



OREGON STATE BOARD OF HIGHER EDUCATION

POLICIES

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ACADEMIC CALENDAR

(Adopted by Oregon State Board of Higher Education, Meeting #402, March 28, 1972, p. 153; rescinded October 24, 1980, p. 670; reconsidered September 13, 1982, p. 462; April 22, 1983, p. 104; January 16, 1987, p. 2; December 9, 1988, pp. 662-674.)

On March 28, 1972, the Board considered a request from the University of Oregon for authorization to operate the Law School on a semester basis, effective with the fall term of 1972. The remainder of the University would continue to operate on the regular four-term calendar followed by Oregon University System institutions and community colleges. In authorizing the request, the Board stated:

The University will not be permitted to move unilaterally toward adoption of the semester calendar for the institution as a whole. Any such movement must be part of a statewide adoption of the semester calendar, including the institutions of the System and the community colleges.

On October 24, 1980, the Board rescinded this policy with respect to maintenance of a common academic calendar and stated that it would consider approval of academic calendars for individual institutions, provided that the institution requesting a new calendar demonstrated that the proposed calendar:

- Provides as many days of instruction as the System's traditional three-term academic year calendar;
- Is in the educational best interests of the institution's students;
- Is cost effective;
- Would not create insurmountable transfer problems.

This policy was reaffirmed September 13, 1982. At the April 22, 1983, Board meeting, the University of Oregon presented a request under the policy to move to the semester system calendar. This request was defeated on a tie vote.

On January 16, 1987, the Board again considered and adopted the staff recommendation to convert to an early semester system, with a modification that the effective date of the conversion would be fall term 1990.

The Board again considered the conversion to the semester calendar at its meeting on December 9, 1988, and adopted the recommendation of the Committee of the Whole to retain

the quarter system and rescind the previous decision of January 1987 mandating conversion to the semester system.



ACADEMIC DEGREE PROGRAM PLANNING AND IMPLEMENTATION PROGRAM DEVELOPMENT REVIEW

(Adopted by Oregon State Board of Higher Education, Meeting #643, July 21, 1995, pp. 312-315.)

Purpose

The intention of the Program Development Review process is to create regular opportunities for the Board, the Board's staff, and the leadership of the campuses to discuss collectively program development planning on the respective campuses. Program plans will be considered within the context of the mission and strategic directions of the System and the individual campuses. Further, the process would enable the Board of Higher Education to exercise its policy role by balancing System and campus considerations, mindful of the efficient use of resources.

Criteria

Primary criteria for proposing new academic programs and directing discussion during the Board's review include:

1. The needs of Oregon and the state's capacity to respond effectively to social, economic, and environmental challenges and opportunities;
2. Student demand that may not be met satisfactorily by existing programs;
3. Number and types of students to be served and their social and economic characteristics;
4. The intended effects (and potential unintended effects) of the proposed program on existing programs;
5. The resources necessary for the program are already available as parts of existing programs or have been identified within existing budgets and will be reallocated;
6. The congruity of the proposed program with the campus mission and its strategic direction; and
7. The program, where appropriate and feasible, represents a collaboration between two or more institutions that maximizes student access, academic productivity, and quality.

Suggested Process

- A. Campuses will advise the Vice Chancellor for Academic Affairs, in advance of the September Academic Council meeting, of their interests to seek Board agreement-in-concept to plan a new degree program¹. Campuses would provide a brief (two-page) narrative description of the proposed program: what the program is intended to do, how the proposed program furthers the strategic directions of the institution, the resources needed to support the program within existing budgets, and an analysis of outcomes for graduates including employment prospects.
1. The Academic Council will discuss, semi-annually, the proposed programs at the September and January meetings.
- B. The Board will discuss semi-annually the planning proposals with the presidents/chief academic officers and Board's staff during a work session twice a year at the October and February Board meetings. The Board's discussion would include an informal staff report of the Academic Council's discussion. The Board will provide direction to campuses for those proposals that should be developed as full proposals, including a timeline for implementation.
1. Campuses will commit to a timeline for implementation of the proposed program (e.g., typically a two-year limitation).
- C. The Vice Chancellor for Academic Affairs will analyze and review fully developed plans for proposed programs that the Board has authorized for planning. After the review has been completed satisfactorily, the program will be recommended for implementation to the Board. Campus plans will follow the protocol currently in use.
1. The Academic Council will discuss the plans for new degree programs as part of the review process.
- D. When a new degree program is ready for implementation (i.e., analyzed, reviewed, and ready for staff recommendation to the Board), the Board will review the recommendation for authorization to implement the new degree program.
1. The Board will not consider any request for authorization to begin a new degree program that was not previously approved for planning, except under extraordinary circumstances of clearly demonstrated urgency.
- E. New degree programs will be evaluated within five years of implementation, unless the need for an earlier evaluation is suggested by changes in circumstance.

¹ At the present time, under Board policy, new degree programs include baccalaureate, professional, and graduate degrees of all types, certificates, and educator endorsements.

1. Under current Board policy, a follow-up analysis of a new academic program is conducted not longer than five years after implementation.
 2. To the extent possible, similar programs on other OUS campuses will be evaluated at the same time.
- F. The start date for the proposed Program Development Review process is January 1996. The first discussions of the planning proposals using this process will be conducted in January 1996 by the Academic Council and in February 1996 by the Board, presidents/chief academic officers, and Board's staff. Because a small number of new academic programs are well along in the current planning process, programs ready before the start date for the new process will be presented to the Board as they become ready.

Note to Board

The Academic Council raised a question: Does the Board wish to continue to provide full review and approval of proposals for certificates, teacher licensure programs, and other sub-degree programs?

To streamline Board meeting agendas, the Academic Council believes sub-degree programs can be reviewed by the Council, with the Vice Chancellor for Academic Affairs recommending and reporting outcomes to the Board via the consent agenda.

*OUS Academic Degree Program Planning &
Implementation Program Development Review*

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**ACADEMIC EMPLOYMENT: APPOINTMENT, PROMOTION, TENURE, AND SALARY
PROCEDURES**

(Adopted by the Oregon State Board of Higher Education, Meeting #534,
February 21, 1986, p. 100.)

The Board directed System institutions to adopt written procedures for appointment, promotion, tenure, and salary decisions. The procedures were to include, at a minimum, the following specific requirements:

1. Vacancy announcements for academic positions shall include the tenure status of the position being offered.
2. The successful applicant shall be informed of factors to be considered in determining the hiring salary above the minimum.
3. The factors actually used in fixing the salary of an employee shall be recorded and placed in the faculty member's file.
4. Each institution shall determine and publish the salary increase to accompany promotions in rank.
5. Each institution shall identify separately, and record in the faculty member's personnel record, administrative or other special stipends that are to occur only for the time during which the special circumstances occur.
6. Each institution shall advise faculty of factors to be considered in awarding merit increases.
7. Each component of a faculty member's salary adjustment shall be recorded and placed in the faculty member's file.
8. Each institution shall adopt procedures to review salaries for equity at least every two years.

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ACADEMIC PROCEDURE AND CREDIT

(Approved by the Oregon State Board of Higher Education as part of the catalog copy for the System institutions, Meeting #28, September 6, 1932, p. 203.)

The academic year throughout the System of Higher Education is divided into three terms of approximately 12 weeks each. Summer session on the various campuses supplement the work of the regular year (see special announcements). Students may enter at any term but are advised to enter in the fall. It is especially important that first-year or freshman students be present for the opening of Freshman Week. The opening and closing dates for the terms of the current year are given in the academic calendar on another page.

Definitions

A COURSE is one of the instructional subdivisions of a subject offered through a single term.

A YEAR-SEQUENCE consists of three closely articulated courses in a subject extending through the three terms of the academic year.

A CURRICULUM is an organized program of study arranged to provide definite cultural or professional preparation.

A TERM HOUR represents three hours of the student's time each week for one term. This time may be assigned to work in classroom, laboratory, or outside preparation. The number of lecture, recitation, laboratory, studio, or other periods per week for the respective courses is indicated in the course descriptions or the regular printed schedules.

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ACCREDITATION REPORTS

(Adopted by the Oregon State Board of Higher Education, Meeting #556, October 16, 1987, p. 492; and Meeting #567, July 15, 1988, pp. 406-407.)

As each institution is scheduled for its periodic general accreditation by the Northwest Association of Schools and Colleges, it is necessary to prepare a comprehensive self-evaluation report. Although the report is principally and appropriately focused on instruction, research, curricular matters, and academic staff, there are significant sections regarding institution mission, governance, and finance. These sections necessarily relate to the Board and the Chancellor's Office. In order to avoid discrepancies or ambiguities in the text of these sections, the Board asks that institutions submit a copy of the draft of the self-evaluation document to the Chancellor's Office for review and comment.

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ADMISSION POLICIES AND REQUIREMENTS; ENROLLMENT MANAGEMENT

The Board annually considers admission requirements for System institutions. In accordance with Board policy, admission requirements are considered and adopted in February of the calendar year preceding the academic year in which they will be effective (e.g., February 1990 for academic year 1991-92). The adoption of admission requirements may include policy recommendations as well, and the requirements have an impact on enrollments. Since both admission requirements and enrollment management policies are lengthy and change annually, the most recent relevant actions adopted by the Oregon State Board of Higher Education are cited below.

Admission Policy for 2002-03 Academic Year—Adopted at Meeting #694 February 16, 2001, p. 7. (See also minutes from the Board’s System Strategic Planning Committee, February 16, 2001.)

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ADMISSIONS POLICY, SECOND LANGUAGE COLLEGE

(Adopted by Oregon State Board of Higher Education, Meeting #616, February 26, 1993, pp. 98-103. More detailed requirements were initially approved by the Board on July 22, 1994, pp. 317-329.)

1. OUS institutions will require second language proficiency for students seeking admission to its colleges and universities for the academic year 1997-98. All students who are entering directly from high school will be required to meet the proficiency requirement. This policy will pertain to all campuses except Oregon Health Sciences University.
2. Students who graduated from high school prior to 1997-98 and students who have been out of high school for a period of eight or more years at the time of admission may apply for an exemption of the second language requirement. In such cases, students will be required to meet an OUS graduation requirement, which will be a requirement of satisfactory attainment of the proficiency standard (corresponding to completion of one year of college foreign language).
3. All students entering from community colleges or other colleges and universities will be required to meet the proficiency requirement of a second language.
4. Students seeking admission from non-English speaking countries will be required to meet an English proficiency requirement using TOEFL scores and other appropriate measures.
5. Proficiency standards will be set for each language taught in an Oregon high school using the ACTFL (American Council of Teachers of Foreign Language) Guidelines. American Sign Language will also be acceptable as a language, with standards to be set in consultation with appropriate national associations. Proficiency standards will be set to account for variation in difficulty of these foreign languages.
6. Student proficiency may be established by ACTFL testing that is completed by an ACTFL-certified K-12, community college faculty member, or the higher education foreign language department. An ODE/OUS-developed test may be acceptable in future years.
7. In general, two Carnegie Units (two years of the same high school foreign language) may be used to meet the proficiency level for an interim period, until the second language requirements are fully established and implemented within the CIM and CAM under development by the Oregon Department of Education (ODE) in response to House Bill 3565.
8. OUS institutions will accept certification of proficiency at the required level established by the CIM at any stage in a student's development, even if such proficiency is

established in the elementary or middle school grades. However, since a student's understanding of the foreign culture is likely to be different and greater in later years of high school, it is recommended that proficiency at the level of the CAM be established.

9. Students may be admitted to OUS institutions under a special exception basis if their high school is unable to offer a two-year sequence of any foreign language. In such cases, students entering an OUS institution will be required to meet a graduation requirement of satisfactory attainment of the proficiency standard (corresponding to completion of one year of college foreign language).
10. Introductory college foreign language, beginning in academic year 1997-98, will be considered remedial instruction for high school and transfer students who meet the OUS admissions requirement using Carnegie Units but who cannot place in an OUS second year foreign language course. Students will be required to enroll in first-year foreign language via continuing education enrollment (self-support course), paying additional fees for this course. First-year language courses in a language other than the one studied in high school (or used to meet the admissions requirement) will not be considered remedial.

AIR TRAVEL AND USE OF MILEAGE BONUSES

(Adopted by Oregon State Board of Higher Education, Meeting #592, October 19, 1990, pp. 538-540; amended Meeting #622, September 24, 1993, pp. 407-410; amended [in response to Senate Bill 271] Meeting #649, January 19, 1996, pp. 23-25.)

Historical Perspective

On October 19, 1990, the Board of Higher Education adopted the staff recommendation to identify frequent flyer bonuses as part of the employment package for unclassified employees, available to employees to use as they choose. The Board's decision to adopt that policy was based on a number of factors, including the cost/benefit ratio associated with OUS' attempts to recover travel awards.

The 1993 State Legislature, by House Bill 2496, declared that employees and state officials may not use travel awards earned while conducting state business for personal travel, as of November 1993. This overrides the Board's earlier policy.

Therefore, in September 1993, the Board amended the policy to read:

The Board of Higher Education requires all employees on Oregon University System business to travel using routes, schedules, and airlines that provide the lowest rates and the most efficient travel. However, because the cost in recordkeeping outweighs the nominal monetary benefit to the System, the System will not attempt to recapture airline bonuses awarded employees for frequent flyer miles. Because it is the policy of the State of Oregon to prohibit employees from using travel awards earned on state business for subsequent personal travel and that violation of this policy is a violation of the state ethics statute ORS 244.040 (effective November 4, 1993), employees may decline to accrue frequent flyer awards while on state business unless otherwise required as a prerequisite to receipt of federal or other grant funds. In cases where an employee elects to accumulate travel awards on state business to be subsequently used for state business, the employee should create a separate travel awards account solely used for state business travel, since OUS support staff may not be assigned recordkeeping responsibilities.

Current Policy

Travel Paid by Outside Source

Outside entities may reimburse the campus, pay a service provider directly, or reimburse an employee for travel expenses related to OUS business. If the service provider is paid directly, or if reimbursement is made to an employee, documentation

should be maintained in the campus travel records. Documentation should include the traveler's name, identity of the outside source, travel destination, travel dates, and OUS business purpose. If reimbursement is made to the campus, it should be accounted for as a reduction of expense. When a travel reimbursement payment is made by the foundation, it must be reported by the foundation to the president annually as required by OAR 580-46-035(6)(d).

Travel Awards and Frequent Flyer Mileage

All employees are required to travel using routes, schedules, and airlines that provide the lowest rates and most efficient travel. Because the cost of recordkeeping outweighs any monetary benefit, OUS will not recapture airline bonuses awarded employees for frequent flyer miles. Employees may use frequent flyer bonuses as they choose unless the terms of a grant or contract require otherwise.

BASIC RESEARCH FUND (1985-1987), ADMINISTRATION OF THE

(Adopted by the Oregon State Board of Higher Education, Meeting #515, July 27, 1984, pp. 419-420.)

The Research Policy Act of 1983 established a Basic Research Fund in the State Treasury, to be administered by the Board of Higher Education. In accordance with the provisions of the Act, the Board appointed a Council for Research Policy Recommendations to advise the Board concerning policies and procedures for administration of the fund. The Council subsequently submitted a report containing recommendations of policies and procedures. The Board adopted the following recommended policies and procedures at its July 1984 meeting:

1. The Council for Research Policy Recommendations shall be maintained as a permanent council to advise the Board and oversee the implementation of Basic Research Funds. (Council Recommendation 8)
2. The Board shall set aside \$55,000 for the biennium to allow the Council to fund extraordinary requests, on a timely basis, which shall include requests from members of the colleges of the System and Oregon Institute of Technology. (Council Recommendation 9)
3. Basic Research Funds shall be apportioned to each university in the System by the following formula: Each university shall be provided a base funding level of \$125,000. Of the remaining funds, one-half shall be apportioned on the basis of each university's level of external research support. (Council Recommendation 4)
4. The scope of research funded by the Basic Research Fund shall include all areas of basic research in the university (e.g., sciences, humanities, arts, social sciences, and professional schools). Priority shall be given to proposals with potential for addressing economic development of Oregon. Priority shall be given also to "seed" grants that evidence the potential for obtaining further funding and/or "matching" grants that leverage state dollars against the possibility of obtaining like or greater amounts of matching support from external agencies. (Council Recommendation 2)
5. Each of the four universities shall utilize an internal faculty research review panel to judge the caliber of basic research proposals requesting funds from the Basic Research Fund. Criteria for judging the proposals shall be those used by national agency peer review panels (e.g., National Science Foundation, National Institute of Health, National Endowment for the Humanities). (Council Recommendations 1 and 3)
6. Each university shall adhere to the nondiscriminatory guidelines presently required by all state and federal agencies. (Council Recommendation 7)

7. Each university shall provide the Board, biennially, an accounting of the use of the Basic Research Fund monies. Such a report should include the following: (a) areas of funding, (b) how funding decisions were made, (c) the criteria used in funding decisions, (d) summary of funding to include individual grants and number of proposals submitted versus number funded, (e) number of new external proposals applied for and received as a result of the Basic Research Funding process, (f) evidence of nondiscriminatory access to the fund, and (g) scholarly activity resulting from grants (e.g., publications, professional seminars, etc.). (Council Recommendation 5)

8. A "Blue Ribbon" Basic Research Fund Review Panel shall be established to review the entire Basic Research Fund process. The Panel should be comprised of five nationally recognized scholars, invited by the Board with the advice of the Council for Research Policy recommendations, to review the decision-making processes as well as the overall quality of the funded proposals. The Panel should be invited to spend three days in Oregon every two years to review appropriate documentation and to interview personnel on each campus. The cost of the Panel should be borne by the Basic Research Fund. (Council Recommendation 6)

BOARD STATEMENT (1933)

(Made inescapable and inviolable policy of the Oregon State Board of Higher Education, Meeting #40, October 16, 1933, pp. 72-73.)

First. The people of Oregon have dowered the Board with plenary powers in the field of higher education and the Board must honorably and courageously execute this sacred and important trust.

Second. In the exercise of that trust, the Board has selected a Chancellor who is amenable at all times to the Board, but who is the Board's chosen and trusted chief administrative officer. The Board has the right to ask, and will demand, full and unequivocal loyalty from those who, in turn, serve under the Chancellor's direction. This does not involve the loss of cherished academic freedom; it does not limit or abolish open and fair discussion, but it means the elimination of subversive tactics.

The educational institutions should have their faculty councils. Moreover and better still, there should be interinstitutional councils, in which the Chancellor's presence and participation should promote understanding and mutual confidence. The scope and content of their proceedings should be constructive and helpful and should leave no room for the type of devious undermining and sapping that endangers the successful operation of the sane and wholesome System created by the will of the people of this state.

Intelligent and fair-minded men will recognize that this does not involve subserviency to the personality or identity of any specific Chancellor who may hold official tenure, but it does mean that the Board regards the subtle negation of his efforts, and attempts to weaken, minimize, and impair his efficiency, as inevitably tending to defeat achievement of the purposes of the Board that is responsible for him, and to which he is responsible. Unreasoning and irreconcilable feudists should, accordingly, be relegated to theatres of combat beyond the walls of the institutions whose permanency and growth is a matter of such vital concern to the Commonwealth.

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BUDGETED OPERATIONS FUND BALANCES

(Adopted by the Oregon State Board of Higher Education, Meeting #734, June 4, 2004, pp. 244-245; Amended by the Board, Meeting #738, September 10, 2004.)

Background:

Responsible fiscal management requires adequate reserves, or fund balances, to mitigate current and future risks. Adequate fund balances are essential to offsetting cyclical variations in revenues and expenditures and to protect against 1) catastrophic events, 2) unforeseen revenue declines and expenditure gaps, 3) unexpected legal obligations, and 4) failures and health/safety/code issues in infrastructure or major business systems.

The focus of this policy is fund balances within the budgeted operations funds, which are the primary operating funds through which all basic instruction and institution administration occur. Budgeted operations funds include state General Funds and Other Funds Limited, made up principally of student tuition and fees and also including educational department sales and services, indirect cost recovery, and other operating revenues.

For the purpose of gauging their relative value, budgeted operations fund balances can be expressed either as a percentage of annual budgeted operating revenues or as operating expenditures sufficient to fund a specified period. The Government Finance Officers Association, for example, recommends that fund balances be maintained at a level that represents 5 to 15 percent of operating revenues, or is sufficient to fund no less than one to two months of operating expenditures.

Obviously, the level of budgeted operations fund balance should be related to the likelihood of need. Given the timing of tuition assessments, revenue cycles at OUS institutions tend to spike quarterly while expenditures remain relatively flat. When combined with the volatility of state funding over the past several biennia—as well as fluctuations in enrollment and tuition dollars—the need to maintain fund balances sufficient to stabilize the operating revenue stream for short periods is clearly imperative. The institutions, for example, are particularly vulnerable to shortfalls in revenue collections during the first quarter of each biennium.

Responsible fiscal policy, then, suggests that the institutions should maintain ending biennial budgeted operations fund balances sufficient to stabilize the operating revenue stream and cover unforeseen contingencies equal to approximately one month's operating expenditures, or about 10 percent of their annual budgeted operations revenues.

At the same time, because of the funding mix of state General Funds and student tuition and fees, any excess balances could be interpreted to represent unwarranted tuition and fee rates. Consequently, ending biennial budgeted operations fund balances should not exceed

approximately two months of budgeted operations expenditures, or about 15 percent of annual budgeted operations revenues.

Fund Balance Defined:

Fund balance is defined as the difference between the assets and liabilities of a fund. Given this definition, fund balance can be described as the available resources of the fund, which can be significantly different than cash balances due to accrual accounting. For instance, at June 30 of each fiscal year, campuses have received payments for summer session tuition and fees. Since summer session activity occurs predominantly in July, these receipts are recorded as a liability (deferred revenue) at June 30 to comport with accounting rules. As a result, cash balances may be higher than fund balances.

As noted above, fund balance is the difference between the assets and liabilities of a fund. Generally Accepted Accounting Principles (GAAP), promulgated by independent standards-setting groups, set forth rules for the proper recording and valuation of assets and liabilities. Each OUS institution is required to follow GAAP. Therefore, fund balance is defined consistently across all OUS institutions.

Budgeted Operations Fund Balances at June 30, 2004:

**OREGON UNIVERSITY SYSTEM
SUMMARY OF OPERATING RESULTS
EDUCATION AND GENERAL FUNDS (including SWPS)
For the Year Ended June 30, 2004**

(in thousands of dollars)

	EOU	OIT	OSU	PSU	SOU	UO	WOU	CO 1	Total
2003-04 Beginning Fund Balance	3,900	2,480	28,725	19,790	4,104	18,208	10,282	13,164	100,653
Revenues	24,566	24,972	280,781	154,390	35,621	214,573	33,972	20,566	789,441
Expenditures and Transfers	(24,914)	(24,739)	(270,983)	(151,671)	(36,467)	(214,974)	(34,862)	(21,534)	(780,144)
2003-04 Ending Fund Balance	3,552	2,713	38,523	22,509	3,258	17,807	9,392	12,196	109,950
Est. Comp. Absences Liability Adj. ²	(574)	(654)	-	683	(994)	-	149	-	(1,390)
Adjusted 2003-04 Ending Fund Balance	2,978	2,059	38,523	23,192	2,264	17,807	9,541	12,196	108,560
Adjusted EFB as a Percent of Revenues	12%	8%	14%	15%	6%	8%	28%	59%	14%

1: Chancellor's Office ending balance includes operating balances of \$7.9 million, OCECS balance of \$4.1 million, and Capital Support balance of \$0.2 million.

2: Needed to complete transition to recording compensated absences liability based on employee's official station by the end of the biennium.

NOTE: Our annual financial audit is currently underway and may result in adjustments to the amounts presented above.

Institution Fund Balance Commitments Defined:

Higher education institutions operate in a fiscal environment and on a business cycle that does not tightly correlate with the biennial budget process. As a result, institution management may make certain internal budgetary commitments against their fund balances. Among other reasons, these internal budgetary commitments are necessary in order to help maintain continuity of programs and provide funds for entrepreneurial activities and/or to provide incentives for certain desired outcomes. Examples of these budgetary commitments include, but are not limited to, commitments to maintain balances for certain departments, commitments to fund certain future actions, or contractual commitments to provide funding for program startup. Generally Accepted Accounting Principles do not call for such commitments to be recorded in the accounting records and, therefore, they do not impact fund balance.

In the event of an emergency these internal budgetary commitments could be funded from future resources (revenue increases or expenditure decreases), modified, or eliminated in order to meet the short-term need. Therefore, internal fund balance commitments support a balance within the policy range, but do not reduce the fund balance.

The Chancellor’s Office requested each institution to provide detail of their internal budgetary commitments against their Education and General funds. Staff summarized the institution information in the schedule provided below.

