MINUTES OF THE
REGULAR MEETING OF THE
OREGON STATE BOARD OF HIGHER EDUCATION

November 21, 1997

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OREGON STATE BOARD OF HIGHER EDUCATION
MINUTES OF REGULAR MEETING
UNIVERSITY OF OREGON — GERLINGER ALUMNI LOUNGE
EUGENE, OREGON

ROLL CALL

The regular meeting of the Oregon State Board of Higher Education was called to order at 10:15 a.m. by President Aschkenasy.

On roll call, the following answered present:

Ms. Diane Christopher
Mr. Tom Imeson
Mr. Jim Lussier
Ms. Gail McAllister
Ms. Esther Puentes

Ms. Katie Van Patten
Dr. Jim Whittaker
Mr. Jim Willis
Ms. Phyllis Wustenberg
Mr. John Wykoff

Dr. Herb Aschkenasy

MINUTES APPROVED

The Board dispensed with the reading of the minutes of the October 17, 1997 meeting. Mr. Willis moved and Ms. McAllister seconded approval of the minutes. The following voted in favor: Directors Christopher, Imeson, Lussier, McAllister, Puentes, Van Patten, Whittaker, Willis, Wustenberg, Wykoff, and Aschkenasy. Those voting no: none.

PRESIDENT'S REPORT

President Aschkenasy opened his remarks by thanking President Frohnmayer for the hospitality extended to the Board. “The dinner last evening was outstanding and the visit this morning was informative and exciting.”

Thank you to UO

New Board member Jim Lussier was welcomed following his confirmation. Dr. Aschkenasy observed that Mr. Lussier had been attending meetings for the past months, pending confirmation, and added, “I have every reason, based on his reputation, to believe that he is going to be a big contributor. Ms. Van Patten, Mr. Willis and I were also confirmed. We now have a full Board which we have not had for some time and that is good given the work that we have before us.”

Jim Lussier

Dr. Aschkenasy pointed out that later in the meeting the Board would be taking action on the performance indicators. He commented that, “The way I see this evolving is that we will develop objectives in conjunction with each of the institutions based on agreed upon

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performance indicators. Then we must try to have the budget allocation system conform with those objectives. In effect, we should incent people for doing the things they have agreed to do."

IFS and AOF

President Aschkenasy introduced Dr. Paul Simonds, President of IFS, who reported that this was his last meeting as president. He then introduced Ron Cease, president of Associated Oregon Faculties (AOF). Dr. Cease indicated that there were several items he wanted to discuss with the Board. Specifically, he addressed the needs for increases in faculty salaries, the past legislative session, and the need for a unified front in preparation for the next session. Following are Dr. Cease's comments:

"I want to thank you for agreeing to give me time on your agenda today to discuss with you several issues of grave importance to faculty at our public institutions of higher education. Prior to preparing these remarks, I discussed the forthcoming issues with representatives of the statewide American Association of University Professors (AAUP), the AAUP chapter at Portland State, and with Paul Simonds, President of the Interinstitutional Faculty Senate (IFS). I particularly want to thank Paul for yielding to me the agenda time regularly allotted to him.

"I am not here today to dwell on the topic of faculty salaries and benefits. You are acutely aware of the dangerously low salary levels of Oregon faculty as compared with our counterparts in other states. You know about the difficulties our System faces in recruiting and retaining first rate faculty. You also know that the System, and the Legislature and Governor, must affirmatively respond to these problems very soon if we are to maintain a higher education system that will be competitive in the 21st century.

"What I am here to emphasize is that we, by 'we,' I mean all of us who think of ourselves as advocates for a strong System of public higher education in Oregon, need to realistically assess where this System is today, where it needs to go, and what risks and challenges we need to accept and overcome in order to achieve success.

"None of us has any right to reflect on the 1997 Legislative Session with a sense of satisfaction. In an economy stronger
than any in memory and with the State General Fund at an increased level of almost 20 percent, the System came out of the session with a better budget than it had received in the last decade, but with less share of the available dollars than it deserved and could have obtained.

"I have talked to Legislators and others that indicate we left as much as $10-20 million on the table last session. These were funds that we desperately needed whether they went for technology, tuition reductions or faculty hiring and compensation.

"Why didn't the System get this money? In my judgment, it was due to a reluctance on the part of the System to aggressively pursue more funding once the current service level budget for the System was approved. Why this reluctance? I am told it was because the System was apprehensive of antagonizing the Legislature by trying to push for more dollars.

"Having served in the Oregon Legislature for 12 years as a State Representative and Senator, I can tell you that an aggressive, planned, and unrelenting pursuit is an absolute must in order to obtain funds in such a competitive environment. Our funding issues need to be kept right in the face of Legislators just as the needs with which we compete are kept front and center by their advocates. This way, when the additional funds appear later in the session (as they always do) we would have a chance to garner additional funds—our fair share.

"Stepping into the back row two months before a session ends because we have a barely adequate base budget is not the way to go. The System should not be intimidated by the rigors and uncertainties of truly competing for available dollars. It will take a hard and focused effort to keep our issues on the table.

"We also should never worry about being retaliated against for the volume of our voice or the persistence of our efforts. In my experience, that is not how the Legislature reacts. Rather, the Legislature is used to the aggressive pursuit of funds. The minute our effort turns half-hearted, or timid, our issues slide right off the table.
"I can assure you from my experience in the Legislature that we can never be 'too' aggressive in the legislative setting as long as we conduct ourselves professionally and are advancing issues that are supportable. We should never 'give up' prematurely. We should all be fighting for every last available dollar until the sine die gavels fall.

"Having said this, I want to assure you that AOF and the other organizations representing faculty interests remain ready to fully cooperate with the Board and the Chancellor and his staff in achieving our mutual goals. We have resources that can be very effective in the legislative process and should take full advantage of them. Clearly when our goals are mutual, we need to be full partners in the process. Bring us in on the front end when fundamental policy decisions are being made and keep us fully involved and informed during the 1998 interim and once the 1999 Legislative Session begins.

"I firmly believe that with the appropriate focus and commitment and a persistence on all our parts we will do much better and gain additional revenues in the next session and beyond. The System needs to compete in the 21st century. We are committed to working with you and others to see that this happens."

President Aschkenasy thanked Professor Simonds for his service to the IFS and his involvement with the Board.

Meeting with Governor Kitzhaber

Dr. Aschkenasy indicated that he and Vice Chancellor Anslow had met with the Governor. "The Governor is going to be a key person in deciding what direction the System is going to take. Everyone agrees that the System needs to change and we are at a fork in the road. One thing we have to keep in mind is that it is going to be different from what it is today. The road is going to change and we need to change with it. We had an impressive presentation this morning at the UO. But I submit to you that even this is no guarantee that this will be one of the universities 100 years from now."

CHANCELLOR'S REPORT
UO Accreditation Report

The final report of the UO accreditation visit has been released. There were many commendations in the report and some recommendations that apply to the System as a whole. One recommendation is in regard to development of outcome measures that are internally consistent and in accord with the UO mission. This
lines up very well with the direction of the Board. The other recommendation regarding salary competitiveness is a serious issue and is being recognized as such by others around the country.

E-Board

The Chancellor indicated that the System is now $6.5 million ahead of where it was the week before. “We received $5 million for the Engineering and Technology initiatives. In addition, we received $1.5 million to continue OWEN. What started out as NERO, an engineering experiment, has become a marvelous utility. I think that crafty engineering dean, John Owen, understood better than anyone where this was going. This is absolutely critical and hopefully the infusion of money will make us competitive with Internet 2.”

Enrollment Reports

Dr. Cox pointed out that later in the agenda, the Board would be examining an enrollment report. “In addition, the University Center in Bend is continuing to grow and expand. This is a model that we are attempting to replicate on the coast. We will see much more of this type of collaboration.”

Museum, SOU

Chancellor Cox reminded the Board that the Museum of Natural History in Ashland is located on the campus of SOU. It suffered a series of financial setbacks and had to close its doors in the spring of this year. It is financed by bonds, and at the end of the month, responsibility will be passed along from the Board of the Museum to the Trustee, the Bank of New York. With our encouragement, “SOU has had some conversations regarding the acquisition of the museum and has conducted a draft preliminary feasibility study on what might be done with this marvelous facility. There are no conclusions yet. I’ve instructed President Reno to continue in discussions with the Trustee regarding this and we will report to you in December on progress being made.”

Dr. Aschkenasy observed that one of the problems of the Board is that buildings continued to be acquired and at the same time there are even larger maintenance deficits. He indicated that something must be done to bring the two together.

Chancellor Cox indicated that some private institutions, when they receive a building, also receive an endowment for its maintenance.

Vice Chancellor Anslow remarked that the Administrative Council had spent time discussing this issue at its last meeting. “We first have to understand our current condition and then come to some kind of
understanding of how we want to use the facilities. I think we will show that we do have some capacity to serve more students with the current facilities. This might be addressed inside the work of the Board committees."

President Aschkenasy asked if the System had a good estimate of the amount of deferred maintenance required at the present time. Mr. Anslow responded that this is not a trivial problem, "but in relative terms, the campuses have done a reasonable job of keeping the facilities up in terms of basic maintenance."

Associate Vice Chancellor Foute added that the figure is close to $200 million, although she expressed caution that she does not place a lot of confidence in the figure. "We are embarking on a new study that will be important to us because our data are so old," she added.

OIT MISSION STATEMENT

Staff Report to the Board

The Board has general powers to assign missions and roles for the institutions under its jurisdiction. The Oregon Revised Statute states that:

...the State Board of Higher Education, for each institution, division and department under its control, shall: supervise the general course of instruction therein, and the research, extension, educational and other activities thereof. [ORS 351.070(2)(a)]

Oregon Institute of Technology, the only public institute of technology in the Pacific Northwest, provides degree programs and educational opportunities in the applied sciences and technologies that prepare students to be effective participants in their professional, public, and international communities. Six objectives are central to our mission:

1. Provide degree programs in engineering technologies, health technologies, management technologies, and applied sciences that enable graduates to obtain the knowledge and skills necessary for immediate employment.

2. Enable students to be effective communicators, responsible citizens, and lifelong learners by assisting them in the development of critical thinking and problem solving skills, and ethical and cultural awareness.
3. Offer continuing and distance education and advanced professional studies to meet the emerging needs of today's citizens.

4. Provide informational and technical expertise to regional, state, national, and global publics in applied research.

5. Develop and maintain partnerships with public and private institutions, business and industry, and government agencies to ensure quality programs that meet the needs of students and the organizations that employ them.

6. Provide statewide access through the Institute's Klamath Falls and Portland operations to address the needs of the Oregon workforce.

Staff Recommendation to the Board

Staff recommended the Board adopt the revised mission statement for OIT.

Board Discussion and Action

President Wolf remarked that seven years ago, as the new president of OIT, he had brought a revised mission statement to the Board for approval. "The statement before the Board today represents changes that have occurred in the past seven years and addresses the desire of the Board to have mission statements include teaching, research, service, and employment. At OIT, employment of graduates has always been first. Now it is first and last."

President Wolf and Provost Dow highlighted changes that had been made to the mission and the rationale for them. Ms. Wustenberg asked if the mission statement adequately covered the social service development OIT is planning. Provost Dow responded that the global objectives and strategies cover that area.

Ms. Puentes moved and Ms. Wustenberg seconded the motion to approve the staff recommendation. Those voting in favor: Directors Christopher, Imeson, Lussier, McAllister, Puentes, Van Patten, Whittaker, Willis, Wustenberg, Wykoff, and Aschkenasy. Those voting no: none.
I. Criteria for Indicators

To further the strategic goals of the State Board of Higher Education, performance indicators will be used to monitor results and foster improvement of the Oregon State System of Higher Education. Each performance indicator and corresponding measure should meet the following criteria:

- provides tangible evidence of the degree to which the goals promulgated by the Board and affirmed in SB 919 are being achieved in relation to available funding;
- reflects the diverse missions of the institutions;
- examines performance from a System rather than campus perspective;
- describes current results and stimulates improved performance; and
- uses existing data when appropriate and available to avoid costly new information systems.

The proposed performance indicators include only general indicators that reflect a system and institutional perspective, leaving it to the campuses to develop more specific indicators appropriate to their goals. Current baseline data (and results) are to be considered with past performance of the composite OSSHE and the individual institutions, with other OSSHE units with similar missions, and with comparator institutions.

Despite criticism of oversimplification, the higher education process is one of transforming inputs into outcomes having higher value. Performance indicators include measures at all points of this process. The indicators divide into four types — input, process, output, and outcome.

Input is the human, financial, and physical resources received to support programs, activities, and services.

Process is the means or method used to deliver programs, activities, and services.

Output involves the quantity of products actually produced.

Outcome is the quality of the benefit or impact of programs, activities, and services on students, states, and society.
The types of indicators selected reflect the shifting interests of the Board and Legislature to focus on outputs and outcomes (see Table 1). The indicators listed for OSSHE divide into 26 percent input, 9 percent process, 26 percent output, 30 percent outcome, and 9 percent a combination of types.

The designation of indicator type often depends on interpretation and judgment. For example, "Quality of Graduates" involves the assessment of undergraduate student learning. However, its measurement can be construed as the percent of students assessed (process) or the actual level of their performance (outcome).

While we assume broad consensus on the four strategic goals, there may be less agreement about the measures of the indicators. Indicator Teams, which will be constituted by representatives from the campuses, are charged with achieving consensus about the indicators (i.e., measuring what is valuable), developing a time line, being responsible for coordinating the data collection efforts on their campuses, and recommending when a Systemwide data collection effort would be more efficient and effective. These teams must be mindful of the intent of the indicator as reflected in the designation of type as they develop appropriate measures.

The problem of "valuing what is measurable" versus "measuring what is valuable" is illustrated by issues surrounding determining research productivity, as follows.

- OSSHE, following industry standards, reports evidence of research productivity as sponsored research expenditures by System total, institution total, and average faculty member. This number reflects faculty success in a competitive process for grant awards provided largely by the federal government.

- Expenditures in a fiscal year are reported rather than the total grant, which may be a multi-year award (e.g., $3 million for work to be done in a three-year period). These data are easily retrievable and comparable to national data for public and private institutions that are reported by the National Center for Educational Statistics (NCES).

- This measure does not show what proportion of faculty are productive. Does a small proportion of the faculty attract most of the awards? Are the awards concentrated in a few
disciplines? How can faculty scholarship in disciplines (e.g., humanities) in which external research funds are scarce be measured? What proportion of basic and applied research is sponsored by private interests and is targeted to economic interests of the state?

- Other tangible outcomes of faculty scholarship include publications in refereed journals, academic papers delivered at professional meetings, textbooks authored or co-authored, and performances or displays of creative work. Faculty report publications on their curriculum vitae, tenure and promotion dossiers, and, on some campuses, in annual faculty activity reports. Faculty prominence or influence in a field is reflected in the referencing of the work and ideas of one person by another. Citation indexes track the referencing of the published work of one faculty member by others. These indexes do not provide information about the quality of work. With more than 3,000 faculty in OSSHE, the manual collection of these data would be labor intensive.

The Indicator Teams will consider these and other dilemmas associated with implementing performance indicators in compliance with SB 919, according to the priorities established by the Board.

II. Recommended Priority for Implementing Indicators

Phase One. Complete analysis of Systemwide data for the ten indicators for which baseline data are collected and maintained. Conventions for data definition and collection used by the Office of Institutional Research in the Chancellor's Office will be followed. No new costs are projected with the exception of obtaining measures of Customer Satisfaction (i.e., students and alumni) on some campuses. Report to the Board: November 1998.

- Access Indicators: Student Ability, Geographic Location, Diversity, Transfer Students, Tuition
- Quality Indicators: Successful Completion, Professional Standards, Sponsored Research Programs, Customer Satisfaction (Student and Alumni)
- Cost Effectiveness Indicators: State's Obligation

1. Please refer to the minutes of the October 1997 meeting of the Board of Higher Education for the full wording of performance indicators.
Phase Two. Design methods and collect data for nine indicators that require substantial lead time to complete. New costs associated with creating baselines and repeating measurement every two to five years. Report to the Board: November 1998.

- Access Indicators: Adult Students
- Quality Indicators: Economic Impact, Faculty Salaries
- Cost Effectiveness Indicators: Program Productivity, Cost-savings in Administration
- Employability Indicators: Success of Graduates, Internships, Employer Satisfaction

Phase Three. Identify appropriate data and complete data analysis for three indicators that require new approaches. Staff in the Chancellor's Office will work with appropriate state agencies and other experts to complete, if possible, by the next legislative session. No new costs.

- Cost Effectiveness Indicators: Return on Investment
- Employability Indicators: Oregon's Work Force
- Quality Indicators: Effectiveness of Research and Public Service

Phase Four. The remaining Quality of Graduates indicator requires substantial time to develop and complete because of the difficulty of the task of specifying the higher-order thinking abilities that all college graduates need to be successful. The importance of these general abilities, developed through the general education portion of the baccalaureate, was singled out in a recent report by Oregon's business community, *Gaining Competitive Advantage: The Need for Customer-Driven Higher Education*. How will employers be assured that graduates of OSSHE have acquired these necessary attributes?

The accreditation standards for OSSHE institutions expect "a substantial and coherent program of general education," and outcome measures generated by assessment processes that influence future planning and decision making. The Oregon Assessment Model, first considered by the Academic Council in 1993, provides a framework for the assessment of the learning outcomes for undergraduate students at critical junctures — admissions, placement, midterm (i.e.,
general education), and graduation (i.e., employment, further education, major field knowledge and methods).²

Developing a Systemwide assessment approach continues to be complex with projected very high costs.

- The general education requirements of the institutions differ substantially.
- The institutions are at various stages of planning for and determining the effectiveness of their educational programs — both the general education and major field components.

Developing a System perspective depends on the readiness of campuses to talk about what every baccalaureate graduate should be able to do to be successful.

Most campuses have recently completed, or are in the midst of, accreditation reviews by the Northwest Association of Schools and Colleges. Recommendations of the Commission on Colleges affirm the importance of developing student outcome measures that are consistent with an institution’s mission.

The institutions shall report to the Chancellor’s Office on the approaches used to assess undergraduate learning outcomes and plans for assessments using the Oregon Assessment Model as an organizing scheme. Recommendations of the Commission should be addressed in the institutional assessment plans. Campus reports are due March 1998.

III. Detailed Work Plan for Phase Two

Convene Indicator Teams and complete baseline data collection by November 1998 for the projects with new costs. Data will be available for inclusion in the Legislator Notebook, report card, or other materials prepared for the next legislative session. The projects, in order of priority, are:

Graduate Success: Employment and Internships — $20,000
All OSSHE campuses have started collecting employment and internship data for the 1996-97 graduates of their institutions using

² For a full description of the Oregon Assessment Model see the April 21, 1995 Board of Higher Education meeting (page 170).
common questions developed by the Indicator Team (comprised of campus directors of career services). All campuses are required to use the common questions and response items developed. Campus allocations are to cover printing, computer time, and other costs associated with surveying students.

