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

January 16, 1998

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Academic Affairs
Progress in Streamlining Program Development & Review;
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COMMITTEE REPORT

Board Governance and Structure

ITEMS FROM BOARD MEMBERS

WORK SESSION

ADJOURNMENT
OREGON STATE BOARD OF HIGHER EDUCATION
MINUTES OF REGULAR MEETING
CAPITAL CENTER — ROOM 1026
BEAVERTON, OREGON

ROLL CALL

The meeting of the State Board of Higher Education was called to order at 1:00 p.m. by President Aschkenasy.

On roll call, the following answered present:

Ms. Diane Christopher  Ms. Katie Van Patten
Mr. Jim Lussier  Dr. Jim Whittaker
Ms. Gail McAllister  Mr. Jim Willis
Ms. Phyllis Wustenberg  Dr. Herb Aschkenasy

Absent: Mr. Tom Imeson, Ms. Esther Puentes (family emergency), John Wykoff (PSU business).

MINUTES APPROVED

The Board dispensed with the reading of the minutes of the December 19, 1997, meeting of the Board. Ms. Wustenberg moved and Mr. Willis seconded the motion to approve the minutes as submitted. The following voted in favor: Directors Christopher, Lussier, McAllister, Van Patten, Whittaker, Willis, Wustenberg, and Aschkenasy. Those voting no: none.

PRESIDENT’S REPORT
CAPITAL Center Thanks

Dr. Aschkenasy thanked the staff at the CAPITAL Center for their hospitality.

UO Bowl Victory

He went on to congratulate President Frohnmayer on the recent victory by the UO football team at the Las Vegas Bowl.

New York Times article

Dr. Aschkenasy then referred to an article he recently forwarded to Board members pertaining to the state of higher education in Massachusetts. He suggested that it was “very interesting, partly for what it said, and partly for where it was being said.” Continuing, he noted that “if the people of Massachusetts are talking like this, there are things going on around the country. It may make us feel more of a national movement, as yet unspecified direction.”

CHANCELLOR’S REPORT
New Name/Logo

Chancellor Cox shared something that he and the Board had been working on for some time—how OSSHE represents the enterprise it’s about and its name.
"This is a new year and 1998 offers challenges and opportunities for us beyond anything we've ever seen. The Board and I have felt for some time that the way we represent ourselves to the public, even what we call ourselves, may not be the best way of presenting what we are and what we aspire to be in Oregon. I have felt for some time that the name, Oregon State System of Higher Education, is dated. I am fully aware that for statutory purposes we will always be the Oregon Department of Higher Education. What we call ourselves operationally and the way we symbolize that in a logo is within Board purview.

"The present logo that has been with us for many years is formal, static, rather ponderous, and it doesn't speak to the kind of System we aspire to be. We worked with a Eugene firm (Funk & Associates) to help us talk to people on campuses and convene focus groups, asking them to help us describe the characteristics we want to present — both in the way we style ourselves in a company name and the logo we use to describe that. The same themes kept coming back. It needs to be progressive, open, flexible and adaptable for the future, and forward looking. It speaks in an important way to representing all of Oregon. It also speaks to the values and truths at the heart of the academic enterprise. With that in mind, I'd like to share with you both a name and logo that I propose.

"The notion is to suggest that we are simply Oregon's University System. It's clean, it's in blue. In the logo itself, people see different things. The center represents to me a core of values, which describe this enterprise. The 'O' that is unconnected — I believe that it will suggest to those we attempt to serve that this is a new university system very much committed to a changed Oregon. Just as Oregon has changed, so should we. I would welcome an opportunity for a resolution to move this forward."

Chancellor Cox then introduced the new IFS President, Kemble Yates, associate professor of mathematics at SOU.

IFS Report  Following are Dr. Yates' comments:

"I have served on the IFS for two years, and was elected president for the coming year. Paul Simonds served IFS and
you very well last year. I believe that Paul gave you an
invaluable perspective of a faculty member who has served the
state of Oregon for more than 30 years. I hope to give you a
valuable perspective as well, being an established member in
the Oregon State System of Higher Education who is in the
midst of his career. I must tell you that the single most
important reason that I enjoy my job and have stayed at
Southern is the quality of people who are my faculty
colleagues and the professionalism, dedication, and nurturing
that my colleagues have shown me and their students over the
past 11 years. I have worked on Southern’s Faculty Senate,
the SOU Faculty Union, and now IFS. I pledge to you and to
my Southern colleagues to do my best.

"In preparing my remarks to you today, I read several of my
predecessor’s reports. I discovered an important rule for IFS
Presidents: we must mention faculty salaries! In fact, I realize
that we don’t need to convince you that this is an acute
problem. That all OSSHE institutions have salaries ranking in
the lower 20 percent of comparable universities is well known
to each of you, and we salute your efforts to obtain increases
in the previous Legislative Session. We in IFS are eager to
help the Board, the Chancellor’s Office, and the Governor
press the case to the Legislature for raising OSSHE faculty
salaries up to the “average” category in the next two biennia.
We hope to begin a coordinated effort toward achieving this
goal in the coming months. We have invited Gratian Kerans to
join us at our February meeting at WOU, along with other
interested groups.

"I was in the audience last December when Governor
Kitzhaber shared his response with you to the report of the
Task Force on Higher Education and the Economy. I hope to
transmit to you at your February meeting a more detailed
sense of how the IFS feels about potential outcomes of the
Governor’s recommendations. But for now let me simply say
that the faculty care very deeply about how the System is
governed and budgeted. We want to provide input to you and
your Committees as you do the difficult and important work of
crafting new policies and systems to meet the Governor’s
charges. Molding Oregon’s public higher educational system
to be more responsive and flexible for students is a worthy
challenge for all of us."
Staff Report to the Board

Oregon State University sought Board approval to repair, renovate, and remodel the Coleman Field Baseball Facility, to provide a completely renovated baseball park and new storage facilities for the men's baseball program. The project will include the replacement of the existing uncomfortable and outdated bleacher seating (current capacity of 3,000) with 590 theater seats, 860 new bleacher seats, and 11 handicapped viewing seats for a total new capacity of 1,461. A portion of the seating will be covered by a roof.

In addition, a new press box will be built to replace the existing inadequate one. Team dugouts will be relocated and new public restrooms, a concession stand, and storage facilities will be provided. Code and handicapped access requirements will also be met. As part of the renovation effort, a brick exterior face of the ballpark will be added to better link the facility with existing buildings in the vicinity.

OSU's Athletic Department has considered this project a high priority for several years. The department will be able to use the enhanced baseball facility as an element in its recruitment drive. The campus intends to generate funds for baseball scholarships and facilities maintenance through advanced, guaranteed ticket sales for the new theater seats.

Maintenance and upkeep of the facility will be paid from gifts and other fund raising activities of the OSU Athletic Department. The project will not result in the need for additional parking since there will be a reduction in seating overall.

University plans call for construction to begin in June 1998, upon completion of the PAC-10 baseball season, pending Board and Emergency Board approval and the completion of successful fund raising.

The campus is seeking an Other Funds expenditure limitation of $2.2 million for this project. The project will be funded from a large private donation (which also provided funds for University scholarships) as well as other private donations and gifts-in-kind.
Staff Recommendation to the Board

Staff requested that the Board approve the Coleman Field Baseball Facility Project to allow the Board’s Office to seek authorization from the Emergency Board for an Other Funds expenditure limitation of $2.2 million for the project. Staff also recommended that the Board authorize the Vice Chancellor for Finance and Administration to approve proceeding with bid solicitation to renovate the facilities when the University demonstrates that adequate gift funding has been secured to fund the project as designed and is available for expenditure.