Institution Commitments Against Fund Balance:

OREGON UNIVERSITY SYSTEM
Schedule of Institutional Commitments Against Fund Balances
Education and General Funds (including SWPS)
June 30, 2004

(amounts in thousands of dollars)

	EOU	OIT	OSU	PSU	SOU	UO	WOU	CO	Totals
Distance Education Expansion		\$ 354							\$ 354
Faculty, Adjunct			\$ 1,719	\$ 885			\$ 92		2,696
Faculty, Bridge Funding			850						850
Instructional Course Development/Program Support			2,291	236	\$ 402	\$ 9,142			12,071
Student Services Support				480	102		31		613
Renovation and Remodeling of Classrooms/Offices				2,383			1,605		3,988
Engineering Expansion		506		1,000	74				1,580
Library/Equipment/Technology Acquisitions		140	10,216	400	219		877		11,852
Accreditation Needs & Special Studies			672				71		743
Departmental Research			1,044	750		8,665			10,459
Faculty Recruitment, Retention and Development			5,013	6,088					11,101
Research Infrastructure			3,079						3,079
Cost Sharing and Matching Requirements			822		280		98		1,200
Building Maintenance and Upgrades		51	4,854	2,943			1,360	\$ 1,620	10,828
Institutional and Administrative Support Services			658	77	179		25		939
Future Contractual Obligations		210	5,099	2,480	52		2,008	40	9,889
Transition Costs & Fund Shifts to Campuses								3,626	3,626
One-Time and Recurring CO Expenses								2,687	2,687
Enrollment Contingency/Emergency Reserves	\$ 2,978	798	2,206	5,470	956		3,374	4,223	20,005
Total	\$ 2,978	\$ 2,059	\$ 38,523	\$ 23,192	\$ 2,264	\$ 17,807	\$ 9,541	\$ 12,196	\$ 108,560

Budgeted Operations Fund Balances Policy Proposal:

OUS institutions shall develop budgets that target an ending biennial budgeted operations fund balance of approximately 10 percent of annual budgeted operations revenues. For purposes of this policy, budgeted operations funds are defined as all funds included in Fund Type 11 (Education and General) in the Oregon University System accounting records. Budget operations fund balances will be monitored as part of the quarterly projections included in the Managerial Reports provided to the Board; and institution presidents shall advise the Board in the event projected or actual ending balances for the biennium either fall below 5 percent or rise above 15 percent of revenues. Included in the information provided by the presidents will be an explanation for the variance and a plan to rebalance the budgeted operations fund balances over time to approximately 10 percent of annual budgeted operations revenues.

BUSINESS PRACTICES

(Adopted by the Oregon State Board of Higher Education, Meeting #694,
February 16, 2001)

Consistent with OUS' commitment to the free flow of commerce and efficient business practices, OUS institutions shall not adopt limits on eligibility to enter business agreements or otherwise conduct business unless based on the ability to perform, evidence of illegal activities or other criteria required or allowed by statute or Board rule.

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CENTERS AND INSTITUTES IN OUS

(Adopted by the Oregon State Board of Higher Education, Meeting #427, November 25, 1975; amended Meeting #437, March 25, 1977; Meeting #593, November 16, 1990; amended and approved by the Board's Academic Strategies Committee on June 23, 2011; approved Meeting #851, October 7, 2011.)

1. That the careful, considered institutional use of the center and institute mechanism be recognized by the Board as a legitimate, potentially valuable approach to the furtherance of institutional mission, through the fostering of interdisciplinary activities in pursuit of basic and applied research and instruction, the attracting of non-state funding in support of institutional mission and goals, the motivation of faculty, the strengthening of academic departments, and the optimized utilization of institutionally-unique resources.
2. That the Board establish the principle that the justification for establishment of centers and institutes must be in terms of their potential for contributing to the achievement of the institutional mission.

The fact that federal or other non-state funds can be secured to fund, totally or in principal measure, a given center or institute cannot be considered justification for the establishment of that center or institute. The real test of justification must be in terms of the extent to which the objectives of the proposed center or institute can be shown to be wholly consistent with and fully supportive of the institution's mission and advance its strategic priorities and goals. Failing the test, the center or institute ought not to be established.

3. That institutions have the authority to establish centers and institutes that do not grant degrees, consistent with their role and mission. The exception would be if an institution wanted to name the center or institute after a living person. In those cases, OAR 580-050-0025 requires Board approval.
4. That institutional review of proposals to establish centers and institutes be carried on in a manner that is consistent with the considerations cited in item 2 above while enhancing the entrepreneurial talents of the department or other sponsors of the center or institute.
5. That institutions be asked to establish policies to assure that, at regular intervals each center and institute will be given a careful review by an appropriate institutional agency, the examination to include a review of the purposes for which the center or institute was established, the objectives of the center or institute, any changes in objectives that have occurred since the previous review, the validity of the center's or institute's present objectives and purposes, and the adequacy of its performance.

That based on the review, the institutional provost (or their designee) make decisions regarding improvement, changes in emphasis, alternatives as to direction, changes in

leadership, phasing out of the institute or center, or some portions of it, or merging with some other unit within the institution.

6. That when centers or institutes are inactive, they be reviewed under institutional policies to consider whether they ought to be retained or discontinued.

CLASS SIZE

(Adopted by the Oregon State Board of Higher Education, Meeting #304, April 25, 1962, pp. 172-173; Amended at Meeting #828, June 5, 2009, see Board Policy on Undergraduate Class Size, page 221.)

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COLLEGE COURSES TAUGHT FOR CREDIT IN HIGH SCHOOLS, GUIDELINES FOR

(Adopted by the Oregon State Board of Higher Education, Meeting #527, June 21, 1985, pp. 234-236.)

The following guidelines were adopted as the official policy for the conduct of college-level courses taught for credit in high schools:

- I. Registration and Fees
 - A. Students who wish to take a "college course for credit" in high school should be required to:
 1. Register for the course before the class is taken;
 2. Register on college registration materials;
 3. Pay a reasonable fee for acquiring the college credit, with reasonable fee to be determined by and paid to the participating college;
 4. Be registered by a college representative or an appointed coordinator of college credit coursework at the high school.
- II. Course Offerings
 - A. College-level courses taught for credit in high school should be offered as an enriched, academically accelerated program that is offered in addition to traditional high school-level courses and courses required for graduation.
 - B. Such college-level course offerings should be added either to a high school's curriculum or, if selected from courses currently in the high school's curriculum, be altered to meet college-level content requirements.
 - C. College-level courses in high school should use an equivalent textbook commonly used at the college giving the credit.
- III. Student Eligibility
 - A. College-level credit courses in high school should be open only to academically well-qualified seniors.

- B. Exceptions to the "senior only rule" should be made on an individual, case-by-case basis, and mutually agreed to by both the college and high school; such exceptions should be contingent on a specific academic assessment of a student's readiness for the course, with final decision made by a college representative.

IV. Student Evaluation and College Credit Policy

- A. Primary and final evaluation of a student's performance should be the responsibility of the high school teacher.
- B. It also is recommended highly that occasionally during the conduct of a course, a college representative from the academic department examine a student's work so that the student may benefit from the assessment of a college-level faculty person.
- C. All work taken for college credit will be recorded on the sponsoring college's transcript in accordance with the institution's grading policy.

V. Teacher Selection and Teacher/Course Evaluation

- A. The cooperating college department should approve high school teachers in the appropriate discipline. Qualifications: For most disciplines, this will mean a master's degree plus two letters of recommendation less than five years old. In all cases, the high school teacher should have qualifications necessary to being hired on a part-time basis in the particular discipline at the college.
- B. Evaluation of the teacher and the course should be conducted annually by a college representative for the purpose of maintaining and assuring the college-level quality of the instructional process, course content, and done in accordance with the faculty evaluation procedures at the institution granting the college credit.
- C. Results and use of the college's evaluation of both the teacher and college-level quality of the course being taught as it bears upon the college's participation in the program should be at the discretion of the college.

COMMUNITY COLLEGE TRANSFER

(Adopted by the Oregon State Board of Higher Education, Meeting #401, January 24, 1972, pp. 33-36.)

The Committee on Academic Affairs, Personnel, and Public Affairs recommended that the Board of Higher Education adopt the following transfer policies covering the transfer of community college credits into System institutions:

Effective spring term 1972, System institutions shall accept for credit all college transfer work completed in an Oregon or other accredited community college by the transferring student in the first 108 quarter hours of work he completes toward baccalaureate degree requirements (an increase of 15 credit hours over the 93 credit hours presently accepted).

It should be emphasized, however, that it will be to the advantage of some community college students—those enrolled in subject matter fields in which the course of study is highly specialized, for instance—to transfer into a four-year institution before the completion of two years' work in a community college. To guide community college students in their program planning, the System will continue to make available to community colleges annually the catalog Recommended Transfer Curricula, which sets forth detailed term-by-term courses of study in a wide range of subject fields.

System institutions also shall provide for flexibility in their policies so as to allow for consideration by an appropriate institutional agency or official of petitions from students who, already having completed 108 credit hours of work applicable to baccalaureate degree requirements, find that the baccalaureate program worked out with the System institution permits additional lower division work, and who, for defensible reasons, desire to complete some portion of that work in a community college.

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CONFLICT OF INTEREST, POLICY STATEMENT REGARDING

(Adopted by the Oregon State Board of Higher Education, Meeting #437, April 29, 1977, pp. 355-356; Amended at Meeting #690, June 16, 2000, p. 56 [See also minutes from the Board Committee on System Strategic Planning, June 16, 2000])

SECTION A: As to members of Oregon State Board of Higher Education:

It is recognized that members of the Board of Higher Education are appointed to serve interests and needs of higher education in the state of Oregon. The fulfillment of this charge requires strict adherence to the highest standards of ethical behavior.

The Board recognizes that the standards that govern this conduct are fully set forth in ORS Chapter 244 et seq. It is therefore the policy of the Board of Higher Education that all members, upon confirmation of appointment, and periodically thereafter, be made aware of the requirements of this law, or, subsequent versions thereof. It is the Board's intent that this policy, or others adopted in furtherance of its purposes, be viewed and utilized as elaboration and guidance and that the statutory requirements set forth in Oregon law are binding authority to which members must adhere.

Board members are encouraged to examine prospective issues at the earliest opportunity for the potential of a conflict of interest and are reminded that compliance with the statutory requirements often require sensitivity to avoiding the appearance of impropriety. Members are to consult with the chair of the Board and/or counsel to the Board for guidance where appropriate. Formal opinion should be requested from the Government Standards and Practices Commission. All Board members shall file annually with the Government Standards and Practices Commission a verified statement of economic interests as directed by that Commission.

The Board further recognizes that persons appointed to this body bring long and valued histories of service to other segments of the state. These services often include advocacy on behalf of member institutions, particular regions of the state or groups served by the Board to include faculty, students, and alumni. All Board members are hereby charged with embracing the statewide and Systemwide duties of Board membership. Each member is reminded that by accepting membership on the Board they agree to serve the general good and welfare of the whole of higher education in the State of Oregon.

SECTION B: As to employees of the Department of Higher Education, including employees of the respective institutions:

The Chancellor, the vice chancellors, the presidents, and the vice presidents of this Department shall file annually with the Government Standards and Practices Commission a verified



statement of economic interests. No employee shall accept any outside employment that will discredit or embarrass the employee's institution, the Department of Higher Education, or the State of Oregon. Before accepting any outside employment, all employees shall comply with OAR 580-21-0025.

Any employee of the Department in a position to influence or make recommendations concerning the award of any contract who is an officer, agent, or member of or directly or indirectly interested in the pecuniary profits or contracts or any corporation, association, or partnership which is doing business or seeking to do business with the Department of Higher Education, shall be considered to have a potential conflict of interest.

Upon adoption of this policy, the text of this policy statement, and of Article XV, Section 7, of the Oregon Constitution, or pertinent portions of ORS chapter 244, and of OAR 580-21-0025 shall be widely disseminated and made available to each current and new employee.

CONSENSUAL RELATIONSHIPS

(Adopted by the Oregon State Board of Higher Education, Meeting #754, September 9, 2005, pp. 958-959)

State Board of Higher Education administrative rule OAR 580-022-0055 requires institutions to take steps to ensure that employees do not participate in employment decisions, supervision, or grievance decision-making over family members. Consistent with that policy, the Board recognizes the potential conflict of interest that occurs when romantic or sexual relationships develop in which there is an inherent power differential between the parties to the relationship. Accordingly, whenever such potential conflict occurs, any employee involved in such a relationship has a duty to disclose the relationship and to cooperate in institutional efforts to prevent an actual conflict. Institutions shall develop policies to address problems that may result from consensual relationships.

Institution policies shall:

1. Establish procedures for eliminating conflicts of interest related to consensual relationships.

Consensual relationships to which this policy applies are those romantic, intimate, or sexual relationships where one of the parties has institutional responsibility for or authority over the other or is involved in evaluation of the other party, whether the other party is an employee or a student.

2. Institutional policies must contain provisions:

- Requiring an employee in a consensual relationship to advise a higher level administrator of the relationship and to cooperate in eliminating any actual or potential conflict of interest resulting from the relationship;
- Notifying and encouraging employees and students where they can express concerns regarding actual or potential conflicts of interest resulting from consensual relationships;
- Identifying the risks and conflicts associated with consensual relationships, and
- Prohibiting retaliation against persons who report concerns about consensual relationships.

3. Campus-wide educational programs.

The policy shall be broadly and regularly disseminated to the entire campus. Institutions shall also offer training to faculty and administrators and ensure that those resolving actual or potential conflicts of interest resulting from consensual relationships or responding to concerns regarding consensual relationships have the training and knowledge necessary to fulfill their responsibilities. Institutions shall periodically assess the effectiveness of their notification and training processes.

CURRICULAR POLICIES AND PROCEDURES

(Compiled by Office of Academic Affairs, Oregon University System, September 5, 1985.)

BOARD'S GENERAL POWERS AND RESPONSIBILITIES WITH RESPECT TO CURRICULUM AND INSTRUCTION

Statutory Provisions

The Board's powers and responsibilities with respect to the instructional programs of its institutions are set forth in the Oregon Revised Statutes, Chapter 351, as follows:

- 351.070 – Board's General Powers as to Higher Education and Institutions
- (1) The State Board of Higher Education may, for each institution under its control:
 - (f) Confer, on the recommendation of the faculty of any such institution, such degrees as usually are conferred by such institutions, or as they deem appropriate.
 - (g) Prescribe the qualifications for admission into such institutions.
 - (2) The State Board of Higher Education may for each institution, division, and department under its control:
 - (a) Supervise the general course of instruction therein, and the research, extension, educational, and other activities thereof.
- 351.200 – Board Power Over Higher Education Curricula and Departments
- (1) The Board of Higher Education shall visit the University of Oregon and Oregon State University for the purpose of inquiring as to the work offered and conducted at such institutions, whenever and as often as it may deem necessary. The Board shall specifically determine, from time to time as occasion may require, what courses or departments, if any, shall not, in their judgment, be duplicated in the several higher educational institutions. The Board may direct the elimination of duplicate work from any institution, and determine and define the courses of study and departments to be offered and conducted by each institution.

- (2) The Board shall keep a record of such determination in a book provided by the Secretary of State for that purpose.

The Board shall notify the Governor of such determination and each institution affected shall conform thereto.

- (3) If any changes are made in the curricula of any institution, the change shall become effective at the beginning of the school year following the determination.
- (4) Any person may appear before the Board of Higher Education at any meeting for the purpose of laying before the Board any data or arguments for the maintaining or elimination of any duplicated course or department.

351.203 – Cooperation with Oregon Educational Coordinating Commission: Compliance with Certain Commission Decisions.

- (1) The State Board of Higher Education shall cooperate with the Oregon Educational Coordinating Commission in the development of a state comprehensive education plan including post-secondary education and in review of the Board's programs and budget as provided in ORS 348.705 to 348.825.
- (2) The Board shall comply with the decisions of the commission regarding proposed new postsecondary programs and proposed new postsecondary locations determined by the commission to have a significantly adverse impact on one or more segments of education other than public institutions under the jurisdiction of the Board.

Internal Management Directives

Internal Management Directives adopted by the Board with respect to System curricula provide:

2.001 – Board Oversight of Higher Education Curricula and Requirements

- (1) The Board shall exercise general oversight of curricula and instruction in the Department, including but not limited to curricular allocations, and the establishment of schools, colleges, departments, divisions, centers, institutes, and similar agencies. The Board shall maintain a statement of policies underlying the curricular allocations within the Department. The Board shall act on institutional requests for modifications of existing curricular allocations, including addition, significant modification,

renaming, and deletion of curricular programs, schools, colleges, centers, institutes, and similar agencies in accordance with Board policies.

- (2) The Board's office shall not act on institutional requests for authorization to add, drop, or alter courses in Board-authorized curricular programs. The Board's office shall submit a report to the Board each year regarding courses added, deleted, or significantly altered with comments on institutions, programs, employees, and students affected by these changes.
- (3) The Board's office shall keep the Board informed of state educational needs and shall encourage vigorous institutional planning to meet these needs.
- (4) The Board's office shall act in other capacities in curriculum and instruction as the Board may determine.
- (5) The Board's primary consideration, in meeting curricular responsibilities, shall be to assure that educational opportunities are adequately available to qualified persons without unnecessary duplication of educational resources.

2.010 – Functions of Department Institutions

Department institutions shall serve the important functions of:

- (a) Instruction
- (b) Research
- (c) Public Service

Of these, instruction shall hold the highest priority. Research and public service, as important companion functions to instruction, may vary from institution to institution in their relative importance from among the three institutional functions. Research shall be recognized as an integral and necessary part of instruction, particularly in graduate and advanced graduate education, and as vital to the continuing economic and social health of Oregon.

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CURRICULAR ALLOCATIONS, BOARD POLICIES WITH RESPECT TO

(Reviewed and accepted by the Oregon State Board of Higher Education, Meeting #423, May 20, 1975, pp. 476-483.)²

EVOLUTION OF THE CURRICULAR ALLOCATIONS CONCEPT IN OREGON

The concept of curricular allocations in Oregon is clearly articulated by ORS 351.200(1) quoted on pp. 1-2; but it did not originate with this legislation.

For more than 70 years, the responsibility for allocating curricula among Oregon's public four-year colleges and universities has resided in a coordinating body established by the legislature, the State Board of Higher Curricula from 1909 to 1929, and the State Board of Higher Education thereafter.

State Board of Higher Curricula (1909-1929)

The Oregon State Board of Higher Curricula was established by the 1909 legislative assembly and empowered:

“to determine what courses of studies or departments, if any, shall not be duplicated in the higher educational institutions of Oregon, and to determine and define the courses of study and departments to be offered and conducted by each such institution...”

Jurisdiction of the Board extended over the University of Oregon and Oregon State College (now Oregon State University), but only with respect to curricular matters. Thus, although the two institutions retained their separate governing Boards, in matters of curricula, decisions of the Board of Higher Curricula were paramount.

Oregon's normal schools, incidentally, were not under the Board of Higher Curricula.

Significant strides were taken under the State Board of Higher Curricula to curtail duplication of offerings at the University of Oregon and Oregon State College and to differentiate the functions of the two institutions.

Among the Board's most significant rulings were those made between 1913 and 1919 allocating all engineering to Oregon State College and denying the College courses in architecture (1913),

² Policy statements reviewed and accepted by the Board on May 20, 1975, were contained in the report, *Curricular Allocations in the Oregon State System of Higher Education – Sixty-Six Years of Planned Development*, Office of Academic Affairs, April 28, 1975. Narrative portions of this report have been updated for use of the Board's Committee on Instruction in 1976, 1979, 1984, and 1985, as reported herein.

awarding undergraduate commerce to Oregon State College and work in "higher commerce" to the University of Oregon (1914), and denying the University courses in stenography, typewriting, and stenotype (1919).

State Board of Higher Education (1929 to Present)

In 1919, the legislative assembly abolished the governing boards of the University of Oregon, Oregon State College, and normal schools. It also terminated the Board of Higher Curricula and created a single Department of Higher Education governed by a lay board of nine members (since increased to 11 members) serving nine-year terms (since reduced to four-year terms).

A first act of the new Board was to authorize a study of higher education in Oregon, conducted under the auspices of the United States Office of Education. The report resulting from the study (issued in May 1931) made six fundamental recommendations with respect to differentiation and coordination of curricula of the institutions under the jurisdiction of the Board, as follows:

1. Lower Division. Unspecialized freshman and sophomore work...in all the arts and sciences assigned on identical basis to the University and the State College. Junior college privileges assigned to Southern and Eastern Oregon normal school.
2. Natural Sciences. A great school of science to be developed at the State College.
3. Humanities and Social Sciences. A great school of arts, literatures, and social sciences to be developed at the University.
4. Professional Schools. The professional schools based essentially upon the natural sciences confined to the State College.
5. Professional Schools. The professional schools resting essentially upon the arts, literatures, and social sciences including the concentration of business administration, confined to the University.
6. Teacher Training. Elementary teacher training exclusively reserved to the normal schools. Secondary and higher teacher training divided between the University and State College on basis of major curricula. Training of administrators emphasized at the University; junior high school teachers trained jointly at State College and Oregon Normal School at Monmouth.

In March 1932, the State Board of Higher Education, after soliciting and receiving from each of the institutions observations and recommendations concerning the report's recommendations, adopted curricular allocations for its institutions as shown in Figure 1, following this section.

The curricular allocations made in 1932 by the Board of Higher Education have been modified from time, in accordance with changing times and changing needs of the state. But

notwithstanding numerous changes in personnel since 1932, minutes of discussions of curricular allocations over the more than 50 intervening years reveal that the Board's aims have been remarkably consistent, namely:

1. To decrease or avoid costs that would result from unnecessary and undesirable duplication of major functions by the several institutions.
2. To improve the quality of specialized programs, particularly graduate and professional programs, by centering them in designated institutions as an allocation to the institution(s), rather than allowing their development in all institutions.
3. To improve the curricula of each institution by achieving the foregoing goals, while simultaneously preventing unnecessary and undesirable proliferation of courses, services, and programs within each institution.

Figure 1

FUNDAMENTAL CURRICULAR ALLOCATION RECOMMENDED BY THE FEDERAL SURVEY COMMISSION IN 1931 AND ADOPTED BY THE STATE BOARD OF HIGHER EDUCATION IN 1932³

Curricular Area or Unit	Recommended by Federal Survey Commission 5/13/31 (Survey Report, pp. 276-277)	Adopted by State Board of Higher Education 3/7/32 (Curricula Committee Report)
1	2	3
Elementary Teacher Training	<u>At Normal Schools</u> "1. The training of teachers for the elementary schools should be done at the three Normal schools."	Oregon Normal School Southern Oregon Normal School Eastern Oregon Normal School
Liberal Arts and Sciences	<u>At Eugene and Corvallis</u> "2. Unspecialized freshman and sophomore work referred to as lower division work in all the arts and sciences should be available on essentially identical terms."	<u>Lower Division</u> "Lower division work to be offered on both of the major campuses."
	<u>At Corvallis</u> "3. A great School of Science should be developed at Corvallis, based on lower division courses that may be pursued at either the University or State College."	<u>School of Science</u> "Upper division and graduate work in pure science...centralized in a School of Science to be located at Corvallis."
	<u>At Eugene</u> "4. A great School of Arts, Literature and Social Sciences should be developed at Eugene, based on lower division courses that may be pursued at either the State College or the University."	<u>College of Arts and Letters</u> "Upper division, graduate and professional work in this field (literature, language and arts), to be given only at Eugene." <u>College of Social Science</u> "School of Social Science at the University...that upper division and graduate work be limited to the unit at the University."

³ From Biennial Report, 1933-34, Oregon State Board of Higher Education, p. 16.

Curricular Area or Unit	Recommended by Federal Survey Commission 5/13/31 (Survey Report, pp. 276-277)	Adopted by State Board of Higher Education 3/7/32 (Curricula Committee Report)
1	2	3
Professional Schools	<p><u>At Corvallis</u> "5. The professional schools based essentially on the natural sciences should be located at Corvallis... Teacher training in the sciences and their applications."</p>	<p>School of Agriculture School of Engineering School of Forestry School of Home Economics School of Pharmacy Secretarial Training School of Education</p>
	<p><u>At Eugene</u> "6. The professional schools resting essentially upon the arts, literatures and social sciences should be located at Eugene... Teacher training in the arts, literatures, and social sciences and their applications."</p>	<p>School of Business Admin. School of Fine Arts School of Journalism (April 30, 1932) School of Law School of Physical Education School of Education</p>
	<p><u>At Portland</u> "The professional schools...include...medicine..."</p>	<p><u>School of Medicine</u> "The continuance of the Medical School to be located at Portland."</p>

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CURRICULAR ALLOCATIONS, POLICIES AND PROCEDURES GOVERNING

Under the curricular allocations system, institutions may offer only those instructional programs and courses that have been approved for them by the State Board of Higher Education.

In the area of curriculum and instruction—as in other areas of its operation—the Board functions in accordance with well-thought-out policies. These policies guide the Board in acting and inform the institutions about the general principles the Board will observe as it deals with issues in the areas of curriculum and instruction. During the period 1973-1976, the Board and its Committee on Instruction, Research, and Public Service Programs reviewed policies in respect to curricular allocations, institutional guidelines, program duplication and elimination, and program review. Following are summaries of policy statements adopted during that review.

Board Posture Toward Curricular Allocations

1. The Board of Higher Education seeks to be sensitive to and aware of the educational needs of the state, needs that the Oregon University System ought, within its general mission, to serve.
2. The Board welcomes the efforts of its institutions to plan vigorously for meeting the changing needs for public higher education in Oregon, consistent with the missions of the institutions, and bearing always in mind that the Board must assess institutional requests for new programs in the light of whether the program can be demonstrated to be in the best interests of the state as a whole, and within the economic capacity of the state to support.

It is to be emphasized that curricular planning includes not alone identification of unmet educational needs and the development of coursework designed to serve them; it includes, as well, the responsibility to evaluate existing programs in some systematic, orderly way, and to reduce or to eliminate those whose continuance at current levels "cannot be justified by defensible criteria."

3. The Board's decisions on instructional requests for authorization of new instructional programs must rest upon a solid base of factual data relating to:
 - a. The extent and nature of the state's need for the proposed new program (considering the existence of any similar programs already being offered in the System or by the community colleges or independent colleges and universities).
 - b. The appropriateness of the proposed new program to the institution's mission and objectives.

- c. The capacity of the requesting institution to offer a program of substantial quality.
- d. Costs to the state—both initial and long term—of financing a program of reasonable quality of the kind being requested.

The outline endorsed by the Board March 23, 1976, as the basis for developing requests for authorization of new degree and certificate programs, is included as an Appendix A, Guidelines for Review of New Programs.

