well as Student Development staff, prepare and distribute publicity and information about alcohol and drug abuse. A voluntary plan, patterned after a Union Pacific employee program, to identify students who need help in overcoming substance-related problems is encouraged. Students with drug- and alcohol-related disciplinary problems are first given an opportunity and assistance towards changing their behavior. Further cause for disciplinary action results in loss of privileges, dismissal from campus housing, or suspension from the College. It is estimated that 80 to 90% of all disciplinary cases relate to substance use or abuse, with 95% of those cases alcohol related.

How Students Are Served. In addition to publicity programs to educate students and intervention programs to assist students, the Health and Physical Education Department offers classes about substance abuse. Student assistants in residence hall and counseling programs receive extensive training in substance abuse awareness and intervention techniques. The Health Center and Student Development staff also provide individual counseling and consultation to students who seek help with their substance-abuse problems.

The Department of Continuing Education has been awarded a $178,112 two year grant for the development of a drug and alcohol abuse curriculum for the training of educators.

WESTERN OREGON STATE COLLEGE

In January of 1987, AD-VANTAGE was established. It is a special committee of students, faculty, and staff charged with the responsibility of providing educational programs, intervention strategies, and access to treatment to the entire Western community.
Identification of Problems. Persons with problems related to substance abuse are identified by counseling, largely as a result of self-recognition of difficulties, and by advice of faculty, coaches, and peers. Part-time graduate assistants specializing in substance abuse have been used in the counseling office to aid in the referral process. An alert watch by campus security identifies persons obviously involved in substance abuse situations and reports to local police or to the Dean of Students, as appropriate, for disciplinary action.

How Students Are Served. Seminars addressing substance use and abuse are held in dormitories throughout the year. Campus-wide information programs and fundraising activities to support participation in IMPACT sessions are conducted through the Dean of Students office. Counseling services provide educational programs including specific courses, seminars, and literature displays. Important aspects of alcohol and drug education are incorporated in the Liberal Arts Core Curriculum. An alcohol and drug awareness group meets weekly, as well as a sobriety enhancement group. A one credit course, Adult Children from Alcoholic and Other Dysfunctional Families, is offered.

Within the Division of Health and Physical Education, a formal seminar is held regarding the hazards of performance enhancing substances as well as effects of alcohol and drug abuse. A substance abuse component is included in a health and fitness course taken by all Western students and an upper division course in studies of drugs and alcohol is required for health education majors.

OREGON HEALTH SCIENCES UNIVERSITY

Although there have been policies governing alcohol and drug use and abuse in the various schools within the Oregon Health Sciences University, there has not been an over-all institutional policy to address the issue. A group has been appointed to bring together various components now in place and take steps necessary to view the problem campus-wide. Efforts towards identifying problems and serving students with need will be coordinated. Data to demonstrate the extent of the problem on campus is not now available.

Board Discussion and Action

The Board accepted the report as presented.
<table>
<thead>
<tr>
<th>SUMMARY OF FACILITIES DIVISION ACTIVITIES, OFFICE OF ADMINISTRATION</th>
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<tbody>
<tr>
<td><strong>Staff Report to the Board</strong></td>
</tr>
<tr>
<td>A summary of activities within the Office of Administration’s Facilities Division is presented below:</td>
</tr>
<tr>
<td><strong>Contracts for Professional Services</strong></td>
</tr>
<tr>
<td>MBE &amp; DBE Evaluation, Osshe</td>
</tr>
<tr>
<td>An Agreement was negotiated with B. Chadwick Group, LTD., Portland, for the Minority Business Enterprise and Disadvantaged Business Enterprise Evaluation for consulting services not to exceed $6,600. Financing will be provided from state funds.</td>
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<tr>
<td>Maaske Hall Renovation, WOSC</td>
</tr>
<tr>
<td>An Agreement was negotiated with BSC, Inc., Mechanical Engineers, Portland, for engineering services not to exceed $17,400. Financing will be provided from state funds.</td>
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<tr>
<td>Consulting Services, OSU</td>
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<tr>
<td>An Agreement was negotiated with James D. Graham &amp; Associates, Inc., Portland, for electrical engineering services not to exceed $50,000. Financing will be provided from state funds.</td>
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<tr>
<td>Student Union Building, OHSU</td>
</tr>
<tr>
<td>An Agreement was negotiated with WEGroup PC/Architects and Planners, Portland, for architectural services not to exceed $143,000. Financing will be provided from state funds.</td>
</tr>
<tr>
<td>UHS, 4A Surgical Pathology Ventilation, OHSU</td>
</tr>
<tr>
<td>An Agreement was negotiated with Northwest Engineering Service, Inc., Tigard, for consulting services not to exceed $1,800. Financing will be provided from state funds.</td>
</tr>
<tr>
<td>PCAT Building Solid State Lab Remodel, PSU</td>
</tr>
<tr>
<td>An Agreement was negotiated with Brock and Hilts Architects and Planners, Portland, for architectural services not to exceed $2,850. Financing will be provided from state funds.</td>
</tr>
<tr>
<td><strong>Award of Construction Contracts</strong></td>
</tr>
<tr>
<td>Wiegand Hall Room 2 Fume Hood Installation, OHSU</td>
</tr>
<tr>
<td>On May 13, 1988, Beaver Plumbing &amp; Heating, Inc., was awarded a contract for this project in the amount of $60,734. Financing will be provided from state funds.</td>
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<tr>
<td>Columbia Terrace Roofing &amp; Drainage, UO</td>
</tr>
<tr>
<td>On May 27, 1988, Builders Insulating &amp; Roofing, Inc., was awarded a contract for this project in the amount of $32,748. Financing will be provided from funds available to the institution.</td>
</tr>
<tr>
<td>Data Network-Fiber Optic Cable Installation, UO</td>
</tr>
<tr>
<td>On May 5, 1988, Optec, Inc. was awarded a contract for this project in the amount of $38,170. Financing will be provided from state funds.</td>
</tr>
</tbody>
</table>

