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

April 16, 1999

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ACTION ITEM REQUIRING RATIFICATION BY THE BOARD
(APPROVED BY THE EXECUTIVE COMMITTEE AT ITS JANUARY 15, 1999, MEETING)

Finance and Administration
Authorization of Hearings Officer

ACTION ITEMS

System Strategic Planning Committee
Amendments to Regional Partnership Act, ORS 348.890

Amendments to Board Bylaws

Charges to Standing Committees
Academic Affairs
Authorization to Award Honorary Doctorate, EOU

Finance and Administration
Exchange of Forest Lands, OSU

CONSENT ITEMS

Academic Affairs
M.A./M.S., Conflict Resolution, PSU
M.A./M.S., Writing, PSU
B.A./B.S., Environmental Science, UO
Certificate, Global Management, UO
Certificate, Second Language Acquisition and Teaching, UO

REPORT ITEMS

Academic Affairs
Performance Report
Student Racial/Ethnic Diversity: Trends in Enrollment, Graduation, and Retention
Faculty Racial/Ethnic Diversity and Faculty Diversity Initiative Update
Impact of the Oregon University System on Oregon's Economy

Corporate and Public Affairs
Strategic Communications Plan Update

Riverfront Research Park Update, UO

COMMITTEE REPORTS

Central Oregon Regional Advisory Board
Economic Development Joint Boards Working Group
Investment
Joint Boards Working Group
OHSU
System Strategic Planning
CALL TO ORDER

The meeting of the State Board of Higher Education was called to order at 8:30 a.m. by President Imeson.

ROLL CALL

On roll call, the following answered present:

Dr. Herb Aschkenasy  
Ms. Diane Christopher  
Mr. David Koch  
Mr. Jim Lussier  
Ms. Gail McAllister

Mr. Don VanLuvanee  
Ms. Katie Van Patten  
Mr. Jim Willis  
Ms. Phyllis Wustenberg  
Mr. Tom Imeson

Absent: Ms. Esther Puentes (business conflict)

EXECUTIVE SESSION

The Board, after agreeing to the reasons for an Executive Session as described in ORS 192.660(1)(d) and ORS 192.660(1)(b), for the purpose of deliberations with its labor negotiator and to receive legal counsel, dismissed themselves between 8:40 and 9:25 a.m.

MINUTES APPROVED

The Board dispensed with the reading of the February 19, 1999, Board meeting minutes. Mr. Lussier moved and Mr. VanLuvanee seconded the motion to approve the minutes as submitted. The following voted in favor: Directors Aschkenasy, Christopher, Koch, Lussier, McAllister, VanLuvanee, Van Patten, Willis, Wustenberg, and Imeson. Those voting no: none.

PRESIDENT’S REPORT

Visit

President Imeson expressed his appreciation to President Youngblood and her staff for the visitation and dinner. He asked Ms. Christopher to review highlights from the visitation, which included a public forum and a meeting with Athletic Director John Carey, who described WOU’s transition from NAIA to NCAA Division II. “The afternoon dance recital was an absolute treat,” said Ms. Christopher. “As Jim Willis said, ‘this is our pay for being Board members.’”
Meeting #681—Minutes

April 16, 1999

Nominating Committee

Mr. Imeson announced the Nominating Committee for 1999-00. Dr. Aschkenasy, Mr. Lussier, and Mr. Willis have all agreed to serve and will announce their recommendations for officers at the June Board meeting.

Joint Boards Working Group

Mr. Lussier, who has participated in the Joint Boards Working Group, was named co-chair of the group by Mr. Imeson.

Ways and Means

Indicating that the first week of the Ways and Means Subcommittee hearings had concluded, President Imeson extended his appreciation to staff for the long hours of preparation for the meetings. He said that he and Dr. Aschkenasy were the first to testify earlier in the week and that they were well received by lawmakers. "Obviously, time will tell how we come out on this, but I think there's reason for optimism for OUS," he observed.

Partnership Plan

President Imeson indicated that, at a meeting scheduled for later in the day, members of the Joint Boards Working Group, Chancellor Cox, and Commissioner Bassett will present the final version of the partnership plan requested by the Governor last fall. Adding a caveat to the plan pertaining to a proposed statutory amendment, Mr. Imeson said that Chancellor Cox and Commissioner Bassett should have the option not to pursue the amendment if the legislative price is too extreme. "We must remain firm and keep this in the context of our priorities. If it jeopardizes our standing, we simply would want them to have the ability to say, 'This isn't the right time for us to do this.'"

AGB Conference

More than 600 higher education board members from around the country, joined by campus leadership, heard Mr. Imeson present an overview of the Board's efforts in eliciting positive change to the System as a panelist in a discussion at the national Association of Governing Boards conference in late March. "There was a lot of positive feedback," reported Mr Imeson. People were particularly interested in the budget model and in the development of the performance measures, he said.

CHANCELLOR'S REPORT

Legislative Session

Describing the week's activities at the legislature, the Chancellor emphasized the importance of the work during the interim. "It is quality time spent with the legislators and possible legislators, at a time when they're not faced with mountains of materials. That is proving to be very significant for us," he said.
Further elaborating on the Ways and Means discussions earlier in the week, Chancellor Cox said that former Board member Rob Miller had given a stellar presentation, "in which no one here in this room could have said it any more positively or any better." He added that Mr. Imeson, Dr. Aschkenasy, and Mr. VanLuvanee had provided excellent testimony during the week as well.

The Chancellor asked Mr. Anslow to provide an overall perspective of the status of budget proposals currently under consideration by lawmakers. He also requested that the vice chancellor describe a four percent reduction report, which all state agencies were required to submit.

Mr. Anslow clarified that the document he distributed (on file in the Board’s office) was one originally reviewed by the Budget and Finance Committee. Outlining budget scenarios to fully implement the new budget model based on increments expressed by the Governor (Option A-$73 million), Senate leadership (Option B-$100 million), and OUS (Option C-$116 million), Vice Chancellor Anslow explained these amounts are above the current service level. He went on to remind the Board that the amount proposed by OUS assumed that the requirement for an undergraduate resident tuition increase would be paid for by the state, translating to approximately $15 million of the $116 million requested. In the scenarios above Option A, a significant amount of those funds would be dedicated to enrollment growth, engineering expansion, and program enhancements for statewide public services.

Continuing, Mr. Anslow said that the capital construction and statewide public services budgets, which were recommended by the Governor inside the main OUS budget, have been moved to other Committees and that the Subcommittee on Education is now looking at only the operating budget plus debt service. House Bill 5022 is the legislation being presented on the latter.

The Governor's recommendation for the biennium (Option A), excluding capital construction and statewide public services, totals $1.15 billion, of which $604 million are labeled "Other Funds" supported by tuition and fee and indirect cost recovery revenues; $548 million are General Funds or tax support. Moving to policy packages in the budget, Mr. Anslow explained that the state would essentially be buying out what otherwise would have been an
undergraduate resident tuition increase of 5.25 percent in 1999-00 and another 5.25 percent in 2000-01, so that undergraduate resident tuition costs are maintained at the 1996 rate. As far as recapitalization, $47 million is included for implementation of the new budget model and $5 million for faculty recruitment and retention. An additional $5.4 million has been recommended for enrollment growth, allowing for just under 1000 additional FTE students to be served in the upcoming biennium. The vast majority of the increase is targeted to high-tech and teacher education programs.

The entire revised budget, explained Mr. Anslow, represents a 5.5 percent change in terms of spending power for the biennium. He pointed out that, included in a separate budget submitted by the Governor, are some monies that will be applied to salary increases and potential increases in health care costs (PEBB premium increases). It is likely that the full cost of any salary increase and PEBB premium costs will not be covered by available funds, and therefore, campus budgets will have to absorb a portion of the costs in the next biennium.

Not wanting to spend as much time reviewing the other budget options, Mr. Anslow indicated that if the Senate leadership proposal were approved, the System’s spending power would increase by 8.3 percent. An approved OUS budget option would translate to an adjustment of 9.8 percent.

Moving to the next issue, Vice Chancellor Anslow directed Board members to a document that outlined a four percent reduction exercise required of all state agencies. The reduction, totaling $27 million, was applicable to both statewide and capital construction budgets. The first set of cuts, all of which were described in half-percent decrements from the Governor’s recommended budget, applied primarily to OSU’s agriculture experiment station, extension service, and the forest research laboratory.

Vice Chancellor Anslow proceeded to describe the next level of cuts, which would affect implementation of the budget model and impact projected enrollment growth plans. The third level, or a 1.5 percent cut, would affect planned enrollment growth, which would be split between high-tech enrollment and undergraduate enrollment growth.
Mr. VanLuvanee asked if all cuts were aimed at primarily undergraduate growth in the area of high-tech. Mr. Anslow responded that there was a small piece of graduate engineering included in the figures, but that computing science pertained only to the undergraduate level.

At a two percent cut level, Mr. Anslow said that the rest of the Governor’s budget for enrollment would have to be dropped and cuts would be necessary in capital construction or supplies. Lifting the tuition freeze would be a probability in the second year of the biennium. “The implication of this assigned reduction is an undergraduate resident tuition increase of between three and three and a half percent,” indicated the vice chancellor.

At the next level, the tuition freeze proposal would be abandoned in the second year of the biennium, and further cuts in capital construction or supplies would be explored. At a deeper level, the commitment to provide state funds to master’s students currently enrolled would need to be reduced by 200 FTE in the first year of the biennium and 400 in the second. Also, a graduate tuition increase of three percent per annum would be necessary. Mr. Anslow reminded the Board that the Governor’s budget already calls for an increase of between five and five and a half percent, bringing graduate tuition up approximately eight percent in the exercise, in order to attain the same revenue base.

According to Mr. Anslow, the ultimate reduction would be to face the possibility of state tax reduction in the base. Undergraduate enrollment would decrease by approximately 300 FTE in year one of the biennium and by 450 in year two, coupled with a tuition increase. Concluding his report, the vice chancellor turned to Director of Government Relations, Grattan Kerans, to elaborate on the legislative climate relating to budget issues.

Dr. Aschkenasy asked Mr. Kerans if, when the tuition assumptions were made, enrollment was maintained or reduced. Mr. Kerans indicated that, based on historical trends, if tuition was increased, a slight drop in enrollment would occur in both incoming and out-of-state students. However, once final decisions were made, campus leadership would be consulted to determine what they believe are the implications of increasing tuition.
Mr. Kerans reported that budget hearings were going very well, with a high degree of understanding and support of the budget model. Referring back to the four percent exercise reviewed by Mr. Anslow, he said, "We were required to do this by virtue of the fact that we are a state agency, but we are on a positive stance in regard to our plans moving forward."