Basic Premises Underlying Curricular Allocations

- 1. Based upon more than 45 years of corporate experience in the field, the State Board of Higher Education reaffirms its support of the principles of curricular allocations as being fundamental to effective curricular planning and development within the Oregon University System.
- 2. Board's reaffirmations of curricular allocations rest on the following premises:
 - a. A system of coordinated development of collegiate curricula is vital to Oregon since it enables the conservation of limited resources and their allocation in accordance with a strategy that assures adequate availability of educational opportunities for qualified youths.
 - b. Not all duplication of curricula is wasteful. Duplication of courses or of curricular programs is an evil only when it results in unnecessarily costly courses or instructional programs, or a reduction in the quality of the courses or programs either existing or to be offered.

In many instances, student interest in and need for given courses, or for access to given instructional programs, is sufficiently great that these courses or programs can be offered at two or more institutions without unnecessarily high costs and without reduction in the quality of the offering.

- c. The concept of differential functions for institutions lies at the heart of the curricular allocations concept. Such differentiation promotes:
 - (1) Specialization by the institutions, leading to the development of high-quality programs in curricular areas assigned any given institution. This is particularly critical in the professional and graduate areas, where anything less than a program of the first order puts Oregon students at a genuine disadvantage. Limitation of institutions to certain specified professional and graduate programs lessens the possibility that funds needed to maintain these programs at a high level of excellence will be

drawn off for support of other programs the institution might otherwise seek to establish.

- (2) Effective concentration of the state's limited resources in the development of at least one high quality program in a given professional or graduate area, in lieu of several anemic, deficient ones.
 - d. Within certain professional, semi-professional, or graduate areas, requiring costly equipment, highly specialized faculty, and/or unique building facilities, a single institution should be given exclusive responsibility for development of a program of excellence. Other System institutions wishing to offer the prerequisite or initial courses in the field should be authorized to do so only if the program they intend offering is keyed to that of the institution having exclusive jurisdiction in the subject area.
 - e. The assignment of exclusive jurisdiction to an institution cannot be considered irrevocable. Population shifts, changes in career choices, and other economic and social changes require that curricular allocations be adaptable to changing needs. There must be avenues for reassessing curricular allocations with a view to changing them where circumstances warrant.
- Nonetheless, whatever curricular allocations are in effect at any given moment must be clearly understood by institutions as binding, and must be adhered to until and unless, on the evidence available, the Board changes the allocations.
- f. In meeting its curricular responsibilities, the Board should have as its primary consideration the assurance of adequate availability of educational opportunities for qualified youth without unnecessary or unwise duplication of educational resources.

Graduate and Professional Education

Graduate programs and some professional programs (both undergraduate and graduate) tend to cost more than other programs. Without an allocations system in these areas, the resources of the state will be inadequate to the needs of providing a truly high-quality program at any single institution in the state.

However, the Board recognizes that in some graduate and in some professional areas, characterized by widespread student interest and moderate costs, it is feasible for the System to establish new (additional) programs to serve additional students (some of whom would find it difficult financially to enroll in the existing programs) in lieu of continued expansion of existing programs. In considering institutional requests for authorization of graduate and/or professional programs:

1. The Board will consider each request on its merits. Institutions making such requests will be expected to evaluate their proposals for the Board in such terms as the following:
 - a. The relationship of the proposed program to the objectives of the institution as these are apparent in the approved System and institutional guidelines.
 - b. The relationship of the proposed program to existing System programs in the same field. Is the new program intended to supplement, complement, or duplicate existing System program? In the light of the existing System programs in the same field, why is the proposed new program needed? Is it designed to serve primarily a regional need? A state need?
 - c. The growth prospects of the proposed program. How many students will it serve now? In the immediate future? In the distant future?
 - d. If it seems pertinent to the subject area in question, the employment opportunities for persons prepared in the proposed program.
 - e. The capacity of the institution to offer a high-quality program in the subject area being considered.
 - (1) What facilities has the institution appropriated to the needs of a high-quality program in the field (library, laboratory, or other facilities and equipment)?
 - (2) How many faculty members are qualified to participate in the program?
 - (3) Does the institution have such related undergraduate and graduate programs as may be essential to give needed support to the proposed new program?
 - (4) What elements of the program, if any, are presently in operation in the institution?
 - (5) In instances in which the institution has an undergraduate program in the subject area or field in question, has the undergraduate program been fully accredited by the appropriate accrediting agency?
 - f. The cost implications of the proposed program—both current and capital costs. What is estimated to be the total costs of instituting a high-quality program in the field in question—both immediate and long-range costs?
 - g. The relationship of the proposed new program to future aspirations of the institution. Is the proposed program the first of several curricular steps the

institution has in mind in reaching a long-term goal? What are the next steps to be, if the Board approves the program presently proposed?

- h. Projected student credit hour cost of instruction in the proposed program. Given the estimated costs of operating a program of excellence in the fields in question and the number of students who can be expected to enroll, will the student credit hour cost be a reasonable one? If not, can the student credit hour cost be justified on any rational basis?
2. The Board will seek to inform itself concerning at least three other relevant questions:
 - a. What is likely to be the impact of the proposed program upon similar programs in the System? Professional programs tend to be expensive programs. If, by the addition of a second or third graduate and/or professional program in the same field in the System, there would appear to be a threat to the continued accreditation of an existing program, the Board will wish to give approval to the new program only if the advantages of such approval outweigh the disadvantages.
 - b. Can the same program be offered more efficiently or to the benefit of more students in some other institution of the System?
 - c. What other alternative means are there for meeting the needs that have been identified in the proposal?

General Policies Applying to Professional Programs. The following general policies will guide the Board in assessing institutional requests for authorization of professional programs. The Board will:

1. Approve a new professional program only if the Board feels assured of the availability, at the time or in the immediate future, of sufficient funds to develop the program to a respectable standing, to enable it to become accredited, and, once accredited, to maintain its accreditation. Cost estimates should be in terms of an ongoing, high-quality program—not a minimal, beginning program.
2. As a general principle, establish new professional programs, not before offered by the System, at the most appropriate institution, considering such factors as: institutional mission, the locus in the System of such supporting programs and other institutional or community resources as are required to give strength to the new program, the location in which the program would be accessible to the most students.
3. Act on the principle that as a general policy, with some provision for justifiable and planned exceptions for cause, if the System's first program in a professional field is situated at the University of Oregon or Oregon State University, the second authorized

program should be developed where it can serve the largest number of students at the least personal financial cost. The program at the resident institution would serve the entire state; the second program would serve primarily the needs of the students in the region in which the institution is located.

1. As a general principle, be reluctant to approve any professional program that, as it is conceived, cannot, within a reasonable period of time, be accredited. A professional education should offer a student the basis for advancement in the field and flexibility of employment.

CATEGORIES OF INSTRUCTION, IMPLEMENTATION OF BOARD POLICIES

Under the foregoing Board policies, four categories of instructional programs have been allocated to System institutions.

- Liberal arts programs leading to the baccalaureate, master's, and doctoral degrees.
- Professional programs leading to the associate, baccalaureate, master's, and doctoral degrees.
- Pre-professional and lower division transfer programs, a designation given to those instructional programs that are preparatory to upper division or professional school enrollment in institutions not having a degree program in those fields.
- Technical education programs leading to specialty certificates and associate (two-year) and baccalaureate (four-year) degrees.

Liberal Arts Programs in the Oregon University System

Liberal arts programs include programs in the humanities, social sciences, and sciences.

Undergraduate Liberal Arts Programs

The pattern of undergraduate liberal arts programs offered in the colleges and universities of the System are the result of three deliberate policy decisions of the Board:

1. Basic commonality in liberal arts offerings undergirds education. From its inception (1932), the Board of Higher Education has held the view that there should be available at all four-year institutions in the System a basic commonality in the liberal arts.

In 1932 that commonality of liberal arts offerings was held to be a two-year, lower division program in the liberal arts (humanities, social sciences, and sciences) leading to a certificate of junior standing. Consistent with that policy, all institutions were authorized at least lower division offerings in the liberal arts.

Only the University of Oregon and Oregon State College (now Oregon State University) were authorized more under the original (1932) allocations.

With the passage of years, the Board came to feel that the burgeoning complexity of civilization, as well as the exponential rate at which it is changing, made it imperative that the opportunity for a commonality of liberal arts offerings be increased from two to four years at all four-year System colleges and universities, as resources could be made available to support such programs.

- The regional schools (SOU, EOU) and OCE were authorized baccalaureate programs in the liberal arts in the form of divisional majors in humanities, social sciences, and science-mathematics for the first time in 1956.
- Four years later, in 1960, Oregon State University was authorized to increase its offerings in the humanities and social sciences from two-year lower division programs to four-year divisional major programs leading to a baccalaureate degree.

It should be noted that the commonality of liberal arts at the four-year level does not pertain to the specialized institutions, Oregon Institute of Technology and Oregon Health Sciences University. OIT is authorized to offer instruction in the liberal arts as needed to meet requirements of its technical degree programs and lower division transfer programs to the extent these are possible through use of courses approved in support of its technical offerings. OHSU offers coursework in the basic sciences. General education requirements for its students are completed in pre-professional programs or at Portland State University.

2. Develop Portland State as a major institution. Meanwhile, the Board had made the decision to develop in Portland a major institution. A first step was taken in 1955 when Portland State College was established as a baccalaureate degree-granting institution with divisional programs in the humanities, social sciences, and sciences.
3. Extend departmental major programs in the liberal arts to the regional schools (SOU, EOU) and OCE, and to OSU.
 - In 1964 the Board decided to capitalize on the liberal arts base developed in SOU, OCE, and EOU as an indispensable support to their teacher education programs by making that base available to students interested in earning a baccalaureate degree program in one of the liberal arts areas. The Board stated that it would authorize the regional schools (SOU, EOU) and OCE baccalaureate departmental major programs in selected liberal arts subject matter fields in

which the institutions could demonstrate: (a) need for the program, and (b) resources adequate to offer a program of good quality.⁴

- This policy had two roots: (a) It recognized that the regional colleges and OCE (now WOU), with their traditionally heavy emphasis on teacher education, had built up substantial strengths in the liberal arts subject matter fields (teaching majors) that supported the teacher education programs, and (b) that, particularly at SOU and EOU, if those strengths were made the basis for offering departmental major programs leading to the BA/BS degree, the people of the southern and eastern regions of Oregon would be more adequately served by the Oregon University System, since students from those regions desiring such programs would be encouraged to enter and/or remain at SOU and EOU.
- In 1965, after thorough consideration of (a) the very substantial enrollments in the humanities and social sciences at OSU, and (b) the substantial quality and number of OSU faculty members in the humanities and social sciences, the Board established the policy under which, over a period of time, the Board would authorize OSU to offer baccalaureate departmental major programs in selected humanities and social science fields. The first such degree program (English) was authorized effective in 1966.

⁴ Amplification of this policy in respect to regional schools was provided in a report of the Board's Committee on Academic Affairs, Meeting of the Board #334, January 25-26, 1965, titled *Discussion of the OSU, EOOSC, and SOSOC Requests for Authorization of Departmental Major Programs in the Liberal Arts, January 25-26, 1965*, p. 115, as follows:

"Departmental major programs will be authorized regional schools only when it is possible for the institution to demonstrate that it has available or can make available, if authorized, the requested program, the staff, library, and other resources that will permit the offering of a departmental major of some substance.

"As to staff, it would be the view of the Board's committee that, with some exceptions, there should be available in a department area two or three persons holding the doctoral degree before an institution should consider asking for departmental majors in the field. The System committee on transfer courses offered by the community colleges and the individuals who teach them has established for the community colleges a general requirement that instructors hold a master's degree in the field in which they are teaching at the lower division level. The higher instructor preparation standard for departmental degree programs suggested here is critical to the development of soundly based departmental programs in the regional institutions."

College Transfer Programs at Oregon Institute of Technology

Policy Statement Board of Education

(Approved by the Oregon State Board of Education, October 16, 1970; reported in Minutes of the State Board of Higher Education, Meeting #392, January 25, 1971, pp. 27-28.)

WHEREAS, The State Board of Higher Education had been presented a recommendation relating to the addition of the curricula at OTI (Formerly Oregon Technical Institute, now Oregon Institute of Technology) located in Klamath Falls: and WHEREAS the Oregon Board of Education has been requested by the State Board of Higher Education to discuss and make recommendations on the proposed additions to the curricula at OTI, THEREFORE BE IT RESOLVED that the Oregon Board of Education supports the concept that OTI offer a comprehensive open-door community college educational program for residents of Klamath and Lake Counties, including, but not limited to, lower division courses and associate degree program offerings; and RESOLVED further that the Oregon Board of Education expresses to the State Board of Higher Education its belief that the degree program at OTI should not be expanded at any time to the detriment of its community college programs.

Policy Statement Board of Higher Education

(Approved by Oregon State Board of Higher Education Meeting #392, January 25, 1971, pp. 27-32; and Meeting #397, July 26, 1971, pp. 470-472.)

Oregon Technical Institute (now Oregon Institute of Technology) is authorized to enroll students in college transfer programs to the extent that it can serve these students within its budgeted capabilities and physical facilities.

The transfer programs offered by OTI will be similar to the two-year transfer programs offered by the Oregon community colleges. Requirements for the associate degree also will parallel those of the community colleges' associate in arts degree.

Graduate Programs in Liberal Arts

The configuration of liberal arts programs at the graduate level are consistent with the policies in the several stages of the System's development.

1. In the initial allocations (1932), graduate programs in the humanities and social sciences were allocated solely to the University of Oregon; and in science, solely to Oregon State College (now Oregon State University).
2. Subsequently (1941), the Board restored to the University of Oregon authorization to offer baccalaureate and graduate programs in science, thus making available in the

state's liberal arts university graduate programs in subject matter fields in the humanities, social sciences, and sciences.

3. The University of Oregon Health Sciences Center (now Oregon Health & Science University), through its schools of medicine, dentistry, and nursing, is authorized to offer graduate master's and doctoral degrees in some of the basic sciences (anatomy, bacteriology, biochemistry, human genetics, medical psychology, pathology, physiology) that undergird the professional medical and dental degree programs offered there.
4. In 1964, the Board announced its intention to expand baccalaureate offerings at PSU and, as resources were available and need could be demonstrated, to authorize the development of master's degree programs in the liberal arts and selected professional fields of high demand (e.g., teacher education, business administration). The Board further stated that, as need and resources dictated and permitted, it would authorize the establishment of doctoral programs in selected fields.

During the next three biennia, 1965-1971, the Board moved with deliberate, systematic care to the expansion of PSU's graduate offerings. A schedule was developed for the systematic strengthening of library, faculty, and physical resources in areas in which programs were to be added and funds to carry out the plan were sought and received from the legislature.

By the close of the 1969-1971 biennium, Portland State University offered 18 MA/MS degrees, 24 MAT/MST degrees, two other master's degrees (MSW and MBA), and was beginning work on three doctoral programs.

Since 1971-72, graduate program development has been primarily in specialized professional areas:

- MFA in Art (1971-72)
- Master of Urban Studies (1974-75)
- MAT/MST in Earth Sciences (1975-76)
- Master of Public Administration (1976-77)
- Master of Urban Planning (1977-78)
- Tri-University Ed.D. in Community College Education (1978-79); discontinued (1985-86)
- Joint UO/PSU Ed.D. in Public School Administration and Supervision (1978-79); changed to Ed.D. in Educational Leadership (1985-86)
- Master of Taxation (1978-79)
- Graduate Certificate in Gerontology (1979-80)
- MA/MS in Engineering (Civil, Electrical, Mechanical) (1983-84)
- Ph.D. in Electrical and Computer Engineering (1985-86)

Professional Programs in the Oregon University System

In accordance with convictions concerning allocation of professional programs, apart from programs in teacher education and business administration, the overwhelming number of professional degree programs have been allocated by the Board to single institutions.

Pre-professional and Transfer Programs in the Oregon University System

One- and two-year transfer programs for all the fields in which System institutions offer baccalaureate degrees are available at any time from the four-year institutions of the System.

Technical Education in the Oregon University System

Technical education programs are offered by the Oregon University System at Oregon Institute of Technology, Oregon State University, Oregon Health & Science University, and the regional universities.

The present configuration of technical education in the System reflects: (1) legislative action transferring Oregon Technical Institute (now Oregon Institute of Technology) to the State Board of Higher Education, effective July 1960; and (2) policies of the State Board of Higher Education.

Board Policies Covering Development of Technical Education Programs

1. System institutions ought not to offer short-term vocational/trade courses or programs, except as a service on a self-supporting basis in areas not served by community colleges.
2. System institutions ought not to offer vocational/trade-type programs leading to an associate degree.

This policy has had much to do with the steps taken by the State Board of Higher Education to upgrade OIT's instructional offerings, staff, and facilities.

3. Associate degree and certificate programs in technical fields are appropriate to a technical institute, to a professional school such as the Oregon Health Sciences University that has unique facilities for offering training to technologists in the same setting in which the professionals with whom they will later work are also being educated, and in special instances in regional colleges, where a special regional need requires or justifies such programs.

It is under this general policy that OIT continues to offer the range of two-year associate degree programs that it does, that certificate programs are offered by OHSU, and that associate degree programs are offered by SOU in nursing and business fields, and EOU in community service, secretarial science, and early childhood education.

4. The System should offer four-year baccalaureate degree programs in selected technologies as a service to technically oriented students and to business, industry, government, and other segments of society that look to educational institutions for the well-qualified technologists that today's requirements are increasingly calling for.

It is in response to the foregoing policy decision by the Board that baccalaureate programs in technology have been authorized: OSU in selected engineering technologies, and OIT in the engineering technologies; diesel power technology, industrial management, and allied health fields.

Categories of Instruction, Implementation of Board Policies

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DEBT

(Adopted by the Board, Meeting #836, March 1, 2010.)

I. Overview

In support of their respective missions, Oregon University System (System) institutions each maintain a long-term strategic plan. These strategic plans establish university-wide priorities as well as university-wide and divisional programmatic objectives. Each System university develops a capital plan to support these priorities and objectives.

The System's use of debt plays a critical role in ensuring adequate and cost-effective funding for the System institutions capital plans. By linking the objectives of its Debt Policy to its universities strategic objectives, the System ultimately increases the likelihood of achieving its mission.

II. Scope

The Debt Policy covers all forms of debt including long-term, short-term, fixed-rate, and variable-rate debt. It also covers other forms of financing including both on-balance sheet and other forms of financing that effectively operate as capital debt instruments even when not classified as such for financial statement purposes, such as certain operating leases and other structured products used with the intent of funding capital projects.

The use of derivatives is considered when managing the debt portfolio and structuring transactions. Conditions guiding the use of derivatives are addressed in a separate Interest Rate Risk Management Policy.

III. Objectives

The objectives of this policy are to:

- a) Outline the System's philosophy on debt
- b) Establish a control framework for approving and managing debt
- c) Define reporting guidelines
- d) Establish debt management guidelines

The Debt Policy formalizes the link between the System universities Strategic Plans and the issuance of debt. Debt is a limited resource that must be managed strategically in order to best support System priorities.

The policy establishes a control framework to ensure that appropriate discipline is in place regarding capital rationing, reporting requirements, debt portfolio composition, debt servicing, and debt authorization. It establishes guidelines to ensure that existing and proposed debt

issues are consistent with financial resources to maintain an optimal amount of leverage, a strong financial profile, and a strategically optimal credit rating.

Under this policy, debt is being managed to achieve the following goals:

- a) Maintaining access to financial markets: capital, money, and bank markets.
- b) Managing the System's credit rating (if applicable) to meet its strategic objectives while maintaining the highest possible creditworthiness that provides the most favorable cost of capital and borrowing terms;
- c) Optimizing the System's debt mix (i.e. short-term and long-term, fixed-rate and floating-rate, traditional and synthetic) for the System's debt portfolio;
- d) Managing the structure and maturity profile of debt to meet liquidity objectives and to make funds available to support future capital projects and strategic initiatives;
- e) Coordinating debt management decisions with asset management decisions to optimize overall funding and portfolio management strategies;
- f) Coordinating debt management decisions to maximize overall access to resources, including consideration of strategic opportunity costs, potential lost revenue, and interest and inflation rate tradeoffs.

System universities may use debt to accomplish critical priorities by prudently using debt financing to accelerate the initiation or completion of certain projects. As part of its review of each project, the university and the System will evaluate all funding sources to determine the optimal funding structure to achieve the most beneficial cost of capital.

IV. Oversight

The Vice Chancellor for Finance and Administration is responsible for implementing this policy and for all debt financing activities of the System. This policy is approved by the Board. The approved policy provides the framework under which debt management decisions are made.

The exposure limits listed in the policy are monitored on a regular basis by the Vice Chancellor for Finance and Administration. The Vice Chancellor for Finance and Administration reports regularly to the Chancellor, the Board, and the Internal Bank Oversight Committee on the System's debt position and plans.

PRINCIPLES/GUIDELINES/PROCEDURES

V. Debt Affordability and Capacity

Project Viability:

All projects using self-generated revenues to repay the debt will be carefully reviewed to ensure that they are financially viable based on reasonable and prudent estimates of the revenues and expenses associated with each project or combination of similar projects. When determining whether a project meets the self-supporting requirements, the Board may take

into consideration the total available unobligated revenues of the university, or the System as a whole. This review process will include an analysis of the total cost of the project, including site preparation, environmental assessment/remediation, architectural and engineering costs, and construction, renovation or purchase costs. A financial pro-forma will be prepared by the university that estimates the revenues and expenses associated with the operations, maintenance and debt service of the project over the life of the bonds. Projected operating revenues will provide coverage of operating expenses, maintenance, and debt service. Sources and uses of funds should be identified as part of this analysis. The financial pro-forma will be reviewed by the Director of Treasury Operations prior to recommendation of projects to the Board.

Institutional Concerns:

Institutional financial viability will also be considered as part of the debt approval process. The institution must demonstrate that there is sufficient enrollment or research demand or other compelling needs or strategic opportunities to justify the investment in the project and to generate the resources for debt repayment. Three years of trend data will be considered as part of this analysis in order to demonstrate institutional financial viability over a series of years.

The following financial statement ratios will be considered in order to determine institutional financial viability as part of this analysis:

- Primary reserve ratio — unrestricted net assets / operating expenses
- Current ratio — current assets / current liabilities
- Debt burden ratio — annual debt service (principal + interest) / total operating expenses, with a guideline maximum debt burden ratio of 7 percent, as established by the Board

In addition to presenting the actual ratios computed for the prior three fiscal years, the university will be responsible for calculating pro-forma ratios to incorporate additional debt allocated during the current fiscal year as well as for other future proposed projects and to analyze this information together to determine financial viability.

The ratios and limits are intended to help the System universities maintain a competitive financial profile, funding for facilities needs and reserves, and compliance with System debt service to budget guidelines.

The Debt Policy is shared with external credit analysts and other parties in order to provide them with background on the System's philosophy on debt and management's assessment of debt capacity and affordability.

VI. Real Property Financed by Third Parties

In computing financial ratios, universities need to identify and incorporate information related to real property financed by third parties when by written agreement the university is obligated

to provide payments toward the property financing or to take over the financial obligation at a specified future date. Examples include agreements with an affiliated foundation and long-term capital leases. In determining whether long-term leases should be included when computing financial ratios, the institution must distinguish between capital and operating leases. Capital leases are considered debt, and must therefore be included in the ratios. Operating leases are not considered debt, and are therefore excluded from the ratio calculations.

Third-party financings may not include annual appropriation pledges of the State's general fund, and long-term leases must comply with DAS administrative rules. In addition, third-party financings may not use the State's credit or view the State as the underlying guarantor.

VII. Financing Sources

There are numerous types of financing structures and funding sources available, each with specific benefits, risks, and costs. All potential funding sources are reviewed by management within the context of the Debt Policy and the overall portfolio to ensure that any financial product or structure is consistent with the university's and System's objectives. Regardless of what financing structure(s) is utilized, due-diligence review must be performed for each transaction, including (i) quantification of potential risks and benefits, and (ii) analysis of the impact on System creditworthiness and institution debt affordability and capacity.

Tax-Exempt Debt

Tax-exempt debt is a significant component of the System's capitalization due in part to its substantial cost benefits; therefore, tax-exempt debt is managed as a portfolio of obligations designed to meet long-term financial objectives rather than as a series of discrete financings tied to specific projects. The System manages the debt portfolio to maximize its utilization of tax-exempt debt relative to taxable debt whenever possible, keeping in mind potential issues related to the restrictions on the use of facilities financed with tax-exempt debt and the potential future uses of the facility(cies) being financed by the debt. In all circumstances, however, individual projects continue to be identified and tracked to ensure compliance with all tax and reimbursement regulations.

For tax-exempt debt, the System will consider maximizing the external maturity of any tax-exempt bond issue, subject to prevailing market conditions and opportunities and other considerations, including the useful life of financed facilities, future debt capacity of the System, applicable regulations, and the State Treasurer's statewide debt portfolio management goals and policies.

Taxable Debt

In instances where certain of the System's capital projects do not qualify for tax-exempt debt, the use of taxable debt may be considered. The taxable debt market offers certain advantages in terms of liquidity, marketing efficiency, and flexibility in the use of proceeds; such advantages will be considered when evaluating the costs and benefits of a taxable debt issuance.

Build America Bond Program

The American Recovery and Reinvestment Act (ARRA) of 2009 included provisions authorizing state governments to issue taxable bonds and receive an interest rate rebate in the amount of 35 percent of the interest paid from the Federal government (Build America Bond Program or BAB). This program opens up the taxable debt market to the System, which may prove to reduce borrowing costs. Bonds issued under this program must be treated in the same manner as tax-exempt debt with respect to the use of the bond proceeds (must be used for exempt purposes and follow the same private use rules as tax-exempt bond proceeds) and with respect to arbitrage rules. Accordingly, the System will manage debt issued under the BAB program as a part of the tax-exempt debt portfolio.

Commercial Paper

Commercial paper provides interim financing for projects in anticipation of philanthropy, planned issuance of long-term debt or from other sources of funds. The use of commercial paper also provides greater flexibility on the timing and structuring of individual bond transactions. This flexibility may also make commercial paper appropriate for financing equipment and as a tool to help manage the System's short-term liquidity position. The amount of commercial paper is limited by the Debt Policy ratios, the System's variable-rate debt allocation limit, and the System's available liquidity support.