-354-
On May 5, 1988, Siecor Corporation was awarded a contract for
this project in the amount of $89,910. Financing will be pro-
vided from state funds.

On May 16, 1988, Folker Construction was awarded a contract for
this project in the amount of $210,000. Financing will be pro-
vided from state funds.

On April 14, 1988, OTRM Construction, Inc. was awarded a con-
tract for this project in the amount of $378,466. Financing
will be provided from funds available to the institution.

Acceptance of Projects

This project is complete and was accepted on April 22, 1988.
The estimated total project cost remains at $416,537. Finan-
cing was provided by 90% federal funds and 10% state funds.

This project is complete and was accepted on April 22, 1988.
The estimated total project cost remains at $12,863.56. Finan-
cing was provided from state funds.

This project is complete and was accepted on February 20, 1988.
The estimated total project cost remains at $33,771. Financing
was provided from Gift Funds.

This project is complete and was accepted on April 15, 1988.
The estimated total project cost remains at $82,381. Financing
was provided from funds made available to the institution.

The Child Development & Rehabilitation Center Renovations Pro-
ject is complete and was accepted on February 11, 1988. The
estimated total project cost remains at $53,239. Financing was
provided from state funds.

Board Discussion and Action

The Board accepted the report as presented.

Mr. Petersen reported that he had received a communication from
the secretary of the faculty senate at Portland State University
which contained a request for an immediate review of the presi-
dent of the institution. Mr. Petersen said copies of the letter
and his response had been sent to members of the Board. In the
response, Mr. Petersen said he had explained his belief that it
was impossible and was not desirable to do an immediate review because the Board's process calls for considerable faculty and constituent input. This would not be as feasible during the summer as it would in the regular academic year. In addition, the Board was electing new Board officers, selecting a new Chancellor, and reconstituting the Board. It seemed more appropriate for the newly-constituted Board to make the decision on the time and format of the evaluation.

Mr. Petersen expressed his appreciation to Mr. Pizzo and the institutions for the material on the drug and alcohol abuse and intervention process at each institution.

Next Meeting Dates

Mr. Petersen announced the next regular meeting of the Board would be held on July 15, 1988, at Portland State University. The meeting on September 9, 1988, also has been scheduled for Portland State University.

In concluding his term, Mr. Petersen especially thanked both Governor Atiyeh and Mrs. Petersen for their consideration and assistance in making it possible for him to complete his term during the period when he received a kidney transplant.

ELECTION OF OFFICERS

Mr. Adams presented the report of the Nominating Committee and moved that the following proposed slate of officers be elected for the coming year: Richard F. Hensley, President; Mark S. Dodson, Vice President; Members of Executive Committee—John W. Alltucker, George E. Richardson, Jr., and Robert R. Adams.

The Board approved the recommendation of the Nominating Committee and elected the officers indicated above. The following voted in favor: Directors Adams, Alltucker, Brocks, Dodson, Hensley, Richardson, and Petersen. Those voting no: None. Directors Nelson and Schnitzer were absent from the meeting at this time.

Mr. Petersen congratulated the new officers.

ADJOURNMENT

The Board meeting was adjourned at 5:45 p.m.

James C. Petersen, President
Wilma L. Foster, Secretary
Meeting #566

STATE BOARD OF HIGHER EDUCATION
MINUTES OF SPECIAL MEETING HELD IN ROOM 101,
DIVISION OF CONTINUING EDUCATION BUILDING,
1633 S.W. PARK, PORTLAND, OREGON

June 21 and 24, 1988

MEETING #566

A special meeting of the State Board of Higher Education was held in Room 101, Division of Continuing Education Building, 1633 SW Park, Portland, Oregon.