Board Discussion and Action

President Aschkenasy brought up a recent discussion about gifts to universities, and the maintenance costs that possibly should be connected to them. Vice Chancellor Anslow responded that he was aware of such an issue being discussed with prospective donors. He noted that in this case, Coleman Field is an existing facility, which is being upgraded with gifts. There is already maintenance required for it in its current form. It was determined that the original conversation was centered around planning for the future when building a new facility, translating into an increased obligation versus a replacement obligation.

Ms. Wustenberg asked if this facility would be used for anything besides baseball. OSU President Risser responded that it is primarily used for baseball, but other campus events might occasionally be held there.

Dr. Whittaker noted that the new proposal cuts seating by nearly 50 percent, and asked if that was considered a problem. Mr. Anslow said that the seating will be upgraded and made wider as a part of the design to fit into the present location.

President Risser commented that donors have come forth because they feel that OSU baseball is a good program and needs this support. He then verified, at the request of Ms. Van Patten, that there will not be an increase in general fund expenditures as a result of this effort.
Dr. Whittaker moved and Mr. Lussier seconded the motion to approve the staff recommendation. The following voted in favor: Directors Christopher, Lussier, McAllister, Van Patten, Whittaker, Willis, Wustenberg, and Aschkenasy. Those voting no: none.

Staff Report to the Board

Each year at this time the Board approves summer session fees. The proposed fee rates and policies are set forth in the accompanying Fee Book schedule. A public hearing on the proposed fees was held on December 18, 1997; no one attended this hearing, nor was any written testimony submitted.

Under existing policy (initiated in 1982) summer session instructional costs are to be funded entirely with fee revenues generated during the summer term. As a result, institutions are required to propose fee rates and estimate summer session enrollments so that sufficient revenue will be generated to cover direct costs (faculty salaries, instructional support staff, classroom supplies, and expenses, etc). Therefore, the individual institutional fee recommendations reflect differences in program costs and estimated attendance.

This practice differs from the academic year (fall, winter, spring terms) whereby resident undergraduate instruction fee rates were frozen at 1996-97 levels. The proposed fee rates are currently reviewed to test for reasonableness (inflationary cost increases, changes in minimum wage). In those cases where the fee revenue provides student services and student life activities, the staff reviews the proposed fee to ensure that it was endorsed by student government or through student referendum.

The staff believes that each proposed fee meets this test and warrants the favorable action of the Board.

Tuition represents the mandatory enrollment charges assessed all students in the summer session program of Oregon State System of Higher Education (OSSHE) institutions. Tuition is comprised of the following separate fees: Instruction, Resource, Building, Incidental, and Health Service. The revenue generated by each tuition element is dedicated to a specific purpose, independent of the other components.
Instruction Fees: Instruction fees support the direct instruction and administrative costs of each institution's summer session program. The recommendations are summarized on Schedule 1. To determine the recommended instruction fee rates, institutions must balance the fiscal requirements of their summer session operating costs with market considerations such as tuition rates of competing education providers. Although there was considerable notice about the legislature's action to freeze the instruction fee for academic year resident undergraduate students, that tuition relief was made possible by offsetting state General Fund support. The direct cost support policy of the summer session program requires that it be "self-supporting." Regardless, most institutions are recommending small or no increases in this year's summer instruction fees.

Building Fee: The building fee is the same for all institutions. The rate for 1998 is increasing by 31 percent, to $19 per student. This increase is related directly to the comparable increase for the 1997-98 academic year rate. The summer session building fee was at $14.50 since 1991-92.

This fee generates monies to finance the debt retirement for construction associated with student centers, health centers, and recreational facilities constructed through the issuance of Article XI-F(1) bonds. The rate assessed during the academic year is set by the Legislature through ORS 351.170. In July 1996, the Board was presented with a proposal to increase this fee as part of the submission of the 1997-1999 Capital Construction Budget Request. Subsequently, the 1997 Legislature approved the Board's request to authorize an increase in the academic year student building fee to $25.00. Historically, the building fee during summer session has been approximately 80 percent of the academic year rate.

Resource Fee: Resource fee changes recommended by the institutions are described below and shown on Schedule 2. Resource fees provide funds for specific programs to assist with resource materials, equipment, and specialized services. The fees are assessed only to targeted student populations admitted to, or generally understood to be enrolled in, specific programs. Students enrolled under the part-time student fee policy are subject to the resource fees appropriate to specific courses taken. The technology resource fee is assessed to all students. Resource fees may be proposed by institutions for approval by the Board. Summer session operations are exempt from the academic year policy restricting the
estimated income of all such fees to be no more than five percent of Education and General budgeted resources, exclusive of institution-specific income.

**Incidental Fee:** Incidental fee changes are described below for each institution and summarized on Schedule 3. Incidental fee recommendations are generally made by student committees in accordance with a Board-approved incidental fee policy (OAR 580-010-0090) on each campus. In some instances the student committee recommendations are supported by general campus student referenda. The funds generated by this fee are to be used for "student union activities, educational, cultural, and student government activities, and athletic activities." The president of each institution reviews the student committee recommendations. Once satisfied with each proposal, presidents submit recommendations to the Chancellor, who, after review, submits proposals to the Board. There are fewer incidental fee supported activities during the summer term, resulting in significantly lower rates than those assessed during the academic year.

**Health Service Fee:** Institution recommendations for health service fees are described for each institution below and summarized in Schedule 4. This fee is used to support each institution's student health service, which are operated as auxiliary services. Generally, rate increases reflect the institutions' efforts to maintain the self-support nature of these services. Optional health insurance policies are also made available by some institutions. During summer sessions, student health services operations are generally at reduced levels or not provided at all. The recommended rates reflect these levels of service.

**Total Tuition:** The total tuition rates for each institution compared to the 1997 summer session are summarized on Schedule 5. This is the sum of instruction, technology resource, building, incidental, and health services fees.

**Institutional Recommendations**

The following are explanations for each institution-generated fee recommendation. Each of these proposals has been reviewed by the Chancellor's Office staff. In some cases institution proposals were returned to the institution for further review and justification. Each of these fee proposals has met the criteria outlined at the beginning of this narrative.
Eastern Oregon University

Total summer session tuition at EOU is increasing 3.0 percent for undergraduate students and 3.2 percent for graduate students over the 1997 summer rates. In addition to the building fee increase, EOU is increasing instruction fees.

The per credit instruction fees are being increased by 5.8 percent and 5.7 percent respectively for undergraduates and graduates. The instruction fee rates had not been increased in two years. However, the financial impact on individual students will be lessened because EOU is eliminating the past practice of a higher charge for a student's first credit hour. This reduces the charges for the first credit by $20.50 for undergraduate and $18.50 for graduate students. The result is that students taking fewer than seven credit hours will have the same or a lower total instruction fee cost than in 1997.

EOU recommended that the technology resource and incidental fees remain at 1997 rates. Health services are not provided during summer session, and therefore no fee is assessed.

Oregon Institute of Technology

Total tuition at OIT is increasing 3.5 percent for undergraduate students over the 1997 summer rates. Graduate courses are not offered during summer session. In addition to the building fee increase, OIT is recommending a minor increase in its incidental fee and is installing a technology fee.

OIT initiated a technology resource fee in the 1997-98 academic year. It is recommending this fee be extended to summer session at $2 per credit hour up to $24 per summer term. All other institutions charge this fee in the summer session.