In a conference earlier in the week with Ways and Means leadership, not only were the implications of further reductions explained, Chancellor's Office staff reviewed past program cuts, personnel reductions, overall efficiencies, and other steps undertaken to attempt to hold or drive down costs and streamline operations, explained Mr. Kerans. Of particular note was the faculty and staff four-year pay freeze. "The legacy of that carries forward—we reminded lawmakers that the recruitment and retention funds identified were in part to catch up to what has been a flat line in the compensation element of our budget," he pointed out.

Continuing, Mr. Kerans said, "I think the Committee is prepared to act in a sensitive manner to the needs of OUS. While I can't predict the final outcome, one thing I can guarantee is that regardless of what happens in the tuition freeze package, as we go deeper into the cuts we will go back to tuition increases in the next biennium. The Board and the legislature recognize that by not doing this, it constrains our ability to generate revenues."

Mr. Kerans estimated that the budget would likely move forward by mid-May, following the next state revenue estimate, which is scheduled for May 17. He added that HB 5057, the budget for statewide public services, and HB 5021, which deals with capital construction, are on separate courses and less predictable in terms of a timeline.

President Imeson called Mr. Jerry Kissler from the Governor's Office for the perspective from that arena. He indicated that he hoped to provide an ongoing communication channel between the Board and the Governor's Office, adding that, "The Governor believes that higher education is more important now than ever before—not only to the individuals who participate and go through our universities, but also to our quality of life."
According to Mr. Kissler, two messages from higher education supporters have emerged. The first message pertains to the Governor's willingness to negotiate with the legislature on recommended budget amounts. In response, Mr. Kissler said, "The Governor is prepared to negotiate when there is another balanced budget on the table. Until we know exactly where the money is going to come from, the Governor has said that he has no other choice but to send back any of the budgets to agencies that come forward with amounts substantially above the his recommendations."

Turning to the second question, where people have asked the Governor to refer to education as a K-16 continuum, Mr. Kissler said that not only is the Governor concerned with K-16, but also with lifelong learning. "Governor Kitzhaber is willing to go to extreme limits to ensure we have the discussion about taxes and education in the years ahead," indicated Mr. Kissler.

Summarizing the budget discussion, Chancellor Cox said, "While no one knows exactly what the outcome will be, we've attempted to go about it honestly and without attempting to make it either pretty or easy. Given the decade we've been through, it isn't pretty or easy."

Mr. Imeson reminded the Board that eventually, despite all of the work undertaken by the Chancellor's staff in representing the System, the Board will need to address outcomes of the 1999 Session with regard to the budget.

Ms. Wustenberg asked about the rationale for splitting away the state services budget. The Chancellor indicated it was not something initiated at the System level, but rather by the Natural Resources Committee, with the approval of its co-chairs. Mr. Kerans said that natural resources-based constituencies had been persisting for the breakout, because in their view, issues related to them were dealt with as an afterthought in the budget process. "It's an imponderable," observed Mr. Kerans. "We don't know what its trajectory or timeline is going to be."

"I think it's important to remind people that the budget that implements the new model brings significant benefits," observed Mr. Imeson. "We outlined pretty clearly what's going to be delivered both in the legislature and in a letter to the Governor. It flows back with concrete results that we need to continue to keep on the table," he said.
Mr. Lussier re-emphasized the importance of fostering and maintaining relationships with lawmakers during the interim. “We need to tell our story on a routine basis, not just in committee.”

PEBB Update

Vice Chancellor Anslow shared with the Board that the System will continue to operate inside the Public Employees' Benefit Board (PEBB) for the year 2000. “We examined our options very carefully and concluded that PEBB will provide the best coverage at the most reasonable cost,” said Mr. Anslow.

Performance Report

Chancellor Cox asked Dr. Nancy Goldschmidt to update the Board on the latest iteration of the System performance report. (The Executive Summary of this item begins on page 85.)

Dr. Goldschmidt said that a panel comprised of Dr. Aschkenasy, Ms. Christopher, Mr. Willis, and three outside members—former OUS Board member Mr. Rob Miller, Oregon Progress Board Executive Director Mr. Jeff Tryens, and consultant Ms. Diana Snowden—provided valuable input at a meeting in March. “We took their recommendations seriously and I think we improved what we had,” Dr. Goldschmidt observed.

One suggestion made was to focus more on results and targets, rather than on trends in the performance report. Dr. Goldschmidt said that, by focusing on results, the conversation is shifted to what Oregon actually receives in return for its investment.

Dr. Goldschmidt explained how to interpret the baseline provided to Board members. “Tell us how to make it more clear and persuasive,” encouraged Chancellor Cox. “It’s a work in progress, but it was very effective this week,” he said.

IFS Report

Following is an excerpt of IFS President John Cooper’s remarks:

“The activities of the IFS continue to be dominated by political concerns, specifically, the need to obtain adequate funding for the new budgetary model. We have been working very much in concert with Mr. Kerans, the government relations officers of different campuses, and the Chancellor's Office.

“Many of us had participated in and had helped to organize the March 31 rally of students, faculty, and alumni at the State
Capitol in support of funding higher education. This, we later learned, was the largest rally that the Capitol had seen so far this year. Higher education is at last on the radar screen.

“At our April meeting, we were addressed by President Frohnmayer, Senate President Adams, House Speaker Snodgrass, Mr. Kerans, Mr. Mark Nelson, lobbyist for the Association of Oregon Faculties, and Mr. Kessler from the Governor's Office. There was a consensus that the remainder of the Session will not be characterized by good will and cooperation but by a good deal of confrontation between the legislature and the Governor, with the Higher Education Budget caught in the middle.

“The issue of faculty salaries is one that we are all tired of hearing about, but it remains crucial. In December, when I listened to members of this Board reviewing the work of the various presidents, I was impressed by the attention and thought that Board members gave to the work of the campuses. On the other hand, I could not help noticing that faculty issues were raised only by President Frohnmayer, who made the remark that I quoted in my last report to you, namely, that none of the efforts in improving the work of the University of Oregon would come to anything unless something were done about faculty salaries.

“It seems to me that in reviewing the performance of every administration in the System, important questions are:
• Are you approaching the median salary of the comparitor institutions?
• Are you losing faculty to other institutions or to private industry, or having unsuccessful searches because of salary differential?
• Is your student/teacher ratio satisfactory?
• How much of your instruction is being done by full-time faculty?

“These last two questions, incidentally, are regularly posed by accrediting agencies. All of these questions are vital to evaluating the health of any academic institution. They need to be raised, and the responsibility for asking and for answering them needs to be fixed.
"I understand that in the new culture, in which we measure outcomes and not inputs, faculty is an input. Still, achieving the mid-point in salary rankings with comparitors is correctly supposed to be one of the outcomes of funding the new model, and I think that progress towards that outcome will need to be checked until it is achieved.

"Vice Chancellor Clark joined us for a discussion of cooperative programs with community colleges throughout the state. We support such activities, though we expressed our concern to her about the movement to establish a new four-year campus in Bend. When the present System is still so badly underfunded, extending it in this way seemed to most Senators present imprudent for the foreseeable future.

"We received a report from the faculty committee that had been chosen to nominate candidates for a faculty position on the Board and voted our approval of the list of nominees that they had sent to the Governor. I am sorry to learn that this issue has apparently been controversial with some members of the Board, and I will be happy to explain our position to you.

"We ended our meeting with discussion of the incorporation of faculty with other state employees in the same benefits program. We have concerns that the distinct needs of faculty, which are often not the same as workers in other fields, may not be met. Anthropologists like Paul Simonds, for example, and others travel widely because of their academic disciplines, and their health needs may not be met by HMOs based in the United States. Also, our traditionally strong benefits program has been useful in partly offsetting our low salaries in attracting new faculty. So far, we seem not to have been hurt, but there may be changes next year. We have had excellent cooperation from the staff of the Chancellor's Office in tracking this issue, and I want to express our appreciation for that."

President Imeson reported that the Committee met on April 15 for a discussion related to financial issues at OSU. No action was taken, but the Committee requested a report with additional information to be discussed and possibly acted upon at the May 21 Executive Committee meeting.
AUTHORIZATION
OF HEARINGS
OFFICER

Summary

At the January, 15, 1999, Executive Committee meeting, Vice Chancellor Anslow requested the appointment of Vice Chancellor Clark as Hearings Officer for an appeal filed by a former UO employee. Following approval of the minutes to the meeting on February 18, 1999, counsel indicated to the Board Secretary that amendments should be made to more clearly reflect Vice Chancellor Clark’s role as Hearings Officer. The Executive Committee is scheduled to vote on the proposed amendments to the minutes at its April 15, 1999, meeting. Following are the requested amendments to the minutes as written (Bracketed text denotes deletions, bold text denotes additions):

Vice Chancellor Anslow asked for the Executive Committee's approval [of naming] to designate Vice Chancellor Clark as hearings officer for [a grievance at the UO] an appeal filed by a former UO employee who was denied entry into the Board-established Early Retirement Incentive Program. The UO participated in this program but only using the health insurance, not the lump sum incentive. The Early Retirement Incentive Program required employees to sign up between April 1, 1996, and June 15, 1996. The person who filed the initial petition contacted the UO about participating in January 1997. [The case involves an employee who is appealing a decision that denied this person’s entry into the System’s early retirement program.]

["Since this is a Board-established program, we felt it would be appropriate for the Executive Committee to authorize Dr. Clark as hearings officer in this case,” said Mr. Anslow.]

Executive Committee Discussion and Action (January 15, 1999)

Ms. Wustenberg moved and Ms. McAllister seconded the motion to approve the authorization of Dr. Clark as Hearings Officer and designate authority for her to render the final decision in the appeal. The following voted in favor: Directors Aschkenasy, Christopher, McAllister, Wustenberg, and Imeson. Those voting no: none.
Executive Committee Discussion and Action (April 15, 1999)

Ms. McAllister moved and Dr. Aschkenasy seconded the motion to approve the amended minutes from the January 15, 1999, Executive Committee meeting. The following voted in favor: Directors Aschkenasy, Christopher, McAllister, and Wustenberg. Those voting no: none.

Board Discussion and Action

Mr. VanLuvanee moved and Mr. Koch seconded the motion to approve the amended minutes and ratify the decision of the Executive Committee. The following voted in favor: Directors Aschkenasy, Christopher, Koch, Lussier, McAllister, VanLuvanee, Van Patten, Willis, Wustenberg, and Imeson. Those voting no: none.