System-issued vs. Other State-issued Debt

In determining the most cost effective means of issuing debt, the System evaluates the merits of issuing debt "directly" (e.g., under Articles XI-G or XI-F(1) of the Oregon Constitution) vs. "issuing" debt through or a State-issuing entity (e.g., The Oregon Lottery, Certificates of Participation, or the State Energy Loan Program.)

When "issuing" debt through a State-issuing entity, the Legislature may appropriate funds to the System to repay the debt, or may appropriate funds to the State-issuing entity to repay the debt. Debt issued through a State-issuing entity will not be managed as a part of the debt portfolio, but will be managed discretely. Debt issued through a State-issuing entity is normally only available if authorized by the Legislature and is not available as an option unless so authorized.

System issued debt under Article XI-G of the Oregon Constitution is repaid by Legislative appropriation to OUS and is not managed as a part of the debt portfolio, but will be managed discretely.

In the case of debt that will be repaid by System-generated revenues, the System performs a cost benefit analysis between this financing option and others available and takes into consideration the comparative funding costs and the flexibility in market timing of each alternative. The System also takes into consideration the future administrative flexibility and financial options of each issue, such as the ability to call and/or refund issues at a later date, as

well as the administrative flexibility to structure and manage the debt in a manner that the System believes to be appropriate.

Derivative Products

Derivative products may enable more opportunistic and flexible management of the debt portfolio. Derivative products, including interest rate swaps and locks, may be employed primarily to manage or hedge the System's interest rate exposure. The System, in consultation with the State Treasurer and in compliance with the State's Interest Rate Swap Policy, utilizes a framework to evaluate potential derivative instruments by considering (i) its current variable-rate debt allocation, (ii) existing market and interest rate conditions, (iii) the impact on future financing flexibility, and (iv) the compensation for assuming risks or the costs for eliminating certain risks and exposure. Risks include, but are not limited to, tax risk, interest rate risk, liquidity risk, counterparty credit risk, basis risk, and any other potential risks either imposed or removed through the execution of any transaction.

The System analyzes and quantifies the cost/benefit of any derivative instrument relative to achieving desirable long-term capital structure objectives. Under no circumstances will a derivative transaction be utilized that is not understood fully by management or that imposes inappropriate risk on the System. In addition, management discloses the impact of any derivative product on the System's financial statements per GASB (Governmental Accounting Standards Board) requirements and includes their effects in calculating the Debt Policy ratios.

Other Financing Sources

Given limited debt capacity and substantial capital needs, opportunities for alternative and non-traditional transaction structures may be considered, including off-balance sheet financings. The System recognizes these types of transactions often can be more expensive than traditional debt structures; therefore, the benefits of any potential transaction must outweigh any potential costs.

All structures can be considered only when the economic benefit and the likely impact on the System's debt capacity and credit have been determined. Specifically, for any third-party or developer-based financing, management ensures the full credit impact of the structure is evaluated and quantified.

VIII. Compliance with IRS Regulations

When tax-exempt governmental-purpose bonds are issued, the System must comply with all applicable IRS regulations including, but not limited to, regulations relating to the use of bond proceeds, the use of bond-financed facilities, and arbitrage in order to maintain the bonds' tax-exempt status.

IX. Portfolio Management of Debt

For purposes of this section, the System’s debt portfolio is defined as debt issued under Article XI-F(1) of the Oregon Constitution (XI-F debt). The System considers its debt portfolio holistically, that is, it optimizes the portfolio of debt for the entire System rather than on a project-by-project basis while taking into account the System’s cash and investment portfolio. Therefore, management makes decisions regarding project prioritization, debt portfolio optimization, and financing structures within the context of the overall needs and circumstances of the universities of the System.

Variable-Rate Debt

Exposure to variable interest rates within the System’s debt portfolio may be desirable in order to:

- a) take advantage of repayment/restructuring flexibility;
- b) benefit from historically lower average interest costs;
- c) reduce financial interest rate risk by providing a “match” between debt service requirements and the projected cash flows from the System’s assets; and
- d) diversify its pool of potential investors and gain additional access to the capital markets.

Management monitors overall interest rate exposure, analyzes and quantifies potential risks, including interest rate, liquidity and rollover risks, and coordinates appropriate fixed/variable allocation strategies. The portfolio allocation to variable-rate debt may be managed or adjusted through (i) the issuance or redemption of debt in the conventional debt market (e.g., new issues and refundings) and (ii) the use of interest rate derivative products including swaps.

The amount of variable-rate debt outstanding (adjusted for any derivatives) shall not exceed 20 percent of the System’s outstanding XI-F debt. This limit is based on the System’s desire to: (i) limit annual variances in its interest payments, (ii) provide sufficient structuring flexibility to management, (iii) keep the System’s variable-rate allocation within acceptable external parameters, and (iv) utilize variable-rate debt (including derivatives) to optimize debt portfolio allocation and minimize costs.

<u>VARIABLE-RATE DEBT (INCLUDING SYNTHETIC)</u>	≤ 20%
TOTAL XI-F DEBT OUTSTANDING	

Refinancing Outstanding Debt

The System monitors its debt portfolio on a continual basis to assure portfolio management objectives are being met and to identify opportunities to lower its cost of funding, primarily through refinancing outstanding debt.

The System monitors the prices and yields of its outstanding debt and attempts to identify potential refunding candidates by examining refunding rates and calculating the net present

value of any refunding savings after taking into account all transaction costs. The System may choose to pursue refundings for economic and/or legal reasons. The System currently adheres to the State of Oregon's refunding thresholds. Net Present Value (NPV) savings of 3 percent or otherwise as permitted by the State Treasurer.

Liquidity Requirements

The System's portfolio of variable-rate debt and commercial paper require liquidity support in the event of variable rate demand bonds being put back to the System or the Commercial Paper maturing without new investors. Generally, the System can purchase liquidity support externally from a bank in the form of a standby bond purchase agreement or line of credit. In addition, the System can also use its own capital or the capital available to the State Treasurer (if approved) in lieu of or to supplement external facilities. Alternatively, it can utilize variable-rate structures that do not require liquidity support (e.g., resetting variable rate term loans).

Just as the System manages its debt on a portfolio basis, it also manages its liquidity needs by considering its entire asset and debt portfolio, rather than managing liquidity solely on an issue-specific basis. This approach permits Systemwide evaluation of desired liquidity exposure, provides administrative flexibility, and reduces total liquidity costs.

A balanced approach is used to provide liquidity support to enhance credit for variable-rate debt, through a combination of external bank liquidity, self-liquidity, and other financial tools. Using a variety of approaches limits dependence on an individual type or source of credit; it also increases access to different types of investors. The System must balance liquidity requirements with its investment objectives and its cost and renewal risk of third-party liquidity providers and internal capacity.

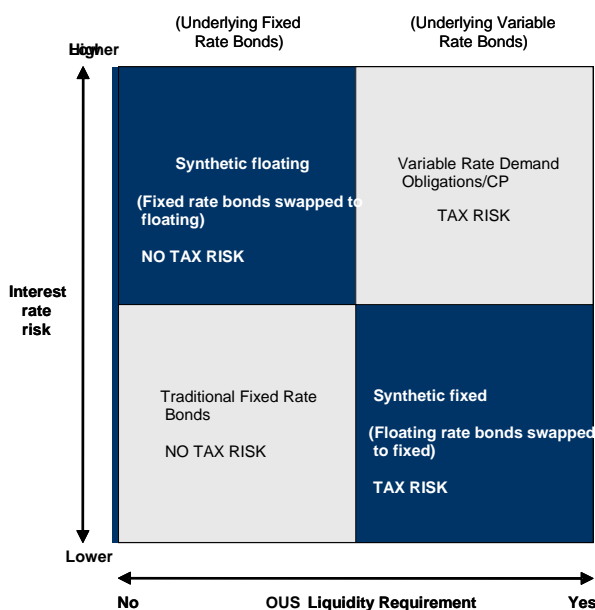
Further, a portfolio-approach to liquidity can enhance investment flexibility, reduce administrative requirements, lower total interest costs, and reduce the need for external bank liquidity.

Overall Exposure

The System may be exposed to interest rate, third-party credit, tax (the risk that the tax code may change in future periods and impact the cost or financial result of certain debt instruments), and other potential risks in areas other than direct System debt (e.g., off-balance sheet transactions, counterparty exposure in the investment portfolio, etc.) and, therefore, exposure will be measured and monitored on a comprehensive Systemwide basis.

The chart below attempts to visually display the interplay of risks that may be present depending on the types of debt instruments employed. For instance, when using variable rate debt, interest rate risk increases for obvious reasons. For less obvious reasons, if the System utilizes third-party liquidity to support its variable rate debt, the risk of the credit-worthiness of the liquidity provider comes into play. Additionally, income tax risk is interjected when variable rate bonds are remarketed as the tax laws may change and impact the cost of carrying the variable rate debt. If the System were to convert that variable rate debt to fixed via an interest

rate swap agreement, the interest rate risks would be mitigated, but the risk of the credit-worthiness of the third-party liquidity provider would not.



X. Central Loan Program Management

For purposes of this policy section, the central loan program pertains only to proceeds of XI-F debt or internal liquidity.

Each institution is responsible for the repayment of all funds borrowed from the central loan program, plus interest and any fees established in the System’s internal lending policies, regardless of the internal or external source of funds.

Loan structures with standard financial terms are offered to institutional borrowers. The System may provide for flexible financing terms in order to accommodate individual institutional needs if it is determined to be in the university’s and System’s best interest. The Vice Chancellor for Finance and Administration will clearly articulate the policies and procedures for the assumption and repayment of debt to all borrowers. The Director of Treasury Operations is the System’s loan officer for institutional borrowers.

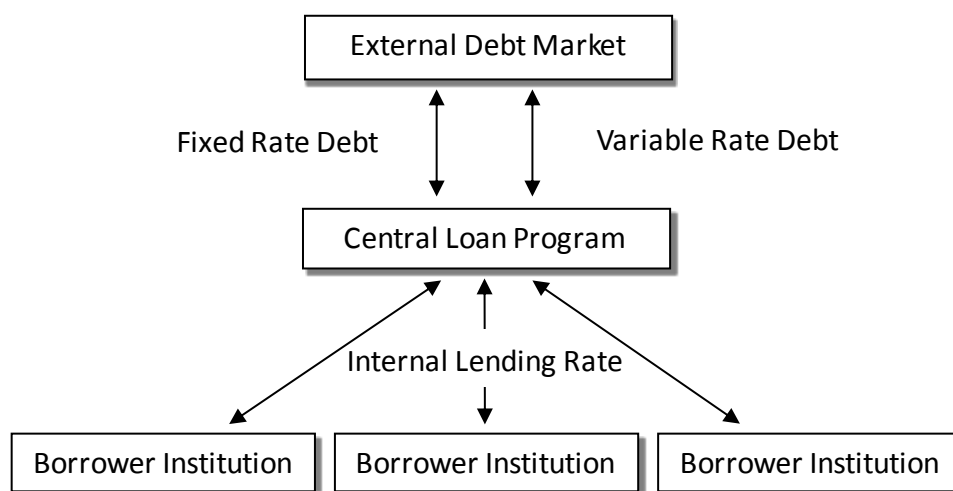
De-linking External and Internal Debt Structures

The System has adopted a central loan program under which it provides funding for projects across all institutions under the guidance of the Vice Chancellor for Finance and Administration. In this regard, the System has established a pool of financing resources, including debt, for a central source of capital.

The benefits of this program include:

- a) Enabling the structuring of transactions in the best economic interests of the System that might not be possible on a project-specific basis,
- b) providing continual access to capital for borrowers,
- c) permitting the System to fund capital needs on a portfolio basis rather than on a project-specific basis,
- d) funding specific projects with predictable financial terms,
- e) achieving a consistently low average internal borrowing costs while minimizing volatility in interest rates,
- f) permitting prepayment of internal loans without penalty, and
- g) achieving equity among borrowers through a blended rate.

The diagram below outlines the relationship between the System's internal borrowers, the central loan program, and the external debt market for debt that is repaid via system-generated revenues:



The central loan program can access funds from a variety of sources to originate loans to institutions. The System manages its funding sources on a portfolio basis, and therefore payments from institutions are not tied directly to a particular source of funds. (Note: due to federal tax and reimbursement requirements, actual bond debt service for certain projects still must be tracked.)

Blended Interest Rate

The System charges a blended interest rate to its institutions based on its cost of funding. In some instances, at the discretion of the Vice Chancellor for Finance and Administration, the type and useful life of the project being financed may affect the appropriate term and interest rate of any loan.

This blended interest rate may change periodically to reflect changes in the System's average aggregate expected long-term cost of borrowing. The blended interest rate may also include a reserve for interest rate stabilization purposes.

In addition to charging borrowers interest, the central loan program collects amounts to pay for costs of administering the debt portfolio. These costs are clearly articulated to institutions, and are passed on to borrowers in the form of a rate surcharge and an upfront fee for loan origination. These charges may be reviewed and adjusted from time-to-time.

XI. Approval Process

The System, through the Oregon State Treasury, issues debt under Articles XI-F(1) and XI-G of the Oregon Constitution. The System may also enter into other financing agreements (e.g., capital leases) with external entities for amounts in excess of \$100,000 with the approval of the State Treasurer and the Director of the Oregon Department of Administrative Services (DAS). Should the System be granted authority in the future to establish a revenue bond program, it is anticipated that such debt would be issued through the Oregon State Treasury as well.

All debt issued by the System must be authorized through a board resolution (or the Finance and Administration Committee as authorized by the board). When the System issues debt under Article XI-F(1) of the Oregon Constitution, the board's authorizing resolution must include its finding, based on the analysis of debt affordability and capacity delineated in section IV above, that the XI-F(1) debt financed projects are both self-liquidating and self-supporting.

The Board delegates the authority to approve the pricing of System-issued debt to the Vice Chancellor for Finance and Administration.

Other State-issued debt is approved as follows:

- DAS issues Certificates of Participation on behalf of the System.
- The Oregon Lottery issues Lottery bonds on behalf of the System.
- The Oregon Department of Energy loans money to System institutions for energy savings projects.

When the System participates in debt programs that are administered by other State agencies, such bonds are issued by the State Treasurer who also possesses the authority to price such bonds.

XII. Policy Conflicts

The provisions of this policy will supersede conflicting policy provisions in other Internal Management Directives, board policies, and/or other fiscal policies.

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DELEGATION OF APPROVAL OF ROUTINE ITEMS TO CHANCELLOR

(Approved by the Oregon State Board of Higher Education, Meeting #575, April 21, 1989, pp. 205-208; amended Meeting #577, June 15, 1989, pp. 293-296; Repealed, Meeting #843, October 8, 2010.)

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DIVERSITY

(Approved by the Oregon State Board of Higher Education at Meeting #822, on March 6, 2009)

POLICY/PURPOSE:

The purpose of this policy is to enhance opportunities within the Oregon University System (OUS) through the application of guiding principles and actions relating to diversity. This policy outlines a framework for leadership reflection and action, the identification of key evidence, and Board-conducted annual performance reviews to assess diversity efforts of the Board, the Chancellor, and campus presidents.

PRINCIPLES/GUIDELINES/PROCEDURES:

Guiding Principle #1: Overall Commitment to Diversity

The Board values the perspectives, educational benefits, and robust exchanges of ideas that are encouraged by the effective facilitation of diversity within OUS and seeks to promote and support initiatives that sustain best practices in diversity efforts.

Actions – The Board, the Chancellor, and campus presidents will identify opportunities and promote expectations for diverse representation, inclusion, and engagement throughout OUS programs and activities.

Guiding Principle #2: Commitment to Workforce Enhancements

The Board values workforce diversity and encourages opportunities for the employment and advancement of diverse faculty and staff within OUS.

Actions – In periodic reports to the Board, the Chancellor and campus presidents will identify strategies and progress toward the enhancement of workforce diversity.

Guiding Principle #3: Commitment to Equity in Student Success

The Board is committed to providing equitable opportunities for students to succeed and to efforts to close achievement gaps among underserved populations.

Actions – In periodic reports to the Board, campus presidents and representatives of OUS student-related committees will identify strategies and progress relating to student success among diverse populations.

Guiding Principle #4: Commitment to Welcoming Campus Environments

The Board values the importance of campus environments in the attraction, recruitment, and retention of diverse students, faculty, and staff.

Actions – In periodic reports to the Board, campus presidents will a) identify campus climate challenges and successes, b) discuss measures taken to promote welcoming campus environments, and c) describe the possible impact of these measures on student success.

Guiding Principle #5: Commitment to Vendor and Contracting Enhancements

The Board is committed to vendor and contracting practices that encourage and promote participation by minority, women-owned, and emerging small businesses (MWESB).

Actions – In periodic reports to the Board, Chancellor's Office and campus representatives will provide updates on progress in vendor and contracting initiatives and practices. OUS representatives will identify and incorporate into project proposals opportunities for outreach to promote engagement and seek bids from MWESB contractors.

Guiding Principle #6: Commitment to Continuous Feedback

The Board values the feedback and insights of numerous stakeholders in advancing diversity efforts.

Actions – The Board will include attention to diversity issues within its strategic planning efforts and will solicit ideas, innovations, and standards from the Chancellor and campus presidents that best align with institutional and state priorities. Further, the Board will seek input periodically from representatives of Oregon's diverse communities.

Guiding Principle #7: Commitment to Key Goals

The Board values both quantitative and qualitative diversity-related evidence to inform decisions and planning.

Actions – The Board directs the Chancellor and campus presidents to provide reports and updates pertaining to diversity achievements and challenges not less than once every biennium. To assist and inform the Board, each OUS institution will identify key diversity considerations relating to students, faculty, and staff each biennium. Campus leaders will identify and prioritize key goals that take into account fiscal resources, enrollment management considerations, curricular planning, workforce diversity efforts, and specific institutional data and environments. The Chancellor's Office will identify and prioritize key goals pertaining to diversity issues for its units as well. The Board will evaluate annually the Chancellor and campus presidents on elements relating to the identification of, and progress toward, key goals and actions in all areas of this policy and will utilize the guiding principles in Board self-assessments.

Document History

- Promulgated March 6, 2009, by majority vote of the Board.

ELECTRONIC COMMERCE, POLICY GUIDELINES FOR

(Approved by the Oregon State Board of Higher Education, Meeting #690, June 16, 2000, p. 55)

Policy Guidelines for Electronic Commerce:

The Oregon State Board of Higher Education (Board) views electronic commerce as a natural extension of the business processes already conducted by the Board and its seven universities (System). The Board encourages System universities to utilize electronic commerce to improve service to its students, faculty, staff and the public, and to reduce the cost of providing these services. For purposes of this policy, electronic commerce includes all business transactions accomplished using an electronic medium. In all endeavors of this type, the System shall protect the assets of the State, the integrity of the data, the financial and confidential information about the customer, and preserve the trust and confidence in using electronic commerce. This requires an appropriate combination of System and institutional management oversight, and includes sound policies, procedures, technologies, and internal controls.

Authority:

ORS 291.038, OAR 580-040-0005

Application of the Policy:

This policy applies Systemwide to all financial transactions performed using an electronic medium that involve use of System facilities, personnel, or other resources.

Assignment of Responsibility:

- (1) The Vice Chancellor for Finance and Administration or designee shall have oversight responsibility for System provisions as set forth in this policy, and for provisions relative to Chancellor's Office electronic commerce activities.
- (2) Each university Vice President for Finance and Administration or designee shall have oversight responsibility on their campus for institutional provisions set forth in this policy.

Standards:

The Board affirms the need for consistency across all institutions in certain electronic commerce business activities and also recognizes the need for flexibility in others. In furtherance of these objectives, the Board establishes the following standards:



- (3) Each Campus shall develop a privacy statement in accordance with the Federal Family Educational Rights and Privacy Act of 1974 (FFERPA) and complimentary to the DAS privacy statement.
- (4) Accounting practices for electronic commerce transactions shall adhere to appropriate accounting standards as established by the Vice Chancellor for Finance and Administration.
- (5) Financial information transmitted electronically shall be sent using an appropriate level of security. The security technologies used shall, at a minimum, be consistent with standards established by the Oregon State Treasury and meet or exceed common industry standards.
- (6) Credit card authentication shall be performed through a verification service approved by the Oregon State Treasury.
- (7) Sensitive data, including social security numbers, credit card numbers, passwords, and any other similar data whose compromise would have a material negative impact, shall be stored in a secure format unless otherwise approved by the institution's Vice President for Finance and Administration or designee.
- (8) All transactions shall be uniquely serialized and fully journaled to provide a conclusive audit trail.
- (9) All goods and services provided and received shall be routinely reconciled with the accounting records.
- (10) All applications shall comply with all current Board and pertinent State of Oregon public procurement statutes, rules, and regulations. Outsourced core applications shall meet the standards specified by the Vice Chancellor for Finance and Administration or designee. Outsourced peripheral applications shall meet the standards specified by the institution's Vice President for Finance and Administration or designee.
- (11) In-house applications shall occur on limited access systems rather than on general-purpose systems (which may be used for miscellaneous other purposes such as e-mail, web hosting, etc.).
- (12) Any non-System advertising connected with electronic commerce shall be approved in accordance with institutional policies.
13. Electronic commerce systems shall be fully and securely archived.
14. Any effort to divert electronic commerce revenues or compromise systems associated with electronic commerce activities shall be subject to prosecution under Oregon

Revised Statutes pertaining to theft, alteration of public records, or other applicable laws.

15. The System shall periodically review this policy for consistency with DAS policies.

Definitions:

- (1) Core Application: An activity that is closely integrated with already deployed student information systems, financial information systems, and/or human resources information systems. It is central to the institution's mission and revenue stream, and is directly and substantially related to students. A core application is usually:
 - a. High dollar volume (hundreds/thousands of dollars);
 - b. High transaction frequency (thousands of transactions);
 - c. Broad scope (activity is institution-wide); and
 - d. High degree of integration with existing systems (uses existing dedicated computing systems).

Examples of core applications would include tuition payments, housing payments, and fee payments.

- (2) Electronic Commerce: A broad term used to describe business transactions conducted using an electronic medium.
- (3) Electronic Medium: Mechanism for transferring, storing, and manipulating electronic data using facilities and devices such as telephone, lease lines, the Internet, compact disc, magnetic tape, diskettes, and fiber lines.
- (4) In-house Application: System owned or licensed software running on System controlled hardware.
- (5) Limited Access System: A server with a dedicated purpose allowing access only to individuals with system critical needs.
- (6) Peripheral Application: An activity that is not closely integrated with already deployed student information systems, financial information systems, and/or human resources information systems. It is occasional and incidental to the institution's mission and revenue stream. A peripheral application is usually:
 - a. Low dollar volume (tens of dollars);
 - b. Low transaction frequency (tens of transactions);

- c. Limited scope (activity is unique to a particular department); and
- d. Low degree of integration with existing systems (no existing dedicated computing systems).

An example of a peripheral application would be the sale of a technical report by an academic department.

- (7) Security/Secure: Authorization and verification of users, assuring integrity of transaction, and encryption (the conversion of data into a proprietary code or accepted open source standard for security purposes).

EMBLEMATIC DESIGNS

(Approved by the Oregon State Board of Higher Education, Meeting #505, September 23, 1983, p. 291.)

The Board delegated responsibility and authority for the approval of institutional flags, emblems, service marks, mottos, mascots, etc., to the presidents of the institutions.

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EQUAL OPPORTUNITY

(Adopted by the Oregon State Board of Higher Education, Meeting #531, November 22, 1985, pp. 381-382. Also see OAR 580-10-003, Affirmative Action Goals: Enrollment; OAR 580-21-006, Affirmative Action Goals: Employment.)

The Oregon State Board of Higher Education recognizes the importance of appropriate higher education opportunities for all citizens of the state. The Board is committed in its Strategic Plan to recruit and build a more diverse student population and workplace.

It is the Board's intent that women and minority students be appropriately represented in academic programs at the undergraduate and graduate levels. It is also the Board's intent that women and minorities be appropriately represented in the administrative staff and in the teaching and research faculty.

Institution presidents have primary responsibility for developing and implementing programs to enhance enrollment and graduation of women and minority students and for achieving a diversified workforce by maintaining affirmative action plans; the appropriate social-educational climate; and other relevant conditions, policies, and practices. The Chancellor is responsible for developing and implementing similar plans, conditions, policies and practices in the Board's office. As a matter of law, as well as policy, the Chancellor shall evaluate the performance in these areas of presidents and other officers reporting to him. (See Board's policy on Executive Management, and Evaluation of Chief Administrators.)

The Chancellor shall report to the Board at the December meeting each year concerning the efforts and achievements with respect to equal opportunity and affirmative action objectives in enrollment and employment during the prior fiscal year. Special recognition shall be given in the report to those institutions that have achieved the stated goals or that have made superior efforts to those ends. Attention also will be called to institutions that have demonstrated unsatisfactory progress or efforts.

The Board further intends, as a matter of policy, that minority and women-owned business enterprises have equal opportunity in contracting, subcontracting, and supplying materials for capital construction projects undertaken by the Board.

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EQUITY CONTRACTING PURCHASING AND DATA REPORTING PROCEDURES

(Approved by the Oregon State Board of Higher Education at Meeting #848, July 8, 2011)

I. PURPOSE

It is the policy of the Oregon University System (OUS) that all businesses, including small, minority and women-owned businesses, shall be given the maximum practicable opportunity to compete for and be awarded contracts by the institutions within OUS. The goal of this policy is to expand economic opportunities for historically underrepresented businesses by encouraging participation in OUS contracting and purchasing.