The incidental fee is being adjusted from $30.50 to $31. This is simply to allow the total tuition to be summed in whole dollars as a result of the change in the building fee from $14.50 to $19.

OIT recommended its instruction fee remain at 1997 rates. Health services are not provided during summer session, and therefore no fee is assessed.
Oregon State University

Total tuition at OSU is increasing 1.6 percent for undergraduate students and 1.3 percent for graduate students over the 1997 summer rates. In addition to the building fee increase, OSU is recommending increases in its instruction, technology resource, incidental, and health service fees.

The instruction fee for the first credit hour is being increased by two dollars. This element of the fee has not been charged for three years. The per credit hour increment beyond the first credit hour remains unchanged at $71 per credit hour for undergraduates and $120 per credit hour for graduate students.

The resource fee is being increased by one dollar. The fee is $16 for the first four credit hours and $31 above four credit hours. This is a 6.7 percent increase through the first four credit hours and a 3.3 percent increment for more than four credit hours. This proposal is an extension of the fee increase approved for the 1997-98 academic year.

The incidental fee is being increased by $3.50, or 8.5 percent, for the first credit hour. The per credit hour increment for each additional hour is remaining the same as in 1997 at $5 per credit hour. This fee is graduated to a maximum of $79.50 above seven credit hours, which is 4.6 percent over the maximum rate for 1997. The summer session proposal is related to the incidental fee increase approved for the 1997-98 academic year, principally to fund program service improvements.

The health service fee is being increased by 10.2 percent, from $59 to $65, consistent with the $6 increase approved for the 1997-98 academic year. It will be used to sustain health services operations at present levels in response to rising operating costs and lower enrollment levels.

Portland State University

Total tuition at PSU is increasing .7 percent for undergraduate and .6 percent for graduate students over the 1997 summer rates. In addition to the building fee increase, PSU is recommending a minor increase in its instruction fees and an increase in its health services fees.
The instruction fee is being increased by 50 cents to allow the total tuition to be summed in whole dollars as a result of the change in the building fee from $14.50 to $19.

The health services fee is being increased by 8.7 percent, from $23 to $25, to advance PSU's goal of lessening the subsidy of the summer term's health center expenses by students attending in the regular academic year.

PSU recommended that its technology resource and incidental fees remain at the 1997 rates.

**Southern Oregon University**

Total tuition at SOU is increasing 1.2 percent for undergraduate students and .9 percent for graduate students over the 1997 summer rates. In addition to the building fee increase, SOU is recommending increases in its incidental and health services fees.

The SOU incidental fee is being increased 8.5 percent, from $29.50 to $32. This is directly related to the approved increase in the 1997-98 academic year and the desire to keep a consistent pattern of charges between summer session and academic year fee rates. The academic year increase was the result of program service increases and the new minimum wage law.

The health services fee is being increased 8.1 percent, from $37 to $40. This also is directly related to the approved increase in the 1997-98 academic year and the desire to keep a consistent ratio between summer session and the academic year rates. The academic year increase was the result of labor increases and a funding shift for counseling services.

SOU recommended its instruction and technology resource fees remain at the 1997 rates.

**University of Oregon**

Total tuition at UO is increasing .5 percent and .4 percent for resident undergraduate and graduate students respectively; 4.8 percent and 3.5 percent for nonresident undergraduate and graduate students respectively; and .2 percent and .7 percent for resident and nonresident law students respectively, over the 1997 summer rates.
In addition to the building fee increase, UO is recommending a minor increase in its instruction fee and an increase in its nonresident resource fee and its incidental fee. The UO is also proposing minor decreases in the law resource fees.

The instruction fee is being increased by 50 cents to allow the total tuition to be summed in whole dollars.

The nonresident resource fee is increasing 20 percent, from $25 to $30. This fee has not been increased since it was first assessed in 1994.

UO recommended that its technology resources, incidental, and health services fees remain at the 1997 rates.

The general resource fees for the law program are being reduced by 50 cents for the first credit hour to allow the total tuition to be summed in whole dollars. The per credit rate for each additional hour is increasing by $2, or 7.1 percent, from $28 to $30 per credit hour.

**Western Oregon University**

Total tuition at WOU is increasing 4.6 percent for undergraduate students and 2.3 percent for graduate students over the 1997 summer rates. In addition to the building fee increase, WOU is recommending increases in its instruction, incidental, and health services fees.

The instruction fee is being increased for the first credit hour by 4.5 percent for undergraduate and 2.5 percent for graduate students. Incremental rates for credit hours above the first are increasing by 4.4 percent for undergraduate and 1.8 percent for graduate students. In recent years the mix of summer session students has shifted to an increasing share of undergraduate students. The greater increase in undergraduate instruction fee is to support this increased demand.

The WOU incidental fee is being increased 2.7 percent, from $37 to $38. This is directly related to the approved 1997-98 academic year increase due primarily to program service expansions.
The health services fee is being increased 3.7 percent from $27 to $28 to support an increase in service level initiated in the 1997-98 academic year.

WOU recommended its technology resource fee remain at the 1997 rates.

### Schedule I
Instruction Fees - Summer Session 1998

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*OIT offers no graduate courses summer term*
## Schedule 2

### Resource Fees - Summer Session 1998

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*Maximum amount assessed: EOU - $50; OIT-$24; OSU - $30 @1997, $31 @ 1998; SOU - $24.
OSU rate $15 1-4 credit hours, $31 above 4 credit hours.

## Schedule 3

### Incidental Fees - Summer Session 1998

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<th></th>
<th>1998</th>
<th></th>
<th>Percent Diff</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>First</td>
<td>Each</td>
<td>Hour</td>
<td>Add'l</td>
<td>First</td>
</tr>
<tr>
<td>EOU</td>
<td>30.00</td>
<td>0.00</td>
<td>30.00</td>
<td>0.00</td>
<td>0.00%</td>
</tr>
<tr>
<td>OIT</td>
<td>30.50</td>
<td>0.00</td>
<td>31.00</td>
<td>0.00</td>
<td>1.64%</td>
</tr>
<tr>
<td>OSU</td>
<td>41.00</td>
<td>5.00</td>
<td>x</td>
<td>44.50</td>
<td>5.00</td>
</tr>
<tr>
<td>PSU</td>
<td>50.00</td>
<td>0.00</td>
<td>50.00</td>
<td>0.00</td>
<td>0.00%</td>
</tr>
<tr>
<td>SOU</td>
<td>29.50</td>
<td>0.00</td>
<td>32.00</td>
<td>0.00</td>
<td>8.47%</td>
</tr>
<tr>
<td>UO</td>
<td>27.00</td>
<td>0.00</td>
<td>27.00</td>
<td>0.00</td>
<td>0.00%</td>
</tr>
<tr>
<td>WOU</td>
<td>37.00</td>
<td>0.00</td>
<td>38.00</td>
<td>0.00</td>
<td>2.70%</td>
</tr>
</tbody>
</table>

*Maximum amount assessed: EOU - $76.00; OSU - $79.50
Schedule 4
Health Service Fees - Summer Session 1998

<table>
<thead>
<tr>
<th></th>
<th>1997</th>
<th>1998</th>
<th>Percent Diff</th>
</tr>
</thead>
<tbody>
<tr>
<td>EOU</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>OIT</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>OSU</td>
<td>59.00</td>
<td>65.00</td>
<td>10.17%</td>
</tr>
<tr>
<td>PSU</td>
<td>23.00</td>
<td>25.00</td>
<td>8.70%</td>
</tr>
<tr>
<td>SOU (9 hrs or more)</td>
<td>37.00</td>
<td>40.00</td>
<td>8.11%</td>
</tr>
<tr>
<td>UO</td>
<td>55.00</td>
<td>55.00</td>
<td>0.00%</td>
</tr>
<tr>
<td>WOU (6 hrs or more)</td>
<td>27.00</td>
<td>28.00</td>
<td>3.70%</td>
</tr>
</tbody>
</table>

Total Compared to Summer Session 1997

The following schedule compares rates for summer session 1997 to summer session 1998.