AMENDMENTS TO REGIONAL PARTNERSHIP ACT, ORS 348.890

Staff Report to the Board

OIT and Klamath Community College would like to be able to use General Fund money to provide scholarships to students moving from the community college to OIT to complete their undergraduate studies. No statute authorizes and ORS 341.070 (3)(c) specifically prohibits the use of General Fund monies for this purpose. ORS 341.485 allows the community college service district board to authorize scholarships without any reference to General Fund prohibitions. The Joint Boards Working Group and Chancellor's Office staff have reviewed changes to the regional partnerships statute, ORS 348.890, to enable direct student aid from General Fund monies for these transitioning students.

Proposed Statutory Modification to Regional Partnership Statute

The following modifications are recommended to accomplish the objective. Bracketed text represents deletions; new material is in bold text.

ORS 348.890 is amended to read:

Section 1
ORS 348.890—Joint meeting of the State Board of Higher Education and the State Board of Education.
(1) The State Board of Higher Education and the State Board of Education shall hold at least one meeting annually as the Joint Boards of Education for the purpose of coordinating their activities and [facilitating the solution of problems of mutual concern] joint agreement on matters of education policy and opportunities of mutual interest to the two Boards and the population they serve.

(2) Bylaws to be adopted by the members shall determine procedures for setting meeting dates, locations, chairperson rotation, agendas and staff support.

(3) The Joint Boards shall provide policy direction to implement Regional Partnership proposals and any other joint program or activity approved by both Boards.

Section 2
Notwithstanding ORS 341.485 and ORS 351.070(3)(c), the Joint Board may authorize the use of General Fund appropriations to provide direct aid to a student and other incentives encouraging shared use of the facilities, programs and other resources of Oregon University System institutions and Oregon community colleges.

Staff Recommendation to the Board

The System Strategic Planning Committee recommended that the Board approve the amendments to ORS 348.890 as submitted.

Board Discussion and Action

Mr. Willis, chair of the System Strategic Planning Committee, reviewed the proposed statutory amendments. As President Imeson indicated earlier, Mr. Willis reiterated that discretion be given to Chancellor Cox and Commissioner Bassett on the item if it becomes apparent that the legislative price is too high.

Ms. Christopher moved and Mr. VanLuvanee seconded the motion to approve the proposed amendments. The following voted in favor: Directors Aschkenasy, Christopher, Koch, Lussier, McAllister, VanLuvane, Van Patten, Willis, Wustenberg, and Imeson. Those voting no: none.
AMENDMENTS TO BOARD BYLAWS

Summary

At the July 1998 meeting, the Board of Higher Education approved a new Board meeting schedule for no more than six full Board meetings each year. In the interim, the Executive Committee would consider matters that required Board action, subject to Board ratification at the next meeting.

At the same meeting, the Board approved a new Board meeting format, which included a 30-minute public input session. In order to permit public input at the December 1998 Board meeting, the Board promulgated a temporary rule, which was approved on October 16, 1998, and a permanent rule, which was approved on December 18, 1998. That rule provided that the public comment would be made in accordance with procedures established in the Board’s Bylaws.

Further, legal counsel suggested that the Bylaw relating to the Executive Committee be amended to reflect the new role of the Executive Committee. The Bylaw pertaining to the Order of Business must be amended to provide more discretion to the Board president. Section 9 is added to set out the procedures for public comment. Following are the recommended amendments (Bracketed text represents deletions; new material is in bold text):

**Article II, Section 5—Executive Committee**

The Executive Committee shall consist of five members including the Board president, vice president(s) and other committee members elected by the Board to serve as members of the committee. The Executive Committee shall take final action for the Board in such matters as may be specifically referred to it by the Board with power to act. Between Board meetings, the Executive Committee shall act for the Board in minor [or emergency] matters and any matter where a timely response is required prior to the next Board meeting, subject to Board approval at its first subsequent meeting.

**Article III, Section 7—Order of Business** (This was formerly Section 6—an Internal Management Directive that was moved to the Bylaws per Board approval in October 1998 (now Section 5) necessitated renumbering the sections in Article III.)
The order of business at all meetings shall be determined by the president and shall include at least:

A. Roll call,
B. Approval of Minutes,
C. Report of the Chancellor,
D. Introduction of New Items of Business—Routine and Action Items,
E. Official Public Hearings and/or Opportunity for Public Comment,
F. Reports from Committees on Items Referred to them by the Board,
G. Report Items for Acceptance by the Board,
H. Items from Board members,
I. Report of the president of the Board,
J. Communications,
K. Election of Officers (June Board meeting),
L. Adjournment.

Article III, Section 9—Appearances Before the Board (If approved, Sections 9-11 in the current Bylaws will be adjusted numerically to reflect the new section.)

As stated in OAR 580-001-0000, individuals and representatives of organizations desiring to appear before the Board to present any matter concerning higher education may do so, as long as it is consistent with the following procedures:

A. An individual or representative wishing to testify must register with the Board Secretary at least one hour prior to the scheduled public input session at a regular Board meeting.
B. Each individual or representative of an organization (only one is allowed per organization) is allotted three minutes to testify to the Board.
C. Written comments, while not mandatory, are strongly encouraged. They will be kept on file as part of the official record. If written materials are submitted, the person/organization must provide 25 copies.
Staff Recommendation to the Board

The System Strategic Planning Committee recommended that the Board Bylaws be amended as submitted.

Board Discussion and Action

Following a brief review of the proposed amendments by Mr. Willis, Mr. Koch commented that, with regard to the Bylaw pertaining to the Executive Committee, he wanted to be clear that the intent would be to present as many items as possible before the full Board.

Noting the numerous changes in how the Board has conducted its business over the past year, President Imeson noted that this, along with other issues, should perhaps be evaluated at the Board’s Renewal Work Session later in the year.

Ms. McAllister moved and Mr. Willis seconded the motion to approve the proposed amendments. The following voted in favor: Directors Aschkenasy, Christopher, Koch, Lussier, McAllister, VanLuvanee, Van Patten, Willis, Wustenberg, and Imeson. Those voting no: none.

CHARGES TO STANDING COMMITTEES

Report to the Board

In January 1999, Board President Imeson asked the Governance and Structure Committee, after fulfilling its original charge, to assume new responsibilities. Referred to now as the System Strategic Planning Committee, one of the group’s first tasks was to determine the specific role of each standing committee: Budget and Finance, Executive, Investment, and System Strategic Planning. The Committee convened on February 9 and March 10, 1999, to discuss appropriate delegation of responsibilities. Charges to the Executive Committee are included in the Board’s Bylaws. Slight modifications to the Bylaw pertaining to the role of the Executive Committee are intended to be recommended to the Board concurrent with the recommendations below.
STATE BOARD OF HIGHER EDUCATION
RESPONSIBILITIES FOR STANDING COMMITTEES

System Strategic Planning Committee

- Provide ongoing review of System and institutional missions, goals, and objectives.

- Provide overall guidance for System strategic planning; review and recommend to the Board institutional strategic plans and master plans, assuring that such plans are aligned with the System's strategic plan; scan the environment and secure public input.

  - Define "System" of higher education and differentiate system versus institutional responsibilities.

- Make recommendations concerning System governance and structure and Board functioning.

- Develop policies that encourage the institutions to be entrepreneurial within limits that ensure the integration and cohesion of the System as a whole.

  - With input from each institution, identify how the System can best assist the achievement of institutional goals and leverage their strengths.

- Evaluate, monitor, and recommend modifications to the OUS performance program.

  - Develop measurable System outcomes and establish means for their measurement.

- Promote partnerships and continuous outreach to constituencies.

  - Work with the Joint Boards of Education and others to assure the development of beneficial working relationships with community colleges, the K-12 system, and independent institutions.
• Work with the Oregon Economic Development Commission and others to link higher education to Oregon's economic development activities.

• Provide oversight on behalf of the Board for academic and student affairs policy matters.

• Work with the Budget and Finance Committee on policy issues that relate to budget design, advocacy, allocation and performance funding.

**Budget and Finance Committee**

• Review annual budget allocation policies, including plans for:
  • basic allocation methodologies
  • enrollment targets
  • targeted investments
  • performance funding (with System Strategic Planning Committee)
  • tuition and fee rates and structures
  • other revenues
  • planning for contingencies

• Oversee general financial management and assistance in the conduct of the Board's fiduciary responsibilities.

• Oversee accounting and financial reporting structures and information needs.

• Oversee the development of master plans for facilities and technology installation, including construction, capital repair, and financing plans.

• Develop biennial budget requests to the Governor, including:
  • review of budget model(s)
  • enrollment projections
  • capital construction budget requests

• Review and react to Governor's recommendations and legislative proposals for operating and capital budgets.
Investment Committee

- Implement OIC policy.
- Select and monitor the performance of the investment manager/s for OUS investments.
- Review investments and investment returns.
- Review and recommend related Board policies.

Recommendation to the Board

The System Strategic Planning Committee recommended that the Board approve the Committee charges as submitted.

Board Discussion and Action

Ms. Wustenberg moved and Mr. Koch seconded the motion to approve the proposed amendments. The following voted in favor: Directors Aschkenasy, Christopher, Koch, Lussier, McAllister, VanLuvanee, Van Patten, Willis, Wustenberg, and Imeson. Those voting no: none.

Staff Report to the Board

The Board of Higher Education permits institutions, with the concurrence of their faculty, to award honorary degrees. Each institution wishing to award honorary degrees must adopt criteria and procedures for selection that will ensure the award honors distinguished achievement and outstanding contributions to the institution, state, or society. Criteria and procedures for selection must be forwarded to the Chancellor or designee for approval.

In 1999, Eastern Oregon University developed criteria and procedures for awarding honorary degrees consistent with the Board’s policy. These criteria/procedures have been approved. Because EOU’s policy is newly developed and this is the first such award to be proposed, staff asks the Board’s understanding of a shortened timeline for Board approval. (These requests are customarily presented to the Board at its regular meeting in February,
under guidelines that enable Board consideration of campus recommendations for honorary degrees 90 days before the award date, which is typically spring commencement.

Eastern Oregon University requests authorization to award an honorary doctorate to the Honorable Gordon H. Smith at its June 1999 commencement. EOU anticipates a second nomination to be presented to the Board at its regular meeting in June; degree conferral would occur at a special event in fall 1999.

Gordon H. Smith

The Honorable Gordon H. Smith has a long career of service to Oregon through public office and private entrepreneurship. Born in Pendleton, Oregon, Smith earned a baccalaureate degree in history from Brigham Young University and a law degree from Southwestern University. He served as law clerk to Justice H. Vern Payne of the New Mexico Supreme Court and then practiced law in Arizona. Subsequently, Smith purchased the family frozen-vegetable processing company in eastern Oregon. The company, in debt at the time of purchase, was guided back to profitability through Smith’s hard work and determination. Smith Frozen Foods is now one of the largest private label packers of frozen vegetables in the U.S. and an important component of Oregon’s regional economy.