ROLL CALL

The meeting was called to order at 3:00 p.m., June 21, 1988, by the President of the Board, Mr. James C. Petersen, and on roll call the following answered present:

Mr. Robert R. Adams          Mr. Michael W. Hermens
Mr. John W. Alltucker        Mrs. Janet S. Nelson
Miss Kasey K. Brooks         Mr. George E. Richardson, Jr.
Mr. Mark S. Dodson           Mrs. Arlene D. Schnitzer
Mr. Richard F. Hensley       Mr. James C. Petersen

Absent: Director Chao was absent for business reasons.

OTHERS PRESENT—Executive Vice Chancellor W. T. Lemmon; Board Secretary Willma L. Foster; Jim Sellers, Director of Communications; Lee Lewis, Associate Director of Communications, Oregon Health Sciences University.

Media Representatives—Twelve media representatives attended the meeting on June 21 and ten were present on June 24.

Mr. Petersen recessed the Board meeting to convene in Executive Session pursuant to ORS 192.660(1)(a) to consider the employment of a Chancellor.

EXECUTIVE SESSION NO. 83

During the Executive Session, the Board heard the report from the Board members who had visited Dr. J. Wade Gilley in Virginia and contacted persons acquainted with his work there. Qualifications of the other finalists were also discussed, and Mr. Richardson and Miss Brooks agreed to make a site visit to Texas with respect to the candidacy of Dr. Thomas Stauffer. Discussion was limited to the purpose for which the Executive Session was called.

Mr. Petersen adjourned the Executive Session and reconvened the special meeting of the Board.

The Special Session of the Board was recessed at 5:45 p.m. to reconvene at 4:00 p.m. on June 24, 1988, in Room 101, Division of Continuing Education Building, Portland, Oregon.

EXECUTIVE SESSION NO. 84

Vice President Richard Hensley called the Special session to order at 4:00 p.m. on June 24, 1988, and announced the Board was in Executive Session, pursuant to ORS 192.660(1)(a), to consider the appointment of a Chancellor.
Mr. Petersen and Mrs. Nelson were not present at Executive Session No. 84, nor was Mr. Chao. Both Mrs. Nelson and Mr. Chao did convey their comments via a telephone message to the Secretary of the Board. These comments were reported during the Executive Session. The newly-designated Board members were present.

Board members heard the report of the members who had made the site visit to Texas to contact persons acquainted with the work of Dr. Stauffer.

During the Executive Session, Board members discussed the report and alternative actions available, with discussion limited to the purpose for which the meeting was called.

Mr. Hensley had left the meeting during the Executive Session and requested Mr. Dodson to preside. Mr. Dodson closed the Executive Session and reconvened the Special Session.

Mr. Adams moved that the Board not accept a candidate for the Chancellor's position at this time and that the Executive Committee determine recommended alternatives in regard to the future search for a Chancellor. Mrs. Schnitzer seconded the motion.

The Board approved the motion with Directors Adams, Dodson, and Schnitzer voting in favor. Directors Alltucker, Brooks, Hermens, and Richardson abstained.

Mr. Alltucker said he had been thinking about what had caused the Board to reach the position that members could not agree upon a candidate. Often such a situation occurs because a group does not know what it is trying to do. He suggested that one way to eliminate the emotions from the decision and get the facts was to get together with the decision makers of the state and clearly define the qualities desired of graduates. It would then be possible to review the institutions to determine if any changes were needed to produce graduates with the characteristics Oregon needs in the next ten to twenty years. Once that is done, the Board can decide on the characteristics of the person to run the State System.

Mr. Alltucker proposed a meeting of the Board and its key staff, the presidents from all State System institutions, the Governor and some of his key staff, and representatives of the Legislature. The expectations for this open meeting would include a determination of how long it would take for subsequent meetings to reach agreement on the qualities need in State System graduates to achieve the desired purposes and to agree on how to keep the State System and its institutions running in the meantime. He said it was important to get started on a series of meetings with the decision makers. After that is done, the system of governance can be examined for any necessary changes to the institutions to produce the desired graduates.
Mr. Alltucker said that during the past few weeks the Board had been concentrating on the governance issue before agreeing on the qualities of the graduates and reexamining the institutions for changes in curriculum or procedures to produce those graduates.

Mr. Alltucker stated that if the Board continued the nature of the debate of the last three weeks, the present split within the Board will widen and harden and spread among the other groups mentioned above who have a legitimate interest in helping develop policy for higher education in Oregon. Higher education is too important to leave to the educators and the legislators.

Mr. Alltucker concluded by saying that he was unwilling to participate in the dismantling of the System. Those concerned must get started on some kind of footing upon which all can agree.

ADJOURNMENT

The Special Session of the Board was adjourned at 7:25 p.m. on June 24, 1988.

James C. Petersen, President

Wilma L. Foster, Secretary