Schedule 5
Total Tuition - Summer Session 1998

<table>
<thead>
<tr>
<th>Total Tuition</th>
<th>12 Credit Hours - Undergraduate</th>
<th>9 Credit Hours - Graduate</th>
</tr>
</thead>
<tbody>
<tr>
<td>EOU</td>
<td>947.00</td>
<td>975.00</td>
</tr>
<tr>
<td>OIT</td>
<td>838.00</td>
<td>867.00</td>
</tr>
<tr>
<td>OSU</td>
<td>1,062.00</td>
<td>1,079.00</td>
</tr>
<tr>
<td>PSU</td>
<td>1,004.00</td>
<td>1,011.00</td>
</tr>
<tr>
<td>SOU</td>
<td>856.00</td>
<td>866.00</td>
</tr>
<tr>
<td>UO Res.</td>
<td>1,052.00</td>
<td>1,057.00</td>
</tr>
<tr>
<td>UO Nonres.</td>
<td>1,352.00</td>
<td>1,417.00</td>
</tr>
<tr>
<td>WOU</td>
<td>961.00</td>
<td>1,005.00</td>
</tr>
<tr>
<td>UO Law Res</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>UO Law NR*</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Total Tuition Compared to Preceding Academic Year

Rate structures for summer session have developed as institutions adapted to direct cost support following the 1982 elimination of General Fund support of summer session. The effect of direct cost support on fees and assessments can be measured to some extent.
by comparison with academic year charges. The summer session rates proposed for 1998 and 1997-98 academic year resident rates, except for the University of Oregon as noted, are compared on the following schedule.

Schedule 6

Academic Year Term to Summer Session

<table>
<thead>
<tr>
<th>Total Tuition</th>
<th>12 Credit Hours - Undergraduate</th>
<th>9 Credit Hours - Graduate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Summer 1998</td>
<td>Acad.Term 1997-98</td>
</tr>
<tr>
<td>EOU</td>
<td>975.00</td>
<td>1,077.00</td>
</tr>
<tr>
<td>OIT</td>
<td>887.00</td>
<td>1,103.00</td>
</tr>
<tr>
<td>OSU</td>
<td>1,079.00</td>
<td>1,170.00</td>
</tr>
<tr>
<td>PSU</td>
<td>1,011.00</td>
<td>1,119.00</td>
</tr>
<tr>
<td>SOU</td>
<td>866.00</td>
<td>1,068.00</td>
</tr>
<tr>
<td>UO Res.</td>
<td>1,057.00</td>
<td>1,216.00</td>
</tr>
<tr>
<td>UO Nonr.</td>
<td>1,417.00</td>
<td>4,033.00</td>
</tr>
<tr>
<td>WOU</td>
<td>1,005.00</td>
<td>1,051.00</td>
</tr>
<tr>
<td>UO Law Res*</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>UO Law NR*</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

* The Law School amounts are stated in per term rates, although the academic year is on the semester basis.

Tuition rates are not fully comparable. The academic year rates apply to a range of credit hours designated for full-time students classified as residents (12-18 credit hours for undergraduates and 9-16 credit hours for graduates). Summer session rates displayed are for 12 undergraduate credit hours and 9 graduate credit hours. Additional summer credit hours require incremental charges. Also, incidental and health service levels differ from academic year to summer.

Room and Board Rates

Summer session room and board accommodations on each campus vary according to the need and demand. They may include rates by day, week, multi-week, or term. A combined room and board rate is usually offered, as well as rates for room only, board only, and conference activities. Rates are generally comparable to those for individual terms of the academic year.
The rates shown in the tables in the fee book are for all campuses except PSU, where College Housing Northwest, Inc., operates the residence halls and establishes the rates as specified in a service contract. The rates require preliminary review and approval by PSU officials before becoming effective.

Proposed rate increases from summer session of 1997 to 1998, summarized in Schedule 7, generally vary from .9 percent to 6.8 percent for a basic housing package. These and the other institutions' rate increases are consistent with increases for the preceding academic year. They are based on anticipated cost increases for labor, utilities, services, food, and debt service pool as well as some facilities improvement and expansion of services available to residents.

Comparison of Basic Residence Hall Rates - Summer 1997 to 1998

The following are comparative samples of room and board rates for a basic dorm room with double occupancy. Each institution offers a variety of room and meal options at rates above and below these listed. Refer to the Fee Book for a more definitive schedule of rates.

### Schedule 7

**Selected Housing Rates - Summer Session 1998**

<table>
<thead>
<tr>
<th>Institutional Contract Type</th>
<th>1997</th>
<th>1998</th>
<th>% Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>EOU Per Night - Multiple (Room Only)</td>
<td>10.50</td>
<td>11.00</td>
<td>4.76%</td>
</tr>
<tr>
<td>OIT Eight Week - Double (Room Only)</td>
<td>440.00</td>
<td>446.00</td>
<td>1.36%</td>
</tr>
<tr>
<td>OSU Eight Week - Double</td>
<td>1,026.40</td>
<td>1,096.00</td>
<td>6.78%</td>
</tr>
<tr>
<td>SOU Eight Week - Multiple</td>
<td>969.00</td>
<td>1,012.00</td>
<td>4.44%</td>
</tr>
<tr>
<td>UO Eight Week - Multiple</td>
<td>913.00</td>
<td>969.00</td>
<td>6.13%</td>
</tr>
<tr>
<td>WOU Six Week - Per Person</td>
<td>773.31</td>
<td>788.78</td>
<td>2.00%</td>
</tr>
</tbody>
</table>

Public Hearing

A hearing was conducted on December 18, 1997, at 10:00 am in Room 121 of Susan Campbell Hall on the University of Oregon campus concerning the 1998 Summer Session Fee Book. There was no testimony presented at the hearing, nor was any written testimony submitted.
Staff Recommendation to the Board

Staff recommended that the Board amend OAR 580-040-0035 as follows:

(NOTE: Underline denotes addition; brackets denote deletion.)

Summer Session Fee Book
580-040-0035 The document entitled "Summer Session Fee Book" dated [January 17, 1997] January 16, 1998, is hereby adopted by reference as a permanent rule. All prior adoptions of summer session fee documents are hereby repealed, except as to rights and obligations previously acquired or incurred thereunder.

Through the amendment, the residence hall and food service charges and the tuition and fee rates and policies applicable during the 1998 summer session will be adopted.

Board Discussion and Action

Mr. Anslow said that in his opinion the institutions had done a good job of maintaining instruction fees. He pointed out a strategy at EOU that would reduce the fees for undergraduates by 21-22 percent, and 14 percent at the graduate level. However, in order to generate the same level of revenue, officials had to increase the overall rate by 5.8 percent. The expectation is that if a student takes seven credits or less, they are charged essentially the same as in 1997 summer session.