The Chancellor's Office will develop portraits of 10 to 15 successful graduates selected from the campuses (i.e., students in their own voices). Cost: $8,000 for the portraits of graduates identified by the campuses; develop one-page written portraits for each student.

Employer Satisfaction — $85,000
Create a forum in which Oregon employers, the Oregon Business Council, and corporate/small business board members of campus foundations, can articulate specific concerns about the quality of college graduates' abilities (common higher-order thinking abilities) that can be translated into program improvements. Using this information, the Indicator Team will decide how to survey Oregon employers, identify the target population (e.g., employers of all recent graduates, employers of arts and science graduates only, employers of graduates in fields related to economic development such as engineering or business), review survey instruments, determine study design including sampling and method, and coordinate surveys on campuses. Chancellor's Office staff will conduct an analysis and write a final report. Allocate resources according to approach adopted.

Economic Impact — $70,000
All seven campuses will collect economic impact information following methods developed by the Indicator Team based on the experiences of institutions who have done this work. Individual campus allocations will be made for new work and may vary based on campus missions.

Student/Alumni Satisfaction — $25,000
Five to ten common questions will be developed and special funds will be allocated to campuses that have not collected satisfaction data within the last two years, or a stratified random sample including all seven campuses will be drawn. Possible approaches include: (a) partially fund campuses for new efforts, or (b) collect data Systemwide out of the Chancellor's Office.

Adult Students — $10,000
One campus will develop a prototype for tracking adults (25 and older) enrolled in regular degree programs, taking credit courses
through extended studies, participating in customized training offered at the worksite, and other relevant formats and the extent to which these experiences are helping adults to achieve their goals.

Cost Savings in Administration — Absorb Cost
A team is finalizing a questionnaire to evaluate the cost effectiveness of changes related to SB 271 in the areas of purchasing, contracting, travel, and facilities. Institutions will complete the questionnaire in preparation for the independent review required by the legislation. The results will highlight the administrative efficiencies achieved and areas for improvement. (A similar process will begin in Human Resources.)

Program Productivity — Absorb Cost
Study program productivity (e.g., enrollment, number of faculty, student credit hour production, degree production, sponsored research) and address issues inherent in that task from an organizational and managerial point of view. The goal is to develop a system to monitor program productivity. The choice of variables to use is a very important determinate of the success of any management information system and will involve consultation with appropriate campus representatives.

Faculty Salaries — Absorb Cost
Study faculty salaries by rank and discipline (for 1996-97 and ten-year trends) for each campus and selected comparators. Work involves developing a process for identifying comparator groups for each campus, setting targets for salary improvement, and developing a decision package for the next legislative session. Chancellor's Office staff will work with the Presidents, Academic Council, and Administrative Council as needed.

Staff Recommendation to the Board
Staff recommended the State System proceed with the implementation of the performance indicators in accordance with the priorities, work plan, and schedule presented.

Board Discussion and Action
Vice Chancellor Clark indicated that following the October meeting of the Board, Nancy Goldschmidt had continued to refine the performance indicators relating to the four goal areas of access,
quality, cost effectiveness, and employability. "In response to questions/directions from last month," Dr. Clark added, "we have sharpened the criteria for indicators and worked to assure that the indicators proposed focus on results, outputs, and outcomes as you have directed us. A schedule for moving as rapidly as possible to commence the work is included in the document."

Dr. Goldschmidt covered the highlights of the plan and pointed out the phases for implementation.

Chancellor Cox strongly urged that two of the indicators, the Return on Investment and the Oregon Work Force, be moved up in priority, while postponing two others. "Those two are so compelling in terms of making a legislative case," he pointed out.

President Aschkenasy added his agreement to accelerating the work in this area and asked if there were different methodologies that could be used to indicate employer satisfaction.

Dr. Goldschmidt responded that a shift could be made in the areas that receive attention first. She indicated that an ongoing concern with the project is that the institutions, as a result of budget reductions, had severely cut back on their research capacity.

When Ms. Van Patten asked at what point graduates were surveyed, Dr. Goldschmidt responded that it was 6-12 months following graduation. There are also plans to survey them five years after graduation.

Mr. Lussier asked how the whole project relates to the overall mission of the System. "I believe we need a more definitive statement that addresses the accountability of the System to the citizens. Then we need to measure performance and how it relates to that mission. There seems to be a variance of perspective about the purpose of higher education."

Dr. Aschkenasy agreed with Mr. Lussier adding, "Whatever we do has to be measurable and verifiable. Ultimately it has to be linked to budget allocations, as well."

Vice Chancellor Clark indicated that she would be prepared to report back to the Board in March with respect to Phase I of the project.
Mr. Willis moved and Ms. Wustenberg seconded the motion to approve the staff recommendation. The following voted in favor: Directors Christopher, Imeson, Lussier, McAllister, Puentes, Van Patten, Whittaker, Willis, Wustenberg, Wykoff, and Aschkenasy. Those voting no: none.
### TABLE 1: INDICATORS BY TYPE AND DOMAIN

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<td>Economic Impact</td>
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### Phase Three Indicators:

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### Phase Four Indicators:

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Oregon State University, Portland State University, and the University of Oregon requested authorization to establish the Joint-Campus Graduate Program for Environmental Sciences, Studies, and Policy (ESSP). The Board reviewed a preproposal for this program on May 17, 1996. Approval of this set of closely related degrees will provide a complementary set of graduate programs within the State System, each reflecting specific institutional strengths. OSU, for example, requests authorization for a program to include the M.A., M.S., and Ph.D. in Environmental Sciences, drawing on its institutional strengths in the natural resources fields such as forestry and agroecosystems, as well as ecology, biogeochemistry, and several policy-related areas. PSU proposes the creation of an M.S. and M.E.M. (Master of Environmental Management) in Environmental Sciences and Resources, based on its strengths in environmental chemistry, water resources, microbial biology, and atmospheric science. The UO proposes to offer a Ph.D. in Environmental Sciences, Studies, and Policy, reflecting its strengths in humanities, law, social sciences, conservation biology, and basic biology. Each of these programs is explained in more detail in following sections. These proposed degrees would add to the existing inventory of graduate programs, all of which would be covered under the joint-program umbrella: M.A., M.S. at UO; and the Ph.D. at PSU. The proposed OSU degrees would supplant the master's and doctoral degrees in General Science with the environmental biology/science area of concentration.

The implementation of the joint program is deemed critical to the success of all the individual degrees listed above. The report of the external review team stated that although Oregon has earned national recognition for its environmental leadership, the graduate education component has not reflected this tradition, in part because of the disciplinary segmentation of the three largest universities. Environmental issues are complex and interdisciplinary; consequently, the external reviewers believe this program is "ideally suited" for the proposed joint-campus approach. With each university building on proven strengths, "taken together, the Joint-Campus Graduate Program in Environmental Sciences, Studies, and Policy would be among the most comprehensive in the U.S." (External review report, p. 4). An overarching administrative structure will provide coordination between and among the degree programs, as well as provide mechanisms for:
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- joint-campus faculty participation on master's and doctoral program planning and thesis committees;
- joint-campus coordination of curriculum development through a joint faculty advisory committee;
- joint-campus facilitation of student and faculty exchanges between campuses;
- joint-campus planning of an annual workshop for ESSP participants;
- joint-campus development and publication of information on ESSP faculty members, students, and curriculum; and
- joint-campus recruitment of students into the ESSP program.

The three universities have committed to supporting the cost of the central, joint program functions, each at one-third of the cost (totaling approximately $75,000 per year). The three Graduate School deans are working together to develop the details of the central functions and associated costs.

Students pursuing a major in an ESSP program will have several broad areas of inquiry from which to choose. Some of the organizing themes available to students include:

- development of new knowledge about environmental systems through integration of life, physical, and social sciences;
- environmental management and policy through a combination of science and humanities;
- development of new environmental technologies through the application of science and engineering principles; or
- contributions of the humanities and arts to an understanding of the environment.

Employment Outlook

Environmental issues abound, and the entire environmental field accounted for $120 billion in business services in 1994. That number is expected to grow to $200 billion by 2000. Consequently, employment opportunities flourish for environmental professionals. Whole books are devoted to the subject (e.g., Environmental Jobs for Scientists and Engineers, Basta: 1992; Environmental Careers, Warner: 1992; The New Complete Guide to Environmental Careers, Sharp: 1993). Numerous Web pages target environmental careers (see enclosures). Annual national conferences serve as educational
and informational forums regarding environmental employment opportunities, issues, and trends (e.g., National Environmental Career Conference, 10/23-25/97, Boston, MA).

The field is diverse, making it difficult to link specific degrees with specific jobs. Yet examples of potential career paths are abundant. Employment opportunities span both public and private interests, as well as academia. They include research, environmental cleanup, and technology development for "management and mitigating environmental problems. Services include consulting, construction, laboratory analysis, and mapping for problems ranging from site reconnaissance to compliance monitoring to ecological restoration" (p. 1, Evaluation of Training Needs in Oregon's Environmental Technology Industry, Pratt: 1986).

Rational management of the environment requires scientific data and analysis to understand and model the behavior of environmental systems. There are many critical environmental issues in the Northwest and nation, such as hazardous waste, sustainable yields in agriculture, management of salmon fishing, logging practices, water availability and quality, climate change, and field burning. Addressing these issues requires well-educated scientists with the ability to work at the interfaces between traditional disciplines. Because ecosystems, geosystems, the hydrological cycle, the atmosphere, and the oceans are so interrelated, designing solutions to environmental problems requires a thorough understanding of these system interrelationships. In addition, sensitivity to and understanding of economic and cultural factors are required for implementation of appropriate solutions.

Students graduating from any of these proposed programs should have excellent employment prospects. Federal agencies such as the U.S. Environmental Protection Agency, National Aeronautics and Space Administration, National Oceanographic and Atmospheric Administration, U.S. Forest Service, and the U.S. Department of Energy offer employment opportunities for such graduates. Additionally, all states and many local governments hire individuals who can develop and enforce compliance with environmental legislation (e.g., the Clean Air Act, the Endangered Species Act, the Clean Water Act, the Superfund programs). Private-sector employment opportunities also exist. In the Portland metro area alone, the Oregon Department of Environmental Quality lists more
than 300 waste-generating companies. Researchers are needed to define and predict environmental impacts and to identify mitigation protocols.

M.A., M.S., PH.D. IN ENVIRONMENTAL SCIENCES (OSU)

Introduction

As one element of the OSSHE Joint-Campus Graduate Program for Environmental Sciences, Studies, and Policy, OSU requested authorization to offer a new instructional program leading to the M.A./M.S. and Ph.D. in Environmental Sciences. These new degrees would replace the current concentration of environmental biology/science in the M.A., M.S., and Ph.D. in General Science. On the OSU campus, this interdisciplinary graduate program would be administered by the Graduate School, the environmental sciences program director, and the environmental sciences council of deans -- all of which would exist under the umbrella of the joint-campus program. Academic programs related to environmental issues are central to the mission of OSU, a university distinguished by its extensive activity in the areas of the environment and natural resources, and a campus recognized as a land, sea, and space grant institution. Funds to operate this program will come from reallocation of existing campus resources.

Staff Analysis

1. Relationship to Mission

OSU has long-standing status as a land, sea, and space grant institution. As such, study in environmental science areas is central to the campus mission. Additionally, this proposed environmental sciences program would contribute directly and indirectly to many of the objectives of the strategic plan of OSU. Specifically, the program would strengthen interdisciplinary studies among students and faculty, improve the quality and rigor of an existing academic program, contribute to the goal of increasing enrollment of outstanding students, and improve the relationship of the University with its many constituents by increasing the visibility of programs in which OSU has considerable strength.
2. Evidence of Need

Evidence of the need for this program rests with the success of the current graduate program in this area, now offered as a general science degree. The proposed program extends the base of support for the program across the campus, links the environmental fields among the major universities in the State System, and meets current needs of students and faculty members. Other evidence of need is suggested in the rapid enrollment of the undergraduate environmental sciences program, which started in 1992 and now has about 250 majors. This success is indicative of strong student interest in this field and the need for strong undergraduate and graduate programs.

3. Quality of the Proposed Program

The strength of the curriculum and faculty all point to this proposed program as one of high quality.

Curriculum for the M.A. & M.S. degrees. Master's students must complete at least 45 graduate credits for the degree, which includes an Environmental Sciences (ES) graduate core of nine credit hours, for which new courses have been designed. Master's of arts candidates must complete a second language requirement. Courses in research methods, experimental design, statistical analysis, and modeling are required to ensure adequate skills for environmental research. Four areas of concentration have been developed (ecology, biogeochemistry, social science, and quantitative analysis), and other tracks may be developed in the future as well. A minimum of six credits are required for original research, leading to a thesis or project completion that complies with standards established by the Graduate School.

Curriculum for the Ph.D. degree. Doctoral students must complete at least 108 graduate credits for the degree, which includes an ES graduate core of ten credit hours. The four areas of concentration available to master's students are also available to those pursuing the Ph.D. Candidates must also
complete nine credits in methods and numerical skills, 30 credits in their concentration area, 3 to 23 credits in electives, and 36 to 56 hours of dissertation. Each student must pass a preliminary examination (written and oral) to qualify for degree candidacy.

Faculty. Faculty members from the Colleges of Science, Agricultural Sciences, Engineering, Forestry, Health and Human Performance, Liberal Arts, and Oceanic and Atmospheric Sciences — representing dozens of individual academic departments — will participate in offering these proposed graduate programs. Many of these individuals are nationally or internationally recognized experts in their fields. Areas of expertise and research interests include:

- sampling methodology and statistical analysis issues in biological, environmental, and social issues;
- ethical issues in the resource sciences;
- effects of stress and disturbance on plants, including effects of air pollutants;
- sustainable forestry;
- organic chemistry;
- policy analysis and development; and
- environmental relationships.

OSU has a formal graduate faculty system, whereby graduate committee members must be elected to the graduate faculty of the field of study they represent on a student's graduate committee. Nearly 90 faculty members have indicated an intention to serve on the graduate faculty for this proposed program. These faculty members have particular expertise in the four areas offered as concentrations in the degree programs.

4. Adequacy of Resources to Offer the Program

Personnel. No new funds for faculty or graduate assistant support are required to implement this proposed program. Approximately three-fourths of the program's personnel budget will come from the transfer of programmatic resources. The additional one-fourth of the program's resources will come from the administrative transfer of funds already on campus and will support the program director, support staff, graduate student assistantships, and student workers.
Library, Facilities, and Equipment. Library resources at OSU are sufficient to support these graduate programs. A modest amount of additional resources are required in terms of supplies and services, equipment, and space renovation, but these will come from the internal reallocation of the administrative funds described above.

M.S./M.E.M IN ENVIRONMENTAL SCIENCES AND RESOURCES, PSU

Introduction

Portland State University requested authorization to offer the M.S. and Master of Environmental Management (M.E.M.) in Environmental Sciences and Resources (ESR), effective fall 1998, as part of the joint-campus environmental graduate program with UO and OSU. Currently, PSU offers a B.S./B.A. in Environmental Studies (approved in 1995) and a Ph.D. in Environmental Sciences and Resources (approved in 1969). The objective of the proposed program is to develop scientists and managers capable of analyzing and understanding environmental systems, predicting environmental change, and participating in the management of the environment. Each student will perform research and complete a thesis or research project; complete a core of graduate courses that combines breadth with content in the physical, life, and social sciences; and develop depth in an area of concentration. Ten students are expected immediately, with ten added each year thereafter for four years. Core courses will be offered at times and places that allow part-time students to complete the program; this provision is expected to attract students who would not be enrolled in other university programs. The minimal budget needs will be handled through reallocation of resources.

Staff Analysis

1. Relationship to Mission and Strategic Direction of PSU

The proposed program is in keeping with PSU's mission "to enhance the intellectual, social, cultural, and economic qualities of urban life by providing . . . an appropriate array of professional and graduate programs relevant to the metropolitan area." The relevance and need in the Portland metro area are demonstrated by the fact that more than 250
environmental technology firms exist there, and environmental technology (coupled with biotechnology) is one of five Portland-area target industries identified for growth by the Oregon Economic Development Department.

The proposed master's degrees will complete the environmental program offerings of PSU, building on demonstrated strengths of the existing undergraduate and doctoral programs at the University.

2. Quality of the Proposed Program

Program Description

Proposed curricula have been coordinated with existing and emerging programs. Graduate students in the program will take a core of Environmental Sciences and Resources (ESR) courses. The core program will teach students about environmental systems science, environmental law and policy, risk assessment, and the history of environmental scholarship and thought. Students will also gain sufficient skills to conduct environmental research.

In addition, students will select a track (i.e., area of concentration), such as water resources, air quality, and land analysis. Other tracks that may be added include environmental chemistry, environmental health, and environmental remediation and restoration.

Students pursuing the M.S. will be required to complete a thesis on original research. Those students pursuing the M.E.M. will complete a project in lieu of a thesis. The project is to be the product of original work in an agency, organization, or firm involved in environmental management activities. A report on the project must be presented at a public seminar, followed by an oral defense of the work conducted by the students' graduate committee.

The external reviewers found "the course requirements to be in line with those of other strong, nationally competitive programs (e.g., Duke University's School of the Environment),"
and they were impressed that the project report requirement of
the M.E.M., "while different from a conventional thesis, will
represent comparable effort" (p. 5).

4. Adequacy of Resources to Offer the Program

The current ESR program director and faculty will offer the
proposed program. Their areas of expertise and research
interests include:
- ecotoxicology;
- stressed ecosystems;
- biophysics;
- air pollution monitoring and modeling;
- wetland mitigation;
- environmental statistics; and
- water quality modeling.

No additional faculty members will be required for the first four
years. The program will require .5 FTE additional clerical
support. Library holdings are adequate for the proposed
program, as are equipment and facilities. Salary support for
participating faculty, administrative support, and funds to
operate the program will be provided by the participating
colleges and schools.

PH.D. IN ENVIRONMENTAL SCIENCES, STUDIES, & POLICY, UO

Introduction

The University of Oregon requested authorization to offer an
interdisciplinary Ph.D. in Environmental Sciences, Studies, and Policy
(ESSP), effective fall 1998, as part of the joint-campus environmental
graduate program with OSU and PSU. UO’s proposed program
combines a required interdisciplinary emphasis with grounding in a
traditional academic discipline (referred to as the “focal department”).
The primary objective of the program is to prepare environmental
professionals, researchers, and scholars to bring together strengths, independent research capabilities, and in-depth study of particular environmental problem areas and to apply these skills to a range of environmental problems and topics. The program would be open only to students who have earned a master’s degree and would take three to four years to complete. Three to four students would be admitted annually. UO currently offers both a baccalaureate and master's
degree in environmental studies; implementation of the proposed program will complete the University's environmental offerings. Budget needs will be met through a combination of reallocation of existing resources and commitment of new resources; discussion regarding the details are underway.