Drawn to public service, Gordon Smith successfully campaigned for a seat in the Oregon State Senate in 1992. In 1995, Senate colleagues elected Smith to the position of president of the State Senate. In 1996, Senator Smith was elected to the U.S. Senate, assuming the seat left open upon the retirement of Senator Mark O. Hatfield and becoming the first senator from eastern Oregon in almost 60 years. In his current federal role, he continues a commitment to expanding access to education and to a balanced approach to the long-term protection, utilization, and enjoyment of our natural resources.

Although still early in his first term as a U.S. Senator, Smith is a majority member of three important Senate committees: Energy and Natural Resources, Foreign Relations, and Budget. On the Energy and Natural Resources Committee, Smith is chair of the subcommittee on Water and Power and is also a member of subcommittees critical to the Pacific Northwest: Forests and Public
Land Management; Energy Research, Development, Production, and Regulation; and East Asian and Pacific Affairs. His Budget Committee assignments include chairing the Task Force on Education. Repeating a pattern of quick recognition of leadership abilities, Smith's Senate colleagues have selected him as Deputy Whip. Smith has also multiplied the capacity of elected federal leaders to serve Oregon well by working closely and across party lines with Senator Ron Wyden and other members of the state's congressional delegation.

Pendleton remains home for Senator Smith. His record of service to Oregon clearly merits the award of an honorary degree; his particular understanding of and dedication to the needs of the eastern region make it especially appropriate for this honor to be bestowed by Eastern Oregon University.

Staff Recommendation to the Board

Staff recommended Board authorization to Eastern Oregon University to award an honorary doctorate to Gordon H. Smith at its June 1999 commencement.

Board Discussion and Action

Dr. Aschkenasy moved and Ms. McAllister seconded the motion to approve the request as submitted. The following voted in favor: Directors Aschkenasy, Christopher, Koch, Lussier, McAllister, VanLuvianee, Van Patten, Willis, Wustenberg, and Imeson. Those voting no: none.

EXCHANGE OF FOREST LANDS, OSU

Summary

In February 1995, a 95-acre parcel of land was donated by the Oregon State University Foundation to the State Board of Higher Education for use by the OSU College of Forestry. In order to provide for road access into the parcel, OSU has negotiated an agreement with the original owners to exchange 4.253 acres of the OSU parcel, valued at $25,203, for 3.655 acres adjacent to the original donated property, valued at $36,550.
Staff Report to the Board

In late 1994, a 95-acre parcel of forest land in Clackamas County was donated by Mr. and Mrs. Vittz Ramsdell to the Oregon State University Foundation, for use by the OSU College of Forestry. In 1995, the OSU Foundation, in turn, donated the land to the State Board of Higher Education to be used as a teaching and demonstration forest for non-industrial forest owners in Clackamas County.

In order to utilize this land for the purposes intended, it is necessary to provide a road into the parcel. There are two unequally-sized areas that make up the parcel and they are connected via a 175-foot-wide gap that rises over steep terrain. After study, it was found that building a road into these parcels would involve costly engineering and environmental solutions. To avoid some of the costs of building on steep slopes and unstable soils, OSU has been able to obtain an easement from other adjacent property owners. The University also has negotiated an exchange of parcels with the Ramsdell family so that OSU would own the property on which the new road would be constructed.

With the cooperation of the landowners, and after two years of planning, surveying and cost estimating, the OSU College of Forestry has negotiated a solution that will provide suitable land over which to construct the access road through the 95-acre parcel. What is proposed is an exchange of 4.255 acres of the original gift property back to the owners who will, in turn, provide 3.655 acres of adjacent land (a map of the property is on file in the OUS Facilities Division). Because of the difference in the value of timber on these parcels, the value of the OSU acreage plus timber, ($25,203) is less than the value of the acreage plus timber being received in exchange ($36,550). The owners are, in effect, making an additional $11,347 charitable contribution to the Oregon University System. Costs to build the access road will be covered by the OSU College of Forestry.

Staff Recommendation to the Board

Staff recommended that the Board approve the exchange of 4.255 acres owned by the Board of Higher Education and valued at $25,203, for 3.655 acres of land valued at $36,550 to provide for road access into a parcel of land as described in a Bargain and Sale Deed.
between the State Board of Higher Education and Vitz and Elaine Ramsdell, such deed to be executed forthwith upon execution by the Board President and Secretary.

Board Discussion and Action

Mr. Lussier moved and Mr. Willis seconded the motion to approve the request as submitted. The following voted in favor: Directors Aschkenasy, Christopher, Koch, Lussier, McAllister, VanLuvanee, Van Patten, Willis, Wustenberg, and Imeson. Those voting no: none.

M.A./M.S., CONFLICT RESOLUTION, PSU

Staff Report to the Board

Portland State University proposes to offer an interdisciplinary program leading to a master's degree in conflict resolution. This degree program builds on existing program elements. It would provide students with the opportunity to master the principles, insights, and techniques for resolving conflict. Students will gain an understanding of the various kinds of conflict (psychological, interpersonal, social, and global) and add depth by the development of a focus area (i.e., family, organization, environment, human services/education, intercultural/international). Students in this program will be well-grounded in both theory and practice, from an exploration of the deepest philosophical issues to hands-on practical applications of conflict resolution.

The underlying premise of the program is that understanding conflict and gaining skills in conflict management are relevant to all professions and walks of life. Increasingly, a wide variety of organizations and groups (e.g., professional communities, neighborhood associations, families) are turning to mediation and conflict resolution professionals to work through disputes. Because legal avenues are often costly in terms of both time and money, more people and organizations use arbitration, mediation, negotiation, and conflict resolution to settle disputes.

Courses in the departments of philosophy, speech communication, sociology, psychology, international studies, political science, counseling, education, social work, and urban studies will be available to students enrolled in the program. Course requirements include 28 credits of core coursework, 16 credits in the focus area, 9 practicum/internship credits, and 10 thesis seminar/project credits. It
is anticipated that graduates of the program will find positions as mediators, arbitrators, and violence-prevention specialists; many, however, will apply this skill to their current professions.

PSU has had many experiences that convey widespread support for such a program. For example:
- Since fall 1992, more than 200 people have graduated from intensive six-day training courses in conflict resolution ("Negotiation and Mediation").
- Portland Educational Network’s Violence Study Team and “Peer Mediation” course have responded to community demand by conducting several workshops during the past few years, training more than 550 teachers, administrators, social service personnel, community leaders, etc., in conflict resolution and mediation.

This program has been developed through a partnership of academic, campus, and community interests. An advisory board, with representatives from government, for-profit and nonprofit businesses, social service agencies, and education, will work with the PSU dean to conduct annual evaluations of the program. The only related OUS programs are an undergraduate minor in peace studies available at the University of Oregon and an undergraduate and graduate minor in peace studies at Oregon State University.

An external team composed of nationally known faculty from George Mason University, Columbia College, Cleveland State University, and the University of Massachusetts—Amherst has reviewed the program and strongly supports implementation. PSU has modified the program proposal to respond to recommendations made by the external review team. For example, to ensure that a critical mass of regular faculty carry primary responsibility for the program, the faculty coordinator position has been changed from fixed term to tenure track. In addition, a third core faculty will be added, with no core faculty teaching more than two required courses. The three-year goal is to have 4.0 FTE core faculty to support this program. Other changes included increasing the number of required credits from 55 to 63 and adding Research Methodology and Advanced Mediation as required courses. PSU has developed a revised budget that includes sufficient library resources for this program as well as adequate faculty resources.
Meeting #681—Minutes

Academic Council favorably reviewed this program at its March 1999 meeting.

Staff Recommendation to the Board

Staff recommended that the Board authorize Portland State University to establish a program leading to an M.A./M.S. in Conflict Resolution, effective spring term 1999, with a follow-up review to be conducted by the OUS Office of Academic Affairs in 2004-05.

Board Discussion and Action

Prior to her review of the consent items, Vice Chancellor Clark introduced Dr. Andy Duncan, the new director of the Southwestern Oregon University Center in Coos Bay, a partnership program with Southwestern Oregon Community College.

Ms. Wustenberg moved and Mr. Lussier seconded the motion to approve the program proposal as submitted. The following voted in favor: Directors Aschkenasy, Christopher, Koch, Lussier, McAllister, VanLuvianee, Van Patten, Willis, Wustenberg, and Imeson. Those voting no: none.

M.A./M.S., WRITING, PSU

Staff Report to the Board

Portland State University seeks Board authorization to offer a program leading to a master's degree in writing, effective fall term 1999. The proposed program comprises three strands: nonfiction writing, professional/technical writing, and creative writing. Graduates from each strand will be prepared to pursue writing careers in any number of fields. Those from the professional/technical strand will understand and be able to manage publications in business and industrial settings. They will have command of rhetorical strategies necessary for success as persuasive and ethical technical communicators, and will be able to use multimedia and other technology alternatives for transmission and management of documentation. Creative writing graduates will understand creative genres and forms, and will be able to produce book-length examples at a professional level within their chosen concentration (fiction or poetry). Graduates from the nonfiction writing strand will be able to write effectively for a variety of popular media, such as magazines, newspapers, newsletters, and the Internet. Most course writing will be
connected to the goal of publishing their work; students will have ample mentoring in the process of querying editors and submitting stories.

Only qualified writers will be admitted to the program; prospective students will submit a portfolio of representative written work as part of the admissions process. Workshop formats, peer review and editing, and portfolio development will be a part of all the strands. Students will complete 48 credits, which will include application of their knowledge and expertise in community settings (e.g., internships). Provisions for part-time, evening, and placebound students are integral to this program. The program will also be included in PSU’s degree-completion offerings off campus (e.g., at the CAPITAL Center in Beaverton).

Currently, the Portland metropolitan area offers no graduate program in writing. Two other OUS programs are similar but not identical to the proposed program. The University of Oregon offers an M.F.A. in creative writing. Oregon State University offers a master’s degree in scientific and technical communication, which is designed for students who intend to have communication management responsibilities in business, industry, government, and education. Both OSU and UO support PSU’s proposed program, viewing it as complementary rather than competitive.

In fall 1998, an external review of the program was conducted. The review team unanimously supported program implementation, noting among the program strengths the vast student and employer demand, innovative program format, and program alignment with PSU’s urban mission. The team applauded the important role of published writers in the program; they will provide real-world guidance and information to the students. These adjunct faculty are drawn from such fields as journalism, public relations/communications, technical communications, and fiction writing (novelist). The review team recommended some program resource modifications, which PSU has embraced. Among these are anchoring each strand with two tenured and/or tenure-track faculty, and increasing the budget for library resources.