Mr. Anslow explained to the Board that since 1983, summer sessions have operated on the concept of self-support, which translates into the direct program expenses to be covered with fee revenue. "The construction fee targets have to be large enough, and predicted attendance is such that the fee income will cover those direct costs," he maintained. "The challenge here is that the provosts and student affairs officers have to figure out what their programs are, make sure there is adequate enrollment around them, and that the numbers of students who attend special programs will cover the direct cost increases. We do not count those in our regular announcements of our enrollment counting," he said.
Chancellor Cox added that in some cases, "we understate our service." Mr. Anslow concurred and added, "We do in some cases by not counting this enrollment and by not counting what is usually called continuing education or extended education in terms of the actual amount of enrollment that we serve."

Ms. Wustenberg asked what happens if institutions overproject the enrollment. Mr. Anslow responded that the summer session programs are allowed to maintain a fund balance and carry that forward into the next year. "That is very helpful to them in terms of planning and taking some risks," he said.

Dr. Aschkenasy asked that the Board receive a total enrollment picture from the past three or four years by the February meeting.

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

Staff Report to the Board

OSSHE's current vacation policy is somewhat unusual in that 176 hours are awarded at one time, each year, unlike vacation policies in other settings, whereby individuals accrue time on a monthly basis. Most employers require that an employee be at work for at least six months before vacation time can be used, and most employers set a maximum vacation leave balance. We find these patterns to be prevalent with those institutions using the automated Human Resources Information System (HRIS) that OSSHE has acquired.

This new approach should expand vacation planning options for employees and supervisors and should reduce the likelihood that employees will be forced to take time off at inappropriate times, rather than losing the accumulated benefits. It will also allow for a smoother and less costly transition to an automated vacation accrual system, while providing supervisors with a better means of vacation planning.

Staff Recommendation to the Board

After review by the Administrative and Academic Councils, staff recommended that the Board amend OAR 580-021-0030, Vacation
Leave, to allow monthly accruals, with a six-month waiting period for new employees, as follows:

(NOTE: Underline denotes addition; brackets and highlighted text denote deletion.)

**Vacations**

580-021-0030 (1) Eligibility. Vacation means absence from work permitting rest and recreation for a specified period of time during which regular compensation continues. [Academic] Unclassified [staff] employees gain vacation privileges only if employed at .50 FTE or more on a 12-month appointment.

(2) Computation. Eligible [academic] unclassified employees [receive] accrue vacation [allowance] on [their vacation anniversary, which is the date on which they first completed 11 months of continuous service] a monthly basis, beginning the first of the month following date of hire [with the Department] or on the first of the month if an employee is hired the first working day of the month. Vacation accrues on the last day of the month and is available for use the first day of the next month subject to the restrictions in Section (3) of this rule. [However, academic staff may take a prorated amount of vacation after the first six months.] A 9-month employee appointed to a 12-month contract [may count service on the most recent 9-month contract toward completion of the 11-month vacation anniversary requirement] may receive credit for the previous 9-month contract on a pro-rata basis. Eligible employees [on a 1.0 FTE,] with a 12-month, 1.0 FTE contract [receive 176 hours of vacation [allowance on their vacation anniversary] per month; eligible employees on [less than 1.0 FTE, but] a .50 FTE or more 12-month contract [receive an allowance proportional] accrue vacation in proportion to their FTE. An employee who terminates OSSH employment before completing [11 months of continuous service] the 6-month wait period receives no vacation [allowance], and is not entitled to compensation for [such allowance] vacation accrued.

(3) **Wait Period and Maximum Balance [Accrual and Carry over].** Vacation [allowance] accrual is available to the [academic] unclassified employee [to] for use [in the subsequent 12 month period beginning with the employee’s vacation anniversary] six months after vacation accrual begins. [The vacation allowance expires at the end of the 12 month period except as follows: the institutional president or designee may approve the carry over of up to 80 hours of vacation time when staffing needs have prevented the employee from utilizing all the vacation allowance within the given 12 month period. The

20
additional hours of vacation allowance shall expire on the employee's next vacation anniversary.] Until August 1, 1999, there will be no maximum limit on the amount of vacation leave that an employee can accrue. However, effective August 1, 1999, no employee may accrue in excess of 260 hours, and any accrued vacation leave in excess of this cap will be forfeited.

(4) Transfer. Inter-institutional/Unclassified to Unclassified. If an eligible [academic] unclassified employee transfers to another unclassified position within the Department and remains eligible for vacation [allowance] accrual [and of the break in service between appointments is 30 days or less], the employee shall transfer all accrued vacation leave to the new position [and the employee's vacation anniversary shall remain unchanged.] However, if [the] there is a break in service [is] of more than 30 days, all accrued vacation pay will be paid off by the sending institution and [a new vacation anniversary date will be established] the employee will be considered a new hire in the new position. Moving from position to position within the same institution shall not be considered a transfer or a break in service for purposes of this rule.

(5) Classified to Unclassified Appointment. If a classified employee of the Department receives an [academic] unclassified appointment within the Department and is eligible for vacation [privileges] leave, the employee may [transfer] bring up to 80 hours of accrued vacation [time] leave; the receiving department or institution may accept up to [176] 250 hours maximum. The former classified employee shall receive cash compensation from the sending department or institution for any remaining accrued vacation [allowance] leave [not transferred]. The former classified employee may use accrued vacation without serving a 6-month wait period.

(6) The accrual of vacation [allowance] leave is reduced on a pro-rata basis for the period of leave without pay, sabbatical leave and educational leave. Vacation [time] leave is accrued during other periods of paid leave.

(7) Payment for Accrued Vacation [Time] Leave. [Academic] Unclassified employees are not entitled to payment for unused vacation [allowance] leave except upon termination of employment or upon transfer within the Department to another [academic] unclassified position not eligible for vacation benefits. [Academic] Unclassified [staff] employees who transfer to a classified position within State of Oregon employment are subject to applicable OSSHE rules or collective bargaining agreements governing payment for accrued vacation. The maximum number of hours that can be paid upon termination or transfer is [176] 180 hours.
(8) Scheduling and Use of Vacation Leaves. Vacation leaves are scheduled with the approval of the employee’s supervisor and should be planned cooperatively with the employee. Vacation leave should be scheduled in such a manner as to minimize disruption to the organization. Supervisors must be reasonable in allowing the use of vacation [time] leave and may not unreasonably deny vacation requests where the result would be the forfeiture of accrued vacation. For purposes of calculation, one normal work day is the equivalent of eight hours of vacation [time] leave for a full-time employee.

(9) Record Keeping. Each institution is responsible for maintaining the individual records of vacation accrual and use.

(10) [Alternative Plan. An institution may, upon receiving written approval from the Vice Chancellor for Finance and Administration, use July 1 as the vacation accrual date for all eligible academic staff.] Vacation Donation. The transfer of vacation time, for use by another employee, classified or unclassified, is not permitted.

(11) Vacation Borrowing. Employees are not permitted to borrow against vacation that is not yet accrued.

(12) Interim Provisions for Employees Moving from Management Service to Unclassified Service. Vacation leave for employees in management service on November 1, 1996, shall be provided by the policies established in this section.

(a) For those employees who were employed in management service at the time of conversion of their positions to unclassified or academic service on November 1, 1996, up to 176 hours of the employees’ current vacation accrual balance shall be credited to each employee’s active vacation account. Any hours in excess of 176 hours will be maintained in a reserve vacation account for the employee. Employees have 36 months, until November 1, 1999, to draw upon the reserve vacation account according to the provisions in section [(7)] (8) of this rule. An employee may be paid for any or all of the hours in the employee’s reserve vacation account at the institution’s discretion. On November 1, 1999, the institution will pay the employee for any remaining balance in the employee’s reserve vacation account at the employee’s rate of pay on that date.