ORS 351.070(2)(c) requires the Board to adopt policies and procedures that achieve results related to the participation of Minority, Women and Emerging Small Businesses (MWESBs), as defined by the State of Oregon, that equals or exceeds the standards in effect on July 17, 1995. The Board has further delegated its authority to the institutions under ORS 351.060(9) and the institutions have further delegated their authority for certain types of contracts and purchases to departments and employees pursuant to their specific institutional policies. OAR 580-061-0000(1)(f) provides that OUS employees should encourage participation by MWESBs. This requirement is further set out in OAR 580-061-0030. The Board's Policy on Diversity, approved on March 6, 2009, provides that the Board is committed to vendor and contracting practices that encourage and promote participation by MWESBs and requires periodic reports to the Board by the Chancellor and the presidents of each institution on progress in vendor and contracting initiatives and practices.

This policy implements these requirements. It includes targeted outreach efforts aimed at increasing opportunities for a wide range of businesses, including certified MWESBs and minority and women-owned businesses that are not currently certified by the Oregon Business Development Department (OBDD) or have chosen an alternative agency for certification. No provision of this policy is intended to provide for or encourage and the policy should not be construed as providing for or encouraging the granting of any unlawful preferences in OUS contracting; the provisions of this policy shall be implemented in accordance with the requirements of state and federal law.

II. DEFINITIONS

All capitalized terms not defined in this policy have the definitions set out in OUS rules.

Certified MWESB: An MWESB certified by the Oregon Business Development Department

Historically Underrepresented Business: Certified and self-identified MWESBs and firms certified federally or by another state or entity with substantially similar procedures to the State of Oregon.

Management Plan: A plan to increase the diversity of a business' workforce and to subcontract with or purchase from Historically Underrepresented Businesses. The Management Plan may include the business' nondiscrimination practices, subcontracting strategy, workforce diversity plan, and outreach plan to increase participation by Historically Underrepresented Businesses. Institutions are also encouraged to consider past performance of businesses in regards to workforce diversity and subcontracting plans as part of the Management Plan evaluation. The Management Plan, except for any percentage goals to utilize Historically Underrepresented Businesses, shall become part of the Contract.

Outreach Plan: An institution's plan to increase utilization of Historically Underrepresented Businesses

III. OUTREACH

Each institution shall develop an Outreach Plan. At the discretion of the institution, an Outreach Plan may include elements such as: vendor fairs, small group meetings between Historically Underrepresented Businesses and persons who solicit and enter into contracts for the institution, technical assistance for Historically Underrepresented Businesses, and dissemination of resources to institution employees with purchasing authority. The Outreach Plan may also include outreach to businesses owned by disabled veterans.

IV. CONSTRUCTION-RELATED SERVICES, PROFESSIONAL CONSULTANTS, AND CAPITAL CONSTRUCTION

A. Retainer Program for Construction Related Services

All contracts with a contract value greater than \$50,000 that are awarded under the Retainer Program for Construction Related Services shall require a Solicitation Effort to at least two (2) Historically Underrepresented Businesses.

B. Retainer Program for Professional Consultants

All contracts with a contract value greater than \$100,000 awarded under the Retainer Program for Professional Consultants shall require a Solicitation Effort to at least two (2) Historically Underrepresented Businesses professional consultants.

C. CM/GC and Design/Build Capital Construction Projects

All RFPs for capital construction projects and associated professional consultants utilizing CM/GC or Design/Build processes shall include a Management Plan by the proposer as part of the evaluation criteria. At least 10 percent of the total points allocated for evaluation shall be allocated to the Management Plan.

D. Solicitation Effort

For purposes of this section, Solicitation Effort means:

1. Contacting at least two (2) Historically Underrepresented Businesses, if available, individually by appropriate means (letter, fax, e-mail or telephone) to alert them of the contracting opportunity; and
2. Providing the Historically Underrepresented Businesses the same amount of time to respond to the proposal as non-Historically Underrepresented Businesses; and
3. If the institution solicits bids without posting an RFP on the OUS website, posting the names of the contractors that the institution has chosen to submit bids on the OUS Business Opportunity Capital Construction Subcontracting Opportunities website so that Historically Underrepresented Businesses can contact them to provide their services as subcontractors or suppliers; OR
4. If a significant portion of the Contract will be subcontracted to other businesses, per the determination of the institution, the inclusion of a Management Plan as part of the evaluation criteria. The evaluation of the Management Plan must represent at least 10 percent of the total points allocated for evaluation.

V. PURCHASING OF GOODS OR SERVICES

All Informal Procurements with a contract value of more than \$25,000 for purchase of goods or services under a competitive process shall require a Solicitation Effort to at least one (1) certified MWESB firm.

A. Solicitation Effort

For the purposes of this section, Solicitation Effort means:

1. Institutions shall contact one Certified MWESB, if available, by appropriate means (letter, fax, e-mail or telephone) to alert them of the contracting opportunity and provide them reasonable notice to respond.
2. If no Certified MWESBs are available for the applicable solicitation, Self-identified MWESBs or firms certified by a state, the federal government or other entities, as available, may be used to satisfy the requirements of this section.

VI. RECORDS

Institutions shall keep a record of all Solicitation Efforts with its solicitation documents and in accordance with the OUS records retention rules.

VII. EMERGENCY PROCUREMENTS AND OTHER EXEMPTED CONTRACTS

This policy is inapplicable to Emergency Procurements. This policy is inapplicable to any contract exempted from competitive procurement under existing OUS policies or rules. Notwithstanding the foregoing, institutions are still strongly encouraged to contact Historically Underrepresented Businesses for Emergency Procurements or exempt contracts.

VIII. ANNUAL REPORT

- A. Each institution must submit an Annual Report on its equity contracting and purchasing efforts to the OUS Chancellor's Office by November 1. Reports will be presented to the State Board of Higher Education annually.
- B. The Annual Report shall include data on utilization of Historically Underrepresented Businesses for capital construction projects and goods or services purchases for the most recently completed fiscal year. The Annual Report will also compare utilization to the previous year's utilization. Institutions may choose to include comparisons to data from any other previous fiscal year, as available.
 1. Utilization data shall be separated into the following categories:
 - a) Certified Minority Business Enterprises;
 - b) Certified Women Businesses Enterprises;
 - c) Certified Emerging Small Business Enterprises; and
 - d) Self-identified MWESBs and MWESBs certified by another state, the federal government, or some other certifying entity whose certification processes are substantially similar to the processes used by the OBDD.
 2. The Annual Report must include utilization data from the contracts with firms within the categories listed in 1(a), (b), and (c). The Annual Report may include utilization data from contracts with firms within the category listed in 1(d). The Annual Report may also include utilization data from contracts with non-MWESB firms that subcontract with Historically Underrepresented Businesses.
 3. The Annual Report shall include data on Historically Underrepresented firms that are subcontractors on capital construction projects. The OUS Chancellor's Office shall set out the format for reporting this data.
 4. The Annual Reports shall include the total number of Historically Underrepresented Businesses that did business with the institution during the most recently completed fiscal year.
 5. All utilization data shall be reported as a percentage of total covered expenditures and as the total value of the covered contracts as set out below. The expenditure categories listed in Addendum 1 shall be excluded from the report.

REQUIRED DATA FIELDS FOR ANNUAL REPORT

1. Dollar Value

	Capital Construction (including subcontracting)	Goods and Services	Total
1. Certified Minority Business Enterprises			
2. Certified Women Business Enterprises			
3. Certified ESBs			
Total of 1-3			
4. Self-identified MWESBs and MWESBs certified by other than OBDD			
Total of 1-4			

2. Percentage of Total Expenditures

	Capital Construction (including subcontracting)	Goods and Services	Total
1. Certified Minority Business Enterprises			
2. Certified Women Business Enterprises			
3. Certified ESBs			
Total of 1-3			
4. Self-identified MWESBs and MWESBs certified by other than OBDD			
Total of 1-4			

3. Number of Historically Underrepresented Businesses doing business with institution

	Capital Construction (including subcontracting)	Goods and Services	Total
1. Certified Minority Business Enterprises			
2. Certified Women Business Enterprises			
3. Certified ESBs			
Total of 1-3			
4. Self-identified MWESBs and MWESBs certified by other than OBDD			
Total of 1-4			

ADDENDUM 1

Excluded Expenditure Categories

[To be completed.]

**ESTABLISHMENT OF SCHOOLS, COLLEGES, DEPARTMENTS, DIVISIONS, CENTERS,
INSTITUTES, AND SIMILAR AGENCIES SERVING INSTRUCTIONAL, RESEARCH, AND
PUBLIC SERVICE FUNCTIONS; PROCEDURES FOR**

(Adopted by the Oregon State Board of Higher Education, Meeting #427, November 25, 1975, pp. 975-976; amended Meeting #522, March 25, 1985, pp. 108-109. See also: Policy on Centers and Institutes in OUS—A Culminating Report, Meeting #437, March 25, 1977, pp. 276-277.)

Schools, colleges, departments, divisions, centers, institutes, and similar agencies serving instructional, research, and public service functions may be established or renamed by institutions when prior approval has been secured from the State Board of Higher Education.

In seeking authorization of the Board to establish or rename a specific school, college, department, division, center, institute, or similar agency, the institution shall submit to the Board's office for review by the Board the following information:

1. Title of the proposed instructional, research, or public service unit.
2. Locus within the institution's organizational structure.
3. Objectives, functions (e.g., instruction, research, public service), and activities of the proposed unit.
4. Resources needed:
 - a. Personnel - FTE academic, FTE classified.
 - b. Facilities and equipment.
5. Funding requirements (estimated annual budget), and sources thereof: state sources (institutional funds—state General Fund, tuition and fees, indirect cost recoveries), federal funds, and Other Funds, as specified.
6. Relationship of the proposed unit to the institutional mission. Long-range goals and plans for the unit (including a statement as to anticipated funding sources for any projected growth in funding needs).

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EVALUATION OF CHANCELLOR

(Adopted by the Oregon State Board of Higher Education, Meeting #531, November 22, 1985, pp. 379-381. See also "Evaluation of Chief Administrators," Meeting #556, October 16, 1987, pp. 501-502; Repealed by the Oregon State Board of Higher Education, Meeting #843, October 8, 2010.)

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EVALUATION OF CHIEF ADMINISTRATORS

(Adopted by the Oregon State Board of Higher Education, Meeting #488, April 23, 1982, pp. 160-161; amended Meeting #556, October 16, 1987, pp. 501-505; see also "Policy: Evaluation of the Chancellor," Meeting #531, November 22, 1985, pp. 379-381; amended Meeting #624, November 19, 1993, pp. 563-565; Repealed by the Oregon State Board of Higher Education, Meeting #843, October 8, 2010.)

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EXECUTIVE LEADERSHIP AND MANAGEMENT

POLICY/PURPOSE

To ensure the efficiency and effective operation of the Oregon University System (OUS), including the Office of the Chancellor and the seven OUS institutions, the Board will appoint, outline duties, and otherwise dictate and supervise the terms and conditions of employment for the executive and governing officers of the System, including the Chancellor and the presidents of each of the OUS institutions.

AUTHORITY/CROSS-REFERENCES

- Oregon Revised Statutes Chapter 351
- Oregon Revised Statutes Chapter 352
- Oregon Administrative Rules Division 20
- Oregon Administrative Rules Division 21
- Board Policy on Policies & Internal Management Directives

PROCEDURES/GUIDELINES/PROCEDURES

(A) *General Duties of the Chancellor*

The Chancellor is the chief executive officer of the Oregon University System. The Chancellor is responsible for the implementation of the Board's decisions, directives, and plans. Except where otherwise designated, and consistent with the Board's Policy on Policies and Internal Management Directives, the Chancellor is delegated full authority to act on behalf of the Board, to discharge the day-to-day operations and transactions of OUS, and to ensure, through presidents, that OUS institutions carry out their responsibilities and obligations. The Chancellor will seek the advice of institution presidents when making decisions having substantial Systemwide impact. The Chancellor or designee—consistent with Board by-laws, committee charters, and policies—will be responsible for presentation of all business and other matters to be considered by the Board at any of its meetings, in addition to those items identified and brought by Board members.

The procedures to search for, appoint, reappoint, evaluate, and set the terms and conditions of employment of the Chancellor were found at IMD 1.010 through 1.055 [repealed 10/08/10, #843].

(B) *Employment Authority of the Chancellor*

- (1) The Chancellor will make recommendations to the Board—in which rests the sole power of decision—concerning the selection, appointment, reappointment, evaluation, salaries, and terminations of institution presidents.

Unless specifically noted by the Board, the Chancellor is authorized, upon consultation with the Board president, to negotiate and execute employment agreements, notices of

appointment, or contracts with institution presidents, including terms and conditions of employment over which authority has not been reserved by the Board.

The procedures to search for, appoint, reappoint, evaluate, and set the terms and conditions of the institution presidents were found at IMD 1.102 through 1.155 [repealed 10/08/10, meeting #843].

- (2) The Chancellor is authorized to approve, upon consultation with the Board president, the selection, appointment, reappointment, evaluation, salaries, discipline, reassignments, terminations, and all for terms and conditions of employment of the senior leadership of the Office of the Chancellor, including vice chancellors, legal counsel, and board secretary, consistent with Board rule, policy, and IMD.
- (3) The Chancellor is authorized to approve the selection, appointment, reappointment, evaluation, salaries, discipline, reassignments, terminations, and all other terms and conditions of employment of all other employees of the Office of the Chancellor, consistent with Board rule, policy, IMD, and, if applicable, collective bargaining agreement.
- (4) The Chancellor is authorized to approve up to sixty (60) days paid leave at ninety (90) percent regular pay for institution presidents, vice chancellors, or the board secretary for purposes of undertaking study or research that will be of benefit to the institution or system.
- (5) The Chancellor is authorized to delegate duties or to designate staff to carry out any duties assigned to the Chancellor.

(C) *Official Representative to Government*

- (1) The Chancellor is the official representative of the Oregon University System—including the Office of the Chancellor and the seven OUS institutions—to Oregon state government, including, but not limited to the Governor, the Oregon Legislature, the Secretary of State, the Attorney General, the Treasurer, and the Department of Administrative Services.
- (2) To the extent allowed by law, the Chancellor may designate others to represent the Oregon University System in its dealings with Oregon state government, as the Chancellor deems necessary and appropriate.

(D) *Chancellor's Reports to the Board*

To keep the Board apprised of the operational affairs of the Oregon University System, the Chancellor or designee will:

- (1) Report major academic, fiscal, or operational issues to the Board at each regularly scheduled Board meeting; and
- (2) Prepare, in consultation with the Board president, a written annual report of the major academic, fiscal, or operational issues facing the Oregon University System that may be used, in part, for the Chancellor's performance evaluation.

(E) *Institution Presidents Responsible to the Chancellor*

- (1) The institution president is the executive and governing officer of the institution and is president of the faculty pursuant to ORS 352.004. The institution president is responsible to the Chancellor for all matters concerning the institution and is an advisor to the Chancellor in matters of interinstitutional policy and administration. The institution president will participate in meetings called by the Chancellor to seek advice regarding OUS operations and policy. The institution president will implement and execute rules, policies, plans, directives, budgets, and guidelines as approved by the Chancellor.
- (2) The institution president will develop and implement, in consultation with the appropriate institution committees, groups, and employees, the policies, plans, proposals, budgets, and guidelines affecting the institution as deemed necessary and/or advisable, as consistent with Board rule, policy, IMD, or direction from the Chancellor. The institution president will advise the Chancellor of any institution events that substantially affect the well-being of the institution or system or of any major proposed changes of institution policies, plans, budgets, or standards.
- (3) The institution president or designee is responsible for all recommendations transmitted from the institution to the Chancellor.
- (4) The relationship of the institution president to the Board is through the Chancellor as the chief executive officer of the Oregon University System.

(F) *Presidential Authority*

- (1) The institution president is delegated full authority and responsibility to manage and administer the affairs of the institution, except as otherwise provided for in Board rule, policy, IMD, and directive. The institution president is delegated full authority for determining the organizational structure of the institution, except as otherwise provided for in Board rule, policy, IMD, and directive.
- (2) The Board delegates to institution presidents the authority for the terms and conditions of employment of all institution employees to the extent that the exercise of such authority is consistent with Board rules, policies, internal management directives, and, when applicable, collective bargaining agreements.

- (3) Notwithstanding section (F)(2) of this policy, institution presidents will, for any employee that reports directly to the institution president as part of his/her senior leadership team, including, but not limited to vice presidents, provosts, athletic directors, and legal counsel:
 - (a) Inform the Chancellor or designee regarding the proposed material terms and conditions of employment, including, but not limited to, compensation from all sources, term of employment, and any termination with or without cause or severance provisions, prior to appointment or reappointment;
 - (b) Provide the Chancellor or designee with a final written employment agreement, notice of appointment, or contract after appointment or reappointment; and
 - (c) Inform the Chancellor or designee regarding a proposed non-renewal, reassignment, negotiated resignation, or termination, with or without cause, prior to execution of the proposed employment action.
- (4) Notwithstanding section (F)(2) of this policy, institution presidents will inform the Chancellor or designee prior to the appointment or reappointment of any employees, regardless to whom they report, regarding proposed compensation, from any source, exceeding \$300,000 and/or a term of employment of greater than three years and provide a copy of the employment agreement, notice of appointment, or contract for these employees to the Chancellor or designee after its execution.
- (5) Notwithstanding section (F)(2) of this policy, for institution employees with annual compensation exceeding \$300,000, the institution president will consult the Chancellor and the Board president prior to the execution of any severance package, separation agreement, or negotiated termination of employment.
- (6) As outlined in ORS 352.004, the institution president is the president of the institution faculty. The institution president is authorized to convene and preside over the faculty and to veto any decisions of the faculty or its representative bodies. The institution president will define the scope of faculty authority—including its councils, committees, and officers, subject to review by the Chancellor—except as provided in Board rule, policy, or IMD.
- (7) Each institution is authorized to formulate a statement of internal governance expressed as a constitution or in another appropriate format which will be ratified as the official statement of internal governance by the relevant institutional body or bodies and the institution president. All statements of internal governance will be consistent with statutes governing the Oregon State Board of Higher Education, the Oregon University System, and any applicable Board rules, policies, or IMD.

- (8) The statement of internal governance is subject to review and amendment when a new institution president assumes office or at other such times provided for in the internal governance statement. Any amendment to the statement of internal governance will be subject to ratification by the relevant institutional body or bodies and the institution president.

DOCUMENT HISTORY

- Promulgated October 8, 2010, by majority vote of the Board.
- Board Policy on “Delegation of Approval of Routine Items to Chancellor”
 - Approved by the Oregon State Board of Higher Education, Meeting #575, April 21, 1989, pp. 205-208
 - Amended Meeting #577, June 15, 1989, pp. 293-296
 - Repealed, Meeting #843, October 8, 2010
- IMDs 1.010 through 1.055, repealed Meeting #843, October 8, 2010

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EXECUTIVE SEARCHES, APPOINTMENTS, AND MANAGEMENT

POLICY/PURPOSE

To ensure effective executive leadership of the Oregon University System (“OUS”), including the Office of the Chancellor and the seven OUS institutions, the Board will deploy the following standards for the search, appointment, reappointment, and evaluation of the executive and governing officers of the System, including the Chancellor and the presidents of each of the OUS institutions.

AUTHORITY/CROSS-REFERENCES

- Oregon Revised Statutes Chapter 351
- Oregon Revised Statutes Chapter 352
- Oregon Administrative Rules, Division 20
- Oregon Administrative Rules, Division 21
- Board Policy on Policies & Internal Management Directives
- Board Policy on Executive Leadership and Management

PROCEDURES/GUIDELINES/PROCEDURES

(A) *Selection and Appointment of the Chancellor*

- (1) The Board retains the sole responsibility for the selection and appointment of the Chancellor and authorizes the Board president to conduct the search on its behalf.
- (2) When it becomes necessary to hire a Chancellor, the Board president will initiate a search. The search will be conducted in a manner consistent with guidelines recommended by the Governance and Policy Committee and approved by the Board. The search guidelines will be designed to ensure appropriate public notice and will address affirmative action considerations.
- (3) A single search committee will be responsible for assisting the Board president by identifying, recruiting, and evaluating possible candidates for Chancellor. The Board, in addition to a search committee, may contract for the services of a consulting or executive search firm in order to assist it recruiting candidates and organizing and executing the search process.
 - (a) The Board president will appoint members of the search committee. At least one member of the search committee will be a current member of the State Board of Higher Education. The Board president will appoint a search committee chair, who will be a current member of the State Board of Higher Education.
 - (b) The Board president will appoint a senior employee of the Office of the Chancellor to serve as coordinator of the search. The coordinator will serve as a non-voting ex-officio member of the committee.

- (4) The search committee will recommend finalists to the Board president. The Board president may meet with the search committee to discuss the strengths and weaknesses of the finalists. The search committee will not rank the finalists.
 - (5) Consistent with the guidelines approved by the Board at Section (A)(2), the Board president will interview the finalists. The Board president, after consultation with the search committee and members of the Governance and Policy Committee, is authorized to narrow the field of finalists that will be forwarded to the Board.
 - (6) Consistent with the guidelines approved by the Board at Section (A)(2), the Board will interview the finalist or finalists in executive session. Following the interviews, the Board president will negotiate terms and conditions of employment with the Board's first preference for Chancellor. If the negotiation is unsuccessful, the Board president will seek further advice from members of the Board before negotiating with other finalists.
 - (7) Upon the successful negotiation of the terms and conditions of employment, the Board will vote on the new Chancellor's appointment at a public meeting of the Board.
- (B) *Selection of an Interim or Acting Chancellor*
- (1) When the position of Chancellor becomes vacant prior to the appointment of a regular successor, the Board president will, after consultation with the members of the Governance and Policy Committee and other constituents as necessary, recommend a candidate for interim Chancellor.
 - (2) The Board president or designee will interview the recommended candidate for interim Chancellor. The Governance and Policy Committee or the Board, in its discretion, may meet in executive session to discuss the strengths and weaknesses of the recommended candidate.
 - (3) At its next regular meeting or at a special meeting, the Board will vote on the interim Chancellor's appointment. The interim Chancellor will serve until the Board has appointed a regular Chancellor or until the interim Chancellor has been relieved of the duties and responsibilities of Chancellor. Throughout his/her term, the interim Chancellor will serve at the pleasure of the Board.
 - (4) When an incumbent Chancellor is temporarily unable to discharge his/her duties or leaves for a period that, in the judgment of the Board president, warrants a temporary replacement, the Board president, after consultation with members of the Governance and Policy Committee and other constituents as necessary, will recommend a candidate for acting Chancellor.

(5) The Board president or designee will interview the recommended candidate for acting Chancellor. The Governance and Policy Committee or the Board, in its discretion, may meet in executive session to discuss the strengths and weaknesses of the recommended candidate.

(6) At its next regular meeting or at a special meeting, the Board will vote on the acting Chancellor's appointment. The acting Chancellor will serve until the incumbent is able to resume his/her duties or until the acting Chancellor has been relieved of the duties and responsibilities of Chancellor. Throughout his/her term, the acting Chancellor will serve at the pleasure of the Board.

(C) *Selection of an Interim Chancellor as Regular Chancellor*

(1) When the Board must decide whether to search for a Chancellor or move an interim or acting Chancellor to regular status, the process at Section (B) will be used.

(D) *Evaluation of the Chancellor*

(1) The Chancellor will be evaluated for performance by the Board pursuant to the process, standards, and criteria established by the Board's Governance and Policy Committee. The Chancellor and Board president will be consulted as the Board's Governance and Policy Committee establish the evaluative process, standards, and criteria.

(E) *Selection and Appointment of an Institution President*

(1) The Board retains the sole responsibility for the selection and appointment of institution presidents and delegates authority to the Chancellor to conduct the search on its behalf. The direct costs of the presidential search will be borne by the institution.

(2) When it become necessary to hire an institution president, the Chancellor, after consultation with Board leadership, will initiate a search process. The search will be conducted in a manner consistent with guidelines established by the Chancellor and approved by the Board. The search guidelines will be designed to ensure appropriate public notice and will address affirmative action considerations.

(3) A single search committee will be responsible for assisting the Chancellor and the Board by identifying, recruiting, and evaluating possible candidates for the position of institution president. The Board, in addition to a search committee, may contract for the services of a consulting or executive search firm in order to assist it recruiting candidates and organizing and executing the search process.

(a) The Chancellor will appoint the members of the search committee after consultation with Board leadership. The search committee will include at least one current Board member. A current Board member will serve as chair of the search committee.

- (b) The Chancellor will appoint a senior employee of the Office of the Chancellor to serve as coordinator of the search. The coordinator will serve as a non-voting ex-officio member of the committee.
 - (c) The Chancellor will appoint a campus-based search coordinator after consultation with the senior employee of the Office of the Chancellor assigned to the committee, the search committee chair, and institutional leadership.
- (4) The search committee will recommend finalists to the Chancellor. The recommendations should be accompanied by a detailed report of the strengths and weaknesses of each candidate, especially in terms of the desired qualifications for the position. The report may include summaries of the evaluations from individuals and groups who provided information to the search committee. The recommendations from the search committee will be unranked.
 - (5) The Chancellor will interview the committee's finalists. The Chancellor is authorized to narrow the field of candidates, but only after consultation with the search committee. The Chancellor is authorized to rank the candidates.
 - (6) The Board will interview the finalists forwarded by the Chancellor in executive session.
 - (7) Consistent with the guidelines approved by the Board at Section (F)(2), the Board will interview the finalist or finalists in executive session. Following the interviews, the Chancellor will negotiate terms and conditions of employment with the Board's first preference for institution president. If the negotiation is unsuccessful, the Chancellor will seek further advice from members of the Board before negotiating with other finalists.
 - (8) Upon the successful negotiation of the terms and conditions of employment, the Board will vote on the new institution president's appointment at a public meeting of the Board.
- (F) *Selection of an Interim or Acting Institution President*
- (1) When the office of institution president become vacant prior to the appointment of a regular successor, the Chancellor will, after consultation with Board leadership, campus leadership, and other constituencies as necessary, recommend the name of a candidate for interim president.
 - (a) The Board president or designee will interview the recommended candidate for interim president. The Board, in its discretion, may meet in executive session to discuss the recommended candidate's strengths and weaknesses.