Staff Analysis

1. Relationship to Mission and Strategic Direction of UO

The proposed program fits well within the liberal arts tradition of a public research university. More formal acknowledgment of the place of environmental topics occurs in UO's strategic plan, A Vision for the Future — 1992-1997, which notes the need to focus on "...the global consequences of ozone depletion, the greenhouse effect, and other environmental conditions..." and also mentions the importance of "global interdependence." The proposed doctorate will offer opportunities for study in these areas.

The University has existing programs and institutes that will support the new program. For example, the Institute for Sustainable Environment coordinates many research initiatives and outreach environmental activities. The Oregon Institute for Marine Biology already attracts environmental studies students. The Center for the Sociological Study of Women assisted with launching a new University-based environmental journal. The external reviewers indicated the University has a high level of faculty and student enthusiasm for interdisciplinary learning and research, and that the UO has "exceptional strength in environmental studies among the social sciences, humanities, and law faculties" (p. 7).

2. Evidence of Need

Pollution, people-generated climate change, destruction of natural habitats, and sustainable habitats are just some of the environmental problems and concerns that continue to require public attention. Yet the interrelations among the environmental systems are so complex that designing solutions requires full consideration of cultural and economic factors as well as a thorough understanding of the scientific processes involved. UO's proposed interdisciplinary doctorate
addresses the need for trained professionals who can respond knowledgeably and creatively to these complex issues. Graduates from this program will have a broad academic background, making them capable of integrating the perspectives and conceptual frameworks of very different disciplines.

Assessment of student interest in and need for this doctorate is based both on the fact that approximately one-third of the UO students who receive a master's degree in this department eventually earn a doctorate and on the number of inquiries UO receives regarding the possibility of offering such a degree (approximately 24 inquiries per year).

3. Quality of the Proposed Program

Program Description

Structure. Central to the proposed program is the concept of the focal department — an existing academic unit that 1) already offers a Ph.D., and 2) agrees to participate in the ESSP program. Each student designates a focal department as part of the application for admission. From that point on, the designated department is involved in the student's doctoral program. As mentioned earlier, the proposed program also has an interdisciplinary emphasis to ensure that doctoral students are familiar with the ways in which the natural sciences, social sciences, humanities and the arts, and policy sciences each approaches environmental topics and themes. This structure is designed, then, to create and foster strong student ties to both the focal department and the environmental studies program.

Requirements. The program requires completion of:
- at least 70 credits beyond the master's;
- graduate coursework and other requirements established by the focal department, including basic graduate-level proficiency in research methods appropriate to the designated focal discipline;
- coursework that satisfies environmental studies breadth requirements, and includes two 16-credit areas of concentration outside the focal department and one 16-credit area of concentration within the focal department;
six terms of one-credit Environmental Studies Graduate Proseminars;
- two assessments of competence (focal department and interdisciplinary); and
- doctoral dissertation.

Faculty

More than 100 faculty at the University have teaching and/or research interests in environmental topics. With the exception of Romance Languages and Mathematics, all doctoral-granting departments in the College of Arts and Sciences (CAS) have at least one such faculty member, and departments such as Geography, Political Science, Sociology, and Biology have several. These departments and others in CAS have emphasized environmental specialties when recruiting new faculty.

The research interests of the current director of the Environmental Studies program include the use of computers in biology laboratories and population ecology. Other areas of expertise of faculty involved in the proposed program include:
- sustainable architecture;
- biogeography and ecology of marine phytoplankton;
- plant ecology;
- biological conservation;
- atmospheric chemistry;
- geomorphology, soils, and changes of physical environments; and
- hydrothermal energy.

4. Adequacy of Resources to Offer the Program

No new faculty are needed to initiate the proposed program. Minimal additional support staff will be needed (.15 to .25 FTE, based on the number of students in residence). Current library holdings are adequate to support the program. No special facilities are required. The program would require a small amount of additional office space, primarily for the graduate students who serve as Graduate Teaching Fellows. It is anticipated that the new School of Law construction will free up office space that could be used for this purpose.
Staff Recommendation to the Board

Staff recommended the Board authorize Oregon State University, Portland State University, and the University of Oregon to establish the Joint-Campus Graduate Program in Environmental Sciences, Studies, and Policy, effective fall 1998, and offer the following degrees:

- **OSU** — M.A./M.S., Ph.D. in Environmental Sciences;
- **PSU** — M.S. and Master of Environmental Management in Environmental Sciences and Resources; and,
- **UO** — Ph.D. in Environmental Sciences, Studies, and Policy.

A follow-up review of the full program will be conducted by the OSSHE Office of Academic Affairs during the 2003-04 academic year. The proposal should be placed on the consent agenda for final action at the next full Board meeting.

Board Discussion and Action

Vice Chancellor Clark introduced the collaborative set of proposals. Representatives of the three involved campuses briefly reported on their institution’s component of the program. Dr. Clark emphasized that the most important feature of the planning process, collaboration, will continue into the implement phase. Special features of the program include activities of networking and jointly delivered seminars.

Ms. Christopher asked how a hypothetical student might make it through the courses. Dr. Steadman Upham of the UO indicated that it would depend on the course. Technology, such as ED-NET, is used to connect students on the three campuses to the course offerings. There are times when faculty exchanges enable offering a course and careful consideration is given to the time courses are offered to allow students from other campuses to take them.

Ms. McAllister asked for further clarification regarding the rotating directorship of the program. Dr. Pratt of PSU responded that collaborative decision making has been a mode of operating from the beginning. There will be rotation of the directorship on a two-year
basis that will enable various individuals to make their own special contribution to the program. "The idea is to have an annual meeting of the students in the program, continued collaboration of faculty, and the rotating directorship."

Dr. Aschkenasy said this was a program "the Board can approve with pleasure."

Ms. Wustenberg moved and Ms. McAllister seconded the motion to approve the staff recommendation. The following voted in favor: Directors Christopher, Imeson, Lussier, McAllister, Puentes, Van Patten, Whittaker, Willis, Wustenberg, Wykoff, and Aschkenasy. Those voting no: none.

Introduction

Southern Oregon University requested authorization to offer a B.A. degree in Language and Culture with concentrations in French, German, and Spanish, effective fall 1998. The Board positively reviewed a preproposal for this program at the April 1997 meeting. Currently, SOU offers minors in French and German and a major or minor in Spanish. Traditional foreign language programs emphasize the study of the literature of the language. However, recent trends in the international economy, the growing necessity for cross-cultural understanding and communication, and increased student interest in practical language skills are driving reform efforts in foreign language majors nationally. The proposed program responds to this new agenda by combining a language program, a literature and culture program, and a "discipline-based language" program. A required internship/practicum and international experience strengthen the skills students will develop in this program. Current resources are sufficient to implement the proposed program.

Staff Analysis

1. Relationship to Mission and Strategic Direction of SOU

The proposed program is consistent with a central element of SOU's mission, which is to prepare students to be "successful in a global society." The required internship will allow students to apply "critical thinking skills they have learned in the community and international settings." Most of the internships will be in a foreign country or with a local organization having
international or multicultural ties. Consequently, students will have the opportunity to apply their language skills and cultural knowledge in real-life settings.

Students in the proposed program will develop:
- different historical, cultural, and ethical perspectives and an understanding of the relationship of these perspectives to their own culture;
- the ability to communicate effectively in a foreign language (orally and in writing);
- the ability to gather and analyze knowledge from another culture through listening and reading, and to apply that knowledge to a specific context or problem;
- the ability to apply advanced critical-thinking skills to complex questions and problems raised in the study of different cultural beliefs and practices; and
- an understanding of cultural differences influencing daily life and work environments in other countries.

2. Evidence of Need

*Employment Opportunities*

The major objective of the proposed program is to prepare students for careers with a multicultural or international component, utilizing strong communication skills in a foreign language and cultural understanding. Students receiving this degree will be prepared for a wide range of employment opportunities, such as working in human services, government agencies, health services, international commerce, and travel and tourism. Those students pursuing the Spanish concentration will be well-positioned to respond to the needs of Oregon's growing Hispanic population by working in any number of agencies or businesses. The degree will also prepare students for entry into teacher education programs to help fill the projected need for secondary-level foreign language teachers in Oregon.

*Student Interest*

A survey of students in foreign language courses at SOU revealed that 34 percent had a "very strong interest" if such a degree were offered at SOU. Currently, SOU students who
want to pursue a degree in French or German are forced to relocate to finish their studies, and Spanish majors must follow the traditional literary track. This proposed program will broaden the choices available to SOU students.

3. **Quality of the Proposed Program**

**Curriculum**

**Core Courses.** Students will be required to complete 20 credits in their major language, including a 12-credit sequence in culture, composition, and conversation. Eight credits each in history, and language and culture (specifically, Introduction to Cultural Anthropology and Intercultural Communication) round out the core requirements.

**Foreign Language Electives.** Students will complete 12 elective credits in the language of their concentration. A new 400-level Topics in Culture class has been added for the French and Spanish concentrations. These classes will be taught regularly, may be repeated for credit as the topic changes, and will focus on various issues related to contemporary culture in the various countries of focus. Students with a German concentration can take advantage of PSU's Deutsche Sommerschule am Pazifik — a five-week program that offers intensive instruction in German language and literature.

**Electives in Related Fields.** Students will complete 12 upper-division credits in related areas. This requirement is designed to connect students with other disciplines, to integrate and synthesize knowledge gained in language and culture courses, and to expose students to different values and methods of inquiry. The group of courses selected for this requirement should form a cohesive body of knowledge corresponding to the student's professional or career goals, thereby complementing the student's study of language and culture. Approved courses must have a component demonstrating international or multicultural perspectives and/or applications of material studied in an international or multicultural context.

**Capstone.** In consultation with a faculty member, students will design a capstone research project, the results of which will be
presented in both written and oral forms. Capstones may be in the area of language, literature, or culture, and will reflect the student's personal interests and career goals. The capstone may be linked to the internship (with advisor approval).

**International Experience.** Every student in the program must complete a minimum of three months in an approved international work or study program in a country where the language of specialization is spoken. Previous international experience prior to entering the program may fulfill this requirement, upon approval of the advisor. Coursework completed in a study-abroad program may be applied to the course requirements for the degree (again, upon approval of the advisor). Students who have financial or other hardships that would prevent them from completing this requirement may petition for a waiver.

**Internship/Practicum.** Internships consist of a minimum of ten weeks of full-time work experience or the equivalent, and must be either an overseas internship or, if done locally, have an international scope. Internships in a foreign country may also be used to fulfill the international experience requirement. Internship opportunities are possible through three avenues: 1) the OSSHE Global Graduates program; 2) the International Cooperative Education program (based out of Menlo Park, California); or 3) departmental internships arranged by individual faculty members.

**Senior Interview.** Students completing this program will be expected to achieve fluency in their language of concentration that is the equivalent of the Advanced rating on the American Council on the Teaching of Foreign Languages (ACTFL) Oral Proficiency Interview (OPI). Each student will be required to complete a formal exit OPI to determine level of fluency. (Earlier periodic test runs of the OPI will provide students ample opportunity to measure their progress.) In the senior interview, students will also demonstrate cultural competency based on recently developed ACTFL Standards for Foreign Language Learning. Students will be expected to achieve a similar level of competence in written expression, which will be tested in upper-division language courses and will figure
prominently in the portfolios of specific projects and samples of written work from a selection of their upper-division coursework for the degree.

4. Adequacy of Resources to Offer the Program

Faculty. No new faculty are required to implement the proposed program. Although the Spanish section has lost one instructorship position due to budget reductions, that loss has been offset by reducing first-year offerings. The Rogue Community College (RCC) annexation of Jackson County is expected to draw some of those students who would have taken first-year courses. If Spanish enrollments increase, however, a new faculty member will need to be added to the Spanish staff in order to meet the needs of both majors. Although corresponding staff reductions have not occurred for French and German, the impacts of RCC coupled with actual student demand in the proposed program raise the potential for additional course sections to be added. In that event, they would be staffed with part-time instructors.

Faculty research interests and areas of expertise provide a broad base from which to offer this program, and include translation; film studies; computer applications in foreign language acquisition; and international, civic, and regional service. Faculty in the proposed program also have a history of establishing and maintaining effective international internship and exchange programs.

Library. Grant money already received should raise library resources to an appropriate level. The additional recommended $2,500 per year will be met within the department by redirecting current allocation toward materials specifically needed for the program.

Facilities, Equipment, and Technology. The program will utilize existing facilities and equipment on campus. The current computer software, Internet access, and video and audio programs available in the Language Learning Center are sufficient to run the program. However, since the Center is staffed almost entirely by work-study students, funds have been requested from the campus technology fee to assist with staffing and additional acquisitions.
Program Review

The proposed program has been reviewed positively by all appropriate institutional committees and the Academic Council.

Staff Recommendation to the Board

Staff recommended the Board authorize Southern Oregon University to establish a program leading to the B.A. in Language and Culture with Concentrations in French, German, and Spanish, effective fall term 1998, with a follow-up review of the program to be conducted by the OSSHE Office of Academic Affairs in the 2003-04 academic year. The proposal would be placed on the consent agenda for final action at the January 1998 Board meeting.

Board Discussion and Action

Vice Chancellor Clark introduced Provost Hopkins-Powell who highlighted aspects of the new program. She pointed out that there is a real focus on employability. "We had a recent meeting with Bear Creek Corporation who is interested in working with students. Local agencies, in particular Hispanic agencies in the Rogue Valley, see a real benefit to the program."

Ms. Puentes asked if SOU currently has any degree programs in Spanish and whether the program before the Board would be in addition to or a replacement for them. Provost Hopkins-Powell indicated that it is the intent of the University to phase those programs out.

Mr. Willis moved and Mr. Imeson seconded the motion to approve the staff recommendation. Those voting in favor: Directors Christopher, Imeson, Lussier, McAllister, Puentes, Van Patten, Whittaker, Willis, Wustenberg, Wykoff, and Aschkenasy. Those voting no: none.

Investment Committee Report to the Board

Based on the recommendation of R.V. Kuhns and Associates, Inc., OSSHE's investment consultants, the Board of Higher Education, at its April 19, 1996 meeting, charged the Investment Committee of the Board to conduct a search for new equity investment managers. The Committee, with the assistance of R.V. Kuhns, has completed its work. The following summarizes the results.
Overall, the Investment Committee was seeking well-established investment management firms with organizational depth and consistent performance results. The search began with the examination of an investment manager database. The population consisted of approximately 1,000 investment managers across equity, fixed income, balanced, international, and real estate asset classes. R.V. Kuhns did an evaluation of the pool of investment managers. The criterion for evaluating the managers and the weighting applied to each were as follows:

1. People
   A. Investment experience and demonstrated capability 20%
   B. Continuity of key professionals 20%

2. Organization of the Firm
   A. Firm size and growth plan 5%
   B. Ownership and employee/staff incentives 10%

3. Investment Style
   A. Consistently applied over time 10%
   B. Clearly articulated by firm 5%
   C. Risk/reward appropriateness for client 10%

4. Historic Performance
   A. Cumulative for different time periods 10%
   B. Consistency through varying markets 10%

   TOTAL 100%

At the July 15, 1997, meeting of the Investment Committee, R.V. Kuhns recommended a list of managers to be interviewed, which consisted of two managers each for domestic equity, small-cap equity, and international equity funds.

At the August 21, 1997, meeting of the Investment Committee, the managers recommended by R.V. Kuhns were interviewed. The interviews consisted of an in-depth discussion of each firm’s background and the investment professionals associated with the firm. In addition, the investment process was explained and performance results were examined.
Based upon the managers' evaluation criteria and the results of the interviews, the Investment Committee has recommended three investment managers and funds:

1. Domestic Equities: Barclays Global Investors, Alpha Tilt (Enhanced Index) Fund
2. Small-Cap Securities: Becker Capital Management, Small-Cap Equity Fund

**Committee Recommendation to the Board**

The Investment Committee recommended that the Board approve, for recommendation to the Oregon Investment Council, the investment management firms of Barclays Global Investors, Becker Capital Management, and Rowe Price-Fleming International, Inc. as new equity investment managers.

**Board Discussion and Action**

Note: The Annual Report on Investments (see page 623) was also discussed during this action item.

Ms. Wustenberg moved and Ms. Christopher seconded the motion to approve the Committee recommendation. Those voting in favor: Directors Christopher, Imeson, Lussier, McAllister, Puente, Van Patten, Whittaker, Willis, Wustenberg, Wykoff, and Aschkenasy. Those voting no: none.

**CONSOLIDATED DORMITORY DEBT POOL INTERNAL MANAGEMENT DIRECTIVE**

**Staff Report to the Board**

Generally, construction and major renovation of residence hall and dining facilities are financed through bonded indebtedness, with the debt service on these bonds paid from what is termed the "Consolidated Dormitory Debt Pool" (hereinafter referred to as the "Pool"). The Pool is funded by assessing each institution a fee based on the number of residence hall occupants. This pooled approach spreads the debt service to all institutions based on the actual average occupancy of residence halls, rather than the actual debt service obligation, at each institution. The original purpose of a pooled approach was to allow reasonably comparable student charges for housing and food at all OSSHE institutions to ensure that wide
variances in on-campus living expenses did not negatively influence students' choice of institutions. The pool also provided an avenue for institutions with inadequate numbers of housing units to offer new housing at a more affordable price, since the debt service on the new facility was spread across all occupied beds.

OSSHE is now at a point where each campus has a reasonably adequate base of existing residence hall facilities given current enrollments. Housing and dining facility managers have presented a proposal to allow future debt service costs to be self-contained on the campus that incurs the expenses and benefits from the capital improvements.

Past decisions to expend large sums to renovate housing facilities at one campus impacted debt service rates paid by all institutions. Therefore, it was more difficult for each institution to build a stable and predictable operating budget because a project occurring at one institution could have a significant financial impact on other campuses. As we continue to find more entrepreneurial ways of doing business, a pooled approach on future renovation runs contrary to institutionally-based decision making in the management of residence hall and dining operations.

The proposal before the Board would continue to carry the existing debt service under a pooled approach; however, all new debt service would be on an individual institution basis.