(b) Notwithstanding the provisions of subsection [(10)(a)] (12)(a) of this rule, if an employee’s employment with the Department ends prior to November 1, 1999, the employee may receive payment for no more than 250 hours of accrued vacation time. Employees will be paid at the rate of pay they are receiving on their last day of employment with the Department.
(c) Employees who were management service employees on November 1, 1996, and who retired from the Department by June 30, 1997, will accrue vacation on a monthly pro-rata basis at the rate of 176 hours per year between November 1, 1996, and their retirement date.

(d) In the event of extraordinary circumstances, the Chancellor or designee may approve exceptions to the policy established in section [(10)] (12) of this rule.

(e) This section is repealed [January 1, 1998.] December 1, 1999.

Board Discussion and Action

At the request of Vice Chancellor Anslow, Board discussion and a subsequent vote on this item were deferred until February 1998.

Staff Report to the Board

In September 1997, the Board approved an initial allocation (approximately $4.3 million) of the $7.5 million special fund dedicated by the 1997 Legislative Assembly to improve faculty recruitment and retention. This initial allocation increased the available faculty salary pool by one percent each year of the biennium.

Staff recommended that the remaining available amount (approximately $3.2 million) be distributed to campuses following the same techniques used in the initial allocation for these funds. This final allocation will allow the total pool of faculty salaries at each campus to increase by an additional .75 percent each year of the biennium. Distribution guidelines will follow those approved by the Board in September of 1997, which include:

• Campuses have the discretion to allocate portions for recruitment and retention, but allocations are expected in each category;

• Those campuses with faculty unions are subject to collective bargaining statutes;

• Each campus' compensation plan will be reviewed and approved by the Chancellor prior to the expenditure of funds, and;
• Each campus is required to report actual distribution to show how the incremental salary increases were applied. Reports will be due in February and June of 1999.

Staff will continue to collect and analyze data to form the basis of longer-range strategies for faculty compensation so that campuses can recruit and retain the most talented faculty.

**Staff Recommendation to the Board**

Staff recommended that the remaining available amount (approximately $3.2 million) of faculty recruitment and retention funds be distributed to campuses following the same guidelines used in the initial allocation for these funds, as outlined above.

**Board Discussion and Action**

Mr. Anslow reminded Board members that a portion of the funds ($4.3 million) was already distributed to campuses. He added that these funds are not distributed on an across-the-board basis, but are specifically targeted for campus recruitment plans and merit increases. "This will provide an overall increase in the faculty salary pool of 1.75 percent in each of the two years of the biennium and I think that will be very helpful to campuses," he said.

President Aschkenasy asked if there was any documentation outlining the results of the first increment dispersed. Mr. Anslow responded that staff is determining whether campuses were in different positions and what they look like against national competition. "We want the institution administrators to develop whatever their plans are with this money included. We have got to get this money to them. If you look at the guidelines, you can expect reports on this in February and June of 1999," he explained.

Ms. Wustenberg moved and Mr. Willis seconded the motion to approve the staff recommendation. The following voted in favor: Directors Christopher, Lussier, McAllister, Van Patten, Whittaker, Willis, Wustenberg, and Aschkenasy. Those voting no: none.
Chancellor Cox requested that the Board consider and approve the following resolution:

WHEREAS, Oregon public higher education has, for more than 65 years, provided Oregonians with access to a multitude of educational opportunities, cultivated citizens committed to active participation in civic life, and fueled the state's economic growth with high quality graduates, and;

WHEREAS, public higher education’s research enterprise contributes to the creation of new knowledge and technologies that can be used to better understand and address issues of concern to Oregon and its citizens, and;

WHEREAS, the leaders of the state’s higher education system seek to increase public awareness of the value of, and many contributions made by, the state’s public higher education system, and to increase the level of public support needed to continue to provide Oregon with relevant educational and research programs, let it be

RESOLVED, that the State Board of Higher Education strongly endorses changing the name of the Oregon State System of Higher Education to the Oregon University System; and further let it be

RESOLVED, that the State Board of Higher Education adopt a new logo that reflects the current and evolving strengths of the System and that will serve as a visible symbol of our aspirations and commitment to the continued evolution of a dynamic, open educational delivery system that has at its core the traditions of learning, inquiry, and knowledge.

Staff Recommendation to the Board

Staff recommended that the Board approve the resolution to change the name from the Oregon State System of Higher Education to the Oregon University System and adopt a new logo.

Board Discussion and Action

President Aschkenasy acknowledged that the Chancellor did a commendable job of introducing the new logo at the beginning of the
Board meeting. Chancellor Cox, in turn, recognized Director of Communications and Corporate Relations Lisa Stevens and others who assisted with this project.

Mr. Willis moved and Mr. Lussier seconded the motion to approve the staff recommendation. On roll call, the following voted in favor: Directors Christopher, Lussier, McAllister, Van Patten, Whittaker, Willis, Wustenberg, and Aschkenasy. Those voting no: none.

ORS 526.225 specifies that the Board of Higher Education shall appoint a Forest Research Laboratory Advisory Committee composed of 15 members, nine of whom are to be individuals engaged, actively and principally, in timber management of forest lands, harvesting, or processing of forest products; three individuals who are the heads of state and federal public forestry agencies; and three individuals from the public-at-large. Although the statute does not prescribe the terms of the Committee members, the practice has been to make appointments for a period of three years. Traditionally, those who are performing actively and effectively have been recommended for reappointment to a second three-year term, with all members replaced at the conclusion of a second term.

Dr. George W. Brown, director of the Forest Research Laboratory, with the concurrence of OSU President Paul Risser, made the following recommendations:

- Appointment of Mr. John Foster, managing partner with Oregon Tree Farms, Ltd., to a three-year term as the non-industrial woodland owner representative to replace Senator Bob Kintigh, who has completed six years of service on the Committee. Mr. Foster currently serves as vice president of the Clackamas County Farm Forestry Association and is managing editor of the *Forest-Tree Leader* newsletter. He received the Oregon Small Woodlands Association "Education Award" in 1997, and was honored by the same organization in 1994 and 1995 with the "Distinguished Achiever Award." In 1993, he received the National Woodland Owners award for the "Outstanding Forestry Newsletter."

- Appointment of Ms. Sara Vickerman, director of Defenders of Wildlife West Coast office, to replace Patty Bedient, who has completed six years of service as a public
representative. Ms. Vickerman has been a national leader in efforts to shift the emphasis in conservation from single-species to broader concerns for biological diversity. She has worked for Defenders of Wildlife since 1978, including three years as the organization's legislative director in Washington, D.C.

Staff Recommendation

Staff recommended that the Board approve the above appointments to the Forest Research Laboratory Advisory Committee.

Board Discussion and Action

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

Staff Report to the Board

The Internal Audit Division's (IAD) Semi-Annual Audit Report, included in the supplemental materials, summarizes internal audit activity for the six-month period July 1997 through December 1997. A brief description is provided for each report conducted during this six-month period, as well as a status report on the 1997-98 Internal Audit Plan. This report is submitted to the members of the Board, the Chancellor, and to the State of Oregon Department of Administrative Services. (Copies are on file in the Board's office.)

Board Discussion

Vice Chancellor Anslow called on Mr. Marv Wigle, director of the Internal Audit Division (IAD), to respond to any questions. Dr. Aschkenasy asked if Mr. Wigle was comfortable with the work of the IAD for the past six months. He said that he was.