The resources for this program will be primarily assigned through internal reallocation. Academic Council favorably reviewed this program at its February 1999 meeting.
Staff Recommendation to the Board

Staff recommended that the Board authorize Portland State University to establish a program leading to the M.A./M.S. in Writing, effective fall term 1999, with a follow-up review to be conducted by the OUS Office of Academic Affairs in 2004-05.

Board Discussion and Action

Dr. Aschkenasy asked about employment opportunities for students who earn an advanced degree in writing. Vice Chancellor Clark indicated that, while possibilities differ for each strand, the likeliest route to employment would be in the professional technical field. “Virtually all manufacturing organizations hire this kind of expertise,” she pointed out. Mr. VanLuvanee added that in the field of engineering, trained technical writers are essential. The other strands (nonfiction and creative writing), Dr. Clark said, would allow for crossover into journalism programs and into the print literature and entertainment markets.

Ms. Wustenberg moved and Mr. Lussier seconded the motion to approve the program proposal as submitted. The following voted in favor: Directors Aschkenasy, Christopher, Koch, Lussier, McAllister, VanLuvanee, Van Patten, Willis, Wustenberg, and Imeson. Those voting no: none.

Staff Report to the Board

The University of Oregon proposes to offer this degree as a complement to the heavily subscribed new liberal arts major in Environmental Studies. The proposed program will complement the Environmental Studies baccalaureate program, formally recognizing and responding to student demand for greater scientific understanding of environmental issues. Both programs provide a strong interdisciplinary perspective on the relationship between humans and nature. However, the Environmental Studies major serves students wishing to focus in such areas as policy, planning, sustainable development, environmental justice, or social theory. The proposed Environmental Science major will better serve students desiring a deeper understanding of the science behind these environmental issues.
The goal of the program is for graduates to be cognizant of major environmental issues and to develop an understanding of (1) the nature and scope of the forces underlying environmental problems/issues, (2) the various approaches used to bring environmental issues to the public's attention, and (3) the methods and approaches used to solve these problems. Students will be required to complete 84 credits of science and 20 credits of environmental coursework in the social sciences and humanities in addition to the other baccalaureate-degree requirements. Students must also complete an experiential-learning requirement, such as one term of study at a field station (e.g., Oregon Institute of Marine Biology, Malheur Field Station), research with a faculty member in environmental sciences, or an approved internship.

OIT, PSU, OSU, and SOU have environmental programs for undergraduates, each somewhat different from the other in faculty expertise, curriculum, and other career outcomes. These programs are well subscribed. For example, UO currently estimates 500 majors in Environmental Studies. The proposed program builds on UO's significant strengths in the physical and life sciences as well as its unique faculty expertise. Given the intense focus on environmental issues in Oregon, the United States, and the world, UO considers the proposed program to be a very relevant degree.

Business services in the environmental field are expected to reach $200 billion by the year 2000. Consequently, employment opportunities flourish for environmental professionals. Entire 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. Annual national conferences serve as educational and informational forums regarding environmental employment opportunities, issues, and trends (e.g., National Environmental Career Conference, October 23–25, 1997, Boston, Massachusetts). In short, employment opportunities are anticipated to be significant for graduates of this program. Oregon and the Pacific Northwest are in the forefront of environmental concern and management. Students graduating from this program would have scientific career options in such fields as conservation biology, climate, pollution prevention and abatement, and ecosystem restoration and management. These graduates would be competitive for jobs with government agencies, environmental consulting firms,
and various businesses requiring environmental sciences. In addition, the degree would prepare students for careers in teaching and for any number of graduate and professional programs such as geology, biology, environmental science, or law.

Current resources are sufficient to offer this program. It is anticipated that 25-50 students will graduate each year from the program. Academic Council favorably reviewed this program at its February 1999 meeting.

Staff Recommendation to the Board

Staff recommended that the Board authorize the University of Oregon to establish a program leading to the B.A./B.S. in Environmental Science. The program would be effective spring term 1999, and the OUS Office of Academic Affairs would conduct a follow-up review in the 2004-05 academic year.

Board Discussion and Action

Ms. Wustenberg moved and Mr. Lussier seconded the motion to approve the program proposal as submitted. The following voted in favor: Directors Aschkenasy, Christopher, Koch, Lussier, McAllister, VanLuvanee, Van Patten, Willis, Wustenberg, and Imeson. Those voting no: none.

Staff Report to the Board

The University of Oregon's Charles H. Lundquist College of Business proposes to offer this certificate to undergraduate business students, allowing them to focus on international business issues in addition to their traditional concentration of study. (Currently, two areas of concentration are available to students: business administration and accounting.) To earn the certificate, students would need to successfully complete a core of international business courses (International Finance, Managing Across Borders, International Marketing), 24 credits in an approved area study (e.g., Asian Studies, European Studies), and two years of university-level foreign language study that complements the chosen area of study. Students are also strongly encouraged to participate in an approved international experience. (Last year, approximately 50 business students participated in a university-approved international program.)
It is widely recognized that business endeavors extend beyond domestic boundaries. Students who earn this certificate will be better prepared for the realities of the business world; consequently, employment opportunities should be strengthened by the addition of this certificate.

Resource requirements for implementation of this program are minimal. Coursework and faculty are in place. A small amount of additional time will be directed toward administrative processes relating to the certificate.

Academic Council favorably reviewed this program at its February 1999 meeting.

**Staff Recommendation to the Board**

Staff recommended that the Board authorize the University of Oregon to establish a program leading to the undergraduate certificate in Global Management, effective fall term 1999.

**Board Discussion and Action**

Ms. Wustenberg moved and Mr. Lussier seconded the motion to approve the program proposal as submitted. The following voted in favor: Directors Aschkenasy, Christopher, Koch, Lussier, McAllister, VanLuvanee, Van Patten, Willis, Wustenberg, and Imeson. Those voting no: none.

**Staff Report to the Board**

The University of Oregon proposes to offer an undergraduate certificate in Second Language Acquisition and Teaching, effective fall term 1999. The certificate focuses on the theory of second language acquisition and teaching and its application in pedagogical settings. The program consists of 12 credits in second language acquisition theory and methodology, 8 credits in linguistic description of a target language, and 3-4 credits in a practicum, internship, or supervised tutoring. Students who successfully complete this program will have a solid grounding in developmental, cognitive, psycholinguistic, and sociocultural issues in language acquisition and their implications for effective teaching for the pronunciation, vocabulary, and structure of a language. In addition, they will know
structural aspects of a specific language and have an understanding of cross-cultural issues that affect language acquisition and communication generally. The proposed certificate is not designed to provide public school teacher licensure *per se*.

There are no similar programs in Oregon that offer an undergraduate certificate in second language acquisition and teaching. To some extent, the program will overlap with the PSU certificate in teaching English as a second language, in that both programs are open to students from a variety of majors as well as to postbaccalaureate students. However, the PSU program is specific to English as a second language.

The need for such a program is well documented, both by the number of inquiries the UO Linguistics Department receives each term as well as by the growing need for professionals with an understanding of second language acquisition and teaching.

The certificate should appeal particularly to students majoring in linguistics, foreign languages, international studies, and English, but it is designed to be useful and accessible to students in any major. Earning this certificate will enhance any number of pursuits: staffing adult language programs, augmenting teacher training, strengthening professional opportunities, etc. This would also be a useful addition to international students who intend to return to their home countries and teach language courses. The UO anticipates 10-20 new students will enroll each year.

The program will have minimal budgetary impact because it relies on courses and faculty already in place. The major additional administrative and teaching obligation is the placement and supervision of students in practicum or internship opportunities. A minimal amount of clerical work will also be required to implement this certificate. Any budget impacts will be handled through internal reallocation.

Academic Council favorably reviewed this program at its February 1999 meeting.
Staff Recommendation to the Board

Staff recommended that the Board authorize the University of Oregon to establish a program leading to the undergraduate certificate in Second Language Acquisition and Teaching, effective fall term 1999.

Board Discussion and Action

Dr. Aschkenasy asked how great the change in emphasis would be if the option of teacher licensure was included in the program. Vice Chancellor Clark responded that UO has existing authorizations in foreign language teaching that require the full pedagogy behind teaching and that recognize the current proficiency-based environment of Oregon K-12 schools. The program proposal, she explained, would likely be more attractive to liberal arts students who don't necessarily intend to move toward teacher licensure.

"Many of these students change their minds as they go along," pointed out Dr. Aschkenasy. "I could see where the licensure component would give them a desirable amount of flexibility." Dr. Clark said that flexibility would be possible, but students would still be required to meet the requirements specified by the Teacher Standards and Practices Commission.

Ms. Wustenberg asked for a more detailed explanation of a certificate. Dr. Clark indicated that the certificate represents a kind of "sub-degree" under a regular bachelor's, master's, or doctorate. "The essence of a certificate is that courses cohere so that they are related, and at the end of a sequence, the student has some defined body of knowledge and/or additional skills or set of skills. In this way, students can identify to a prospective employer they have this sub-specialization," she said.

Ms. Wustenberg moved and Mr. Lussier seconded the motion to approve the program proposal as submitted. The following voted in favor: Directors Aschkenasy, Christopher, Koch, Lussier, McAllister, VanLuvanee, Van Patten, Willis, Wustenberg, and Imeson. Those voting no: none.
Since January 1997, the Board of Higher Education has provided leadership in identifying four overarching goals, along with measures and indicators of achieving these goals. The purpose of this effort is to emphasize results in guiding public higher education in Oregon. Indicators were adopted in November 1997, followed by System and institution reports of baseline performance in March 1998 and June 1998, respectively. In the June 1998 report, campuses identified targets for improvement and outlined initiatives to close the gap between current performance and desired results. These initiatives often included the need to isolate influences that would reinforce growth in the desired directions.

In addition to the aforementioned documents that would be used internally to guide and monitor improvement, the Chancellor directed staff to develop an abbreviated performance report for the legislators and citizens of Oregon that would communicate how OUS is “doing business differently.” On March 19, 1999, a panel was assembled to react to a draft of the first OUS baseline performance report. This panel included three Board of Higher Education members (Herb Aschkenasy, Diane Christopher, and Jim Willis), three external representatives (Rob Miller, Diana Snowden, and Jeff Tryens), Chancellor Cox, Vice Chancellor Clark, and other Chancellor’s staff. The panel reviewed the indicators and the baseline performance report. Some of the comments and observations offered during the meeting include:

1. Be clear about the purpose of the report card—is it to say wonderful things about OUS or is it to get the legislature to act and fund?