Detail of Proposed Policy Change

Below are proposed changes to the Board's Internal Management Directives (IMDs) that would discontinue the use of a pooled approach on incremental debt service costs retroactive to March 1, 1997. The proposal stipulates that pooled debt service rates be frozen at current levels and that campuses benefitting from future improvements become responsible for debt service on any bonded indebtedness issued for residence halls and dining facilities. To ensure that the Board can meet its financial obligation to bond holders, each institution will pay into a special debt service reserve to be available should unanticipated variances in residence hall occupancy impair a particular institution's ability to make required debt service payments. This change does not affect OSSHE's financial position or its financial statements; it merely changes the way OSSHE accounts for bonded indebtedness in the accounting records.
Along with the amendments needed to discontinue use of the Pool for future improvements, staff propose amendments to eliminate references to Oregon Health Sciences University.

**Staff Recommendation to the Board**

Staff recommended that the Board approve the following Internal Management Directive changes.

(NOTE: Underlined text signifies additions, and shaded text within brackets signifies deletions.)

**Financial Management of Auxiliary Enterprises and Other Self-Liquidating Activities**

**6.300 Financing Self-Liquidating Bond Debt Services**

(1) Auxiliary enterprise and other self-liquidating activities shall be assigned to one of the following categories for debt financing purposes:

(a) Residence halls and residential dining facilities (other than Portland State University).

(b) Residence halls at Portland State University.]

(b) Portland State University residence halls.

(c) Other housing facilities.

(d) Parking facilities.

(e) Auxiliary enterprise facilities financed primarily from building fees.

(f) Hospital and clinic facilities and patient services equipment at Oregon Health Sciences University.]

(f) Other facilities that meet the requirements of Article XI-F(1) and are specifically approved by the Board of Higher Education.

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(2) The projects approved in accordance with (1) above are expected to be fully self-supporting and self-liquidating from user fees, gifts, grants, building fees, or other sources as approved by the Board of Higher Education.

6.305 Bond Issues for Auxiliary Enterprise and Other Self-Liquidating Activities

When authorized pursuant to ORS 351.350 or 351.353 and Article XI-F(1) of the Oregon Constitution, bonds may be issued to finance [acquisition of Oregon Health Sciences University hospital and clinic equipment and] construction of auxiliary enterprise and other self-liquidating facilities only if the Board:

(1) Establishes and maintains for bonds so issued appropriate reserves as described below; and

(2) Otherwise conforms to statutory and constitutional requirements.

6.310 Financial Operating Resources for Auxiliary Enterprise and Other Self-Liquidating Projects

(1) The building fee, established by the Board pursuant to ORS 351.170, is a Department resource, without regard to the institution at which it is collected, and shall be applied [primarily] for debt service other than for residence halls, housing, parking, [hospital and] clinics, or other self-supporting facilities.

(2) Debt service for bonds issued for housing, parking, [hospital and] clinics, patient equipment[,] or other self-supporting facilities shall be provided primarily from fees charged to users of the facilities.

(3) Debt service for other specifically approved facilities shall be provided from sources identified at the time of authorization and approval of the project by the Board.

(4) Income from investment of debt service reserves, sinking funds, and building repair and equipment replacement reserves shall be credited to the institution [and auxiliary enterprise or other activities having the reserves] reserve
funds, except as otherwise provided. [Income from investment of required sinking funds shall be distributed proportionately to the reserves.]

(5) Income from investment of bond building funds shall be distributed to the sinking funds in proportion to the allocation of the unspent building funds to the respective auxiliary enterprise and other self-liquidating project categories. [Interest on unallocated building funds shall be placed in the building fee debt service fund.]

6.315 Allocation of Debt Service Responsibility for Auxiliary Enterprise and Other Self-Liquidating Projects

Annual debt service on bonds issued for auxiliary enterprise or other self-liquidating projects shall be apportioned on the following bases:

[(1) Interest and principal payments for debt service on parking facilities shall be the responsibility of the institution at which the facilities are located.

(2) Interest and principal payments for debt service on residence hall facilities at Portland State University shall be the responsibility of Portland State University.

(3) Interest and principal payments for debt service on residence hall facilities at all institutions except Oregon Health Sciences University and Portland State University shall be allocated to each institution in proportion to the average academic year occupancy of its residence halls in the five preceding years to the corresponding average of the six institutions.

(4) Interest and principal payments for debt service on the residence hall at Oregon Health Sciences University in excess of amounts available from net operating income shall be provided from building fees.

(5) Interest and principal payments for debt service on other housing facilities shall be the responsibility of the institution at which the other housing facilities are located.]
(6) Interest and principal payments for debt service on hospital and clinic facilities and patient services equipment at the Oregon Health Sciences University shall be the responsibility of that institution.

(1) Interest and principal payments for debt service on:

(a) bond proceeds allocated to residence hall and residential dining facilities after February 28, 1997.
(b) Portland State University residence halls.
(c) other housing, and
(d) parking

shall be the responsibility of the institution at which the facilities are located.

(2) Interest and principal payments for debt service on bonds allocated before March 1, 1997 for residence hall and residential dining facilities at all institutions, except Portland State University, shall be allocated to each institution in proportion to the average academic year occupancy of its residence halls for a five-year period beginning 1994-95 and ending 1998-99.

[(7)](3) Interest and principal payments for debt service on other auxiliary enterprise facilities shall be provided from building fees or other income as identified in the specific construction program.

6.316 **Residence Hall Emergency Reserve Fund**

The purpose of the Residence Hall Emergency Reserve Fund (Reserve) is to provide for unanticipated financial emergencies in the residence hall operations, which could otherwise affect the ability of a single institution to support the payment of its debt service obligations. The Reserve shall not be a supplemental source of funds that may be considered or relied upon when planning for the financing of construction, renovation, or repair/upgrade of projects. Each institution must have a business plan in place addressing current and future needs of its student housing operations and how it
intends to fund those needs through institutionally-initiated efforts. The policy described in this section shall apply to residence hall operations referenced in section 6.300(1)(a) above.

(1) **Specific Provisions:**

(a) The Reserve will be funded by an institutional payment equivalent to twenty dollars ($20) per occupant, per year, based on the number of students living in the residence halls referenced in section 6.300(1)(a).

(b) The number of students for purposes of (a) shall be determined by the prior year three-term average residence hall occupancy as of the fourth week of each term. [An "occupant" is any student living in a residence hall who is not a residence hall director.]

(c) Institutional payments to the Reserve will be made by May of each year beginning in fiscal year 1999-2000. All payments to the Reserve will be monitored by the Chancellor's Office with a record kept of payments made by each institution.

(2) Institutional payments to the Reserve will be made for eight (8) fiscal years, 1999-2000 through 2006-2007. In 2006, the Board will review the provisions and status of the Reserve.

(3) Interest earnings of the Reserve through June 30, 2007 will accrue to the Reserve. Distribution of interest earnings thereafter will be determined by the Board.

(4) Authorization for use of funds from the Reserve shall require a written application and comprehensive business plan from the requesting institution. The application and business plan shall be submitted to the Vice Chancellor for Finance and Administration for approval.
6.325 Other Uses of Auxiliary Enterprise and Other Self-Liquidating Debt Service Funds

(1) Authority is delegated to the Vice Chancellor for Finance and Administration or designee, following consultation with the officials of the institution, to transfer Article XI-F(1) debt service reserve funds to other funds and accounts for the following purposes, in accordance with ORS 351.460:

(a) To finance architectural and/or engineering planning of proposed construction for auxiliary enterprises and other self-liquidating projects.

(b) To fund capital construction, capital improvements, or major repairs of auxiliary enterprise or other self-liquidating projects.

(c) To purchase new equipment or replace old equipment for auxiliary enterprise or other self-liquidating projects, if sufficient funds are not available in equipment replacement reserves.

(d) To establish or maintain at required levels, reserves, such as building repair reserves and equipment replacement reserves, for auxiliary enterprises.

(e) To eliminate overdrafts in other auxiliary enterprise operating accounts of the institution that generate funds for the debt service reserve accounts.

(2) Plans for the usage during the following fiscal year of [building fee] debt service reserve funds for purposes stated in IMD 6.325(1) shall be submitted to the Vice Chancellor for Finance and Administration by June 1 so that priorities may be established and approval granted for the use of the funds. Capital construction projects costing $100,000 or more must also be reviewed and approved in advance by the Vice Chancellor for Finance and Administration or designee.
Board Discussion and Action

Vice Chancellor Anslow set the context for the item by reminding the Board that the original purpose of a pooled approach was to allow reasonably comparable student charges for housing and food at all OSSHE institutions. This was to ensure that wide variances in on-campus living expenses did not negatively influence students’ choice of institutions. He added that, “past decisions to expend large sums to renovate housing facilities at one campus impacted debt service rates paid by all institutions.”

Controller Mike Green indicated that the proposal had been developed by representatives from all of the campuses and that it is very well understood. Ms. Foute added that one of the factors that contributed to the need for change was the age of buildings and added that she thought this was a good provision.

Mr. Willis asked about the $20 per occupant, per year to fund the reserve. Mr. Anslow responded that there will be sufficient funds to substitute for this and he is hoping there will not be an immediate increase of $20. The change is consistent with the direction of more independence for the institutions.

Ms. Wustenberg asked about the removal of the word “hospital” and “clinics” from 6.310(1), and if clinics included the health services for students. Mr. Anslow responded that it did not, and added that this particular IMD had originally been developed when OHSU was part of the System; “clinics” related to the operations of OHSU.

Continuing, Ms. Wustenberg asked why PSU is excluded from these fees. Ms. Grier reminded the Board that PSU contracts out for their dormitories. They do not operate them and have very separate arrangements.

Mr. Willis moved and Ms. Puentes seconded the motion to approve the staff recommendation. Those voting in favor: Directors Christopher, Imeson, Lussier, McAllister, Puentes, Van Patten, Whittaker, Willis, Wustenberg, Wykoff, and Aschenasy. Those voting no: none.
RESOLUTION
FOR THE SALE
OF ARTICLE XI-G & ARTICLE XI-F(1) BONDS

<table>
<thead>
<tr>
<th>1998 Spring Bond Sale for Capital Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Projects Approved by the Board &amp; Legislative Assembly</td>
</tr>
<tr>
<td>A total of $39,930,700 Recommended for Sale</td>
</tr>
</tbody>
</table>

Summary

Staff recommended the Board request the State Treasurer to issue $14,114,500 of bonds for construction projects under authority of Article XI-G of the Oregon Constitution and $25,816,200 of bonds under the authority of Article XI-F(1) of the Oregon Constitution. The total sale requested is for $39,930,700. The bond sale is currently scheduled to be held in February 1998. All but one project included in this sale were contained in the Board’s authorized capital construction request for higher education proposed for the 1997-1999 biennium in the 1997 Legislative Session. (The Emergency Board approved the expenditure limitation for the National Zebrafish Stock Center at the UO in September 1997.)

Staff Report to the Board

Background. The 1997 Legislative Assembly authorized the Board of Higher Education to issue general obligation bonds, in specified amounts by fiscal year, with the proceeds to be used to finance capital construction and facilities repair and renovation projects in higher education. These bonds were authorized under two sections of the Oregon Constitution, Article XI-G and Article XI-F(1).

Article XI-G bonds are issued to construct and repair facilities classified as Education and General use, including classroom facilities, libraries, teaching laboratories, and general administrative space. These bonds are matched by an appropriation from the state General Fund and are general obligations of the state; the debt service is paid from the General Fund. The legislature established a mechanism whereby the General Fund match may be generated through gifts and federal and local governmental funds, deposited into special project accounts. Such accounts were established for the University of Oregon Campus Development Project (Phases II and III), Portland State University Urban Center (Phase I), Western Oregon University Library, and Southern Oregon University Center of the Visual Arts.
Article XI-F(1) bonds are issued to construct and repair facilities that are self-financing and self-supporting, in accordance with Article XI-F(1) of the Oregon Constitution. Bonds of this type have been issued to cover projects for the construction and renovation of auxiliary space (such as parking facilities and student housing) where debt service is paid from auxiliary funds. Bonds have also been approved for projects in student facilities (such as student unions, student health facilities, or student recreation facilities) where the debt service is repaid using student building fees or special fees approved for this purpose by the Board. In recent times, the preponderance of bonds sold for capital construction of higher education facilities has been under Article XI-F(1).

1997-1999 Higher Education Bond Bill Authorization. House Bill 5036, Chapter 556, authorized a maximum issuance of $34,299,500 of Article XI-G bonds and a maximum issuance of $136,000,000 of Article XI-F(1) bonds. However, the legislation also limited the amount of bonds that can be sold in each fiscal year: in 1997-1998, no more than $18,000,000 of Article XI-G bonds can be sold and no more than $57,000,000 of Article XI-F(1) bonds can be sold.

Request for Board Authorization to Issue. Institutions are seeking Board authorization to issue a total of $39,930,700 in bonds, as part of a sale currently planned by the State Treasurer for February 1998. Of this amount, a total of $14,114,500 is requested in Article XI-G bond authorization and a total of $25,816,200 in Article XI-F(1) bond authorization. All projects to be financed by these bonds have been authorized by the State Legislature or the Emergency Board of the State Legislature.

Bond issuance costs, estimated at two percent, will be charged against each Article XI-F(1) project. Prior to any sale, the Board's bond counsel may designate a portion of that sale as taxable, due to anticipated space utilization by private entities in one or more of the projects to be financed under that sale. At present, there are no private uses in this sale.

Tables A and B, following, summarize the total requests by type of bond.
Additional information on the capital projects to be funded by this bond sale is provided in the supplementary materials. (Copies of the supplemental materials are available from the Office of Finance and Administration.)

Resolution

The resolution now before the Board authorizes staff to pursue the sale of bonds for all projects currently identified by the campuses as requiring bond funding consistent with the overall bond limitation imposed by the Legislature for the period 1997-1998. With this sale, a total of $14,114,500 of Article XI-G bonds and $25,816,200 of Article XI-F(1) bonds will have been sold during the biennium.

Staff Recommendation to the Board

Staff recommended to the Board: 1) find that the projects for which Article XI-F(1) bonds are proposed meet the self-liquidating and self-supporting requirements of Article XI-F(1), Section 2, of the Oregon Constitution and 2) adopt the following resolution authorizing the sale of Article XI-G and Article XI-F(1) bonds.

RESOLUTION

WHEREAS, ORS 286.031 states, in part, that the State Treasurer shall issue all general obligation bonds of this state after consultation with the state agency responsible for administering the bonds proceeds; and

WHEREAS, ORS 286.033 states, in part, that the state agency shall authorize issuance of bonds subject to ORS 286.031 by resolution; and

WHEREAS, ORS Chapters 351, 288, and 286 provide further direction as to how bonds are sold and proceeds administered; and

WHEREAS, House Bill 5036, Chapter 556, Oregon Laws 1997, establishes Oregon Constitution limitations on the amount of bonds that may be sold pursuant to Articles XI-G and XI-F(1) for the 1997-1999 biennium; and
WHEREAS, Senate Bill 5536, Chapter 584, Oregon Laws 1997, lists those projects that may be financed pursuant to Articles XI-G and XI-F(1); and

WHEREAS, it is appropriate for this Board to authorize the State Treasurer to issue bonds for projects authorized by Senate Bill 5536 and in amounts not greater than authorized by House Bill 5036 and for other projects as may be provided by law and as otherwise required by law for the 1997-1999 biennium without requiring further action of this Board;

NOW, THEREFORE, be it resolved by the State Board of Higher Education of the State of Oregon as follows:

Section 1. Issue. The State of Oregon is authorized to issue general obligation bonds (the "Bonds"), in such series and principal amounts as the State Treasurer, after consultation with the Vice Chancellor for Finance and Administration of the Department of Higher Education, shall determine are required to fund projects authorized by Oregon law. The Bonds shall be designated, dated, authenticated, registered, shall mature, shall be in such denomination, shall bear such interest, be payable, be subject to redemption, and otherwise contain such terms as the State Treasurer determines, including the designations as Oregon Baccalaureate Bonds, after consultation with the Vice Chancellor for Finance and Administration. The maximum net effective interest rate for the Bonds shall not exceed 10 percent per annum.

Section 2. Article XI-F(1) Projects. Bonds are authorized to be sold to provide funds for projects as may be authorized by the Oregon legislature and as may be revised by the Vice Chancellor for Finance and Administration as authorized by Oregon law.

Table A - Article XI-F(1) Projects Recommended for Spring 1998 Bond Sale

<table>
<thead>
<tr>
<th>Article XI-F(1) Projects</th>
<th>Total Bonds Requested</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>OIT: Residence Hall Restroom</td>
<td>$55,000</td>
<td>15 years</td>
</tr>
<tr>
<td>OIT: Residence Hall Improvements</td>
<td>510,000</td>
<td>15 years</td>
</tr>
<tr>
<td>OSU: Residence Hall Renovation</td>
<td>1,595,000</td>
<td>30 years</td>
</tr>
<tr>
<td>Article XI-F(1) Projects</td>
<td>Total Bonds Requested</td>
<td>Term</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>-----------------------</td>
<td>-------</td>
</tr>
<tr>
<td>OSU: Warehouse Addition</td>
<td>555,000</td>
<td>15 years</td>
</tr>
<tr>
<td>PSU: Smith Memorial - Phase I</td>
<td>3,110,000</td>
<td>30 years</td>
</tr>
<tr>
<td>UO: Recreation and Fitness Center</td>
<td>11,000,000</td>
<td>30 years</td>
</tr>
<tr>
<td>UO: National Zebrafish Center</td>
<td>1,500,000</td>
<td>15 years</td>
</tr>
<tr>
<td>WOU: Werner College Center</td>
<td>3,485,000</td>
<td>30 years</td>
</tr>
<tr>
<td>Systemwide: Miscellaneous Bldg Fee Projects</td>
<td>2,000,000</td>
<td>20 years</td>
</tr>
<tr>
<td>Systemwide: Small Capital Projects</td>
<td>1,500,000</td>
<td>25 years</td>
</tr>
<tr>
<td>Bond Issuance Costs: 2% of Total</td>
<td>506,200</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>TOTAL XI-F(1) Projects</strong></td>
<td><strong>$25,816,200</strong></td>
<td>N/A</td>
</tr>
</tbody>
</table>

Section 3. **Article XI-G Projects.** Bonds are authorized to be sold to provide funds for projects as may be authorized by the Oregon legislature and as may be revised by the Vice Chancellor for Finance and Administration as authorized by Oregon law.