- (b) At its next regular meeting or at a special meeting, the Board may appoint the candidate as interim president. The interim president will serve until the Board has appointed a regular institution president or until the interim president has been relieved of the presidential duties and responsibilities. Throughout his/her term, the interim president will serve at the pleasure of the Board.
- (2) When an incumbent institution president is temporarily unable to discharge his/her duties or takes a leave for a period that, in the judgment of the Chancellor and the Board, warrants a temporary replacement, the Chancellor will, after consultation with Board leadership, campus leadership, and other constituencies as necessary, recommend the name of a candidate for acting president.
- (a) The Board president or designee will interview the recommended candidate for acting president. The Board, in its discretion, may meet in executive session to discuss the recommended candidate's strengths and weaknesses.
- (b) At its next regular meeting or at a special meeting, the Board may appoint the candidate as acting president. The acting president will serve until the Board determines that the incumbent is able to resume his/her official duties or until the acting president has been relieved of the presidential duties and responsibilities. Throughout his/her term, the acting president will serve at the pleasure of the Board.
- (G) *Selection of an Interim Institution President as President*
- (1) When the Board must decide whether to search for an institution president or move an interim or acting president to regular status, the process at Section (G) will be used.
- (H) *Evaluation of an Institution President*
- (1) The institution president will be evaluated for performance by the Chancellor and the Board pursuant to the process, standards, and criteria established by the Board's Governance and Policy Committee. The institution president, Chancellor, and Board president will be consulted as the Board's Governance and Policy Committee establish the evaluative process, standards, and criteria.

DOCUMENT HISTORY

- Promulgated October 8, 2010, by majority vote of the Board.
- Former Policy for Presidential Search Process:
 - Adopted by the Oregon State Board of Higher Education, Meeting #535, March 21, 1986, pp. 122-130
 - Amended Meeting #560, February 17, 1988, pp. 64-70;
 - Amended Meeting #570, October 21, 1988, pp. 564-570;
 - Amended Meeting #581, October 20, 1989, pp. 457-463;

- Amended Meeting #623, October 22, 1993, pp. 500-508;
- Amended Meeting #627, April 22, 1994, pp. 130-136;
- Amended Special Meeting, January 29, 1997, pp. 41-50;
- Amended Meeting #667, October 17, 1997, pp. 462-472;
- Amended, Meeting #667, pp. 462-472;
- Repealed, Meeting #843, October 8, 2010.
- IMDs 1.102 through 1.155, repealed Meeting #843, October 8, 2010

EXECUTIVE CONTRACTS/NOTICES OF APPOINTMENT FOR CHANCELLOR AND INSTITUTION PRESIDENTS

POLICY/PURPOSE

To ensure effective documentation of the employment relationship between the State Board of Higher Education and the OUS Chancellor and institution presidents, the Office of the State Board and the Office of the Chancellor will deploy the following procedures in negotiating, memorializing, communicating, and retaining employment agreements.

AUTHORITY/CROSS-REFERENCES

- Oregon Revised Statutes Chapter 351
- Oregon Revised Statutes Chapter 352
- Oregon Administrative Rules, Division 20
- Oregon Administrative Rules, Division 21
- Board Policy on Policies & Internal Management Directives
- Board Policy on Executive Leadership and Management
- Board IMD on Executive Searches, Appointment, and Management

PROCEDURES/GUIDELINES/PROCEDURES

(A) *New Appointments*

- (1) Prior to the appointment of a new Chancellor or institution president, the Office of the State Board will prepare, at a minimum, with the assistance of the OUS Office of Human Resources and/or the Office of the Legal Counsel, a written notice of appointment for the new Chancellor or institution president. The notice of appointment will, at a minimum, include the required terms and conditions of employment including, but not limited to compensation, from all sources, the term of appointment, the applicability of Board and institution rules and policies, and that a formal employment contract is contemplated and will be negotiated with the Board president, in the case of a new Chancellor, or with the Chancellor, in the case of a new institution president.
- (2) The notice of appointment described in section (1) will include a space for the new Chancellor or institution president to acknowledge receipt of the notice of appointment by his/her signature.
- (3) The notice of appointment described in section (1) will not be required if a formal contract is prepared to the satisfaction of the parties and ready for execution immediately following the public appointment of the new Chancellor or institution president.
- (4) Immediately following the appointment of a new Chancellor or institution president, either a written notice of appointment described in section (1) or a formal written

contract described in section (3) will be executed. Original copies will be distributed to the following:

- (a) the new Chancellor or institution president;
- (b) the Office of the State Board, which will retain the Board's official copy;
- (c) the Office of the OUS Legal Counsel; and
- (d) in the case of a new institution president, the institution's Office of Human Resources.

(5) If a written formal contract is not prepared to the satisfaction of the parties immediately following the appointment of a new Chancellor or institution president, the parties will, as soon as practicable, negotiate the formal contract that will govern the employment relationship and will supersede the notice of appointment described in section (1).

(B) *Wage Adjustments*

(1) If a Chancellor or an institution president receives a wage or compensation adjustment in the course of his/her term of appointment, as approved by the Board or Chancellor, as appropriate, the Office of the State Board will prepare a written notice of wage adjustment.

(2) Immediately following the approval of a wage or compensation adjustment, the Office of the State Board will distribute copies of the written notice of wage adjustment to the following:

- (a) the new Chancellor or institution president;
- (b) the Office of the State Board, which will retain the Board's official copy;
- (c) the Office of the OUS Legal Counsel; and
- (d) in the case of a new institution president, the institution's Office of Human Resources.

(C) *Reappointments*

(1) Prior to the reappointment or extension of the contract term of a Chancellor or institution president, the Office of the State Board will prepare, at a minimum, with the assistance of the OUS Office of Human Resources and/or the Office of the Legal Counsel, a written amendment to the formal employment contract, memorializing the new term of employment.

(2) Immediately following the approval of a reappointment or extension of the contract term, the Office of the State Board will distribute copies of the written amendment to the following:

- (a) the Chancellor or institution president;

- (b) the Office of the State Board, which will retain the Board's official copy;
- (c) the Office of the OUS Legal Counsel; and
- (d) in the case of a new institution president, the institution's Office of Human Resources.

DOCUMENT HISTORY

- Promulgated October 8, 2010, by majority vote of the Board.
- IMDs 1.040, 1.045, and 1.140 through 1.155, repealed Meeting #843, October 8, 2010

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EXECUTIVE MANAGEMENT

(Adopted by the Oregon State Board of Higher Education, Meeting #486, March 25-26, 1982, pp. 124-125; amended October 16, 1987, Meeting #556, pp. 501-505. See also "Policy: Evaluation of the Chancellor," Meeting #531, November 22, 1985, pp. 379-381; Repealed by the Oregon State Board of Higher Education, Meeting #843, October 8, 2010.)

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FCC LICENSES OPERATED WITHIN OUS, ADMINISTRATION OF

(Adopted by the Oregon State Board of Higher Education, Meeting #707, June 21, 2002, pp. 48-49)

Oregon's public universities operate a variety of wireless telecommunications services that are licensed by the Federal Communications Commission (FCC).

As the legal owner of the FCC licenses, the Oregon State Board of Higher Education (Board) has the responsibility to see that the licenses are administered accurately and in accordance with FCC regulations. In addition, the Board has the authority to delegate these administrative functions within OUS.

The Chancellor, as the administrative officer of the Board, is delegated the oversight for those administrative functions required by FCC licensure. The Chancellor is the repository for such license documentation deemed necessary to protect the rights of the Board. The Chancellor is authorized to further delegate responsibility to the institutions of OUS. In this capacity, the institutions would serve as agents of the Board.

It is the institutions' responsibility for those functions delegated to them, to provide capable management of those functions, to conduct business with the FCC in accordance with FCC regulations, to report such business proceedings to the Chancellor, and to provide necessary documentation concerning these licenses to the Chancellor as required.

1. Purpose

The purpose of these procedures is to provide standards for the administration of FCC licenses within the Oregon University System consistent with the adopted Oregon State Board of Higher Education (Board) policy regarding FCC licenses.

2. Delegation of FCC License Administration

Pursuant to the Board policy on FCC Licenses, and in accordance with the Chancellor's authority as the administrative officer of the Board, the administration of all FCC licenses owned by the Board and operated by the institutions of the Oregon University System (OUS) is hereby delegated to the institution presidents. This delegation includes the signature authority to conduct business with the FCC as a legal agent of the Board.

3. Chancellor's Oversight Function

In accordance with the Chancellor's authority to provide oversight of these administrative functions, the Chancellor shall specify the data to be reported and the frequency of reporting. The Chancellor has determined that a current copy of each FCC license owned by the Board will be required for storage within the Chancellor's Office files and for each group of FCC licenses the institution decides to administer as a unit (a

unit is defined as one or more FCC licenses administered by the same person), the institution must provide the following information to the Chancellor:

- A list of the FCC Call Signs being assigned to the unit.
- The FCC Registration Number (FRN) for each Call Sign in the unit.
- The position that has been delegated the responsibility, by the institution president, for administering the unit. Include the name, title, phone number, and e-mail address of the person in that position.
- The name of the engineer that maintains the licensed equipment in the unit. If more than one engineer performs the maintenance, list the call signs with which each is responsible. Engineer is defined as the lead OUS engineer, or if other than OUS staff, the name of the firm contracted to perform the maintenance.
- A completed Signature Authorization Request form signed by the person administering the unit.

4. Reporting Requirements

- (a) Maintenance of Information: It will be the responsibility of the institution to keep the information listed under Chancellor's Oversight Function current with the Chancellor. This means that whenever changes occur to a call sign, a copy of the final status that is granted by the FCC for each filing will be forwarded to the Chancellor. For example, when a license is renewed, a copy of the document granting the renewal must be forwarded. Likewise, when an application for a new license is made, a copy of the granted license (e.g., a construction permit, license, etc.) must be forwarded.

In addition, if the engineer or the administrator of the group has changed, that information must be relayed to the Chancellor as well as a completed Signature Authorization Request form in the case of a change in the administrator.

- (b) Annual Reporting: On a fiscal year basis, in July of each year, the institution will report the following information to the Chancellor for each FCC license administered by that institution:
- A current list of the FCC Call Signs assigned to each unit.
 - A letter from the institution president to the Chancellor certifying that all information required by these procedures is current and correct.

5. Signature Authorization Request

A Signature Authorization Request must be submitted to the Chancellor and must be signed by the institution president for each unit of licenses to be administered by each person administering FCC licenses for the institution. The following information must be included:

- Name, title, department name, phone number, and e-mail address of the person who will administer and perform the online entry and submission of FCC documents for the group of licenses.
- The following paragraph, signature block and signature:

I, _____ (print the proposed administrator's name) _____, agree to perform the duties in a timely manner required by the Federal Communications Commission (FCC) and the policies of the Board in the administration of the FCC licenses I have been assigned in accordance with the FCC rules and regulations. I also acknowledge that, in this capacity, I am acting for and on behalf of the Oregon State Board of Higher Education.

(the proposed administrator's signature)

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FINANCIAL IRREGULARITIES

(Adopted by the Oregon State Board of Higher Education, Meeting #818, November 7, 2008)

This policy sets forth guidelines for reporting known or suspected fraudulent acts or financial irregularities (see Definitions section) within any Oregon University System (OUS) institution or the Chancellor's Office.

The OUS has a stewardship responsibility over all resources entrusted to it. The OUS is committed to compliance with laws and regulations to which it is subject and expects the highest standards of moral and ethical behavior from all of its employees. OUS internal controls are designed to prevent and detect inappropriate activity; however, in the event these controls are circumvented, this policy is designed to encourage all employees and others to report fraudulent acts or irregularities in a timely manner.

All employees of the Oregon University System shall report known or suspected fraudulent acts or financial irregularities. Matters can be reported to campus management, the OUS Internal Audit Division (IAD), or through the OUS hotline. Campus management who receive notice of suspected or known fraudulent acts and financial irregularities are required by this policy to report such matters to the IAD. When employees do not feel comfortable discussing these matters directly with the IAD or campus management, reporting can be made through the OUS hotline:

OUS Hotline: 1.888.304.7810
Or at www.ous.edu/financialconcerns

The reporting service is contracted with an outside hotline vendor, who reports notices received to IAD. IAD will coordinate investigation efforts in conjunction with necessary campus and external parties as deemed appropriate.

Employees who identify themselves and make a good faith report of a known or suspected financial irregularity are protected from retaliation, in accordance with the law. The OUS shall take steps to maintain confidentiality for employees reporting suspected financial irregularities to the extent possible under the law. The Oregon State Whistleblowers Protection Law defined in Oregon Revised Statute (ORS) 659 protects employees disclosing fraud in good faith.

In accordance with ORS 297, the Secretary of State Audits Division <http://www.sos.state.or.us/audits/> is notified of all complaints and confirmed losses that are in excess of \$100.



Relevant References

- ORS 659 – Miscellaneous Prohibitions Relating to Employment and Discrimination
- ORS 297 – Audits of Public Funds and Financial Records
- ORS 244 – Government Ethics
- Oregon Administrative Rule 580-061-0000 – Code of Ethics
- Department of Administrative Services Policy Manual, Number 125-7-203
 - Issuing Division – Risk Management Division Employee Dishonesty Policy

Definitions

Fraudulent activity or financial irregularities: An act, misstatement, or omission of information that is intentional and detrimental to the financial interests of the institution or System. These may include but are not limited to the following:

Accounting and financial reporting irregularities	<p>Deliberate misstatement of revenues, expenses, assets, liabilities, and net assets.</p> <p>Financial reporting assumptions in violations of generally accepted governmental accounting standards.</p> <p>Purposely misreporting transactions to conceal the true accounting picture of the unit.</p> <p>Accounting and financial reporting errors known to management that they have failed to correct.</p>
Conflict of interest and purchasing ethics	<p>Using an OUS position for personal financial gain. The Oregon State Ethics Law (ORS 244) outlines guidelines for public officials. Examples may include an employee contracting with a vendor who is a family member or giving, receiving, or soliciting gifts or items of value from a vendor.</p>
Misuse of university assets	<p>Using OUS resources for personal use. Examples may include using a state-owned car for personal travel, making routine personal long distance calls on university phones, and using university-owned copy machines for personal business operation.</p>
Payroll and time abuse	<p>Inappropriate reporting of hours and wages. Examples include not recording time away from work (leave) and reporting hours that were not worked – including overtime.</p>
Theft or conversion of university property	<p>Act of unlawfully taking OUS assets such as cash or equipment and converting them for personal use or selling them for personal gain.</p>
Purchasing and expenditures	<p>Purposeful, unauthorized, or falsified purchases or expenditures for personal gain or in violation of</p>

	funding restrictions. Examples may include purchases of computers for personal use, falsified travel reimbursements, abuse of procurement card for the use of personal expenses, purchasing of alcohol with state or federal funds.
Falsification of contracts, reports, or records	Altering, fabricating, destroying, misrepresenting, or forging contracts or documents for personal gain or unfair advantage. One example may include forging the signature of an OUS official on a legal document.
Improper disclosure of confidential records	Disclosure of confidential personal data which may lead to identity theft. One example includes the loss of computers containing social security numbers obtained from OUS databases.
Other financial matters	Improper accounting or financial practices, not categorized above, which lead to a financial detriment to OUS.

Suspected fraudulent act or financial irregularity is a reasonable belief or actual knowledge that a financial irregularity is occurring or has occurred.

Campus management and the Chancellor’s Office includes the Chancellor, vice chancellors, presidents, vice presidents, provosts, vice provosts, deans, directors, and division/department heads, as well as other managers authorized to determine and assign duties to university employees.

Contacts

Oregon University System
 Internal Audit Division
 Phone (541) 737–2193
<http://www.ous.edu/dept/intaudit/>

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FOREIGN STUDY PROGRAMS, GUIDELINES FOR

(Adopted by the Oregon State Board of Higher Education, Meeting #359, July 24-25, 1967, pp. 416-419; revised Meeting #374, June 10, 1969, p. 397.)

Development and Review of Plans for Proposed Foreign Study Programs

1. Review and Approval of Plans by Board's office. Plans for proposed institutionally sponsored foreign study programs, both credit and noncredit, including those offered during the summer term, should be submitted to the Board's office for appropriate review and approval before institutions make commitments as to the proposed program.

2. By Way of Suggestion. Plans for foreign study programs are more likely to be sound in principle and manageable in practice if they have had the benefit of thorough review on the home campus before submission to the Board's office. Experience of institutions that have had extensive experience with such programs suggests that the programs benefit from:
 - a. Wise Use of Consultant Help in the Planning Stages. Such consultant help is available on the campus in the person of individuals who have had experience with foreign study programs. This is particularly true where institutions have appointed a committee or a single individual on campus to have general oversight and responsibility for review of all such program proposals. Such a committee or individual, by reason of this assignment, becomes thoroughly familiar with the characteristics of sound foreign study programs and with the pitfalls that most commonly entrap the planner.

Also, within the Oregon University System there is consultant help available through the interinstitutional committee on international education, on which committee each institution has a representative. Institutions are encouraged to make use of the consultative resources of this committee in the early stages of the planning of foreign study programs, particularly those programs that it is anticipated will be offered as joint programs with registration encouraged from more than one institution.

- b. Review at the Institutional Level Before Forwarding of Plan to the Board's office. Institutions that have assigned to a designated individual or institutional committee reviewing responsibility for foreign study program plans have found that the reviewing officer or committee becomes a useful resource in at least two ways: (1) as a consultant service during the planning stages of the proposed programs, and (2) as a reviewing agent to insure that the proposed study plans

conform to the System and institutional guidelines for such programs. The interinstitutional committee on international education commends the establishment of a specific reviewing agent on each of the campuses.

Program Considerations

1. Objectives of the Program. The objectives of the program should be carefully examined to determine whether they are both worthy and feasible. They should be related clearly to the educational mission of the home institution and, regardless of length, should exact academic standards comparable to campus programs of the sponsoring institution.
2. Objectives, Curricula, Methods of Instruction to Be Correlated. Programs ranging in length from a summer session of eight weeks to one of a full academic year may be equally valid, but the objectives, curricula, methods of instruction, and student needs may be quite different and should be specified in the program plan. The timing of the foreign study should be carefully considered and the selection of the curriculum and students closely correlated with the length of stay in the host country.
3. Acquaintance with Conditions in Host Country. Institutions contemplating the establishment of a study program abroad should be aware of the many possible difficulties posed by such factors as different educational systems, different teaching methods, limited libraries, and potential misunderstandings between the students and the local population.

A study should be made of all available information concerning the educational facilities, the cultural resources, and the socio-economic-political situation in the host country. An on-the-spot investigation of these factors is desirable and, in some instances, essential.

4. The Clientele for Whom the Program is Intended Should be Clearly Indicated. This should be clear both from an overt statement as to the clientele to be served as well as being evident implicitly from the type of program proposed.
5. Students Not To Be Penalized. The program should be so designed that students will not, on balance, be penalized in terms of time expended and credits earned. Scholarships and other forms of financial assistance should be made available to them on the same basis as on the home campus.
6. No Credit Contemplated for Purely Travel Programs. It is not contemplated that academic credit will be granted for programs that are solely or almost entirely travel or tour programs.
7. Costs of the Program. Costs of the program should be itemized clearly so that the Board's office can evaluate the financial base for the program. As a general principle,

the System would not expect to invest more in the overseas program than it would invest in providing an equal number of credit hours on the campus.

8. Cooperative Features. In planning foreign education programs, the possibilities of cooperative arrangements within the System should not be overlooked. An institution that does not have the faculty or student resources to offer a high-quality overseas foreign study program for its own students, exclusively, may nonetheless make significant contributions to a cooperative program, thereby both contributing to the strength of the program and obtaining the benefits of foreign study experience for its own campus.
9. Periodic Formal Evaluation of the Program. It is important that there be periodic formal evaluation of a program that continues over an extended period of time in order to verify adherence to the objectives of the program and the principles here set forth, as well as to ascertain whether management and administration meet acceptable criteria.

Staff Considerations

1. Staff Should Be Selected for Competence in Program to Be Offered. Careful selection of foreign study faculty and staff is essential. Designation of campus personnel for overseas assignment should be strictly on the basis of academic competence and/or managerial ability. It should not be influenced by the desire either to reward or temporarily to dispose of staff members.
2. Staff Members on Foreign Study Assignments Ought Not To Suffer Discrimination. Staff members serving in foreign study assignments offered by the institution should suffer no discrimination. They should be paid salaries comparable to those on the campus and should share in any pay increases occurring during their foreign assignment. Overseas time should be counted in the normal manner for such items as tenure and sabbatical leave.

Student Considerations

1. Optimum Time for Foreign Study Experience. The optimum period in the student's academic career for foreign study experience will vary with the program and the individual student. Involvement of freshmen in foreign study programs presents special problems calling for especial care in the selection of participants.
2. Screening of Students. Before admission, applicants should be carefully considered to insure that the program will be in their best interests. Students should be screened not alone on the basis of academic standing but also with respect to seriousness of purpose, emotional stability, and the capacity to cope with greater individual freedom in a strange environment.

3. Orientation of Students. Thorough orientation of accepted students should be provided for. This should include intensive instruction in the history, culture, mores and, in case of some types of programs, the language of the country concerned for those students with inadequate language facility. Orientation should commence before or immediately upon arrival at the foreign study center. The students should be given a clear understanding of the relevance of the program's objectives to the overall curriculum of the home institution.
4. Housing. Group housing is preferred for many types of programs. When the character of the program or other relevant factors suggest or dictate that students be housed individually or in small groups in community dormitories, private apartments, or private homes, the arrangements should be carefully and closely regulated.
5. Health and Safety. The health and safety of students in foreign study programs sponsored by System institutions must necessarily be a continuing concern of the institutions. Health and accident insurance should be included as a part of the total package plan for the programs, or students should be advised to take insurance of their choosing. The program plan should specify the nature of the provisions for such coverage.

Financial Considerations

It is essential that proposed foreign study programs sponsored by System institutions individually or jointly be fiscally sound. As a basis for assessing fiscal soundness of proposed programs, the budget officer for the System has prepared two forms with appropriate notes relating thereto, which are to be used to report the fiscal facts relating to each foreign study program each year the program is to be offered. These forms should be filled out each year for each foreign study program it is proposed be offered in that year and forwarded to the Vice Chancellor for Academic Affairs, together with a full description of the proposed program, not later than April 14, of the year preceding the year for which the program is being proposed. Foreign study programs that have been approved by the Board's office (Vice Chancellor for Academic Affairs) once need not be described again in detail for the Board's office if they are continued in subsequent years. Only proposed changes in the program need be reported. But a budgetary statement must be submitted for approval each year by April 14, preceding the year for which program authorization is being sought.

HEARING OFFICERS, APPOINTMENT OF

(Adopted by the Oregon State Board of Higher Education, Meeting #519,
December 14, 1984, p. 635)

Should the president of the Board or the Chancellor believe that the interest of the Board would be served by having a hearing concerning the adoption, amendment, or repeal of an Administrative Rule conducted by a presiding officer instead of by the full Board, the one shall consult the other. If the president so authorizes, either of them may appoint a presiding officer to conduct the hearing. The presiding officer so designated shall conduct the hearing in accordance with the Attorney General's Model Rules of Procedure, Section 137-01-030. A report of the testimony and exhibits presented at the hearing shall be made to the Board at the time the matter is presented to the Board for action.

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HISTORICAL AND/OR ARCHITECTURAL VALUE, PROPERTIES OF

(Adopted by the Oregon State Board of Higher Education, Meeting #416, May 21, 1974, pp. 332-338.)

Based upon the recommendations and the report of an ad hoc committee, the Board adopted guidelines applicable to properties of historical and/or architectural value in the facility planning of the various institutions governed by the Board. Specifically, it is expected that the buildings and other improvements rated "of prime significance" would be preserved. In the event consideration is to be given to the possible removal or major modification of such facilities in the future, such matters would be brought to the Building Committee and the Board for review and appropriate action. Similarly, with respect to structures rated "of secondary significance," they shall be considered in the future planning of the institutions and shall not be razed, relocated, or modified substantially without prior concurrence of the Board.

The recommendations of the ad hoc committee were as follows:

General Precepts

Since historical preservation emerged as a specialized discipline following the Second World War, certain basic precepts have governed the professional approach to management of historic structures.

- Historic structures enrich and illuminate the cultural heritage of the state and the nation. Accordingly, it is appropriate and desirable that they be made available for public use to the greatest extent applicable.
- In general, it is better to preserve than to restore, and better to restore than reconstruct. Preservation is a treatment designed to sustain the form and extent of a structure essentially as existing. It aims at halting further deterioration and providing structural safety but does not contemplate significant rebuilding. Restoration is the process of accurately recovering, by the removal of later work and the replacement of missing original work, the form and details of a structure or part of a structure, together with its setting, as it appeared at some period in time. Adaptive restoration is the treatment for structures that are visually important in the historic scene but do not otherwise qualify for exhibition purposes. In such cases, the facade or so much of the exterior as is necessary, should be authentically restored so that it will be properly understood from the public view. The interior, in these circumstances, is usually converted to a modern, functional use. The restored portion of the exterior should be faithfully preserved in its restored form and detail. Reconstruction is the process of accurately reproducing by new construction the form and details of a vanished

structure, or part of it, as it appeared at some period in time. (Such treatment would not normally be applicable to the management of campus facilities.)

- Historic structures of prime significance bear an important relation to their sites, and, therefore, should be preserved in situ. Those of secondary significance may be moved when there is no feasible alternative for their preservation. In moving an historic structure, every effort should be made to reestablish its historic orientation, immediate setting, and general relationship to its environment.
- Modern additions, such as air conditioning and fire detection and suppression equipment, are appropriate in historic structures of prime significance to the extent that they can be concealed within the structure or its setting. Other modern construction may be added suitably to historic structures of secondary significance when necessary for their continued use. The new work should be harmonious with the old in scale, proportion, materials, and color. Such additions should be as inconspicuous as possible from the public view and should not intrude upon the important historic values.
- New construction, including structures, roads, and parking areas, should be designed in such a manner that the integrity and immediate setting of historic structures of prime significance may remain intact.