Mr. Willis questioned how audit activity might change, as more responsibility is shifted to the campuses. Mr. Wigle said that in the annual audit plan, it states that IAD will be delving more deeply at the institution department level than it has in the past. He added, "As responsibilities evolved, they have evolved at the institution level more to the departments than used to be the case. As a result,
more transactions are initiated at the department level and there is more department level responsibility, so that we can see an increase in our work occurring there because of this level of change. Our work will also be occurring more often.”

Mr. Anslow commented that due to the recent loss of staff in the Budget Division, he asked Mr. Wigle and another auditor to assist with workload, including any Budget and Finance Committee support. He added that Ms. Jan Jackson, budget officer for the University of Oklahoma was recently hired, and will join the staff this month.

INDEPENDENT AUDITOR’S REPORT

Staff Report to the Board

The OSSHE financial statements for the fiscal year ending June 30, 1997, have been audited by a private audit firm, Deloitte & Touche, LLP, Independent Public Accountants. The use of Deloitte & Touche was authorized and monitored by the State of Oregon Division of Audits. The auditors have concluded that the financial statements present fairly, in all material respects, the financial position of OSSHE, and they have issued an unqualified opinion. Copies of the financial statements have been previously mailed to Board members. (Documents are on file in the Board’s office.)

In addition, Deloitte & Touche provided Board members with a management letter that includes comments and recommendations for improvement in internal controls. Responses to the internal control recommendations from OSSHE institutions and the Chancellor’s Office are included in the management letter.

Board Discussion

Don Riggs, partner with Deloitte & Touche auditors, on contract with the Secretary of State’s Audit Division, was asked to respond to questions. He noted that it was the opinion of Deloitte & Touche that all financial statements were fairly stated. “We had no difficulty in doing the audit, and no restrictions were placed on the work we had to do,” he said.

President Aschkenasy noted the report suggested that there was room for control and improvements at the UO. Vice Chancellor Anslow said that he had received that recommendation and plans to work with Vice President for Administration Dan Williams to
resolve any issues. He explained that “we need to understand the best way to approach the solution. The UO has a philosophy that concentrates more on the post-audit side than the preapproval side; there has been concern about the segregation of duties expressed by the external auditors.”

Staff Report to the Board

The first quarter investment report of the Pooled Endowment Fund of the Oregon State System of Higher Education for the period July 1, 1997, through September 30, 1997, prepared by R. V. Kuhns and Associates, investment consultants, was included in the supplemental materials. (Copies of the report are on file in the Board’s office.)

Board Discussion

Ms. Becky Gratsinger, a representative with R.V. Kuhns & Associates, Inc., reviewed the materials in the report. Ms. McAllister asked if the venture strategy has always been two percent of total investments, since it seems to be one of the more volatile markets. Ms. Gratsinger confirmed that was the case and concurred that it is a volatile market. “The payoff tends to be over a five to ten year period,” she added.

Ms. Wustenberg asked about the attitude in overseas investing and if it had altered over the last quarter. Ms. Gratsinger said that in 1997, the total earned in this market was about two percent of the total return. “This has been a rough year in the international marketplace. I would say that this is an example of the advantage of diversification,” Ms. Gratsinger concluded.

Chancellor Cox referred to a conversation he had the day before with presidents about the current Asian financial situation. “The impact is really quite serious,” he said, “especially for our students.”
Introduction

In recent years, the OSSHE Office of Academic Affairs has responded to requests by Board members to change the process of new academic program development and approval in order to provide for input at an earlier stage. Staff has also studied the program development, review, and implementation timeline to determine where streamlining can occur without compromising quality. To that end, the following steps have been taken.

Program Preproposal Process

Since summer 1995, staff has presented program preproposals to the Board. This has enabled the Board to learn about academic programs in the early development stages and to provide direction and feedback to the campuses. Program preproposals were aggregated and presented for Board comment about three times per year. Then, in October 1997, staff recommended (and the Board concurred) that preproposals should be presented to the Board the month following positive review by the OSSHE Academic Council, thereby reducing unnecessary delays in the program development process.

Campus Program Development Process

Staff review of the development process for new programs revealed that campus procedures require a significant proportion of the process time. This has been discussed at OSSHE Academic Council meetings and, in October 1997, Vice Chancellor Clark sent the provosts a letter asking them to provide a plan for streamlining the campus processes. Those plans are due in January 1998 and will be reported to the Board at a subsequent meeting.

Consent Agenda

Lately, several Board members have questioned the necessity of putting new academic programs on the consent agenda for the Board meeting the month following initial approval. While this tradition was justified by saying it provided more time for public input, the reality is that in the past six or seven years, no comments
have been received by the Board's office. Consequently, staff agrees that placing new programs on the consent agenda unnecessarily delays program implementation, and proposes that step be deleted from the process.

**SB 917 and Communications with Other Sectors**

Vice Chancellor Clark and Compliance Officer Melinda Grier have been engaged in discussions with representatives from the Office of Degree Authorization, Oregon community colleges, independent colleges, the Oregon Independent Colleges Association, the proprietary (career) colleges, and the State Scholarship Commission. These meetings have been called to provide consultation to the State Scholarship Commission where, as a result of recent legislation (SB 917), the Office of Degree Authorization now reports. The Commission is in process of establishing the rules for decision making about the degree authorization process, particularly related to the review of new publicly funded postsecondary degree programs and locations.

One objective of these meetings is to enhance communication among these entities. Dr. Clark offered to have her staff create and maintain an e-mail list of the chief academic officers from each of the institutions and key representatives from these organizations. On a monthly basis, OSSHE Academic Affairs will send e-mail abstracts of preproposals of new undergraduate and graduate degree programs, certificates, licensure/endorsements, and proposed existing programs to new locations. This electronic process establishes an easy, orderly way for expressing and resolving concerns. This new form of communication was very positively received by the recipients and is poised to begin January 1998.

**Board Discussion**

Vice Chancellor Clark, after reviewing the docket item, said that she has been discussing the streamlining issue with campus officials; she felt that at the February meeting, she would be able to share their thoughts on how best to accomplish this. She added, “In the meantime, we are trying to cut back on the number of months required at the Board and System level. We agree with Board
member Wustenberg that the reasons we may have had in the past to use the consent agenda are now unnecessary, shaving another month off the timeframe."

Dr. Clark described a new process, which involves consulting with representatives from other postsecondary sectors, both private and public, with the State Scholarship Commission, as represented by the Office of Degree Authorization. This change occurred as a result of SB 917 from the 1997 Legislative Session, moving that function out of the Office of Educational Policy and Planning. If a resolution is not reached on authorization of a program, the statute requires that the State Scholarship Commission act as the decision making body. "Another reason for review is detrimental duplication," Dr. Clark said.

"This is somewhat different from significant adverse impact (the first reasons for review), but the two run together," she continued. "Mostly we do not have issues relative to review, but we have some; they tend to be about distance education offerings that we propose, and the independent colleges also have distance education, which is new for them, because they are much more residential that we are. Or, there might be an issue where we may be offering a new program on-site at one campus, but an independent institution has moved a program into the same geographic area. These are issues, unquestionably, and we are sorting out our responses and perceptions about turf," Dr. Clark said.

"We will tell you more about this as we work out the agreements with respect to the guidelines to implement this statute, as to how it will all operate. We plan to communicate information about new programs in the preproposal stage to all parties and tell them to communicate any concerns to my office." Vice Chancellor Clark added, "Hopefully we can resolve any issues at this level.

"We will work in as collegial manner as possible with our partners in the sectors. I only want to add that as we consider more of a market approach, we need to be realistic about the present situation, which is a very regulated environment," she said.