**Table B - Article XI-G Projects Recommended for Spring 1998 Bond Sale**

<table>
<thead>
<tr>
<th>Article XI-G Projects</th>
<th>Total Bonds Requested</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>OIT: Health Sciences Improvements</td>
<td>$485,000</td>
<td>30 years</td>
</tr>
<tr>
<td>WOU: Library Project</td>
<td>1,862,500</td>
<td>30 years</td>
</tr>
<tr>
<td>Systemwide Repair &amp; Renovation</td>
<td>$11,767,000</td>
<td>30 years</td>
</tr>
<tr>
<td><strong>TOTAL XI-G Projects</strong></td>
<td><strong>$14,114,500</strong></td>
<td>N/A</td>
</tr>
</tbody>
</table>

Section 4. **Maintenance of Tax-Exempt Status.** The Board covenants for the benefit of the owners of the Bonds to comply with all provisions of the Internal Revenue Code of 1986, as amended (the "Code"), that are required for Bond interest to be excluded from gross income for federal income taxation purposes (except for taxes on corporations),
unless the Board obtains an opinion of nationally recognized bond counsel that such compliance is not required in order for the interest to be paid on the Bonds to be so excluded. The Board makes the following specific covenants with respect to the Code:

(a) The Board shall not take or omit any action if the taking or omission would cause the Bonds to become "arbitrage bonds" under Section 148 of the Code, and shall assist in calculations necessary to determine amounts, if any, to allow the State to pay to the United States all "rebates" on "gross proceeds" of the Bonds that are required under Section 148 of the Code.

(b) Covenants of the Board or its designee in its tax certificate for the Bonds shall be enforceable to the same extent as if contained herein.

Section 5. Sale of Bonds. The State Treasurer, with the concurrence of the Vice Chancellor for Finance and Administration, shall sell the Bonds as the State Treasurer deems advantageous.

Section 6. Other Action. The State Treasurer, the Vice Chancellor for Finance and Administration, or the Controller of the Department of Higher Education is hereby authorized, on behalf of the Board, to take any action that may be required to issue, sell, and deliver the Bonds in accordance with this resolution.

Board Discussion and Action

Associate Vice Chancellor Foute highlighted the aspects of the bond sale and the various projects covered.

Ms. Wustenberg moved and Mr. Lussier seconded the motion to approve the staff recommendation. Those voting in favor: Directors Christopher, Imeson, Lussier, McAllister, Puentes, Van Patten, Whittaker, Willis, Wustenberg, Wykoff, and Aschkenasy. Those voting no: none.

Staff Report to the Board

Eastern Oregon University requested permission to purchase a private residence located at 1201 “L” Avenue, Lot 8, Block 53, in the Chaplins Addition neighborhood. This residence is immediately adjacent to the campus’ northern boundary. The campus had
previously determined that this property should be included in the formal campus boundary and had written this recommendation into its updated Draft Master Plan, to be presented to the Board for approval in the near future.

The opportunity to purchase this property arose recently. The campus determined that its location, quality, and layout were well suited for the needs of the Student Health Services and Student Counseling Services. EOU now wishes to acquire the property, contingent upon the University receiving the acceptable appraisals and inspection reports, and a conditional use permit for professional office use in this facility.

The purchase price of $130,000 will be funded from Article XI-F(1) bonds to be repaid by the student building fee debt service reserve. This will allow Eastern to consolidate the now-dispersed offices of the Student Health Services and Student Counseling Services. This will enable these two vital programs to share basic services and support and will conveniently locate these functions for student access. Improved health service space is a top priority for student facilities at Eastern, and this purchase has the full support of the Vice President of Student Affairs.

The campus has carefully evaluated the suitability of existing campus space for this purpose and concluded that current vacant space on campus is unsatisfactory due to the age of the facility and the cost of remodeling and asbestos removal. The space vacated by the Student Health Services and Student Counseling Services is in the basement of the Library and in Dorion Residence Hall. The programs in both the Library and Dorion Hall need the existing space to meet their own critical needs. (For example, the Library has collections in storage because of the shortage of space in the building.)

It was determined that the Student Health Services and Counseling Center would derive the greatest benefit from use of this space. Joining these two services in one facility will facilitate joint health education and wellness programs. The two offices will share a reception area, conference room, waiting room, and integrated offices. This facility has the plumbing requirements and meets the space needs of the Student Health Services. The operating costs for the facility will be shared between the two departments. The slope of the lot is such that handicap access will not result in a costly expense to the University since handicap access will be provided with a
minimum financial commitment. Ramps will be used to provide access; one ramp will come up the front drive, and the back entrance will be served off the city sidewalk.

In addition, this property purchase will allow future growth for EOU. Eastern is located in an R-2 residential zone and, in fact, is bounded on all sides by private residences. Homes rarely go on the market, and residential property costs are escalating rapidly in the La Grande market. The University considers this purchase essential to Eastern's future growth.

The building is a 2,570 square foot, two-story residence in good condition. It will be necessary for Eastern to expend $10,000 of additional funds to improve handicap access and to prepare the residence for the Student Health Services and Student Counseling Services.

**Staff Recommendation to the Board**

Staff requested that the Board authorize the Vice Chancellor for Finance and Administration to proceed with the purchase of the residence at 1201 "L" Avenue for not more than $130,000 or the appraised value, whichever is lower, subject to acceptable appraisals and inspection reports, and the University receiving a conditional use permit for professional office use in this facility.

**Board Discussion and Action**

Associate Vice Chancellor Foute explained the rationale for the purchase. Dr. Aschkenasy asked where the money comes from for this kind of purchase. Ms. Foute explained that it would be financed in part through student building fee reserves and as part of miscellaneous Systemwide projects. Ms. Van Patten added that it is a good idea to have the facilities together.

Dr. Whittaker moved and Ms. McAllister seconded the motion to approve the staff recommendation. Those voting in favor: Directors Christopher, Imeson, Lussier, McAllister, Puentes, Van Patten, Whittaker, Willis, Wustenberg, Wykoff, and Aschkenasy. Those voting no: none.
The Board Committee on Athletic Funding and Sports Action Lottery has reviewed the criteria and formula for distributing the sports action lottery proceeds among OSSHE's seven intercollegiate athletics programs.

**Background**

The Sports Action Lottery was established by the 1989 Legislature and has generated approximately $2.25 million per year. The legislation requires that 12 percent of the proceeds be used for a scholarship program and that 88 percent be distributed to the sports programs. Of the 88 percent for sports programs:

1. 30 percent is to be used for revenue producing sports.
2. At least 50 percent is to be used for women's athletics.

The legislation also requires the State Board of Higher Education to give due consideration to the following when distributing the Sports Action Lottery proceeds:

1. The athletic conference to which the institution belongs and the relative costs of that conference.
2. The level of effort being made by the institution to generate funds and support from private sources.

The distribution percentages originally approved by the Board at the June 14, 1990, meeting were as follows:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>EOU</td>
<td>4.0%</td>
</tr>
<tr>
<td>OIT</td>
<td>4.0%</td>
</tr>
<tr>
<td>OSU</td>
<td>33.5%</td>
</tr>
<tr>
<td>PSU</td>
<td>17.0%</td>
</tr>
<tr>
<td>SOU</td>
<td>4.0%</td>
</tr>
<tr>
<td>UO</td>
<td>33.5%</td>
</tr>
<tr>
<td>WOU</td>
<td>4.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0%</strong></td>
</tr>
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</table>
The Board established the Committee on Athletic Funding and Sports Action Lottery at the July 1997 Board Meeting with Les Swanson, Jr. (Chair), Diane Christopher, and Jim Willis. The Board charged the Committee to review the Sports Action Lottery distribution, in light of the current status of various campus athletics programs, conference memberships and changes, and also Title IX considerations.

Committee Work

The Committee, with the assistance of consultants Dr. Christine Grant, Director of Women’s Athletics, University of Iowa, and Dr. Joseph Walka, Arizona Board of Regents, held four meetings and:

1. Reviewed the legislative requirements.

2. Analyzed whether the comparison of sports action lottery proceeds to the total expenditures of each intercollegiate athletics program had significantly changed since 1990.

3. Considered the testimony of approximately 15 individuals representing each of OSSHE’s seven intercollegiate athletics programs.

4. Reviewed general information of the seven intercollegiate athletics programs, including number of sports offered and number of participants.

5. Reviewed NCAA data to estimate the average costs of participating in the athletics conferences (PAC-10, Big Sky, Columbia Football Association, and Cascade Collegiate Conference).

6. Reviewed level of effort (contributions) data of the seven intercollegiate athletics programs for the past five fiscal years.

7. Identified factors and the relative weights of each factor to be included in a formula for distributing the sports action lottery proceeds.

The Committee appreciates the efforts and concerns expressed by the officials of all seven intercollegiate athletics programs.
Any formula for distributing Sports Action Lottery proceeds fails to address the far more critical issue of the need to increase the revenues of OSSHE's seven intercollegiate athletics programs. Many of OSSHE's competitors receive significant state support for their intercollegiate athletics programs.

The Committee was bound by the legislative requirements of considering costs of conferences and level of effort in distributing the Sports Action Lottery funds. The committee does not have confidence that the criteria dictated by these requirements reflects the current needs, size, and scope of the intercollegiate athletics programs, nor does it address the funding implications of proposed changes to programs.

Sports Action Lottery Distribution — OSU, PSU, and UO (NCAA Division I)

The basis of the Committee's recommendation is built on:

1. The following factors (and weights) be used in the formula:

   a) Average costs of sports (85%)

      i) Defined as the number of sports offered multiplied by the average cost per sport, determined from the NCAA survey publications, "Revenues and Expenses of ... Intercollegiate Athletics Programs, Financial Trends and Relationships." (The Committee recommends use of the NCAA Survey because data from other conference members were not readily available from all members and, of the information provided, were not in a comparable format.)

      ii) To be equated with Division I-A for UO and OSU, and Division I-AA for PSU.

      iii) To be reduced by the average revenues from guarantees, conference distributions, NCAA distributions, and

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post season compensation to determine the net average costs of participating in a conference.

b) Average number of participants (7.5%)

i) Determined from the sports offered multiplied by the average number of participants in each sport.

c) Level of effort (7.5%)

i) Defined as percentage growth in contributions received in the university’s athletics accounts, calculated as the ratio of the annual average of the past two fiscal years, to the annual average of the preceding three fiscal years.

2. NCAA Division I Men’s Football and Men’s Basketball programs at OSU, PSU, and UO be included in the distribution of the 30 percent of the Sports Action Lottery proceeds for revenue producing sports.

Sports Action Lottery Distribution — EOU, OIT, SOU, and WOU

The basis of the Committee’s recommendation is built on:

EOU, OIT, SOU, and WOU intercollegiate athletics programs each receive a fixed five percent of the Sports Action Lottery proceeds. This reduces the calculation efforts required for arriving at distribution percentages that are not significantly different.

Committee Recommendations to the Board

The Committee recommended the following revised Sports Action Lottery distribution for the two year period July 1, 1997 - June 30, 1999:
Meeting #668

November 21, 1997

EOU  5.00%
OIT  5.00%
OSU  30.14%
PSU  18.71%
SOU  5.00%
UO   31.15%
WOU  5.00%
Total 100.00%

The Committee also recommended that the results of the formula be re-evaluated at the end of the two year period and adjusted for any relevant changes in the seven intercollegiate athletics programs.

Finally, the Committee recommended that the Athletics Directors, Institutions, and Board's office officials work collectively to determine what changes to the Sports Action Lottery legislation, if any, should be suggested to the Legislature.

Board Discussion and Action

Dr. Aschkenasy said that Mr. Swanson, who had chaired the Committee, was unable to attend because of illness in the family. He called on Ms. Christopher to present the recommendation.

Ms. Christopher reviewed the charge to the Committee. The Committee held several meetings, heard from all of the institutions and some of their representatives. "In the end, our recommendation is that the small institutions receive five percent and some minor increases to the other institutions as shown on the table. These changes are consistent with the statute. These distributions are retroactive to July 1, 1997. We further recommend that the distribution be re-examined in two years. I think a future effort would be to carefully examine the statute."

Mr. Willis added that, "the Committee was given a narrow path to follow. The statute refers to specific things like cost and effort. We
added to that the average number of participants. There is probably a better way to distribute the funds, and I believe we have an opportunity to do that. Our solutions are not very satisfying to everyone."

Continuing, Mr. Willis observed that there has been a lot of exposure around this issue and some expertise built on the part of some of the Board members. "The critical thing is that the people using these funds not come in at the 11th hour with criticisms. I was disappointed in that level of participation."

It was agreed that, if Mr. Swanson is willing, the same Board members should continue to examine the issue and at some point recommend language that might be taken to the next Legislature.

Mr. Aschkenasy asked if PSU had benefitted financially from a change in their athletic conference for football. Mr. Anslow offered that "One could argue that the benefits were not necessarily recorded in the athletics budget at PSU, but it could be in terms of donor contributions. One million dollars—the first million dollar contribution to PSU—came because of the interest of the donor in athletics."

Ms. Christopher added that the Committee had a very open process and much involvement on the part of some of the campuses. "It is important to remove some of the emotion and look at the facts."

President Aschkenasy said, "If I'm correctly sensing the Board's direction, we are asking you Committee members to continue and to turn your attention to how you would do it if you could do anything. What is the best way of doing this if there were no law, or if we could write the next statute?"

Ms. Christopher specifically thanked Paul Bartlett for all of the fine staff work he provided to the Committee.

Mr. Imeson moved and Ms. Puentes seconded the motion to approve the Committee recommendation. Those voting in favor: Directors Christopher, Imeson, Lussier, McAllister, Puentes, Van Patten, Whittaker, Willis, Wustenberg, Wykoff, and Aschkenasy. Those voting no: none.
### Report of the Board Committee on Athletic Funding and Sports Action Lottery

**Proposed New Distribution Plan of Sports Action Lottery Proceeds**

<table>
<thead>
<tr>
<th>Program</th>
<th>Male, Non-Revenue Sports</th>
<th>Male, Revenue-Producing Sports</th>
<th>Male, Non-Revenue Sports</th>
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<tr>
<td></td>
<td>$10,000,000</td>
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</table>

### Notes:
- The distribution is based on the examples of disbursement:
- $10,000,000
- $20,000,000
- $30,000,000
- $40,000,000
- $50,000,000

### Committee Recommendations:
- For recommendations, please refer to the committee's final report dated November 21, 1997.

### Other Information:
- The committee's recommendations are based on comprehensive analysis and consultation with various stakeholders.

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**Meeting #660**

**Date:** November 21, 1997

**Attachment:**

<table>
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<tr>
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**National Level, National Team Participation:**

- Amount: $10,000,000
- Percentage: 10%

**Regional Level, Regional Team Participation:**

- Amount: $20,000,000
- Percentage: 20%

**Local Level, Local Team Participation:**

- Amount: $30,000,000
- Percentage: 30%

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**National Level, National Team Participation:**

- Amount: $10,000,000
- Percentage: 10%

**Regional Level, Regional Team Participation:**

- Amount: $20,000,000
- Percentage: 20%

**Local Level, Local Team Participation:**

- Amount: $30,000,000
- Percentage: 30%
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<th>New Formula</th>
<th>Percent Increase/Decrease</th>
<th>Old Formula</th>
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<td>70.9%</td>
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<tr>
<td>Southern</td>
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<tr>
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<td>70.9%</td>
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<td>70.9%</td>
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<td>OSU</td>
<td>22,538</td>
<td>$112,699</td>
<td>70.9%</td>
<td>$75,000</td>
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**Note:** Some columns may not total exactly due to rounding differences.

**Distribution of Sports Action Lottery Proceeds:**

Remaining 88% to Distribute to Intercollegiate Athletics Programs

Less: 12% for Non-Athletic Scholarship Program (Legislatively Mandated)

Sports Action Lottery Proceeds Received in FY 1996-97

Report of the Board Committee on Athletic Funding and Sports Action Lottery

Comparison of Results of Old and New Sports Action Lottery Distribution Formulas
CONFIRMATION OF INSTITUTIONAL DEGREE LISTS

Staff Report to the Board

In accordance with Board regulations, the following members represented the Board in approving candidates for degrees and diplomas for the graduating classes at the designated institutions during the 1996-97 academic year and summer session:

- Eastern Oregon University
  Katie Van Patten
  Jim Whittaker

- Oregon Health Sciences University*

- Oregon Institute of Technology
  Esther Puentes

- Oregon State University
  Phyllis Wustenberg

- Portland State University
  Tom Imeson
  John Wykoff

- Southern Oregon University
  Diane Christopher

- University of Oregon
  Gail McAllister

- University of Oregon – Law School
  Jim Willis

- Western Oregon University
  Les Swanson, Jr.

*Due to illness, the Board member assigned to attend OHSU's commencement ceremony was unable to attend.

Staff Recommendation to the Board

Staff recommended that the Board confirm the actions of Board members in approving degrees and diplomas.
Board Discussion and Action

Mr. Imeson indicated that he had attended and participated in the PSU commencement and requested his name be added to the list.

Mr. Willis moved and Ms. Puentes seconded the motion to accept the staff recommendation with the addition of Mr. Imeson's name to PSU. Those voting in favor: Directors Christopher, Imeson, Lussier, McAllister, Puentes, Van Patten, Whittaker, Willis, Wustenberg, Wykoff, and Aschkenasy. Those voting no: none.

RESOLUTION REGARDING CLASSIFIED INFORMATION
FOR U.S. DEPARTMENT OF DEFENSE, OSU

Staff Report to the Board

The Industrial Security Manual issued by the U.S. Department of Defense requires that owners, officers, and executive personnel of corporations and regents or trustees of colleges and universities whose employees have access to classified material in the course of working on Department of Defense contracts delegate to others the authority for fulfilling the requirements of the Industrial Security Manual and exclude themselves from access to classified information.

The resolution recommended for adoption is that which is required by the Manual and is, except for changes in the date and names of Board members, identical to that which has been previously adopted by the Board.

Staff Recommendation to the Board

Staff recommended that the Board adopt the following resolution regarding access to classified information related to the Department of Defense material.

RESOLUTION

That those persons occupying the following positions for Oregon State University shall be known as the Managerial Group as described in the Industrial Security Manual for Safeguarding Classified Information:

President
Vice Provost for Research and International Programs
Vice President for Finance and Administration
Security Supervisor
Assistant Security Supervisor

That the chief executive and the members of the Managerial Group have been processed or will be processed for a personnel clearance for access to classified information, to the level of the facility clearance granted to this institution as provided for in the aforementioned Industrial Security Manual.

That the said Managerial Group is hereby delegated all of the Board's duties and responsibilities pertaining to the protection of classified information under classified contracts of the Department of Defense or User Agencies of its Industrial Security Program awarded to Oregon State University.

That the following named officers and members of the Oregon State Board of Higher Education shall not require, shall not have, and can be effectively excluded from access to all classified information in the possession of Oregon State University and do not occupy positions that would enable them to affect adversely the policies and practices of Oregon State University in the performance of classified contracts for the Department of Defense or User Agencies for its Industrial Security Program awarded to Oregon State University.