2. Focus on results—limit process and input indicators in favor of specific results.

3. Add improvement targets.

4. Adjust arrow directions—some trends are identified as “steady” when performance is “down” (e.g., deferred maintenance).
5. Be more specific and take risks—indicate when performance is not where it should be and avoid using “gloss-over” language.

6. Limit the number of indicators—for example, in employability, delete “so what” ones (e.g., employment of recent graduates) and replace with degree production in areas where it is not sufficient (e.g., engineering, computer science, special education fields) and tie to targeted programs and requests for legislative funding.

7. Keep four-fold design but have two companion pieces (System and institution) that provide the detailed graphs and targets for the indicators listed in the report card.

8. Ask legislators which indicators are of interest to them.

9. The incentives for focusing on results need to be higher.

Based upon these comments, the baseline performance report was revised to include 1997-98 performance, descriptions of trend direction (usually ten years, but fewer for indicators that needed baselines built), and a target for improvements for 2005-06. Achieving these targets presumes full funding of the resource allocation model over the next two biennia. The content of the report follows.

**Access Goal: To improve access for qualified Oregonians to degree programs**

**Higher-ability freshmen enrolled (high school GPAs 3.75 and higher)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Performance</th>
<th>Trend Direction</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987-88</td>
<td>11%</td>
<td>Increasing</td>
<td></td>
</tr>
<tr>
<td>1997-98</td>
<td>19%</td>
<td></td>
<td>+30%</td>
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</table>

**Ethnic/minority students enrolled**

<table>
<thead>
<tr>
<th>Year</th>
<th>Performance</th>
<th>Trend Direction</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987-88</td>
<td>7.9%</td>
<td>Increasing</td>
<td></td>
</tr>
<tr>
<td>1997-98</td>
<td>12.6%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Maintain proportion
Meeting #681—Minutes

April 16, 1999

Oregon public/private high school graduates enrolled
1987-88 performance: 23%
1997-98 performance: 20%
Trend direction: Maintaining performance
2005-06 target: +10%

Community college transfers enrolled
1987-88 performance: 2,598
1997-98 performance: 2,428
Trend direction: Maintaining performance
2005-06 target: +5%

Quality Goal: To strengthen existing quality of academic programs

Bachelor’s degrees started and completed
1987-88 performance: 49% of freshmen and 57% of community college transfers entering in 1987 who graduated by 1993
Trend direction: Increasing
2005-06 target: +6%

Professional licensure scores (accounting, engineering, pharmacy, social work, veterinary medicine)
1993-94 performance: At or exceeds national (or state) pass rates
1997-98 performance: At or exceeds national (or state) pass rates
Trend direction: Sustaining high performance
2005-06 target: +3%

Rated higher education “very good” or higher
1995-96 performance: 72% of 1994-95 graduates
1997-98 performance: 62% of 1996-97 graduates
Trend direction: Developing baseline
2005-06 target: +15%
Cost-Effectiveness Goal: To ensure cost-effective operations on each campus

Maintain current fund balance
  1987-88 performance: 4% of current fund expenditures
  1997-98 performance: 7% of current fund expenditures
  Trend direction: Increasing
  2005-06 target: +20%

Sponsored research and other support expenditures
  1992-93 performance: $140.3 million
  1997-98 performance: $173.4 million
  Trend direction: Increasing
  2005-06 target: +5% ($27 million)

Maintenance backlog accumulated
  1987-88 performance: 10%
  1997-98 performance: 18%
  Trend direction: Decreasing
  2005-06 target: Not worsen

Employability Goal: To meet Oregon's workforce needs for capable graduates

Graduates completing internships
  1994-95 performance: 51% of undergraduate students
  1997-98 performance: 57% of undergraduates; 69% of graduate and professional students
  Trend direction: Developing baseline
  2005-06 target: 100% (provide opportunity for all to participate)

Degrees awarded
  1987-88 performance: 11,191
  1997-98 performance: 12,796
  Trend direction: Maintaining performance after initial increase
  2005-06 target: +5% (650)
Engineering, technology, computer science, mathematics, and science degrees awarded
1987-88 performance: 1,983
1997-98 performance: 2,084
Trend direction: Increasing
2005-06 target: +13% (270)

Teacher education degrees in current shortage areas awarded
(special education, counseling, bilingual, speech therapy, foreign languages)
1987-88 performance: 167
1997-98 performance: 470
Trend direction: Increasing
2005-06 target: 40% (+200)

In addition to a graphic presentation of this material, a supplemental report that provides more detailed trend data will be available to the legislature and public upon request.

Board Discussion

See the discussion on this item in the Chancellor's report on page 60.

STUDENT RACIAL/ ETHNIC DIVERSITY: TRENDS IN ENROLLMENT, GRADUATION, AND RETENTION

Executive Summary

The Oregon University System continues to make progress in relation to the matriculation, persistence, and graduation of students. However, the progress is more significant for some groups of students than for others.

Five-year total (undergraduate and graduate) enrollment trends within the OUS indicate that the representation of students of color increased from 11.5 percent of the enrollment in fall 1993 to 12.4 percent of the enrollment in fall 1998. There were relatively slight increases or decreases within each racial/ethnic group. Asian/Pacific American student enrollment increased proportionately from 5.9 percent in fall 1993 to 6.3 percent in fall 1998, and Hispanic/Latino student enrollment increased proportionately from 2.7 percent in fall 1993 to 3.2 percent in fall 1998. A slight proportionate increase in total enrollment—from 1.3 percent in fall 1993 to 1.4 percent in fall 1998—was experienced among American Indian/Alaskan Native
students. Slight declines in proportionate enrollment were experienced among African American students (from 1.6 percent in fall 1993 to 1.5 percent in fall 1998) and European American students (from 74.7 percent in fall 1993 to 73.5 percent in fall 1998).

Students of color received 8.4 percent of all degrees awarded during 1992-93, and 11 percent of all degrees awarded during 1997-98. Total graduation rates during the period from 1992-93 to 1997-98 increased proportionately for American Indians/Alaskan Natives (from 1.1 percent to 1.2 percent of degrees awarded), Asian/Pacific Americans (from 4.2 percent to 5.7 percent of degrees awarded), European Americans (from 73.5 percent to 74.4 percent), and Hispanics/Latinos (from 1.8 percent to 2.8 percent of degrees awarded). Proportionate graduation rates for African Americans during this period remained at 1.3 percent.

Six-year retention rates for cohorts of first-time freshman students who entered OUS institutions in fall 1987 and fall 1992 indicate enhanced persistence among African American, American Indian/Alaskan Native, and European American students. The six-year retention rates for Asian/Pacific American students declined, and the rates for Hispanics/Latinos remained essentially stable for both cohorts. Nevertheless, six-year retention rates for the fall 1992 freshman cohort, by race/ethnicity, range from a low of 39.2 percent to a high of 59.7 percent, suggesting a need for enhanced retention among all OUS students. The report includes a recommendation that a work group be convened to (1) undertake analyses to better understand the variable retention rates among many groups of students, and (2) consider additional strategies for addressing retention concerns that will further enhance existing institutional efforts.

Copies of the full report are on file in the Board’s office.

Board Discussion

Vice Chancellor Clark introduced Dr. Yvette Webber-Davis, OUS policy associate for diversity, affirmative action, and special projects. Dr. Webber-Davis summarized that the data indicated that some areas were showing a positive trend and others required more attention.
Of particular concern, Dr. Webber-Davis said, was the decline in retention rates for all students, not just students of color. In order to better understand the reasons for this, Dr. Webber-Davis recommended that a work group be convened to study the problem more deeply. There was consensus by Board members that a work group should be formed to further study issues of persistence and retention by students of color.

"Are there benchmarks for these? What's standing in the way of these students from staying in school?" asked Mr. Koch. Dr. Webber-Davis said that she was unsure why student retention was down, but theorized that it could be related to a number of issues, including availability of minority faculty. Mr. Willis pointed out that, in the case of Oregon tribes, there is a large population of children who will be moving into or are already in the System, and encouraged close review of retention issues. "I suspect Oregon is not very different from the national American Indian population, which is very young."

President Imeson asked if there were significant variations among the institutions in terms of retention. Responding in the affirmative, Dr. Webber-Davis said those percentages are, in part, driven by the small numbers of certain racial/ethnic groups on campuses. "For instance," she said, "if a freshman cohort consists of one American Indian student and s/he does not persist, the retention rate is zero."

Vice Chancellor Clark indicated that the retention questions were a critical aspect of access. She pointed out that the proportion of minority undergraduates is about 13 percent in OUS, and that the proportion of high school graduates is approximately 11 percent of students of color. Dr. Clark added that the demographics of the state will affect graduation proportions, presenting additional recruiting opportunities for institutions.

In response to Mr. VanLuvanee's point that it is important to reach students early, Dr. Clark described two successful campus programs aimed at attracting students of color to OUS: the Science and Math Investigative Learning Experiences (SMILE) program, with a rural orientation for middle school students at OSU, and the Mathematics, Engineering and Science Achievement (MESA) program at PSU, that is urban and metropolitan in focus.
President Frohnmayer informed the Board that the UO has added another category to the student's self-identification form, which is *multiracial*. "Those numbers don't necessarily show up in terms of the federal reporting form, but they do have to do with opportunities for students of color," he suggested. Continuing, Mr. Frohnmayer said, "We see more students identifying themselves in that category, and frankly, it speaks to the coming demography of the U.S."

Mr. Lussier shared details of a presentation he attended at the recent AGB conference. "A very interesting statistic was that, when you study diversity, it was found that the educational experiences of both students of color and white students were enhanced. The whole environment of the university changed," he reported. Mr. Lussier then suggested that the System Strategic Planning Committee look at the issue of campus diversity from a policy perspective. "As David [Koch] mentioned, there may be some benchmark identification we could do, as well as create a policy statement about how the System would go about continuing to improve, in terms of diversity, what those benchmarks are, and how they might affect individual institutions."

Building on Mr. Lussier's comments, Mr. VanLuvane said that he felt the most vital component is the relationships that students have, which help them to bridge the hurdles they encounter. "I think we can study how the relationships work and the constituents you want to bring around the table. To me, it's much broader than OUS and, therefore, you can get a lot of people engaged in this."