It is understood that certain of the oldest structures are in need of considerable work to bring them into conformance with requirements of the Occupational Safety and Health Act. In some cases the condition and significance of an historic structure are such that an extensive outlay for preservation is perhaps unjustified. In no case encountered, however, is preservation or adaptive restoration believed to be technically infeasible. In certain notable cases, structures are considered of such primary importance that the costs involved in preservation or restoration are a lesser factor. In many cases, it is believed that adaptive restoration is a more economical course of action than replacement.

Specific Criteria

For purposes of evaluating properties owned by the State Board of Higher Education, a rating sheet was devised that bracketed properties in one of three categories for action, as follows:

- Of prime significance. Top priority for preservation or restoration, as appropriate.
- Of secondary significance. Recommended for consideration in future planning.
- Also noted.

Following are the specific criteria for evaluation:

- *Historical Associations*—Is the structure associated with the origins of the institution or the development of the community? Is it one of the original structures?
- *Stylistic Character*—Does the structure set or contribute to a stylistic pattern on the campus or define important space?
- *Symbolic Value*—Does the structure have high symbolic value? Has it become synonymous with the institution?
- *Representation of Type*—Is the structure a prime example of a stylistic or structural type?
- *Rarity*—Is the structure one of the last examples of its style and type remaining in the state?
- *Master Work*—Is the structure a work of an architect noted in the history of architecture in Oregon?
- *Integrity*—Has the fabric of the structure remained essentially as originally constructed?
- *Condition*—Is the general condition of the structure good?
- *Adaptability*—Is the structure suitable for adaptive restoration? Do its condition and relationship within or accessibility to the campus justify continued use?
- *Vulnerability*—Is the structure vulnerable to replacement or relocation by its location, size, or relative significance?

The Findings

The evaluations are listed below on a campus-by-campus basis. Brief supporting statements and illustrations are given only for those structures about which some question or controversy has been raised.

1. University of Oregon

On the University of Oregon campus, the ensemble grouping, or definition of spaces by related structures, is particularly noteworthy. If this quality is to be preserved, interrelationships of the older units of the campus should not be intruded upon. Those

alterations or additions that are strictly necessary should be made to harmonize with the established organization.

The earliest and most historic campus unit, or ensemble, is formed by Deady Hall and Villard Hall. It is linked to Gerlinger Hall, Hendricks Hall, and Susan Campbell Hall, the second most connotative grouping, by Friendly Hall, the Faculty Club, and Johnson Hall. Structures in the Girls' Dormitory unit designed by Dean Ellis Lawrence were built through the support of the alumnae and public subscription before formation of the State Board of Higher Education. A third ensemble of note is that formed by the University Library and the Art Museum.

Of Prime Significance - Top Priority for Preservation or Restoration

Deady Hall	1876	W. W. Piper	Second Empire Baroque
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Villard Hall	1885	W. H. Williams	Second Empire Baroque
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Dads' Gates	1940-1941		
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Faculty Club	1885-1886		Italian Bracketed
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A good, late example of the Italian Bracketed, or Italian Villa Style. Occupies an important setting in the core of the campus. Built for faculty member George H. Collier and occupied by University presidents from 1896 through the 1930s. Recommended for preservation.

Art Museum	1930	E. F. Lawrence	Modernistic
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University Library	1936		Modernistic
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Gerlinger Hall	1921	E. F. Lawrence	"Georgian"
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Hendricks Hall	1917	E. F. Lawrence	"Georgian"
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Susan Campbell Hall	1921	E. F. Lawrence	"Georgian"
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Of Secondary Significance - Recommended for Consideration in Future Planning

Friendly Hall	1893		"Jacobean"
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Johnson Hall	1915		"Roman"
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John Straub Hall	1929		"Georgian"
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President's House	1923 (Acquired)		Norman Farmhouse
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Chancellor's House	1938 (Acquired)		Craftsman Bungalow
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Also Noted

Fenton Hall	1905		Renaissance Revival
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2. Oregon State University

The core of the Oregon State University campus is comprised of three major units or ensembles. The greatest concentration of early structures is found in the easterly unit surrounding Benton Hall, which is the symbol of the institution. Structures in this grouping that are more or less contemporaneous with Benton Hall share a common orientation toward the southeast. The other principal units are associated with quadrangles formed by (1) the Memorial Union-Home Economics Building, and (2) Kidder Hall-Kerr Library. New construction has been successfully integrated into the north side of the latter quadrangle, namely by the addition of the Milne Computer Center east of Kidder Hall.

Of Prime Significance - Top Priority for Preservation or Restoration

Benton Hall	1889		Second Empire Baroque
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Fairbanks Hall	1892	Walter D. Pugh	Renaissance Revival
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A good example of the Renaissance Revival Style in wood construction by an architect who was, for a time, a leading architect in the capital city. Second oldest building on campus (contemporaneous with the Chemistry Building). An important anchor on the southwest corner of the prime quadrangle. Still commodious and functional if brought up to code. Recommended for adaptive restoration.

Memorial Union	1928	Thomas and Mercier	
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Mitchell Playhouse	1898		Queen Anne Revival
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A rare example of the "Shingle Style" of the Queen Anne Revival. In a good state of preservation. Recommended for retention on original site.

Paleontology Lab	1892		Queen Anne Revival
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A typical example of the "Stick Style" of the Queen Anne Revival on a small scale. A suitable element in the immediate setting of Benton Hall. Recommended for restoration.

Of Secondary Significance - Recommended for Consideration in Future-Planning

Apperson Hall	1900	Edgar Lazarus	Romanesque Revival
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Work of a noted Portland architect whose master work in masonry construction is Vista House at Crown Point on the Columbia River Highway. Originally Mechanical Hall. Third story later altered (see Figs. 13 and 14). An anchor on the north side of the Benton Hall ensemble. Recommended for preservation.

Education Hall	1902	Burgraff	
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An anchor on the south side of the Benton Hall ensemble combining elements of the Romanesque Revival and "Chateausque" Style. Recommended for preservation.

McAlexander Fieldhouse 1911 Bennes and Hendricks

Also known as the Armory. A monumental structure recently upgraded for continued use. Interesting historic detail. Recommended for preservation.

Dads' Gates

Weatherford Hall 1928 Bennes and Herzog

Interesting example of academic architecture. A popular landmark on an important corner of the campus. Recommended for preservation.

Kidder Hall 1917 John V. Bennes

A good example of early academic, or Beaux Arts, architecture. A key element of one of the major ensembles of campus. Recommended for preservation.

Women's Gym 1926 John V. Bennes

An interesting example of academic architecture in the "Mediterranean" Style. Defines west side of the prime quadrangle. Recommended for preservation.

Also Noted

Waldo Hall 1907 Burgraff "Chateausque"

A typical example of the "Chateausque" Style with pleasing coloration and detail. Its location apart from the major ensembles and its state of disrepair make its position on the list of structures recommended for preservation marginal.

3. Oregon College of Education (now Western Oregon University)

The original building on the campus of Oregon College of Education, Campbell Hall, was enhanced by an ensemble of structures built within a few years' time and which set the pattern for later growth. Jessica Todd Hall, Senior Cottage, and Maple Hall, the old gymnasium, are a cohesive stylistic group framing an interior quadrangle. The Elementary School, which is of the same period of construction, forms a link to the newer additions of the campus.

Of Prime Significance - Top Priority for Preservation or Restoration

Campbell Hall 1871 (tower demolished Gothic Revival
October 1962)
1889 South Wing
1898 North Wing

Jessica Todd Hall 1917 A. E. Doyle "Tudor"

Work of a leading Portland architect of the early 20th century. Strongly supportive of Campbell Hall in scale, color, and texture. Defines a corner of the north entrance to campus. Recommended for preservation.

Senior Cottage 1917 A. E. Doyle Queen Anne Revival
A notable example of the "Shingle Style" of the Queen Anne Revival that reflects influence of the Arts and Crafts Movement. A complementary element adjacent to Todd Hall and pleasingly sited in the interior quadrangle. Recommended for preservation.

Maple Hall 1913 A. E. Doyle "Jacobean"
An anchor of good, period design on the west side of the main axis of campus. Opposite other prime buildings. Recommended for preservation.

Of Secondary Significance - Recommended for Consideration in Future Planning

Administration Bldg. 1936
A good example of Moderne architecture. Its color, texture, scale, and proportions are in sympathy with historic styles of the original campus buildings. Recommended for preservation.

4. Portland State University

Of Prime Significance - Top Priority for Preservation or Restoration

Fruit and Flower 1928 Fred Fritsch "Georgian"
Day Nursery

Of Secondary Significance - Recommended for Consideration in Future Planning

"Old Main" c. 1915 M. H. Whitehouse
(Lincoln High School)
The original campus structure by a noted Portland architect.

Howard (Robert S.) 1893 Queen Anne Revival
Residence
1632 S. W. 12th Avenue. Brick masonry, clapboard, and shingle cottage in the tradition of the Queen Anne Revival. Built for noted Louisiana banker-realtor R. S. Howard, who settled in Portland in 1891.

5. Southern Oregon College (now Southern Oregon University)

Of Prime Significance - Top Priority for Preservation or Restoration

Chappel-Swedenburg 1905 Frank Clark Colonial Revival
House
A good example of Colonial Revival architecture with unusually fine detail. A gracious complement to campus facilities. Recommended for preservation.

Of Secondary Significance - Recommended for Consideration in Future Planning

Churchill Hall 1925 John V. Bennes
Peter Britt Estate, 1852
Jacksonville

Grubb Barn, Ashland 1860s

6. Eastern Oregon State College

Of Secondary Significance - Recommended for Consideration in Future Planning

Administration Bldg. 1929 John V. Bennes

No recommendations are offered at this time concerning Oregon Institute of Technology, the University of Oregon Dental School, or the University of Oregon Medical School.

HONORARY DEGREES

(Adopted by the Oregon State Board of Higher Education, Meeting #109, January 28, 1941, p. 8; amended Meeting #520, January 18, 1985, pp. 7-8; amended Meeting #845, March 4, 2011)

1. Each institution, with concurrence of its faculty, may decide to award honorary degrees.
2. An institution wishing to award honorary degrees shall adopt criteria and procedures for selection that will assure that the award will honor outstanding contribution to the institution, state, or society or distinguished achievement.

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HOUSING FOR PRESIDENTS AND CHANCELLOR

(Policy continued by Oregon State Board of Higher Education, Meeting #437, March 25, 1977, pp. 253-255; affirmed, Meeting #452, November 17, 1978, pp. 867-869; additional action pertaining to Chancellor at Meeting #480, October 23, 1981, p. 592, and Meeting #481, December 10-11, 1981, pp. 651-652.)

Presidents of the institutions and the Chancellor are required to reside in state-owned or approved housing.

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INSTRUCTIONAL AND RESEARCH COMPUTING, PRIORITIES FOR

(Adopted by the Oregon State Board of Higher Education, Meeting #509, February 24, 1984, pp. 51-52.)

The Board approved guidelines to the staff and the institutions in preparing an institutional and then a System plan for implementation of the Board's objectives for instructional and research computing.

1. The System shall develop a plan that is designed to place it at a competitive level of computing support to instruction.
2. Each department, school, or college at each institution in the System should develop and maintain a definition of functional computer literacy specifically tailored to its program needs and an implementation plan for integrating the necessary resources and instruction into its coursework.
3. Until entering students have achieved basic computer literacy, institutions should provide such instruction as their priorities dictate, but only from existing or reallocated resources.
4. Institutions should carefully consider computing support needs, both acquisition and ongoing costs such as maintenance when reviewing their research programs.
5. Baccalaureate computer science programs should be maintained at every System multipurpose institution at a sufficient "critical mass" of students to maintain the quality of the programs. Graduate and research programs should be enhanced at selected institutions as approved by the Board.
6. A minor program in computer science should be available at every System multipurpose institution.
7. The development of basic computer literacy on the part of the faculty should be considered an aspect of keeping professionally current and is thus a faculty responsibility.
8. Institutions should encourage, to the extent possible, faculty development of functional computer literacy by including equipment acquisition for faculty use in institutional plans and encouraging faculty to use traditional development paths, such as conferences and sabbaticals, to acquire computer expertise.

9. Institutions should actively examine the use of existing faculty from other fields to teach computer science and should encourage individuals from high technology industries to become adjunct faculty.
8. Institutional computing plans should include a program for the improvement of classroom teaching using new technology.

INTERCOLLEGIATE ATHLETICS, STATEMENT REGARDING

(A policy regarding the role of athletics, categories of activities, code of ethics, and equal opportunity was adopted by the Oregon State Board of Higher Education, Meeting #479, September 11, 1981, pp. 509-513. The following policy statement was adopted at Meeting #542, November 21, 1986, pp. 531-532.)

Recent public discussion regarding the role and status of intercollegiate athletics prompts the Board of Higher Education to issue the following statement:

The Oregon State Board of Higher Education reaffirms its commitment to intercollegiate athletics as an integral component of the total educational offerings of our state colleges and universities. The Board also reaffirms its Policy for Intercollegiate Athletics adopted in March 1983 and set forth in Section 8 of the Internal Management Directives.

With respect to institutions competing on the NCAA Division I level, the Board recognizes the benefits of affiliation with the Pacific 10 (PAC-10) Conference and is strongly committed to continue the relationship.

Consistent with its adopted policy, the Board believes that football and men's basketball at the Division I level should be self-supporting financially. Conversely, funds generated by those sports should be utilized to the extent reasonably practical to keep them competitive at the PAC-10 level.

Other sports at NCAA institutions and all sports at NAIA institutions should be supported to insure opportunities for widespread student participation. The Board strongly believes that funding for a sound and exemplary sports program for male and female students should not be solely dependent upon or primarily related to revenue generated by football and basketball.

The Chancellor and his staff are directed to prepare financing alternatives for consideration by the Board at its January 1987 meeting. (Presentation of the alternatives was deferred until the July 1987 Board meeting. Action taken at that time is included in this compilation of Board policies under the title "Fiscal Policies for Intercollegiate Athletics.")

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INTERCOLLEGIATE ATHLETICS, FISCAL POLICIES FOR

(Adopted by the Oregon State Board of Higher Education, Meeting #552, July 24, 1987, pp. 337-353.)

Fiscal policies for intercollegiate athletics were prepared so that they would:

1. Assure that the benefits would accrue to the student athletes through stable financial aid programs.
2. Upgrade the nonrevenue sports by providing the full complement of grants-in-aid (as opposed to partial grants).
3. Give some relief to the dependency on revenue from football and basketball gate receipts, thus reducing the commercial pressure on winning.

The fiscal policies approved by the Board appear below:

1. Division I NCAA football and basketball at the University of Oregon and Oregon State University should continue to be self-sustaining.
2. The institutions were authorized to waive nonresident instructional tuition for student athletes up to the following amounts: \$350,000 each at Oregon State University and the University of Oregon; \$200,000 at Portland State University; and \$25,000 each at Southern Oregon State College, Western Oregon State College, and Oregon Institute of Technology.
3. Authorizations would become effective for the 1987-88 academic year.
4. The present policies of financial support for the NAIA institutions would be continued.
5. Any System institution proposing a change in level of competition or adding or dropping a sport must have prior approval of the Board.
6. The Board annually would review the intercollegiate athletic fiscal policies and, as resources might be available, consider at the appropriate time tuition waivers for student athletes in all Division I sports.
7. All transfers of funds from student funds to the athletic programs must receive prior Board approval and an annual report must be presented to the Board on the repayment of the transfers.
8. The Board annually will review this program to determine its effectiveness.

(The following was adopted by the Oregon State Board of Higher Education, Meeting #609, May 22, 1992, pp. 303-308.)

In response to the Special Task Force on Athletic Funding report, the Board accepted as presented all recommendations as presented except forgiveness of the accumulated operating



deficit, and adopted the following policy regarding funding of intercollegiate athletics at the three universities:

- 1 Require institutions to impose a surtax on all tickets sold to intercollegiate athletic events to average \$1.00 per ticket, the specific increases on tickets to be determined by the respective athletic departments. Each institution should inform the public that the increase is a surtax to help address the immediate financial crisis in athletic funding. It was understood that negotiations on this matter would be required with the PAC-10 to exempt the surtax from the distribution formula. The outcome of such negotiations are to be reported to the Board.
- 2 Institutions reduce 1991-92 budgeted athletics expenditures by two percent, and submit athletics operating budgets for 1992-93, 1993-94, and 1994-95 at that same level. To assist the athletic departments in finding ways to operate at these reduced levels, the Board directed the Vice Chancellor for Finance and Administration to work with the presidents of the three universities and their athletic departments to find ways of reducing costs to the athletic departments in conjunction with the institution-wide process of reorganization and restructuring of the administrative and support functions, as well as cooperation on purchases of goods and services. University athletic departments are to incur no increased deficits; however, expenditures may increase if additional revenues are generated beyond the additional revenue expected from the ticket surtax.
- 3 Require that athletic departments continue to pay interest on the accumulated operating deficit, but principal payments will be deferred through 1994-95, or until such time that, in the opinion of the Vice Chancellor for Finance and Administration, sufficient resources are available to begin an earlier schedule for repayment of the principal.
- 4 Support the efforts of members of institution foundations and other organizations raising funds for athletics, as well as those seeking to raise funds from private corporations, and recognize their willingness and public-minded spirit in raising additional private and Sports Lottery support to reduce the burden on general institution funds for the funding of intercollegiate athletics.
- 5 If operating expenditures exceed revenues in the athletic departments at the three universities after the imposition of a ticket surtax, reduction of the operating expenditures, and the efforts associated with private fund raising, then the institutions are authorized to use institution resources for the support of non-revenue sports.

INTERNAL BANK

(Adopted by the Board at Meeting #836, March 1, 2010; amended, Meeting #843, October 8 2010)

In order to more efficiently and effectively carry out the treasury management function within the Oregon University System (System), the Board has established within the Chancellor's Office an internal bank. The internal bank will operate in perpetuity and will integrate the three primary functions of treasury management within the System: limited term investment management (the management of non-endowment investment assets), debt management (both short- and long-term) and cash management (transaction and process management). In order to effectively integrate these functions, the following policies are established:

- The cash balances (limited term assets) of each institution and the Chancellor's Office are pooled for investment purposes and the internal bank is charged with the responsibility to manage the processing and investment of those funds to maximize investment returns within a prudent level of risk while assuring necessary liquidity.
- Financing necessary for approved System capital purchases (including lease purchases) and capital construction projects that will be repaid by System-generated resources (tuition & fees and other self-generated revenues) is provided by the internal bank to System institutions through a central loan program.
- The System's Article XI-F(1) debt is managed in a portfolio approach and the internal bank is charged with the responsibility to manage the System's XI-F(1) debt portfolio to minimize the System's cost of capital within a prudent level of risk.

The purpose of the Internal Bank is to facilitate the long-term financial stability of the System through effective asset/liability management strategies and optimizing the organization's capacity to access the capital markets in the amounts needed at a reasonable price.

The operation of the internal bank will comply with all applicable federal and state statutes, rules and policies. Accordingly, the internal bank will coordinate and cooperate with the Oregon State Treasury and the Department of Administrative Services in making investment and debt financing decisions.

PRINCIPLES/GUIDELINES/PROCEDURES

Management of the Internal Bank

The Internal Bank will be managed by the Director of Treasury Operations who will report to the Vice Chancellor for Finance and Administration through the Associate Vice Chancellor for Finance and Administration and Controller. The Director will employ a staff to provide the services that align with the goals of the Internal Bank, including other related services that the campuses desire to purchase from the internal bank. Payment for management of the activities of the Internal Bank will be paid out of the Internal Bank's income, generated by interest rate spreads, service fees, and by moneys so appropriated by the State Legislature. Payment for specific services that are provided by the Internal Bank on an institution by institution basis, such as bank account reconciliation services, will be paid by each institution separately.

The Director of Treasury Operations will be responsible for:

- Establishing the internal deposit interest rate
- Establishing the internal lending rate
- Establishing and maintaining the internal lending program
- Management of the System's operating asset investment and long-term debt portfolios
- Developing and maintaining related internal control processes and procedures
- Accounting for the operation of the Internal Bank
- Developing financial and other performance monitoring reports
- Developing and implementing operating policies and procedures
- Developing and managing the annual operating budget of the Internal Bank
- Maintaining access to adequate liquidity sources to meet the needs of the System and its universities

The Director of Treasury Operations, in coordination with the State Treasurer's Office will contract with a professional financial advisory firm to assist with the management of the investment and debt portfolio as appropriate and bond counsel to assist with the management of the debt portfolio.

At least quarterly, the Director of Treasury Operations will report to the Internal Bank Oversight Committee (see below) on the financial and operating performance of the Internal Bank. These reports would include the operating budget, financial statements and any other performance reports needed to evaluate the Internal Bank's financial performance and the achievement of its long-term goals.

Transactions Undertaken by the Internal Bank

The Director of Treasury Operations will make recommendation to the Board's Finance and Administration Committee regarding the following transactions of the Internal Bank:

1. Investments of operating assets that fall outside the parameters of the Board-approved operating funds management policy or related policies
2. Issuances of debt including:
 - a. Commercial paper for XI-F capital projects that have been approved for debt financing by the Legislature and OUS Board
 - b. Long-term debt for XI-F capital projects that have been approved for debt financing by the Legislature and OUS Board
3. Transactions undertaken to manage the debt portfolio including:
 - a. Refunding outstanding debt pursuant to the State Treasurer's refunding guidelines
 - b. Structural refinancing of the debt portfolio
 - c. Issuances of derivative financial instruments, including interest rate swap agreements

Recommended investment and debt transactions that are approved by the Board may also need approval by the State Treasurer and/or the Department of Administrative Services.

Deposit Interest Rate

The Director of Treasury Operations, working with the Internal Bank Oversight Committee, will develop the policy that establishes the interest rate to be credited to institution accounts based on market conditions. The rate will be evaluated and adjusted as necessary.

Internal Lending Rate

Annually, the Director of Treasury Operations, working with the Internal Bank Oversight Committee, will establish the internal loan program interest rates. Different interest rates will be established for different internal loan durations. It is the goal and objective to establish those rates to remain in perpetuity. However, it is understood that, should the capital markets behave in an unanticipated manner and the reserves available to the Internal Bank are projected to become depleted or excessively large, the internal loan program interest rates may be modified on all internal loans outstanding, including loans that relate to financings undertaken before the establishment of the Internal Bank. This is critical to ensure that the interest rate adjustment is equitable across the System and is not unfairly applied to only the projects that were financed subsequent to the establishment of the Internal Bank.

Internal Bank Reserves

The Internal Bank may build and maintain an Interest Rate Reserve to hedge future volatility in the debt markets by charging a spread between the investment income generated on operating cash balances and the amount credited to institution accounts and/or by charging a spread between the internal lending rates charged for financing Board-approved self-supporting and self-liquidating projects and the blended cost of the outstanding debt portfolio. The Interest

Rate Reserves shall not be maintained at a level higher than needed to appropriately hedge future interest rate volatility. Should the Interest Rate Reserve exceed the necessary level, the internal deposit and/or lending rates may be adjusted either temporarily or permanently to reduce the reserve to the proper level. The Interest Rate Reserve may not be used for any other purpose without the approval of the Board's Finance and Administration Committee.

The Finance and Administration Committee may establish additional reserves to be held by the Internal Bank that align with its goals and objectives. The purpose and uses of such reserves will be clearly delineated within this policy.

Additional Policies to Guide and Control the Operation of the Internal Bank

The policies that guide and control the operations of the bank and limit financial risk to the System include, but are not limited to:

- An operating funds management policy that provides guidance in the investment of the System's operating assets and the management of the System's liquidity
- A debt policy that provides guidance in the issuance of debt and the ongoing management of the debt portfolio of the System
- An interest rate risk policy that provides control over the types and nature of derivate financial instruments that may be utilized by the Internal Bank

These policies will be reviewed by the Board's Finance and Administration Committee at least once every two years.

Transparency and Accountability

Transparency and accountability will be a key objective of the management and operation of the Internal Bank. All income and expenses of the Internal Bank will be reported to the Internal Bank Oversight Committee via periodic financial statements. All investment and debt transactions and all internal lending transactions will be reported to the Internal Bank Oversight Committee, along with reports on the System's risk position, hedging activities, and compliance with related policies.

Internal Bank Oversight Committee

To help ensure that the goals and objectives of the Internal Bank are being met and in order to foster accountability and transparency with respect to the activities of the Internal Bank, there is established an Internal Bank Oversight Committee (Oversight Committee). The Oversight Committee is made up of the Vice Presidents for Finance and Administration of each of the campuses, or his/her designee, and will be chaired by the Vice Chancellor for Finance and Administration. The role of the Oversight Committee is to review and evaluate the financial and operating performance of the Internal Bank and to work with the Director of Treasury Operations to establish:

- Deposit and internal loan interest rates and related policies,
- Fees and related policies,
- Operating policies for the Internal Bank, and
- The operating budget of the Internal Bank.

Meetings of the Oversight Committee will be held at least quarterly, at which time the Director of Treasury Operations will present the operating budget, financial statements and any other performance reports needed to evaluate the Internal Bank's financial performance and the achievement of its long-term goals.

The role of the Oversight Committee does not include the approval of individual campus capital projects. That role remains the sole purview of the Board.

Policy Conflicts

The provisions of this policy will supersede conflicting policy provisions in other Internal Management Directives, Board policies, and/or other fiscal policies.