**Officers and Board Members**

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Herbert Aschkenasy</td>
<td>President (pending re-appointment 11/19/97)</td>
</tr>
<tr>
<td>Tom Imeson</td>
<td>Vice President (pending appointment 11/19/97)</td>
</tr>
<tr>
<td>Diane Christopher</td>
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<tr>
<td>James Lussier</td>
<td></td>
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<tr>
<td>Gail McAllister</td>
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<tr>
<td>Esther Puentes</td>
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<tr>
<td>Katie Van Patten</td>
<td></td>
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<tr>
<td>Jim Whittaker</td>
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</tr>
<tr>
<td>Jim Willis</td>
<td></td>
</tr>
<tr>
<td>Phyllis Wustenberg</td>
<td>(pending re-appointment 11/19/97)</td>
</tr>
<tr>
<td>John Wykoff</td>
<td>(pending re-appointment 11/19/97)</td>
</tr>
</tbody>
</table>

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Board Discussion and Action

Mr. Willis moved and Ms. Puentes seconded the motion to approve the staff recommendation. Those voting in favor: Directors Christopher, Imeson, Lussier, McAllister, Puentes, Van Patten, Whittaker, Willis, Wustenberg, Wykoff, and Aschkenasy. Those voting no: none.

B.A./B.S. IN WOMEN’S STUDIES; REVISE CERTIFICATE PROGRAM, PSU

Introduction

Portland State University requested authorization to offer the baccalaureate degree in Women’s Studies, effective fall 1997, which will replace the existing undergraduate certificate program. The certificate program would remain in place at the post-baccalaureate level.

PSU has offered a program in women’s studies for 20 years. Student demand continues to increase, and a major in women’s studies will allow students to concentrate their undergraduate work to an extent not possible with a certificate. PSU expects a significant proportion of these students will pursue a double major (women’s studies and a traditional discipline). The unique mix of faculty specialities and community opportunities provide rich internship and practicum experiences for the students. Current resources are sufficient to support this program.

The academic field of women’s studies emerged in the late ’60s and early ’70s and continues to be a stable, vibrant field. According to the National Women’s Studies Association’s most recent Directory of Women’s Studies Programs (1990), there were 621 programs in the U.S., 187 of which led to a bachelor’s degree. Originally, women’s studies focused on the re-examination of scholarly work across the disciplines, identifying omissions related to women. While this effort to integrate women’s experiences and perspectives into the knowledge of the disciplines continues, as the field has matured, women’s studies scholarship has increasingly focused attention on gender as a social construction and a central dimension of human experience. Women’s studies includes the analysis of the economic status of women and the effect of institutional structures and policies on women’s class position.
Employment prospects and graduate/professional school opportunities are good for graduates of this program. As outlined in more detail in the background paper (September 1997 Board docket), graduates of similar programs are successfully employed in a wide variety of fields, including journalism, business, education, medicine, social service provision, public administration, and law.

Staff Analysis

1. Relationship to Mission

The Board-approved mission (1991) states that PSU is to provide access “to a quality liberal education for undergraduates . . . especially relevant to the metropolitan area.” Community service is emphasized in PSU's mission.

The proposed program aligns with PSU's mission on both counts. An undergraduate education in women’s studies is a relevant liberal education, providing a foundation for lifelong learning. In addition to refining critical thinking skills and gaining a broad general knowledge base, students will develop an appreciation of the impact of gender on culture, institutions, social relationships, and personal experience, and learn to integrate that knowledge in real-life settings. Numerous community agencies and organizations benefit from the involvement of women’s studies faculty and students, and many of these relationships date back more than a decade.

2. Evidence of Need

Student Interest. Enrollment in women's studies courses has almost tripled over the past five years. An average of 15 students annually have graduated with certificates, and many of them would have preferred to major in women's studies. A survey of students enrolled in two core courses and one women’s studies elective course found that more than 50 percent would “definitely” major and another 23 percent would “consider” majoring if a baccalaureate degree was available. PSU expects to graduate 10 to 15 students per year in the first few years and to graduate at least 20 to 25 students annually by the end of five years.
Portland Community College also offers lower division women's studies courses. Transfer students may apply those lower division credits toward their major requirements at PSU.

**Regional, Statewide, and National Need.** The PSU women's studies program has long-standing relationships with many governmental and nonprofit organizations that utilize students and graduates in their service delivery and community education work. Some of these organizations are: Healthy Start, All-Women's Health Services, Multnomah County Community Action Agency, and the Oregon Commission on Women. The population in Oregon (and in the Portland metro area particularly) is increasing, and it's anticipated that the fastest-growing jobs will be in the areas of health, education, and social services. While women's studies is not a vocational program, many students do find employment in these areas, utilizing skills developed both through their formal education and through their internships and community-based learning experiences.

Discussions regarding the U.S. workforce of the future signal rapid changes in character (i.e., diversity in terms of gender, race, and culture) and shifting lifetime employment patterns. Attention to gender and multicultural issues are central aspects of the women's studies curriculum and will prepare students especially well to work in numerous career settings.

3. **Quality of the Proposed Program**

**Core Program**

The proposed core program will be structured to provide a multidisciplinary core curriculum, experiential learning opportunities, and individualized courses of study.

**Core Curriculum.** Emphasis in the core program will be on the development of critical thinking skills and an appreciation for the range of theoretical frameworks and methodologies present in contemporary feminist scholarship. Courses will incorporate the diversity of women's experience with attention to race, class, and sexual orientation, as well as gender. The required core program will be 32 credits: 24 classroom hours and 8 hours in experiential learning (i.e., practicum, internship).
Only two new courses (Gender and Critical Inquiry, 4 credits; Experiential Learning Seminar, 1 credit) will need to be developed. Examples of existing courses within the core program include:

- **Women and Gender in America** — two courses that cover the economic, political, and social experience and influence of American women from the colonial era to the present.
- **History of Feminism in the U.S.** — focuses on the shaping of modern feminism as a diverse body of questions, ideas, and experiments in American life. Themes include political equality, the emergence of sexual politics, issues of race and difference, women workers and class conflict, the civil rights movement and gender struggles, and feminist internationalism.
- **Feminist Analysis** — draws on examples of the interpretive frameworks and research strategies utilized in contemporary feminist scholarship. Students will be introduced to a range of theoretical and methodological approaches while learning to identify the choices that scholars make in carrying out their work.

**Practica/Internships.** An integral part of the core program is the experiential learning requirement. The women’s studies program has long been committed to building lasting collaborative partnerships with community agencies, and these experiences provide valuable services, assisting agencies in reaching their community goals. Often these student experiences are stepping stones to careers. The proposed degree program will increase the proportion of women’s studies graduates who find employment directly through their undergraduate education.

In 1996-97 alone, student internships and practica reached across many areas such as:

- grief counseling at the Mother Oaks Child Center for Healing;
- crisis intervention with Portland Women’s Crisis Line;
- community education with Oregon Housing Now, and;
- mentoring with the Insights Teen Parenting Program.

**Individual Program.** For the individual component of the proposed program, students (in consultation with their
women's studies advisor) will design an emphasis based either in a discipline or in a theme that crosses disciplines. A discipline-based emphasis will consist of five courses (20 credits) in a department or program outside women's studies — two of which will familiarize students with that discipline's materials and approaches and three of which are to be either cross-listed with women's studies or approved by the women's studies advisor in their discipline. A theme-based emphasis will consist of five courses that together form a coherent multidisciplinary approach to a subject. All of the courses are to be cross-listed with women's studies or approved by the student's women's studies advisor. At least one course in either type of emphasis must be writing intensive.

Senior Capstones

In their senior year and in fulfillment of PSU's general education requirement, women's studies students participate in interdisciplinary capstone courses, which specifically address many of the Oregon Benchmarks as identified by the Oregon Progress Board. One example is the partnership with Healthy Start (HS) of Clackamas County. Created to help county families meet the increasingly difficult demands of parenting and in response to the Oregon Benchmarks, this agency (as well as the state) needs data about how well they are reaching the benchmarks. In the past, PSU women's studies students have (1) evaluated client satisfaction with the HS program and (2) assessed the knowledge of local policymakers (i.e., mayors and council members) about family issues in their area. The results of their work have been used in program planning, outreach, and state-level administration. Future planned projects with HS include evaluation of its family-support worker program and development of a children's health program.

Capstone opportunities during the 1997-98 academic year include:

- a collaborative research project with Steps to Success, a welfare-to-work program in North Portland;
- work with the Portland YWCA as part of an interdisciplinary research team to explore the relationship of the YWCA to the city's changing social, demographic, and economic environment; and,
• working with the Northwest Portland Indian Health Board. Students will be expected to (1) assess the prevalence of breast and cervical cancer among Native American women in Oregon, (2) identify barriers to screening and treatment, and (3) design programs to reach and screen underserved and at-risk women.

Faculty

Two current tenure-track faculty will be primarily responsible for the core program. One professor, who has served as the PSU Women’s Studies Coordinator since 1982, has administered the program, developed the curriculum, and established and maintained working relationships with other departments and programs, as well as community organizations. She has published in women’s studies journals, and several of her articles have been reprinted in collections used for undergraduate and graduate courses. The other faculty member will be responsible for the three-course core U.S. women’s history sequence. A 1993 graduate of Princeton University with a Ph.D. in history, she has developed courses in U.S. women’s history and is currently finishing a book.

4. Adequacy of Resources to Offer the Program

Faculty. No new faculty will be required for the proposed program. Currently, 30 tenure-track faculty teach electives in women’s studies. In past years, resources to “buy out” faculty time from their home departments or to hire adjuncts have been contributed on an ad hoc basis by the dean of the College of Liberal Arts and Sciences. These monies, sufficient to cover four sections per year, will be moved in order to regularize their availability to the program.

Staff. No new staff are required for the program. PSU expects the number of students in the program to remain fairly stable in the early years since current students seeking a certificate will be shifted over to the major. Additional students who may be attracted to the program will not be in such large numbers in the first four years that they cannot be served through existing staff resources.
Library, Facilities, and Equipment. The field of women's studies is well-supported by the PSU Library. Because the certificate program has been in place for more than 20 years, appropriate books and journals have been purchased regularly. In addition, the multidisciplinary aspect of the field means that resources from other disciplines may also support women's studies, consequently providing greater overall strength in library resources for the program.

The program currently has sufficient facilities and equipment to support the major. No other facilities or equipment needs are anticipated.

Program Review

The proposed program has been reviewed positively by all appropriate institutional committees and the Academic Council.

Staff Recommendation to the Board

Staff recommended that the Board authorize Portland State University to establish a program leading to the B.A. or B.S. in Women's Studies and to revise the existing certificate program to be post-baccalaureate only, effective fall term 1997, with a follow-up review of the program to be conducted by the OSSHE Office of Academic Affairs in the 2002-03 academic year. The proposal would be placed on the consent agenda for final action at the November Board meeting.

Board Discussion and Action (October 17, 1997)

Vice Chancellor Clark reminded Board members that they had received a briefing paper in September on the history of the field of women's studies. The program, as proposed, will be ready for implementation in a few months.

Mr. Imeson moved and Mr. Willis seconded the motion to approve the staff recommendation. The following voted in favor: Directors Christopher, Imeson, McAllister, Puentes, Van Patten, Whittaker, Willis, Wustenberg, Wykoff, and Aschkenasy. Those voting no: none.
Meeting #668

Board Discussion and Action (November 21, 1997)

Ms. Wustenberg asked why the Board had to approve the academic programs again. "I would like to cut the time it takes for program approval. Is this one place where it can be cut down?"

Chancellor Cox indicated the procedure of putting academic programs on the consent agenda began through Board action approximately three years ago. He said that he would review the process with staff and report back to the Board.

Mr. Willis moved and Ms. Puentes seconded the motion to approve the staff recommendation. Those voting in favor: Directors Christopher, Imeson, Lussier, McAllister, Puentes, Van Patten, Whittaker, Willis, Wustenberg, Wykoff, and Aschkenasy. Those voting no: none.

B.A./B.S. IN ETHNIC STUDIES, UO

Introduction

The University of Oregon requested authorization to offer a program in Ethnic Studies leading to a baccalaureate degree, effective fall 1997. The preproposal was presented to the Board in April 1997. In addition, the Board received a background paper in September covering the history, scope, and outcomes and employment opportunities for graduates of ethnic studies programs in other U.S. colleges and universities.

UO's proposed ethnic studies program is interdisciplinary and is devoted to the investigation of the social, cultural, and historical construction and experience of ethnicity for the four systematically underrepresented groups in the U.S. (African Americans, Asian Americans, Latina/o Americans, and Native Americans). As an element of American identity that cuts across disciplinary categories, ethnicity requires a mode of study that draws on the humanities and the social sciences, as well as fields such as cultural studies. Moreover, ethnicity must be addressed both historically and comparatively. In that spirit, the participating faculty of the program is an open roster of scholars committed to giving students a wide range of approaches to this challenging topic.

The UO program is designed to be comparative rather than ethnic specific. Among the program's goals are "to convey knowledge and understanding of ethnicity in the United States and to help students
learn their opportunities and responsibilities as citizens in an increasingly multicultural nation." Students who major in ethnic studies will be encouraged to complete the requirements for a minor in another designated field. This secondary focus would enable students to combine substantial work in an area of traditional academic specialization with the major’s emphasis on cross-cultural knowledge. Three new full-time faculty will be needed for full implementation of this program. One, hired in the first year, would also serve as program director. The other two faculty members would be hired the second year.

All course offerings are in place with the exception of some 200-level courses that would need to be developed. The College of Arts and Sciences and the Provost's office have committed resources to support the program.

Staff Analysis

1. **Relationship to Mission**

The University of Oregon's mission, approved by the Board in September, stresses its commitment to providing quality undergraduate liberal arts education, to diversity, and to the "development of a faculty and student body that are capable of participating effectively in a global society." The proposed major will provide a focus through which these goals can be realized. Ethnic studies has been described by the University of Colorado, Boulder, as a "broad liberal arts education for the 21st century." Such a program acknowledges the diverse composition of the country and the increasing need for citizens who understand and are sensitive to the issues inherent in a pluralistic society.

The UO needs to participate in the ongoing national discussion of issues related to race, ethnicity, and race relations. A long-term goal is to use the proposed major to attract and hire scholars of national stature in ethnicity. The presence of such scholars will further the UO's commitment to guide positive change in Oregon and the nation.

2. **Evidence of Need**
Workforce Need. The September background paper on ethnic studies described the growing racial and ethnic pluralism in the U.S. generally, and in the workforce specifically. Regardless of the nature of the business or profession, workers will need to be knowledgeable and skilled in communicating with a broad range of people. A degree in ethnic studies can provide that foundational understanding. Well-established programs of ethnic studies in other colleges and universities report positive outcomes for their students who earn degrees in ethnic studies. Graduates report finding employment in such areas as education, social services, public policy, community organizations, business, medicine, and law.

Institutional Need. There is broad student support of and demand for an ethnic studies major at the University. The Associated Students of the University of Oregon have made the creation of an ethnic studies major one of their chief priorities. Overall student support at the University crosses racial and ethnic boundaries. And, if the enrollment patterns of other institutions hold true for the UO, European Americans will constitute at least 50 percent of the students in ethnic studies classes.

It should be noted that currently, all UO students must complete two courses (six-credit minimum) to meet the Multicultural Requirement for a baccalaureate degree. This requirement has been an important step toward addressing the need for the University to diversify its curriculum. The proposed program would strengthen those offerings.

Community Need. The proposed program has received community support from such groups and organizations as:

- the nine federally recognized Tribes in Oregon;
- the Centro Latino Americano; and
- the Eugene-Springfield Chapter of the National Association for the Advancement of Colored People.

3. Quality of the Proposed Program

Curriculum. The core curriculum includes the following:

- Introduction to Ethnic Studies (8 credits) — designed to introduce majors to the fundamental issues confronting the four major underrepresented ethnic groups in the
U.S. Topics may include the construction of group identities, the patterns of migration, and the strategies of resistance.

- Two courses that concentrate on the social, historical, and/or cultural experience of a specific group (e.g., Introduction to the Native American Experience).

In addition, a core of other ethnic studies and approved cross-listed courses, and a capstone seminar are required. Students have the option of an honors track, as well.

The proposed program is interdisciplinary both in the core curriculum and faculty. Currently, participating faculty are from comparative literature, English, history, international studies, law, and theater arts. Furthermore, courses related to and supportive of the ethnic studies core curriculum are offered through most departments and programs in the College of Arts and Sciences and participating professional schools. Collectively, the core and support courses constitute a coherent program of study.

Faculty. The proposed ethnic studies program is committed to maintaining the highest standards of scholarship. All of the core faculty hold doctorates in their home disciplines, and each brings to the program innovative scholarship and methodologies, as well as years of experience in pedagogical and curricular matters related to ethnic studies. Current faculty will provide about 75 percent of the coursework for ethnic studies. New courses with specific focus on ethnic diversity are being created across the University as new faculty are hired, and faculty in traditional disciplines have begun to do research in affiliated areas (e.g., cultural studies, post-colonial studies, comparative culture studies). The core faculty in the ethnic studies program will be responsible for advising students of the offerings available from term to term, since these offerings change as faculty in various colleges add new courses and revise existing ones.

4. Adequacy of Resources to Offer the Program

Faculty. It is anticipated that three full-time faculty will be required to fully establish the program, one of whom will be program director. The University had intended for the new
program director to be in place by fall 1997. However, that search has had to be re-opened because the first applicant pool was too small. The budget assumes that the faculty member will have a nine-month appointment and will be paid a stipend. The other two faculty members will be at the assistant professor rank, have nine-month appointments, and will be hired in the second year of the program.

This program is a high priority for the University. The new faculty lines will be lodged in existing disciplinary departments, with dedicated responsibilities in ethnic studies. Money has been committed jointly from both the College of Arts and Sciences and the Provost's office. Some reallocation has already occurred, with funds being committed to pay for the adjuncts, graduate students, departmental faculty, and classified staff that support the ethnic studies curriculum at its current level.

Library, Facilities, and Equipment. Currently, the UO library has approximately 17,000 titles directly related to ethnic studies materials. Moreover, the library subscribes to 7 of the 14 leading journals focusing on multicultural interests or ethnicity and 32 of the 68 ethnic studies scholarly journals and publications of general interest. The greatest area of weakness is the library's holding of ethnic newspapers (7 of 126 titles). An estimated $5,000 to $7,000 would be needed to acquire the relevant books, journals, and newspapers.

The current office space has been designated as temporary. Remodeling plans have been submitted to the Physical Plant in the event that ethnic studies is permanently assigned to that location. If so, two additional offices, with furniture and equipment, would be required. Remodeling and equipment expenses would be met through normal budgeting processes.