Ms. Wustenberg said that she recently read that many students of color do not indicate any ethnic designation on student identification forms. She asked if and how that has been considered in the System. Dr. Webber-Davis responded that those students are grouped into the unknown category, along with those who currently identify themselves as multiracial or multiethnic. Beginning with the 2000 U.S. Census, the category of multi-racial will be included and counted. However, no one has determined how those data will be analyzed. "We need to continue to monitor that situation," concluded Dr. Webber-Davis.
Executive Summary

The American public continues to view the concept of diversity as an important component of the culture. A recent study found that 75 percent of respondents nationally indicated that colleges and universities should take explicit steps to ensure diversity among faculty. Oregon University System (OUS) institutions remain committed to enhancing diversity among faculty, students, and staff. This report provides an overview of the progress made toward enhanced diversity within faculties at OUS institutions during the period since 1995-96, and also provides an update pertaining to the OUS Faculty Diversity Initiative (FDI) program that was implemented in 1995-96. The FDI program has been a successful asset in the enhancement of representation relating to faculty of color within the OUS.

Gains have been made in the representation of faculty of color within the OUS. Faculty of color, among all (instructional/research/public service) full-time faculty, represented 8.4 percent of the population in 1997-98. This figure is up from 7.5 percent in 1995-96, reflecting an absolute gain of 8.5 percent during the two-year period. In the subset of instructional faculty (which represents the largest group among all full-time faculty), the representation of faculty of color has increased from 7 percent of the population in 1995-96 to 9.6 percent of the population in 1998-99, reflecting a gain of 35 percent during the three-year period. Given the relative recentness of the attraction of greater numbers of faculty of color, the largest concentration of faculty of color is found at the assistant professor rank, representing entry-level positions, within the OUS. Analyses pertaining to the progress made within each racial/ethnic group, and comparisons with national data and data from selected Western states, are included within the report. In most instances, the representation of faculty of color within the OUS is lower, proportionately, than national figures. The exception to this finding relates to the representation of American Indian/Alaskan Native faculty.

Recommendations are provided relating to (1) the continuation of efforts to attract faculty from underrepresented groups; (2) further facilitation of positive environments in which faculty are encouraged to advance through the ranks; (3) continuation of the FDI program; (4) future analyses concerning the representation of part-time faculty and
full- and part-time staff; and (5) implementation of modified race/ethnicity reporting guidelines as a result of changing federal standards.

Copies of the full report are on file in the Board’s office.

Board Discussion

Dr. Webber-Davis reported significant increases in terms of the total number of faculty of color. In 1995-96, there were 165 full-time instructional faculty of color; in 1998-99, the number increased to 223, for a net gain of 35 percent in a three-year period.

After further explaining the latest data on faculty of color in OUS, Dr. Webber-Davis moved to the Faculty Diversity Initiative Program, implemented in 1995-96. This program allows for institutions to receive financial awards from the Chancellor’s Office that augment campus efforts to increase diversity. She said that each institution utilizes funds for targeted excellence programs, which support campus resources for hiring a diverse faculty. Several campuses also appropriate funds for graduate pipeline programs.

In concluding her remarks, Dr. Webber-Davis said that five recommendations emerged from the study: 1) continue efforts to attract faculty of color, particularly those who remain underrepresented throughout the System; 2) maintain the momentum of positive increases and seek to further facilitate faculty advancing through the ranks; 3) continue support of the faculty diversity program; 4) pay more attention to other than full-time faculty and staff of color and their impact on the campus environment; and 5) ensure that staff are aware of upcoming new federal reporting guidelines.

Mr. Koch asked if the increases in recruitment and retention were taking place throughout the System, or if greater strides were being made at specific institutions. Dr. Webber-Davis said that successes are being experienced Systemwide.

Chancellor Cox complimented Dr. Webber-Davis on her efforts since coming into her position in August 1998. “She has made tremendous headway, particularly with establishing the credibility of the System in a variety of communities in the state,” he observed.
Staff Report to the Board

The performance measures and indicators adopted by the Board of Higher Education in November 1997 included a plan for phasing in their implementation. Those indicators for which the Oregon University System (OUS) already maintained data (e.g., graduation rates of entering freshmen, participation rate of Oregon high school graduates, and sponsored research expenditures) were included in the first phase. Indicators for which baselines needed to be developed included customer satisfaction, recent graduate employment, undergraduate general abilities, completion rates for graduate and professional students, and economic impact. Since November 1997, staff in the Chancellor's Office and campuses have worked together to identify ways to collect data systematically for those indicators lacking baseline data.

The OUS did not have in place a systematic way to determine the economic impact of OUS on the state of Oregon. For several years, two universities using two different econometric models have looked at how dollars invested in their institutions impact the economies of their local communities and Oregon. The other campuses have not conducted similar studies. Therefore, Chancellor's staff worked with campus representatives to identify the parameters of a study and to adopt a common econometric model to establish the baseline for the System and the institutions.

The study "Economic Impacts of the Oregon University System" was conducted by ECONorthwest, an independent research firm with offices in Portland and Seattle. The study examined the impact of OUS's seven institutions on Oregon's economy from three perspectives: (1) the short-term boost from the direct spending of OUS institutions, their students, and vendors; (2) the projected economic impact of an incremental increase in the state's investment; and (3) the knowledge benefits of higher educational attainment levels for the individual and the state of Oregon. It was not within the scope of this study to investigate how universities create and grow businesses and produce research breakthroughs that spur new industries. These economic benefits deserve consideration in another study.
Key Findings Summary

Oregon's public universities return $2 for every $1 of state investment, according to the study conducted by ECONorthwest. The net economic impact associated with current operations is nearly $600 million a year, compared with the current annual state appropriation of $297 million. OUS doubled the state's annual investment.

Most of the public universities' direct spending dollars stay in Oregon: 70 percent of goods and services, 87 percent of capital expenditures, and 98 percent of wages and salaries.

OUS provided $583 million in sales, $436 million in income to Oregon workers, and supported nearly 12,000 new nonuniversity full-time jobs.

The OUS students who entered the System in fall 1997, and others who benefit from their earning power, will return 130 percent more to the state treasury than the state invested in their higher education.

Methods

Economic impacts include the direct spending (original purchase) by the universities plus the spending that circulates through the economy. This indirect activity is often called the "multiplier effect." The study looked at impacts on goods and services sold by Oregon firms, wages and salaries earned by Oregonians, and jobs created by the economic activity. It did not look at the effects of OUS spending that accrue to businesses and workers outside the state.

- Direct-spending data for goods and services expenditures, capital expenditures, and payroll expenditures were extracted from the OUS Financial Information System (FIS) for fiscal year 1998.
- Student and visitor spending was calculated with the information provided by each institution.
- For each of the direct expenditures, the consultants used a computer model—called IMPLAN—to estimate what proportion of the spending was made in the state. They repeated the
exercise for each successive round of spending. The model reports the economic activity associated with the initial university-related spending, as well as the secondary activity generated as the dollars circulate through the economy.

**Findings Detail**

**Calculating the Short-term Boost to Oregon's Economy.** The total economic activity associated with OUS expenditures in FY 1998 included:

- $821 million in expenditures ($300 million in goods and services, $120 million in capital, and $421 in labor); and
- $380 million in spending by students in the communities (excludes tuition, university housing, and food services).

The total spending by employees, students, visitors, and vendors:

- Generated $1.5 billion in sales;
- Provided $1 billion in income for Oregon workers; and
- Supported more than 26,300 full-time jobs.

Most of OUS's direct spending took place in Oregon—70 percent of goods and services, 87 percent of capital expenditures, and 98 percent of wages and salaries go to Oregon workers.

The net impact of the existence of OUS on Oregon's economy was determined by subtracting state appropriations and student-related offsets from the gross effects estimated above (e.g., if the students lived and spent money in Oregon but didn't attend OUS) from OUS's expenditures.

OUS doubled the state's annual investment. The net economic impact associated with current operations is $583 million, compared with the current state appropriation of $297 million.

OUS generated a substantial short-term boost to Oregon's economy. In FY 1998, OUS:

- Provided $583 million in sales,
- Provided $436 million in income to Oregon workers, and
- Supported nearly 12,000 full-time jobs.
Projecting Returns on Additional State Investments. OUS has been very successful in using state funding as seed money to generate other revenue. Assuming that state appropriations are needed to leverage other sources of revenue and OUS remains as successful in leveraging outside funds, ECONorthwest projects that every dollar of state support for higher education in Oregon results in $2 of total spending in the state’s economy. For example, a $50 million annual incremental increase in state appropriations to OUS would yield an additional $100 million in new, net economic output annually for Oregon.

Projecting Knowledge Impacts of Higher Educational Attainment. Some of the benefits associated with acquiring knowledge include greater lifetime earnings of college graduates compared with high school graduates, greater lifetime earnings of advanced degree completers than bachelor’s graduates, and greater tax payments of college graduates. The higher earning potential of college graduates is well documented, as are the increments in lifetime earnings by educational level and gender.

- The nearly 17,000 students who entered OUS in fall 1997 will earn $3.1 billion more over their lifetimes as a result of their college educations.
- Their increases in earning power will benefit those who sell goods and services to them, generating a total economic impact of $4.4 billion (this includes the aforementioned $3.1 billion).

The state will invest $191 million for those students entering OUS in 1997 over the course of their studies. The fact that adults who have completed higher educational attainment levels earn more over their lifetimes is well documented. (The average adjusted lifetime earnings of someone who completes a bachelor’s degree is $941,248, compared with $618,681 for someone with only a high school diploma.) The resulting tax benefit to Oregon is $247 million (if 62 percent of these graduates remain in Oregon, which is the current proportion). This means that the OUS students who entered the System in fall 1997 will return 130 percent more to the state treasury than the state invested in their higher education.
Conclusion

Some clear impressions emerge from this effort to understand the impact that the Oregon University System makes on Oregon's economy. The universities have been very successful in using state funding as seed money to generate other revenue. Public universities are a major source of jobs. Not only do they employ 14,000 individuals directly, they generate additional nonuniversity jobs in Oregon's communities indirectly through their spending. Each dollar invested in public higher education generates $2 of net economic impact. The graduates who earn more because they are qualified for higher-paying jobs yield large tax revenues.

Board Discussion

Dr. Goldschmidt reviewed the findings in the report. Mr. VanLuvian asked if any portion of it was discussed at the recent Ways and Means Subcommittee hearings. Dr. Goldschmidt indicated that a scaled-down version of the report would be presented to the Subcommittee the following week. Noting the power of the presentation, Chancellor Cox pointed out, "It ties right into the Progress Board arguments."

“What happens to the report beyond the legislative presentation?” asked Mr. Imeson. The Chancellor responded that it would become a part of his and the presidents' presentations across the state. Mr. VanLuvian encouraged that all identifiable trade associations in the state receive a copy.

Dr. Goldschmidt reported that a second component of the study, which includes information on each institution's impact on their host economies, is due to be released within a month.