Ms. McAllister asked how long the process takes once a proposal goes to the Office of Degree Authorization. Dr. Clark replied that the length of time varies. Ms. McAllister then asked for clarification on the role of the State Scholarship Commission. Dr. Clark said that the
Office of Degree Authorization moved under that umbrella as of July 1, 1997, due to the legislative action set forth in SB 917. She said that the Scholarship Commission could now act as the final appeals body "should we be unable to resolve differences among the sectors on programs." George Bell, a member of the Scholarship Commission, has been working with the various groups on the administrative guidelines that will be used to make decisions.

Mr. Willis inquired if a program is taken through the processes at the institution and System level, if it could still be struck down. Dr. Clark said that is possible, although there had been very few difficulties to date. "I must be very candid in advising you that this environment in which we are operating is a really active one with respect to the aspirations of many providers of higher education services. We should anticipate more issues for the future. An area we need to focus on is how, under the present constraints, will we be able to respond to the kinds of expectations that are clearly set forth in both of the Governor's Task Force reports, College Access and Higher Education and the Economy, to be more nimble and responsive," she said.

Ms. Christopher asked what exactly the legislation in SB 917 did. Mr. Grattan Kerans, director of governmental relations, was called upon to respond. He explained that it was an agency bill introduced by Governor Kitzhaber that reorganized what had been the successor to the Education Coordinating Commission, which became the office of Educational Policy and Planning. The Governor wanted to reorganize several offices, and a decision was made to place the Office of Degree Authorization with the State Scholarship Commission.

UO President Frohnmayer commended Vice Chancellor Clark on her explanation of the new process, and added that in the case of both UO and SOU, programs in their own home towns have been inhibited by this process. "It is a restraint of trade and is not in accord with the mandate given to higher education by the Governor," President Frohnmayer said.

Dr. Aschkenasy noted that he spent time in both Committee meetings earlier in the day, Board Governance and Structure and Budget and Finance. He said that he got the sense that both were making progress.
Mr. Willis reported that there had been some worthy discussions in the Board Governance and Structure Committee. "People have been asked to review a great deal of information. We're making some progress. We should have more definition by the February Board meeting," he said.

Mr. Lussier noted that he and the Chancellor were invited to a meeting in central Oregon on the Education Team 100.

Ms. McAllister thanked the institution presidents for their comments at the Committee meetings. "It's been most helpful with the Committee work and a step in the right direction to improve communication of Board members and presidents," she said.

Chancellor Cox reported that he, Mr. Imeson, Interim President Dow, and Interim Vice Chancellor Dryden attended the Engineering and Technology Industry Council meeting recently. He said that it is off and running — faculty is being hired and curriculum is being developed. He added that he plans to report further at the February Board meeting.

Dr. Cox went on to remind Board members that they have been invited to conduct their Renewal Work Session in Bend this July as well as join the Board of Central Oregon Community College as part of the activities. He said, "We would talk about how jointly we hope to see the University Center moving. At its meeting two weeks ago, the community college board expressed strong support for the University Center concept and wanting to work with us."

President Aschkenasy opened the Work Session by saying that he hoped this forum would allow for some conversation among Board members. "The meetings tend to be somewhat formal and there is a certain reluctance to get into lengthy discussions. This is a new arena for us to talk about areas of interest, concern, and challenges to us," he stated.

Dr. Aschkenasy continued, "I'll give you an example. Jim Whittaker came up with an idea at lunch that I think was excellent. We typically sit here and perform for 50 assembled guests, and people who know a lot about the System and might have something to add frequently are not included. Jim [Whittaker] suggested as a part of this informal working session, that we occasionally get a president or provost or other expert to address some issue that they find pressing. They may
bring a lot to our discussions. I have already talked with Vice Chancellor Clark and she is going to organize some things as topics come up. We're not talking here about everyone getting their turn. We've got a lot of things that we're working on in committee. For the time being, we'd like to leave them in committee. Issues such as performance indicators, etc., budgeting systems that are then designed to enhance the performance of the Board and institutions — these things are all out there and under active discussion. I'd just as soon not begin to discuss them just yet."

One area President Aschkenasy said that he was interested in talking more about was community college relationships. Ms. Christopher concurred that she wanted to talk more in-depth about this issue as well.

Mr. Willis commented that some striking community college statistics had been shared in the Board Governance and Structure Committee meeting earlier in the day. Dr. Aschkenasy concurred and added, "I thought that community colleges were feeder systems for somebody, not necessarily for OSSHE, but for somebody. At least in the numbers we heard this morning, it strongly suggested that the opposite was true."

Board members Wustenberg and Whittaker both expressed concern over the credit transfer issue. Dr. Clark responded that information is being compiled and will be presented to the Board in February. She asked OHSU Provost Hallick to expand on incidents at that institution.

Dr. Hallick said that it is an issue that is monitored very closely. She noted that when she first started working at OHSU, the degree program in Radiation Therapy was such that a student could spend four to five years in school, and not have any upper division credits. A partnership with PSU has been developed as a result, and students can take the necessary classes to earn a baccalaureate degree.

Mr. Lussier thought there was a need to go back and review/verify statistics that might be a little misleading regarding the community colleges. "They've tried to reflect the needs of students differently from higher education institutions," he said. "Students may be more interested in a job, than a degree. That leads to a different analysis," he added.
Ms. McAllister asked if it was now true that students are taking classes at both community colleges and higher education institutions, moving back and forth. Dr. Aschkenasy said that he wasn’t sure as to the extent of this issue, but he felt that the Board needed more information on exactly what the community colleges are doing.

Ms. Wustenberg moved on to ask about student retention. She questioned OSU President Risser about this issue. He responded that he thought that retention was approximately 92 percent from the freshman to sophomore years and it dropped off a little more after that. Ms. McAllister asked if the targeted programs for freshman retention were helpful. Dr. Risser said that they actually work quite well, but added that different institutions have different expectations about student retention.

Ms. Wustenberg continued by saying, “I’m concerned about the student who is ‘captured’ by an institution; it is a loss when they don’t stay. The more we try to coordinate different educational arenas, more counseling would certainly be in order for individual students to ensure that they are going where they want to go.” Ms. Van Patten added that a student who drops out still must pay any loans, and yet they have nothing to show for it.

Mr. Lussier asked how the System accommodates students who move in and out of it. President Frohnmayer said that he didn’t think there was any inhibition for students who want to drop out and then return, unless it had been so long that the course requirements were outdated.

Ms. Christopher noted there has been some discussion about combining OSSHE and community colleges and asked what might be accomplished by that effort. SOU President Reno pointed out that there are already existing relationships between the two, naming the program between Chemeketa Community College and WOU. He added that there is a similar program between SOU and Rogue Community College and hopes to expand to both Umpqua and Southwestern Oregon Community Colleges. He said that developing these programs can be most effective at the local level and that is the kind of broad policy decision the Board should make, and then leave it to the institutions to carry it out. “These programs speak to the type of ideal relationship that can exist between community colleges and four-year institutions,” he concluded.
Ms. Wustenberg asked about the recent developments in the relationship between OIT and Klamath Community College. Interim President Dow said that it has worked very well, but there have been some concerns about the community college "bleeding off" undergraduate enrollment. She added that tuition differences are a major issue in this partnership, but it is still positive and it will continue.

President Aschkenasy reiterated the need to gather more information on community colleges and continue discussions about how to better work together.

ADJOURNMENT The Board meeting adjourned at 3:20 p.m.

Virginia L. Thompson
Secretary of the Board

Herbert Aschkenasy
President of the Board