No federal funds or other grants are required to launch the proposed program. However, it is anticipated that the program director would engage in actively seeking supporting funds for research and scholarships.
Program Review

The proposed program has been reviewed positively by all appropriate institutional committees and the Academic Council.

Staff Recommendation to the Board

Staff recommended that the Board authorize the University of Oregon to establish a program leading to the B.A. or B.S. in Ethnic Studies effective fall term 1997, with a follow-up review of the program to be conducted by the OSSHE Office of Academic Affairs in the 2002-03 academic year. The proposal would be placed on the consent agenda for final action at the November Board meeting.

Board Discussion and Action (October 17, 1997)

Vice Chancellor Clark observed that the Board had received a background paper on the status of ethnic studies in September. George Permeister, vice provost for resource management, indicated that the UO is basically moving from a minor in this program to a major. The UO is in the process of searching for a new program director who, in turn, will hire the additional faculty members by next year.

Ms. Puentes asked for additional information regarding the program being comparative, not ethnic specific. Mr. Permeister remarked that the program design focuses on the experiences of four groups within the United States: Native Americans, African Americans, Latino Americans, and Asian Americans. The comparative nature means that there is not specialization in any single one of these groups but rather study across them.

Ms. Wustenberg moved and Ms. Puentes seconded approval of the staff recommendation. The following voted in favor: Directors Christopher, Imeson, McAllister, Puentes, Van Patten, Whittaker, Willis, Wustenberg, Wykoff, and Aschkenasy. Those voting no: none.

Board Discussion and Action (November 21, 1997)

Mr. Willis moved and Ms. Puentes seconded the motion to approve the staff recommendation. Those voting in favor: Directors

Introduction

Western Oregon University requested authorization to offer the baccalaureate degree in Community Crime Prevention Studies (CCPS), effective fall 1997. The preproposal was presented to the Board in October 1996.

Community crime prevention studies is a specialty within the field of criminal justice. Criminal justice traditionally has dealt with the areas of law enforcement, the courts, and corrections. Each of these emphasis areas is broad based and includes history, theory, organization and behavior, practical application, and future trends. Each also contains a component relating to community crime prevention although, in an academic setting, it is often handled in a tangential manner.

Successful implementation of crime prevention incorporates the efforts of multiple groups and organizations (e.g., schools, civic groups, churches, health departments). Consequently, the study of community crime prevention is inherently interdisciplinary, extending beyond the traditional areas of criminal justice. The CCPS curriculum will be comprised of criminal justice core courses integrated with courses in the social sciences. Graduates of the proposed program will be prepared to develop, implement, and manage crime prevention programs in Oregon and other parts of the U.S. WOU will also work with community colleges to deliver community policing workshops and CCPS courses, as well as provide in-service education to professionals around the state. With the exception of $4,660 recommended for the library, no new resources are required to support this program.

Staff Analysis

1. Relationship to Mission

WOU's mission, approved by the Board in 1996, emphasizes specialized preparation in public service careers and professional development provision. The proposed program clearly aligns with both
of these goals and builds on the established criminal justice programs, which currently have 400 undergraduate majors and 30 graduate students.

2. Evidence of Need

Context. The need for a program in community crime prevention is apparent. The amount of money being spent incarcerating delinquents and criminals is growing to record levels, both in Oregon and throughout the nation. In June 1996, 719 youth were incarcerated in Oregon's juvenile institutions. The Oregon Youth Authority estimates that, this fall, the number will be up to 1,050. The state is currently expanding the capacity of the two correctional institutions for youth and is in the process of building four regional facilities for youthful offenders. The cost? $35,000 per bed.

We cannot keep trying to build our way out of the problem. Governor Kitzhaber's Juvenile Crime Prevention Task Force stated in its 1996 report: "The importance of community efforts to address juvenile crime prevention, to coordinate state and local efforts, and to determine the effectiveness of existing efforts is obvious. There is a continuing need to assist local communities in developing juvenile crime prevention plans, [and to] incorporate juvenile crime prevention into the State's public safety plan" (p. 7).

Crime prevention is not just an Oregon direction. As recent news reports indicate, even though Attorney General Janet Reno believes that the drop in teen violent crime rates is not an anomaly, she continues to press for prevention programs to sustain momentum. Vice President Gore chairs The President's Crime Prevention Council, which maintains a clearinghouse and resource center, the objective of which is to further local crime prevention. The results of a 1996 Rand Corporation study suggest that prevention strategies for high-risk youth are more cost-effective than longer prison terms. The federal Office of Juvenile Justice and Delinquency Prevention (OJJDP) agrees that delinquency prevention is the most cost-effective approach for reducing juvenile delinquency (Guide for Implementing the Comprehensive Strategy for Serious, Violent, and Chronic Juvenile Offenders, 1995). A report funded by the OJJDP states that 41 percent fewer
juveniles are referred to court a second time when there's been appropriate prevention (What Works: Promising Interventions in Juvenile Justice, 1994). Reducing serious crime and saving money are two very compelling reasons for offering a community crime prevention program.

Despite increased public attention and broader understanding about the benefits of prevention programs, few baccalaureate programs in the nation focus so specifically on community crime prevention per se. Although numerous professionals currently do develop and run community crime prevention programs, the need for focused education in this area is clear. Preparing people to develop and manage crime prevention programs will help the economy by 1) reducing the overall cost of crime, 2) reducing the number of incarcerated offenders, and 3) helping at-risk youth make a positive contribution through their own employment. Lowering the crime rate will also improve the quality of life for all citizens.

3. Quality of the Proposed Program

Core Program

The core program consists of a common curriculum (18 credits), practicum (12 credits), criminal justice electives (15 credits), and social science electives (27 credits). Students completing this course of study will understand:

- the conditions under which crime can be prevented at the community level;
- what actions, programs, and policies are successful in preventing crime;
- the extent to which such efforts have been successful in the past; and
- how to differentiate more-effective from less-effective community crime prevention programs.

Core Curriculum. The core curriculum will provide the foundational knowledge needed by all students in the program. Some of those courses are:

- Introduction to Community Crime Prevention — study of the history, philosophy, and theory of crime prevention; survey of research and programs in the U.S.
Integrated Services in Community Crime Prevention — overview of policies and programs to promote, develop, and evaluate the effectiveness of integrated systems of support for troubled youth.

Special Studies in Community Crime Prevention — advanced study on special topics focused on youth and family, problem solving, team building, organizational behavior, and program development and evaluation.

Practicum. All students will be required to complete a full-time, 12-credit-hour practicum with an agency in the field. Criminal justice faculty will also develop some paid internships for select students.

The practicum (400 clock hours in the senior year) is designed for students to test and apply theory in real-life settings and to gain overall knowledge of agency operation, organization, administration, and role. Participating agencies include city and county police departments, the Oregon State Police, adult and juvenile parole and probation offices, and adult and juvenile correctional institutions at the county, state, and federal levels.

Electives. Students will work closely with their advisors in determining their criminal justice and social science electives. Depending on their career goals, students may take courses oriented toward crime prevention in juvenile or adult populations, law enforcement, or corrections. Among the course choices are: criminology, juvenile delinquency, prevention and control, penology, parole and probation, and juvenile issues. For electives in the social sciences, coursework in sociology, anthropology, political science, geography, and psychology will be emphasized — again, as they relate to student interests and career aspirations.

Employment

One can find numerous examples of prevention efforts already underway that are potential sources of employment. Police and sheriff's departments around the country are organizing community policing programs, emphasizing police working with communities to solve crime-related problems before they become unsolvable. Criminal justice agencies are identifying positions that relate directly to the proposed program, such as community resource coordinator, community service officer, school resource officer, juvenile intervention specialist, early intervention specialist, and integrated
services specialist. Currently, a majority of the criminal and juvenile justice agencies have at least one position that requires skills in crime prevention.

Other employment opportunities relate to transition support programs for adults and youth released from institutions. Several such programs have developed during the past few years. These programs typically involve a contract between the Oregon Youth Authority or the Oregon Department of Corrections and a private foundation or institution. Transition support specialists help prepare inmates for their transition to the streets and provide post-release follow-up services.

Crime prevention programs targeting youth are often organized at the city and county levels. Three programs in Multnomah County, for example, are Self Enhancement, Inc., Portland Youth Redirections, and Mainstream Early Screening and Intervention. The Monitor Program and the Shelter Care Program are two examples from Polk County. Each of these programs, and others like them in cities and counties throughout the Northwest, employ the types of professionals the proposed CCPS program would prepare. In addition, many school districts have programs targeting at-risk youth, and several not-for-profit organizations (e.g., Boys and Girls Clubs, Gang Peace, Northwest Human Services) would also have need for CCPS graduates.

Faculty

Four faculty members currently on staff in WOU’s Department of Criminal Justice will be responsible for teaching the required courses. A search is underway to hire a fifth faculty member (effective fall 1998). In addition to current faculty expertise in criminal justice, many other areas of their research and expertise are particularly relevant to the proposed program (e.g., juvenile alcohol and drug use, school violence, agency planning, community-oriented policing, at-risk youth, job development programs, and program evaluation). The newest faculty member, who started working at WOU this fall, worked for the California Youth Authority for more than 20 years.

Related Programs

Because of its interdisciplinary nature, the CCPS program expects to benefit from the scholarship, research findings, and expertise of
colleagues from other departments, programs, and campuses. For example:

- The Teaching Research Division at WOU has long been involved in research projects involving at-risk youth and the transition of youth from the training schools to the community. It is also involved in developing integrated services for troubled youth.
- The Board on Public Safety Standards and Training (BPSST) Academy, located on Western’s campus, is an invaluable resource for WOU criminal justice faculty and students. Besides housing the Oregon Community Crime Prevention Institute with a library of resources on crime prevention, BPSST is also the home of the Western Regional Community Policing Resource and Training Center, which is designed to develop and deliver community policing training and technical assistance to eight western states.
- UO’s Institute on Violence and Destructive Behavior studies the conditions and factors related to the development and prevention of violence among children and adolescents.
- PSU’s Administration of Justice program, which offers baccalaureate, master’s, and doctoral degrees, focuses on the major problems of crime and delinquency.

4. Adequacy of Resources to Offer the Program

Faculty. No new faculty (beyond the fifth specialist being sought at present) will be required for the proposed program.

Staff. No additional support staff will be needed for the first four years of the program.

Library, Facilities, and Equipment. The library has a collection of materials that supports the basic needs of the criminal justice programs. Since students in the proposed program will take many of the existing courses, the library will be able to maintain a similar level of support for the CCPS major. However, in order to provide a solid level of support for the new program, an initial expenditure of $2,500 to purchase core books in community crime prevention area, and a 20 percent increase in the criminal justice monograph budget is recommended. Funding for subscriptions to an additional eight core journals is also recommended ($700/year).
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November 21, 1997

In addition to WOU's library, resources at the Western Regional Resource Center for Community Crime Prevention are available to students and faculty.

No additional resources for facilities or equipment are required.

Program Review

The proposed program has been reviewed positively by all appropriate institutional committees and the Academic Council.

Staff Recommendation to the Board

Staff recommended that the Board authorize Western Oregon University to establish a program leading to the B.A. or B.S. in Community Crime Prevention Studies, effective fall term 1997, with a follow-up review of the program to be conducted by the OSSHE Office of Academic Affairs in the 2002-03 academic year. The proposal would be placed on the consent agenda for final action at the November Board meeting.

Board Discussion and Action (October 17, 1997)

WOU President Youngblood began the presentation of the program by introducing Dr. Tom Minahan who has been named interim provost. He has served at Western for the past decade as dean of the College of Liberal Arts and Sciences. The program under consideration by the Board originated when Dr. Minahan was dean.

It was highlighted that the program has developed collaboratively across the state. There have been a series of community advisory councils comprised of police municipalities, citizen groups, judiciary, and academic professions who have been studying the rising problem of youth offenders in Oregon and around the country. Dr. Minahan indicated that WOU plans to seek advice and share results with the UO and PSU for additional work in violent behavior and research into criminal justice administration.

Ms. Wustenberg moved and Ms. Christopher seconded the motion to approve the staff recommendation. The following voted in favor: Directors Christopher, Irmenon, McAllister, Puente, Van Patten, Whittaker, Willis, Wustenberg, Wykoff, and Aschkenasy. Those voting no: none.
Board Discussion and Action (November 21, 1997)

Mr. Willis moved and Ms. Puentes seconded the motion to approve the staff recommendation. The following voted in favor: Directors Christopher, Imeson, Lussier, McAllister, Puentes, Van Patten, Whittaker, Willis, Wustenberg, Wykoff, and Aschkenasy. Those voting no: none.

1997-98 ENROLLMENT REPORT

Staff Report to the Board

Actual headcount enrollment at OSSHE institutions has increased for the third consecutive year. The fall 1997 base enrollment reached 59,801, a gain of more than 1,000 students from the previous fall, with resident undergraduate enrollment increasing by over 3.7 percent as well. The increase in Oregon undergraduate enrollment of 1,451 compares to a change in the size of the June 1997 high school graduating class over the June 1996 class of 1,427. Some of this growth may be attributed to stable instructional fee rates and a sense of institutional budget stability by parents and students.

Tables A and B provide the 1997-98 enrollment statistics.

### Table A. Summary of OSSHE Headcount Enrollment 1997-98

<table>
<thead>
<tr>
<th></th>
<th>Fall 1997</th>
<th>Fall 1996</th>
<th>Fall 1997 vs Fall 1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate Resident</td>
<td>40,155</td>
<td>38,704</td>
<td>1,451</td>
</tr>
<tr>
<td>Undergraduate Nonresident</td>
<td>8,439</td>
<td>8,953</td>
<td>(514)</td>
</tr>
<tr>
<td>Graduate Resident</td>
<td>8,970</td>
<td>8,947</td>
<td>23</td>
</tr>
<tr>
<td>Graduate Nonresident</td>
<td>1,639</td>
<td>1,596</td>
<td>43</td>
</tr>
<tr>
<td>Law Resident</td>
<td>282</td>
<td>227</td>
<td>55</td>
</tr>
<tr>
<td>Law Nonresident</td>
<td>244</td>
<td>272</td>
<td>(28)</td>
</tr>
<tr>
<td>Vet Medicine</td>
<td>72</td>
<td>73</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>59,801</strong></td>
<td><strong>58,772</strong></td>
<td><strong>1,029</strong></td>
</tr>
</tbody>
</table>

Definitions:
1. "Resident" fee category includes any student assessed resident fee rates.
2. "Nonresident" fee category includes students assessed the nonresident fee rate.

Six OSSHE institutions exceeded their 1996-97 headcount enrollments with increases ranging from 0.6 percent to 8.4 percent.
The UO fell slightly below the previous year’s figures, attributed mainly to a decrease in nonresident undergraduate enrollment, while at the same time showing an increase of 4.8 percent in resident undergraduate enrollment.

Table B. Summary of Institution Headcount Enrollment Changes 1997-98

<table>
<thead>
<tr>
<th></th>
<th>Fall 1997</th>
<th>Fall 1996</th>
<th>Fall 1997 vs Fall 1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Oregon University</td>
<td>1,944</td>
<td>1,875</td>
<td>69</td>
</tr>
<tr>
<td>Oregon Institute of Technology</td>
<td>2,450</td>
<td>2,328</td>
<td>122</td>
</tr>
<tr>
<td>Oregon State University</td>
<td>14,127</td>
<td>13,784</td>
<td>343</td>
</tr>
<tr>
<td>Portland State University</td>
<td>14,863</td>
<td>14,768</td>
<td>95</td>
</tr>
<tr>
<td>Southern Oregon University</td>
<td>5,121</td>
<td>4,723</td>
<td>398</td>
</tr>
<tr>
<td>University of Oregon</td>
<td>17,208</td>
<td>17,269</td>
<td>(61)</td>
</tr>
<tr>
<td>Western Oregon University</td>
<td>4,088</td>
<td>4,025</td>
<td>63</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>59,801</strong></td>
<td><strong>58,772</strong></td>
<td><strong>1,029</strong></td>
</tr>
</tbody>
</table>

In 1995, pursuant to the Higher Education Administrative Efficiency Act (AEA), OSSHE committed to teaching additional undergraduate resident students using internally derived administrative savings. These savings, generated from the administrative efficiencies implemented and improved learning productivity, have allowed campuses to teach additional residents without increased state funds and without compromising educational quality. Since fall 1994, OSSHE has increased its base headcount of undergraduate resident students by more than 2,150, nearly 5.7 percent.

The number of resident first-time freshmen in fall 1997 increased 2.7 percent over fall 1996, with increases reported at five campuses. There was an overall decline in nonresident first-time freshmen. Fall 1997 marked the fourth consecutive year of increase in the number of Oregon first-time freshmen and, at an estimated 20.2 percent, the highest freshman participation rate since 1990 (i.e., the ratio of first-time freshmen from Oregon high schools compared to Oregon high school graduates of the previous school year), when it reached 20.3 percent.
### Table C. First-Time Freshman Enrollment Fall 1997

<table>
<thead>
<tr>
<th></th>
<th>Fall 1997</th>
<th>Fall 1996</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident</td>
<td>6,101</td>
<td>5,940</td>
<td>161</td>
<td>2.7</td>
</tr>
<tr>
<td>Nonresident</td>
<td>1,628</td>
<td>1,826</td>
<td>(198)</td>
<td>-10.8</td>
</tr>
<tr>
<td>Total</td>
<td>7,729</td>
<td>7,766</td>
<td>(37)</td>
<td>-0.5</td>
</tr>
</tbody>
</table>

To keep pace with the increasing demands for public higher education, attract both Oregonians and students from other states, and retain enrolled students to graduation, the faculty and administration at all campuses are working to enhance recruitment and retention efforts. There is an annual cycle of statewide visitation, and all public and private high schools in Oregon are invited to participate. Most recent recruitment efforts include faculty participation in recruitment of new students; partnerships with area high schools and community colleges; statewide conferences at which OSSHE staff and representatives from the institutions actively recruit students of color; OSSHE's Viewbook on the Worldwide Web; home pages on the Worldwide Web for each of the institutions; and the development of interactive compact disks sent to potential students allowing them an overview of campus programs and services.

Graduate enrollment increased slightly in 1997, gaining 0.6 percent over fall 1996. An increase was reflected equally in resident and nonresident graduate enrollment. Law school enrollment increased 5.4 percent in 1997.

While fall term enrollment is the State System's benchmark, during the past academic year OSSHE campuses actually served about 200,000 students. The academic year unduplicated headcount number from summer 1996 through spring 1997 for all students enrolled in credit courses was 93,553. Enrollment in regular campus courses (base enrollment) totaled 68,057, and students enrolled only in self-supporting courses (extended enrollment) totaled 25,496. It should be noted that many citizens in both the Portland metropolitan area and eastern Oregon are being served through extended education. Extended education enrollment comprises approximately 45 percent of total academic year headcount enrollment at both PSU and EOU. Additionally, OSSHE served an estimated 100,000 students in noncredit courses.