Background

The Oregon University System has been working with the firm of Robertson, Grosswiler & Company (RGC), Portland, to assist the Office of the Vice Chancellor for Corporate and Public Affairs and the individual institutions in the development of a strategic communications plan.

Work on the plan commenced in January 1999 and is moving toward a review of a draft plan at the end of April 1999.
Objectives

The plan’s objectives are to assure that OUS is communicating clearly and consistently to its key audiences the messages that accurately describe the university system. These objectives support the overall objective of continuing to build a university system that will:

- Provide a quality education;
- Prepare students for lifelong careers;
- Attract the best and brightest students;
- Maintain affordable tuition;
- Contribute to Oregon’s image as a good place to live;
- Be accountable for the use of public dollars;
- Reach out to communities, delivering lifelong education and providing community services and assistance; and
- Retain and attract high quality faculty and staff.

Progress To Date

In the initial phase of the project, RGC has conducted research on public higher education, including a review of existing public opinion survey work, how OUS now communicates with its publics, and how comparable university systems communicate.

Based on this work, RGC, working with OUS staff, is preparing the draft strategic communications plan with specific recommendations on how to reach key audiences with the messages that accurately convey the objectives of OUS.

Research Results

Oregon is starting from a good base, but can do a better job in providing quality higher education at its public universities.

- Oregon’s public universities are ranked highly by its citizens for contributing to Oregon’s image as a good place to live, providing a quality education to students and preparing graduates for success in their careers.
Oregonians believe that the state should compete to be among the best higher education systems in the country, rather than being satisfied with just a good higher education system.

Oregonians believe a good education system is vital to maintaining a strong economy. Not too surprisingly, this view is emphasized most strongly by community and business leaders.

Oregonians believe the state's higher education system has improved, especially in spending tax dollars wisely, but could do a better job at keeping tuition affordable and offering salaries sufficient to attract quality instructors.

Graduates of Oregon's public universities overwhelmingly express the view that they received a good education.

The public's view of the university system remains about the same as it was earlier in the decade with some notable differences.

Most Oregonians think the universities are doing about the same job overall and are about equal to other states in terms of the quality of education offered.

Compared to five years ago, more Oregonians believe the universities are doing a good job of spending public funds.

Fewer Oregonians are knowledgeable about the university system. Only the University of Oregon and Oregon State University are widely known in the state, perhaps attributable to the state's rapid in-migration growth over the past five years.

Board Discussion

Vice Chancellor Vines presented an overview of initial findings. She said that studies such as Dr. Goldschmidt's economic impact report contribute greatly to the System's overall strategic communications plan.

While not anticipating seeing the full draft report from RGC until later in April, Dr. Vines said that the initial findings indicate that the
community leaders, as well as the general public, feel that OUS has a good starting base, but that the System can do a better job in providing a quality public education. "Most people feel that we should compete to be among the best in the country," she said.

In looking at who was deemed as the most credible sources of information about the System, students, faculty, and local institution presidents (including community college presidents) ranked very high.

As far as lack of overall knowledge about the System, Chancellor Cox asked if that was because of the increased in-migration to the state. Dr. Vines agreed with that assumption.

Mr. VanLuvanee asked how the high satisfaction rate among graduates compares with national statistics. Dr. Vines felt that it was very high, but said that she would investigate the matter further.

Ms. McAllister asked if any questions had been asked pertaining to health issues and how it relates to quality of life for better educated citizens. While responding that was not a component of the study, Dr. Vines said, "Clearly, people believe we contribute to the quality of life, and especially to the image of the quality of life. In the case of retaining graduates and faculty, these factors are quite important."

RIVERFRONT RESEARCH PARK UPDATE, UO

Chancellor Cox shared that several Board members had indicated their interest in receiving a progress report on the Riverfront Research Park (RRP) in Eugene. He asked President Frohnmayer to summarize the latest activities.

President Frohnmayer prefaced his remarks by saying he hadn't brought a report to the Board because the situation was fluid, therefore making it difficult to find a particular issue that would be compelling.

Indicating that the land represents a partnership with the city of Eugene, President Frohnmayer said that after some contention and overwhelming ballot victories, it was voted and established by the UO and the city of Eugene for the purposes of a technology-related research park. The agreement was approved by the Land Use Board.
of Appeals, meaning that the basic footprints for all of the buildings have gone through the appropriate land use processes, representing a tangible investment by the University and by the city.

President Frohnmayer shared that concerns were raised about where the park would be developed, how fast it was developing, and whether it was profitable or not. In response to these concerns, he convened a review panel in spring 1998, which had instructions to give an unvarnished report with respect to whether the product was worth the investment, how it's progressing, and to advise him and the city on whether it should be continued, modified, and so forth. In his opinion, he said that he felt that it was an extraordinarily balanced panel that generated a positive report.

The consultant who was hired compared the RRP to others around the country, measured its success in terms of the build-out of the park, and found a number of advantages, including the fact that the Board owned the land and therefore didn't have to be in a hurry to develop it, or to develop it poorly by having to pay back loans in some imprudent kind of way. As a consequence, according to President Frohnmayer, growth is occurring at an appropriate rate. "We do have tenants in the park that not only directly relate to the return on intellect, but allow faculty members to make technology transfer a part of their professional assignments." He indicated that one of the businesses employs dozens of students in high technology-related industries and businesses.

President Frohnmayer said that one of the outcomes of that report dealt with particularly environmentally sensitive or scenic areas of the park, causing some controversy. Most notable, he said, was the area of the park referred to as the riverview section. "I have assured faculty, staff, students, and the public that we are in no particular hurry to develop that parcel. We do not have a secret plan or tenants that are salivating to develop it. In fact, because we are a land-locked University, and because it is the single-most valuable parcel of land that you probably own, it is the one that needs to be developed, if at all, with the greatest care," he said.

Mr. Frohnmayer reported that the Eugene City Council recently passed a resolution that devotes some funds to a further study of the development of the southwest part of the park, which includes the Agripac facilities. He pointed out that the city is interested in multiple-
use development of those areas, which may or may not include additional research park buildings. He added that there is a possibility that certain parcels of land within the park, currently owned by the city, might be made available to the University under the right circumstances.

"We continue to look for avenues to make the University land within the park more available for park development," he said. President Frohmayer concluded his comments by saying that there are a number of factors relating to the speed with which development will occur. "We can develop it by choosing the tenants, and choosing the areas for development that are most congruent with the University and most consistent with our overall responsibility to the community."

Chancellor Cox said that the first meeting of the group was an all-day session on April 10. "It is a very committed high energy, multi-talented group. It's going to be interesting," he said.

Mr. Lussier shared that the spirit of the Advisory Board tended to go beyond just addressing Central Oregon's challenges in bringing a greater public higher education presence to the area. Rather, he said, they began looking at how higher education changes, including delivery systems and methodologies, could work toward meeting the needs of all citizens.

Responding to the concerns expressed by Dr. Cooper in his IFS report over financing another University in such fiscally challenging times, Ms. Wustenberg said she felt by bringing higher education to Central Oregon in such a cooperative manner, it will be a win-win situation for all involved. Continuing, she observed, "It will not look like any of our other Universities for a long time, if ever, because decisions will be made at certain points in time as we evolve as to whether it makes sense to quit brokering from Universities within the System and private institutions, or whether to become another University. I believe brokering will be the popular way to go for a long time. I would really like to reassure the faculty and the rest of the System that it will not, in any way, victimize part of the System. We are in it together, and I think we have the opportunity to form partnerships throughout the state that will be unique, and will utilize the advantages throughout the state for higher education. It's an exciting enterprise."
Economic Development Joint Boards Working Group

Mr. Imeson reported on behalf of the group, formerly referred to as the OUS/OEDD Working Group. He said that the Governor intends to formally appoint approximately 12 people as members of the group, which held its first meeting on February 25. He said that a representative of OHSU will be asked to participate, given the recent emphasis in the state on biosciences.

Investment

Ms. Wustenberg, as chair of the Investment Committee, invited OUS Controller Michael Green to present the report, based on discussions at a March 18 meeting. He said that the second quarter investment report indicated an 11.8 percent return, for a year-to-date return of 3.6 percent. "The good return in the second quarter more than offsets the poor first-quarter return," said Mr. Green. Other issues discussed were alternative investments and fiduciary responsibility in relation to social context, both of which may be presented in the form of recommendations for modifications to the Board in the future, Mr. Green indicated.

Joint Boards Working Group

Mr. Lussier reported that the OUS-Community College Partnership Plan, as developed under the leadership of Chancellor Cox and Commissioner Bassett, would be formally presented to the Governor later in the day. He would be joined by fellow Board members Ms. Van Patten and Ms. Wustenberg.

OHSU

Strategic planning, with a special emphasis on clinical and hospital services, are the current focus of the OHSU board, said Provost Hallick. "The point of this is really to deal with the realities of the health care market today, the failures of many academic health centers around the country, and our survival in that environment, although not without some difficulties. Times are tough, but we are doing reasonably well," she concluded.

Chancellor Cox expressed his gratitude to President Kohler, Dr. Hallick, and OHSU staff for their assistance in providing information to those involved in the current discussions regarding PEBB. "I think what we keep discovering are new ways to become involved with each other," he said.

System Strategic Planning

Mr. Willis thanked staff for their support of the Committee in recent months, noting that work has progressed even when the Committee hasn’t been meeting face-to-face.
Mr. Imeson read the statement pertaining to delegation of authority to the Board's Executive Committee. Pursuant to Article II, Section 5 of the Bylaws of the Board of Higher Education, the Board delegates to the Executive Committee authority to take final action as here designated or deemed by the Committee to be necessary subsequent to the adjournment of this meeting and prior to the Board's next meeting, scheduled for June 18, 1999. Board members agreed to the delegation of authority.

Ms. Melody Williamson, president of the Oregon Public Employees' Union (OPEU) at WOU, spoke on behalf of classified staff in OUS. She said that, despite an established mutual trust and cooperation between classified staff and administrators on campuses, an obstacle to that partnership is emerging. She indicated that concerns are primarily being raised around return to service and seniority rights and flex benefits.

Mr. Robert Willner, director of the Confederation of Oregon Foreign Language Teachers (COFLT), alerted the Board to HB 3042, which modifies policy adopted in 1995 relating to second language instruction. He urged compromise for a phased-in second language requirement, coupled with a commitment by state education organizations to engage in a concerted effort to develop language teaching resources.

Mr. Willis expressed his appreciation to President Youngblood and her staff for their hospitality and for organizing the campus visit. Other Board members echoed his comments.

The Board meeting adjourned at 12:30 p.m.

Diane Vines  
Secretary of the Board

Tom Imeson  
President of the Board