Finally, Table D displays the estimated actual three-term FTE numbers for 1997-98 by institution as compared to the actual three-
term FTE in 1996-97. Systemwide, such numbers are expected to increase by 2.2 percent over last year's actual levels. Overall, OSSHE is expected to achieve its targeted FTE enrollment for 1997-98.

**Table D. 3-Term FTE Enrollment**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Oregon University</td>
<td>1,550 **</td>
<td>1,524</td>
<td>26</td>
<td>1,620 **</td>
</tr>
<tr>
<td>Oregon Institute of Technology</td>
<td>1,807 **</td>
<td>1,676</td>
<td>131</td>
<td>1,718 **</td>
</tr>
<tr>
<td>Oregon State University</td>
<td>12,176</td>
<td>11,918</td>
<td>258</td>
<td>12,000</td>
</tr>
<tr>
<td>Portland State University</td>
<td>9,592</td>
<td>9,473</td>
<td>119</td>
<td>9,872</td>
</tr>
<tr>
<td>Southern Oregon University</td>
<td>3,843 **</td>
<td>3,673</td>
<td>170</td>
<td>3,910 **</td>
</tr>
<tr>
<td>University of Oregon</td>
<td>14,812</td>
<td>14,635</td>
<td>177</td>
<td>15,085</td>
</tr>
<tr>
<td>Western Oregon University</td>
<td>3,527</td>
<td>3,393</td>
<td>134</td>
<td>3,503</td>
</tr>
<tr>
<td>Total</td>
<td>47,307</td>
<td>46,292</td>
<td>1,015</td>
<td>47,708</td>
</tr>
</tbody>
</table>

*Note: Figures represent midpoint of the Enrollment Corridor.

**Note: The targeted three-term FTE and estimated actual three-term FTE numbers for SCU, EOU, and OIT do not include the portion of FTE on contract with OHSU for nursing classes for OSSHE students. Such FTE are reported at OHSU.

(No Board action required)

**ANNUAL REPORT ON INVESTMENTS**

**Staff Report to the Board**

The annual report of the Pooled Endowment Fund of the Oregon State System of Higher Education is presented in three parts: (1) a summary report on our investments with the Common Fund that describes the annual performance results of the various funds used by the System; (2) tables showing a summary of the investment performance of the System’s pooled endowment funds for the fiscal year ending June 30, 1997; and (3) a fourth-quarter investment consultant’s report from R.V. Kuhns and Associates, included with the supplemental materials. A more comprehensive performance report on the System’s entire investment portfolio (pooled endowment, donation, and plant fund investments) is included in the System’s Investment Report, which is included with the supplemental materials. (Copies of the supplemental materials are available from the Office of Finance and Administration.)
The June 30, 1997, market value of the System's pooled endowment fund investments and each investment's percentage of total are summarized as follows:

<table>
<thead>
<tr>
<th>Fund Title</th>
<th>Market Value 6-30-97</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Bond Fund</td>
<td>$12,709,642</td>
<td>25.8%</td>
</tr>
<tr>
<td>Equity Fund</td>
<td>30,685,618</td>
<td>62.4%</td>
</tr>
<tr>
<td>Real Estate Investment Trust</td>
<td>2,324,670</td>
<td>4.7%</td>
</tr>
<tr>
<td>Endowment Energy Partners</td>
<td>359,215</td>
<td>.7%</td>
</tr>
<tr>
<td>Endowment Partners Fund</td>
<td>308,211</td>
<td>.6%</td>
</tr>
<tr>
<td>Endowment Venture Partners</td>
<td>711,843</td>
<td>1.5%</td>
</tr>
<tr>
<td>TOTAL Common Fund Investments</td>
<td>47,099,199</td>
<td>95.7%</td>
</tr>
<tr>
<td>Cash on Hand or in Transit</td>
<td>2,108,284</td>
<td>4.3%</td>
</tr>
<tr>
<td>TOTAL Pooled Endowment Funds</td>
<td><strong>49,207,483</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

**COMMON FUND SUMMARY**

Bond Fund (6/30/97 market value $12.7 million; 25.8 percent of total):
The Bond Fund (Multi-Strategy Bond Fund) is a “Fund of Funds,” which means that it is a fund made up of allocations to other fixed income funds of the Common Fund. These funds include the High Quality Bond Fund, the Global Bond Fund, and the International Bond Fund.

The Multi-Strategy Bond Fund continued its strong performance with a return of 4.1 percent for the fourth quarter, up from -0.7 percent at the end of the third quarter. The rate of return for the year ending June 30, 1997, is 10.2 percent. The Multi-Strategy Bond Fund outperformed its benchmark, the Lehman Aggregate Bond Index, of 8.2 percent.

During the quarter, the increase in value of the Multi-Strategy Bond Fund was partially due to the performance of the High Quality Bond Fund. The Multi-Strategy Bond Fund has allocated 55 percent of its
value to the High Quality Bond Fund. Twenty-five percent of its value has been allocated to the Global Bond Fund, which reduced performance since foreign bond markets generally underperformed the U.S. bond markets.

**Equity Fund (6-30-97 market value $30.7 million: 62.4 percent of total):** The Equity Fund (Multi-Strategy Equity Fund) is also a “Fund of Funds” as described above. The funds included are the Core, Growth, Small Cap Growth, Small Cap Value, Equity-Income, Absolute Return, Hedge, and International Funds.

The Multi-Strategy Equity Fund returned 12.5 percent for the quarter, but trailed its benchmark’s return of 16.1 percent and the even stronger 17.4 percent return of the S&P 500 Index. For the fiscal year, the fund has a rate of return of 25.6 percent, compared with 28.6 percent for its benchmark and 34.7 percent for the S&P 500. The increase in the value of the fund for the quarter is due to participation in the Core, Growth, Equity-Income, Absolute Return, and Global Fund. For the same period, performance was reduced by the fund’s participation in the Hedge and International Funds.

**Endowment Realty Investors I (6/30/97 market value of $2.3 million: 4.7 percent of total):** Through year-end 1996, Endowment Realty Investors’ (ERI I) total return since inception stood at 6.2 percent, significantly ahead of the 2.7 percent total return for the benchmark, National Council of Real Estate Investment Fiduciaries (NCREIF) Index, over the same period.

The fund returned 10.4 percent for 1996, compared to the NCREIF benchmark return of 8.6 percent. Cash distributions from operations for the fund were at a 6.7 percent level in 1996, compared with 6.0 percent in 1995.

**Endowment Energy Partners Fund I (6/30/97 market value $359,215: 0.7 percent of total):** Endowment Energy Partners I (EEP I) has produced a net internal rate of return of 11.7 percent since its inception in 1989 through June 30, 1997. EEP I completed its five-year investment phase on December 31, 1994, and is now half way through its five-year liquidation phase.

**Endowment Partners Fund I (6/30/97 market value $308,211: 0.6 percent of total):** Endowment Partners Fund I (EPF I) has returned an
aggregated net internal rate of return of 10.8 percent since its inception in 1988. This return is lower than the benchmark of 12.4 percent as of March 31, 1997 (the benchmark for June 1997 has not yet been released).

Endowment Venture Partners I (6/30/97 $711,843; 1.5 percent of total): The net internal rate of return on capital received from EVP I participants since inception in 1990 through June 30, 1997, stood at 23.2 percent as compared to the benchmark of 18.3 percent.

OSSHE ANNUAL REPORT ON INVESTMENTS

The following table summarizes the investment performance results for the fiscal year ending June 30, 1997, for the OSSHE Pooled Endowment Fund.

Board Discussion

Note: The Investment Committee Recommendation for an Investment Manager Firm (see page 570) was also discussed during this report item.

Controller Mike Green introduced Ms. Becky Gratsinger from R.V. Kuhns and Associates, Inc., who reviewed the annual report on investments.

During the course of the presentation of the report, Dr. Aschkenasy asked if the Common Fund had experienced some internal problems and if so, the status of that at the present time. Ms. Gratsinger responded, "If you are referring to the large loss in late 1994, that was called securities lending. When it was discovered, it was quite a large loss and took many investors by surprise. As of this date, however, there is a new method of auditing and things have improved."

Chancellor Cox asked if because these are public funds, they would ever do as well as the S&P?

Ms. Gratsinger responded that managing managers is very much a part of the process. She indicated that they are obligated to watch the managers very closely.

(No Board action required)
OREGON STATE SYSTEM OF HIGHER EDUCATION  
POOLED ENDOWMENT FUNDS  
PERFORMANCE COMPARISON  
(Based on Total Return)  
Annual Performance

<table>
<thead>
<tr>
<th></th>
<th>92-93</th>
<th>93-94</th>
<th>94-95</th>
<th>95-96</th>
<th>96-97</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Endowments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OSSHE Total Endowment</td>
<td>15.1%</td>
<td>2.8%</td>
<td>15.8%</td>
<td>16.4%</td>
<td>18.9%</td>
</tr>
<tr>
<td>NACUBO, Pools $25M to $100M</td>
<td>12.8%</td>
<td>2.4%</td>
<td>15.8%</td>
<td>16.7%</td>
<td>----</td>
</tr>
<tr>
<td><strong>Equity (Stock) Investments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OSSHE Equity Fund</td>
<td>16.9%</td>
<td>3.4%</td>
<td>17.6%</td>
<td>23.5%</td>
<td>25.4%</td>
</tr>
<tr>
<td>S &amp; P 500 Stock Index</td>
<td>13.6%</td>
<td>1.4%</td>
<td>26.0%</td>
<td>26.1%</td>
<td>34.7%</td>
</tr>
<tr>
<td>Oregon Equity Fund</td>
<td>17.1%</td>
<td>1.6%</td>
<td>22.2%</td>
<td>26.0%</td>
<td>28.8%</td>
</tr>
<tr>
<td><strong>Fixed (Bond) Investments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OSSHE Bond Fund</td>
<td>15.2%</td>
<td>1.6%</td>
<td>13.7%</td>
<td>6.3%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Lehman Aggregate Bond Index</td>
<td>13.2%</td>
<td>-1.5%</td>
<td>12.5%</td>
<td>5.0%</td>
<td>8.2%</td>
</tr>
<tr>
<td><strong>Other Investments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real Estate Investment Trust</td>
<td>4.2%</td>
<td>-0.5%</td>
<td>8.5%</td>
<td>8.8%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Endowment Energy Partners</td>
<td>8.0%</td>
<td>23.0%</td>
<td>33.0%</td>
<td>1.5%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Endowment Partners Fund</td>
<td>0.0%</td>
<td>16.3%</td>
<td>9.2%</td>
<td>4.9%</td>
<td>11.3%</td>
</tr>
<tr>
<td>Endowment Venture Partners</td>
<td>0.0%</td>
<td>2.0%</td>
<td>40.4%</td>
<td>53.2%</td>
<td>12.6%</td>
</tr>
<tr>
<td><strong>OSSHE-Stocks/Bonds combined</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>16.2%</td>
<td>2.7%</td>
<td>16.1%</td>
<td>17.8%</td>
<td>20.9%</td>
</tr>
<tr>
<td><strong>Weighted Target Index</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>70% S &amp; P 500 Stock Index</td>
<td>13.4%</td>
<td>0.2%</td>
<td>20.6%</td>
<td>17.7%</td>
<td>26.8%</td>
</tr>
<tr>
<td>30% Lehman Aggregate Bond Index</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

OSSHE funds are in bold text; other funds are listed for benchmarking purposes.
Background

Recent legislation in Oregon (SB 487) increases educational requirements for Certified Public Accountants (CPAs) from 180 quarter hours to 225 quarter hours. This increase follows statutory changes in 38 other states and will make it much easier for Oregon CPAs to practice in other jurisdictions. It is anticipated that additional states will enact this higher standard in the near future. In effect, the increased education requirement constitutes a fifth year of preparation that may be done at the postbaccalaureate or master's level. During the past two legislative sessions, when a change of statute was under consideration, OSSHE faculty in business and accounting carefully considered how best to respond to the probable new requirement so that OSSHE students would not be at a disadvantage in their accounting careers. Three OSSHE institutions (OSU, PSU, and UO) are developing programs to respond to the legislation and enable students to be competitive in their goal of becoming CPAs.

The expertise of each institution's department is being carried forward into master's programs, thereby providing students with complementary choices. UO's plan is to see reinstatement of the Master of Accounting, which was phased out following Measure 5 reductions; therefore, it will not be included in the preproposal process. The curriculum will undergo some revision, responding to the new licensure requirements and to the tremendous advances in computer applications that have significantly altered the accounting profession. Staff will present the UO program reinstatement proposal following review by the Academic Council.

The other two preliminary proposals -- OSU's Master of Business Information Systems (MBIS) with an option in Financial Systems and Analysis; and PSU's M.S. in Financial Analysis (MSFA) -- have been favorably reviewed by the Academic Council. A summary of those new program preliminary programs follows.

OSU — Master of Business Information Systems (MBIS) with an option in Financial Systems and Analysis

This proposed program, to be implemented fall 2000, is targeted for students with undergraduate degrees in business and, specifically, those with options in accounting and finance. The program recognizes that, in addition to more accounting skills, accountants must have a better understanding of information systems and an ability to do more
complex analyses. This fifth-year graduate degree fulfills the education requirements to be a licensed CPA and meets the learning objectives outlined by the Oregon Society of CPAs.

OSU anticipates 35 to 50 students in the first year. In addition to attracting OSU students, the proposed program will be fully articulated with the B.A./B.S. in Business programs at other OSSHE institutions so that student access and degree completion time will be enhanced. The program is being developed in close cooperation with PSU and UO so that students in Oregon will have several choices for their fifth-year program.

Curricula will be designed with close assistance from the Management Information Systems (MIS) Advisory Council and the Accounting Advisory Council in OSU's College of Business; the members of both councils represent industries that hire such graduates. Their assistance will ensure that the program equips students for employment in industries at the forefront of technology. Twenty-eight hours of new graduate courses in systems and financial analysis will be required; the remaining courses will be offered as electives from the existing MBA program and other appropriate graduate courses. Two or three new faculty will be needed, as well as funds to upgrade and maintain computer equipment in the College of Business.

PSU — M.S. in Financial Analysis (MSFA)

As mentioned above, the proposed program (effective fall 1998) is being developed to respond to CPA requirements and industry needs as expressed in job skill profiles. The MSFA was designed to exceed the standards recommended for M.S. degrees by the American Association of Collegiate Schools of Business (AACSB). PSU's School of Business is accredited by AACSB.

Currently, 75 to 90 percent of PSU's accounting majors sit for the CPA exam annually. In order to satisfy the new CPA requirements, placebound students would have to pursue the MBA. The proposed fifth-year degree program is designed for students who do not want the depth of general management education provided by the MBA. However, the MSFA does require students to take a number of the courses in the MBA core. The program is designed so that students have the option of pursuing the degree on either a full-time or part-time basis.
The objectives for the MSFA were developed through faculty discussions and interviews with the Financial Executives Institute Board of Directors, CPA firms, and employers seeking financial analysts. Students will be educated in the concepts and practice of financial analysis and financial modeling to analyze business performance, and they will be able to use financial information to develop forecasts, projections, and business valuations in support of business decisions.

Employment opportunities for students with this degree include such positions as financial analyst, financial manager, and management analyst. Fifty-five students are anticipated the first year, with an estimated 200 student headcount in year four. Two new faculty will be required, as well as funding for equipment, support staff, and graduate assistantships.

**Board Discussion**

Vice Chancellor Clark reminded the Board that at three different times there was a bill proposed in the legislature to increase educational requirements for eligibility to take CPA exams. The new requirement amounts to an additional year of higher education to meet the CPA requirements. Continuing, she indicated that, “the response of our institutions to propose appropriate master’s level programs are responsive to new legislation.”

Mr. Lussier asked the source of the impetus to change the requirements. Dr. Clark indicated that the origins were both nationally and professionally. Accounting is a broadened field and traditional education for accountants was too narrow and quantitative. Continuing, Mr. Lussier observed that when someone raises the bar they also raise the cost of an education.

(No Board action required)

**LEGISLATIVE REPORT**

Director of Government Relations Grattan Kerans introduced Ms. Lisa Zavala, the new associate director of Public Affairs in the Salem Office. “Ms. Zavala was a committee administrator under Governor Kitzhaber and Chief of Staff to an Assemblyman in New Jersey. She will be working to serve the interests of the Board.”

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Mr. Kerans reminded the Board that Andy Clark, who used to be in the Salem office, had been transferred to Washington, D.C., to open an office in conjunction with the Governor's Office. He distributed the mission of the office.

Mr. Kerans pointed out a development that is underway. "The Senate President has appointed an Interim Budget Review Committee whose purpose is to create a smaller government. An ultimate outcome could be a line item budget. I think the State System is well ahead of the curve because of your work on performance indicators. The faster we work at that, the better off we will be."

COMMITTEE REPORTS

Board Governance and Structure
Jim Willis indicated that the Committee had met the previous afternoon for an organizational session. A schedule of meetings had been established.

Budget and Finance
Mr. Imeson indicated that the Committee would meet immediately following the Board meeting.

EOU Presidential Search
Ms. McAllister pointed out that a revised position description was in the Board member's folders. "The Search Committee enhanced the good work of the Board. We have made several changes and additions." No one on the Board objected to the changes.

ITEMS FROM BOARD MEMBERS

Mr. Aschkenasy noted that Larry Wolf was attending his last meeting of the Board as President of OIT. He extended best wishes on behalf of the Board.

Ms. Puentes reported that she had the pleasure of taking part in a workshop sponsored by the Oregon Student Association and the Oregon Student Foundation. "It was held in Portland and was attended by more than 600 students from all over the state and nation. I was very impressed with the quality of the workshops they conducted, and I would like to commend them."

Ms. McAllister thanked President Frohnmayer and the UO for the visit. "I took time yesterday to go on an informal tour. That, along with this morning's events, related to the importance of teacher education. It..."
appears that there will be many elementary and secondary school teacher retirements in the next few years. My hope is that our institutions are preparing for that."

Mr. Lussier indicated that there is a lot of work on-going by approximately 100 citizens in Central Oregon. He encouraged all Board members to get copies of the documents from that work when they are available. "I really feel honored to be on the Board and part of this group. I look forward to working with all of you."

Dr. Aschkenasy noted that St. Charles Medical Center, of which Mr. Lussier is president/CEO, had won the Oregon Quality Award.

Other Board members joined in thanking President Frohnmayer and staff for the visit.

ADJOURNMENT The meeting adjourned at 2:15 p.m.

Virginia L. Thompson
Secretary of the Board

Herbert Aschkenasy
President of the Board