RESIDENCE HALL EMERGENCY RESERVE FUND⁵

The purpose of the Residence Hall Emergency Reserve Fund (Reserve) is to provide for unanticipated financial emergencies in the residence hall operations, which could otherwise affect the ability of a single institution to support the payment of its debt service obligations. The Reserve may also be used to supplement the Interest Rate Reserve of the Internal Bank. The Reserve shall not be a supplemental source of funds that may be considered or relied upon when planning for the financing of construction, renovation, or repair/upgrade of projects. Each institution must have a business plan in place addressing current and future needs of its student housing operations and how it intends to fund those needs through institutionally-initiated efforts. The provisions of this policy, described in sections 1 through 4, shall apply to residence hall operations at residence and dining facilities other than at Portland State University. The provisions in section 4 will apply to the Internal Bank when requesting temporary use of the Reserve to supplement its Interest Rate Reserve.

(1) Specific Provisions:

- a. The Reserve will be funded by an institutional payment equivalent to twenty dollars (\$20) per occupant, per year, based on the number of students living in the residence halls referenced in section 6.300(1)(a).
- b. The number of students for purposes of (a) shall be determined by the prior year three-term average residence hall occupancy as of the fourth week of each term. (An "occupant" is any student living in a residence hall who is not a residence hall director.)
- c. Institutional payments to the Reserve will be made by May of each year beginning in fiscal year 1999-00. All payments to the Reserve will be monitored by the Chancellor's Office with a record kept of payments made by each institution.

(2) Institutional payments to the Reserve will be made for eight (8) fiscal years, 1999-00 through 2006-07

⁵ IMD 6.316 repealed, Meeting #836, 3/5/2010, and transferred to Internal Bank Policy

- (3) Interest earnings of the Reserve, if any, will accrue to the Reserve. Distribution of interest earnings will be determined by the Board.
- (4) Authorization for use of funds from the Reserve shall require a written application and comprehensive business plan from the requesting institution or the Internal Bank. The application and business plan shall be submitted to the Vice Chancellor for Finance and Administration for approval.

INTEREST RATE RISK MANAGEMENT

(Adopted by the Board at Meeting #843, March 1, 2010)

I. Overview

The Oregon University System (System) maintains a Debt Policy which sets forth guidelines on the authorization and management of debt. The System manages its debt issued under Article XI-F(1) of the Oregon Constitution (XI-F debt) on a consolidated, portfolio basis and makes debt management decisions to achieve the lowest cost of debt capital and maximize its portfolio objectives. The nature of managing debt as a portfolio implies that there may be a mismatch of the specific terms on either side of the balance sheet. These mismatches may include maturity, payment schedule, interest rate, etc. These mismatches cause interest rate risk that may affect cash flow or the value of the underlying debt and corresponding loan. The use of derivatives can play a key role in managing the interest rate risk associated with the System's debt portfolio and other managed portfolios.

In certain circumstances, derivatives are an effective way for the System to adjust its mix of fixed- and floating-rate debt and manage interest rate exposures. Derivatives may also be an effective way to manage liquidity risks. The System's philosophy is to use derivatives strategically to achieve asset and liability portfolio objectives and hedge existing exposures. Derivatives will not be used to create leverage or to speculate on the movement of interest rates.

II. Scope

The Interest Rate Risk Management Policy applies to any derivatives used for the purpose of hedging interest rate exposures. This policy does not apply to derivatives used by the State Treasurer's office in its management of the System's endowment and assets of any System university-related foundations.

Additionally, any decisions made regarding the use of derivatives must take into consideration the resulting impact under the System's Debt Policy.

III. Objectives

This policy is intended to:

- (i) Outline the System's philosophy on derivatives
- (ii) Provide guidelines on the use of derivatives
- (iii) Identify approved derivative instruments
- (iv) Establish a control framework related to the use of derivatives

The System views derivatives as a tool to achieve its asset and liability management objectives. As a result, it is the System's philosophy to use derivatives strategically in support of this cause. It is also the System's philosophy to not use derivatives to create leverage or speculate on interest rate movements. The System recognizes that the prudent and selective use of derivatives may help it to lower its cost of debt capital and manage its interest rate exposure.

This policy provides guidelines on the use of derivatives including the circumstances under which they may be used and the factors that are considered in deciding whether to use them. Derivatives may be used to achieve the following objectives:

- (i) Reduce the cost for debt financing when compared to conventional debt structures
- (ii) Manage interest rate volatility
- (iii) Manage fixed- and variable-rate debt mix
- (iv) Help match the cash flows from assets with those from liabilities
- (v) Hedge future debt issues or synthetically advance refund bonds

The policy also outlines a control framework to ensure that an appropriate discipline is in place regarding the use of derivatives. Controls exist to address both operational risks and exposure risks.

IV. Oversight

The Vice Chancellor for Finance and Administration (VCFA) is responsible for coordination with Oregon State Treasury in implementing this policy and for all interest rate risk management activities of the System. The policy and any subsequent, material changes to the policy are approved by the Board's Finance and Administration Committee (F&A Committee).

The VCFA provides oversight and monitors all derivative transactions. The Director of Treasury Operations reports on all derivative transaction, at least quarterly, to the Internal Bank Oversight Committee (Oversight Committee) and at least annually to the Chancellor and the F&A Committee on the System's outstanding derivatives.

V. Derivative Use Guidelines

The System may use derivatives to achieve a lower cost of debt funding, manage its exposure to interest rate volatility, and/or match the timing and nature of cash flows associated with its assets and liabilities. The System may accomplish this by hedging the interest rate volatility of projected debt issuances or by using derivatives to adjust its exposure to variable interest rates.

To determine its portfolio exposure, the System looks at the composition of its outstanding assets and liabilities (adjusted for any hedges) and the change in this composition over a predetermined planning horizon. Taking into account the potential for future uncertainty, the

System determines what, if any, action should be taken to keep its portfolio exposures at desirable levels over this period.

In determining when to hedge, the System monitors its interest rate exposure, the capital markets, and its future funding and liquidity requirements. Special attention is paid to the relative level of interest rates, the shape of the yield curve, and signals of interest rate increases or decreases from the Federal Reserve.

The System analyzes and quantifies the cost/benefit of any derivative instrument relative to achieving desirable long-term capital structure objectives. Before entering into a derivative, the System evaluates its risks including, but not limited to: tax risk, interest rate risk, liquidity risk, credit risk, basis risk, rollover risk, termination risk, counterparty risk, and amortization risk.

When evaluating its hedging options, the System generally prefers the lowest cost, most liquid, and most flexible hedging strategy available. In instances where no one hedging strategy meets all these needs, the System prioritizes these requirements to decide on an optimal strategy.

At their inception, derivatives are chosen to closely match the exposures being hedged. As time passes, the System's debt management objectives may change and any decisions will be made with the best information available at that time regardless of hedges that may be in place. For instance, the System may use derivatives to hedge future interest rates associated with a fixed-rate bond issuance. If at the time of issuance it is deemed more beneficial to issue floating-rate bonds, then the System will not let its past hedging decisions constrain its current bond issuance decisions.

In addition, management discloses the impact of all derivatives on the System's financial statements per GASB requirements and includes their effects in calculating the financial ratios identified in the System's Debt Policy.

The Oversight Committee will set acceptable risk tolerances for each portfolio, which will determine whether adequate hedging has occurred.

VI. Allowable Derivative Instruments

The System recognizes that there are numerous derivatives of varying degrees of complexity. The System attempts to avoid structural complexity in its use of derivatives and believes the following instruments, used alone or in combination with each other, allow for sufficient flexibility to help the System meet its interest rate risk management objectives.

Interest Rate Swaps – Swaps are contracts to exchange payments based on different interest rate indices, generally with one such index based on interest rates that are fixed at a specific rate for the term of the contract and the other based on interest rates that are to be adjusted from time to time throughout the term of the contract. The System may utilize these contracts

to change its mix of fixed rates and floating rates to achieve optimal asset-liability balance. They may also be used as a means to hedge future variable rate financings.

Interest Rate Call or Put Options — An option gives the holder a right, but not an obligation, to buy or sell a security at or by a specified date(s) at an agreed upon price in exchange for the payment of a premium. Interest rate options, typically in the form of interest rate caps and/or floors, are designed to provide protection against interest rates being above a certain cap rate or below a certain floor rate. Options may be used when the purchaser faces an asymmetrical risk profile, for instance, the risk that interest rates may rise prior to a new debt issuance. Options to enter into swaps, or swaptions, give the buyer the right to enter into a swap as a fixed-rate or floating-rate payer depending on the buyer's interest rate exposure.

The System will not sell options, except to the extent they are sold to better hedge an underlying exposure that contains an offsetting option position. For example, a bond with a call option held by the System may be hedged better by entering into a derivative with an offsetting sold call option.

Interest Rate Locks — A rate lock is a forward contract that represents a sale of a specific benchmark security (e.g., U.S. Treasuries, LIBOR, or tax-exempt indices) or other appropriate benchmark security at an agreed price or interest rate. The System may utilize these contracts to help lock in a future financing rate.

Before entering into any derivative transaction, the System first gains a full understanding of the transaction and performs appropriate due diligence, such as (i) a quantification of potential risks and benefits, and (ii) an analysis of the impact on the System's debt portfolio. The duration of each derivative may be different from the duration of the risk being offset.

VII. Policy Controls

The System has established both operating and exposure controls to address program risks.

Operating Controls

When utilizing derivatives, it is important for operating controls to be in place to provide for adequate segregation of duties and management oversight. The System has controls addressing trade initiation, approval, confirmation, and accounting.

Appendix A to this Policy lists the individuals who may enter into derivatives on behalf of the System. These individuals may not approve their own transactions, unless explicitly stated in Appendix A. Initiators may not confirm transactions with counterparties and may not enter the accounting related to a trade. These controls are in place to assure trades are fully disclosed, accounted for, and approved by appropriate parties.

Appendix A also contains a list of individuals with authority to approve transactions. In all instances, unless provided for in Appendix A, an approver may not also be the initiator for a specific transaction.

Confirmations serve the purpose of confirming the details of a trade as understood by the System and its counterparty. Trade confirmations are done by an individual who does not have authority to either initiate or approve transactions.

Transactions are recorded for accounting purposes by an individual who is neither the initiator nor the approver. This segregation helps to assure that trades are accounted for correctly and are recorded and valued correctly on an ongoing basis.

Exposure Controls

The System manages its derivatives exposure by looking at its derivatives portfolio independently and also in the context of its overall asset and liability portfolios. Prior to entering into a derivative transaction, the System will examine the impact of such trade independently and on the asset and liability portfolios as a whole. The System will also coordinate this review with the financial advisor contracted by the State Treasurer pursuant ORS 286A.132(a).

All derivatives will be monitored by the State Treasurer's financial advisor to provide valuations of the derivatives and monitor compliance with the terms and conditions of the derivative contract.

Appendix B to the policy establishes limits related to counterparty credit ratings, and the maximum allowable percentage of floating rate debt.

Exposure controls are in place to limit the System's exposure to the various market risks associated with derivatives.

Appendix A

OPERATING CONTROLS

Authorized Initiators — The individuals holding the following positions are hereby authorized to initiate interest rate derivative transactions on behalf of the System:

- Chancellor
- Vice Chancellor for Finance and Administration
- Associate Vice Chancellor for Finance and Administration and Controller
- Director of Treasury Operations

Approval — All interest rate derivative transactions on behalf of the System must be approved by both:

- The Board's Finance and Administration Committee, and
- The Director of Debt Management, Oregon State Treasury

Appendix B

EXPOSURE CONTROLS

Maximum Percentage of Floating Rate Debt — The System’s outstanding debt portfolio will have no more than 20 percent of the principal amount in floating rate debt, as described in its Debt Policy. This percentage is calculated to factor in the effects of interest rate derivatives.

Counterparty Credit Exposure — All derivative counterparties will be rated A3 or better by Moody’s and A– or better by Standard & Poors. The maximum allowable credit exposure, determined by the net mark-to-market of all trades with a single counterparty, will be \$25 million for counterparties rated Aa2/AA or better and \$10 million for counterparties rated less than Aa2/AA.

The System may takes steps to reduce its exposure to a counterparty by either (i) requiring the counterparty to post collateral in the full amount of the exposure (all the while abiding by the terms of any Credit Support Annex between the System and the counterparty), (ii) terminating all or a portion of its outstanding contract(s) with the counterparty, or (iii) requiring the counterparty to obtain swap insurance or provide another form of third-party security agreeable to the System.

The System will also strive to limit counterparty exposure to no more than \$100 million per notional amount with the strategy of diversifying the use of counterparties. In determining counterparty credit exposure, the System will also consider the counterparty’s credit exposure to other System related organizations (e.g., related university foundations.)

Measuring Exposure — The internal bank will compute the overall interest rate risk exposure faced by the internal bank within 90 days after each debt issuance and no less frequently than once per year. The internal bank may use its own computational models to compute this risk or contract with a third party to supply this information.

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INVESTMENT POLICY, OUS POOLED ENDOWMENT FUND

(Adopted by the Oregon State Board of Higher Education, Meeting #651, April 19, 1996, pp. 110-116. Amendments made at Meeting #685, October 21, 1999, pp. 280-306; Meeting #690, June 16, 2000, p. 53; Meeting #697, June 8, 2001, pp. 34-35; Meeting #699, October 19, 2001, pp. 60-61; Meeting #709, October 18, 2002, pp. 96.)

OREGON UNIVERSITY SYSTEM POOLED ENDOWMENT FUND

Investment Objectives and Policy Guidelines

I. INTRODUCTION

This statement governs the investment of the Pooled Endowment Fund (the “Fund”) of the Oregon State Board of Higher Education (the “Board”) of the Oregon University System (“OUS”).

This statement is set forth in order that the Board, the Investment Committee, its investment advisor and its investment managers and others entitled to such information may be made aware of the Policy of the Fund with regard to the investment of its assets. This statement of investment policy is set forth in order that:

1. There will be a clear understanding by the Board, Investment Committee, and staff, of the investment goals and objectives of the portfolio.
2. The Board and management have a basis for evaluation of the investment managers.
3. The investment managers be given guidance and limitations on investing the funds.

It is intended that these objectives be sufficiently specific to be meaningful but flexible enough to be practical. It is expected that the policy and objectives will be amended from time to time to reflect the changing needs of the endowment; however, all modifications will be in writing and approved by the Board.

II. OREGON UNIVERSITY SYSTEM POOLED ENDOWMENT FUND

The Oregon University System Pooled Endowment Fund (Fund) is a permanent fund and is expected to operate in perpetuity, so these funds will be invested long-term. It is important to follow coordinated policies regarding spending and investments to protect the principal of the funds and produce reasonable total return.

III. RESPONSIBILITY OF THE BOARD

The responsibility of the Board is to define and to recommend to the OIC broad investment guidelines, selection of investment managers, and determination or approval of asset allocation.

IV. INVESTMENT COMMITTEE RESPONSIBILITY

The Investment Committee serves as advisory to the Board and will have the responsibility and authority to oversee the investments of the Fund. The Investment Committee will recommend to the Board a specific asset mix reflecting judgments as to the investment environment as well as the specific needs of the Fund. Other advisory responsibilities of the Investment Committee will include:

- Recommending professional investment managers.
- Negotiating and/or monitoring Fund investment expenses.
- Monitoring the investments on an ongoing basis.
- Assuring proper custody of the investments.
- Reporting to the Board on a quarterly basis the Fund's investment results, its composition, and other information the Board may request.
- Recommend to the Board the goal for maintaining purchasing power.
- Recommend distribution per unit to the Board.
- To assist in this process, the Board may retain a registered investment advisor/consultant. The duties of this investment advisor/consultant are described in Section X.

V. SPENDING POLICY

The amount of endowment return available for spending (distribution) is based on a percentage of the average unit market value of the 20 quarters preceding the current fiscal year. The distribution per unit (under Exhibit A) is determined by the Board as recommended by the Investment Committee. The distribution amount per unit is multiplied by the current number of units and any additional units added during the current year as new endowment money comes into the Fund. This shall be exclusive of investment management fees.

VI. INVESTMENT POLICY GUIDELINES

The Board does not expect the Investment Committee to be reactive to short-term investment developments, recognizing that the needs for payout are long-term and that investment competence must be measured over a meaningful period of time. While the quantitative assessment of managerial competence will be measured over a complete market cycle, the Board anticipates that the Investment Committee will make interim qualitative judgments. Specific qualitative factors which will be reviewed by the Investment Committee on an ongoing

basis include any fundamental changes in the manager’s investment philosophy, any changes in the manager’s organizational structure, financial condition and personnel, and any change, relative to their peers, in the manager’s fee structure.

A. Asset Allocation

The most important component of an investment strategy is the asset mix, or the resource allocation among the various classes of securities available to the Fund. The Investment Committee will be responsible for target and actual asset allocation for the investments that will best meet the needs of the Fund, taking into consideration the appropriate level of portfolio volatility.

The risk/return profile shall be maintained by describing a long-term “target” strategic asset allocation and is set forth in Schedule I of this Policy.

B. Investment Time Horizon

In making investment strategy decisions for the Fund, the focus shall be on a long-term investment time horizon that encompasses a complete business cycle (usually three to five years). Interim evaluation will be required if a significant change in fees, manager personnel, strategy or manager ownership occurs.

C. Statement of Derivatives Policy

A derivative is defined as a contract or security whose value is based on the performance of an underlying financial asset, index, or other investment. An investment manager shall not use derivatives to increase portfolio risk above the level that could be achieved in the portfolio using only traditional investment securities. Moreover, an investment manager will not use derivatives to acquire exposure to changes in the value of assets indices that, by themselves, would not be purchased for the portfolio. Under no circumstances will an investment manager undertake an investment that is non-covered or leveraged to the extent that it would cause portfolio duration to exceed limits specified above. The investment manager will report on the use of derivatives on a quarterly basis to the administrative manager.

VII. PRUDENCE, RESPONSIBILITIES, AND CONTROLS

A. Prudence

All participants in the investment process shall act responsibly. The standard of prudence to be applied by the Board, Investment Committee, OUS staff responsible for the management of investments, and external service providers shall be the “prudent investor” rule, which states: “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence

exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

B. Ethics and Conflicts of Interest

Board members, Investment Committee members, OUS staff responsible for the management of investments, managers and advisors involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. These parties are required to reveal all relationships that could create or appear to create a conflict of interest in their unbiased involvement in the investment process.

VIII. INVESTMENT OBJECTIVES

The investment objective of the Fund is to seek consistency of investment return with emphasis on capital appreciation over long periods of time, since the Fund will operate in perpetuity. In keeping with the performance goals included in the Policy, achievement of this objective shall be done in a manner that maintains the purchasing power of the principal. The Investment Committee shall set the goal for maintaining the purchasing power of the principal value of the assets (under Exhibit A).

IX. MANAGER(S) RESPONSIBILITIES

A. Legal Compliance

The investment manager(s) is responsible for strict compliance with the provisions of the prudent investor rule as it pertains to their duties and responsibilities as fiduciaries.

B. Evaluation Timetable

The manager(s) will be expected to provide to the OIC, State Treasurer’s Office, Board, Investment Committee and their investment advisor/consultant on a timely basis each quarter such data as is required for proper monitoring. In addition, the manager(s) will provide to the investment advisor/consultant transaction registers and portfolio valuations, including cost and market data on a monthly basis.

C. Authority of Investment Manager(s) in the Managed Accounts

Subject to the terms and conditions of this Policy, manager(s) shall have full discretionary authority to direct investment, exchange, and liquidation of the assets of the managed accounts. The Investment Committee expects that the investment manager(s) will recommend changes to this Policy when the manager(s) views any part of this Policy to be at variance with overall market, economic conditions, and relevant investment policies.

The Investment Committee directs all managers to vote proxies and to vote them in the best interest of the Fund. The managers will report to the Investment Committee and their investment advisor/consultant at least annually as to how proxies were voted.

Each investment manager is required to meet with the Investment Committee and their investment advisor/consultant at least annually to review:

- The investment forecast for the following year.
- The effect of that outlook on the attainment of the Fund objectives.
- The manager's actual results for the preceding forecast period compared to the previously established return goal for the reporting period.
- The Investment Policy, Guidelines, and Objectives of the Fund. If it is felt by the investment manager that the Policy is too restrictive or should be amended in any way, written notification must be communicated immediately.

X. INVESTMENT ADVISOR/CONSULTANT RESPONSIBILITIES

Investment results will be monitored by an independent consulting organization, under contract by the Board, on a regular basis and reported to the Investment Committee as soon as practicable after each calendar quarter. A representative of the investment advisor/consultant shall meet with the Investment Committee to review for each manager (i) its past performance, (ii) compliance with the Investment Policy, Guidelines and Objectives of the Fund, including but not limited to asset allocation, actual return, and comparative return in relation to applicable index (indices) and to a universe of comparable funds, (iii) risk profile, (iv) ability of manager to fulfill the stated objectives of the funds, and (v) any other material matter. A representative of the investment advisor/consultant shall also report investment results, or other information, to the Board, OIC and others, as requested by the Investment Committee. Any noncompliance with the Investment Policy, Guidelines and Objectives of the Fund or other section of this statement discovered by the investment advisor/consultant will be reported to the Investment Committee immediately.

XI. INVESTMENT GUIDELINES

- A. The Fund shall maintain minimal cash, consistent with short-term requirements. Short-term cash will be invested in the Oregon State Treasurer's Short-Term Investment Pool.
- B. Fixed-income securities, for purposes of these guidelines, shall mean mortgage-backed securities, U.S. government securities, investment-grade corporate bonds, and other fixed income securities, such as certificates of deposit and commercial paper. The objective of this component of the Fund is to preserve capital in keeping with prudent levels of risk, through a combination of income and capital appreciation. Realization of income will be subordinate to safety, liquidity, and marketability (securities should be

readily marketable). This component of the Fund shall adhere to the following categories:

1. Average credit quality shall be A or better.
2. With the exception of U.S. Government and Agency issues, no more than 10 percent of the bond portfolio at market will be invested in the securities of a single issuer or 5 percent of the individual issue.
3. There shall be a maximum limitation on below investment grade bonds of 15 percent of the bond portfolio.
4. There shall be a maximum limitation on non-U.S. bonds of 20 percent of the bond portfolio.

Fixed-income managers have full discretion over the allocation between long-term, intermediate, or cash equivalent investments.

- C. Equity securities are to be made primarily in well-established, quality companies. The objective specific to this component of the Fund is to maximize long-term total return through a combination of income and capital appreciation. The restrictions pertinent to this portion of the Fund are as follows:

Large-Cap Equity Requirements:

Not more than ten percent of the companies invested in should have market capitalizations less than \$1 billion (subject to the large-cap equity limitations of Schedule I). Portfolios should be comprised of at least 30 security issues.

Small/Mid Cap Equity Requirements:

Investments in small and mid cap companies with market capitalization similar to the Russell 2500 index (subject to the small/mid cap equity limitations of Schedule I). Portfolios should be comprised of at least 30 security issues.

International Equity Requirements:

Investments in the equity securities of companies located outside the United States are permitted (subject to the international equity limitations of Schedule I). Portfolios should be comprised of at least 30 security issues.

- D. Diversification

1. Not more than 5 percent of the market value of any investment fund will be invested in any single issue, property, or security. This restriction does not apply to U.S. Government-issued securities.

2. No investment in any single issue, security, or property shall be greater than 5 percent of the total value of the issue, security, or property.

Performance expectations for each of the asset classes is described in Exhibit A.

XII. OTHER INVESTMENTS

The Board and the Investment Committee recognize that the addition of other investment classes may reduce total fund volatility.

The Board and the Investment Committee may, with the concurrence of the OIC, place up to ten percent of the aggregate Fund assets in venture capital, real estate, distressed securities, and oil and gas partnerships. This allocation is to provide for portfolio diversification.

XIII. OTHER GUIDELINES AND REQUIREMENTS

Custodial responsibility for all securities is to be determined by the Board or its designee(s).

XIV. CONCLUSION

Implementation of this Policy, including investment manager selection, shall be the responsibility of the Investment Committee, subject to the necessary approvals of the Board and the OIC.

This Policy shall be reviewed by the Board at least every two years.

**SCHEDULE I
ALLOCATION OF ASSETS**

The following represents target asset allocations and the ranges by asset category.

Allocation of asset by class:

<u>Class</u>	<u>Target Allocation</u>	<u>Ranges</u>	<u>Policy Benchmark</u>
Equity Category	70%	60%-80%	
Fixed Income Category	25%	20%-30%	Lehman Aggregate
Cash	5%	0%-10%	90 Day T-Bill
Alternative Assets	0%	0%-10%	

The allocation of equity assets shall be as follows:

<u>Class</u>	<u>Target Allocation % of Equity</u>	<u>Ranges</u>	<u>Policy Benchmark</u>
Large-Cap Equity	65%	55%-75%	S & P 500
Small/Mid Cap Equity	20%	15%-25%	Russell 2500
International Equity	15%	10%-20%	MSCI EAFE

The Target Allocation Policy benchmark is 59.5% Russell 3000 Index, 10.5% MSCI EAFE Index, 25.0% Lehman Aggregate and 5.0% 90 Day T-Bills.

EXHIBIT A

Performance Monitoring Return Expectations

Spending Policy

The distribution rate for the Fund is 4.5 percent of the five-year moving average unit market value for FY 2000-01 and will decrease to 4.0 percent of the five-year moving average unit market value for FY 2001-02 and thereafter.

Total Fund

The total fund will be evaluated quarterly. Specific performance objectives include, but may not be limited to, the following:

1. Exceed the return of the Policy benchmark (Schedule I) by 0.50 percent (after fees) over a market cycle;
2. Exceed the level of inflation by 5.0 percent or more as measured by the Consumer Price Index (CPI) over a market cycle; and
3. Exceed the median fund in a universe of other endowments over a market cycle. A market cycle is defined as an investment period lasting three to five years.

U.S. Equities—Large Capitalization

Equity accounts will be evaluated quarterly. Specific performance objectives include, but may not be limited to, the following:

1. Exceed the return of the S&P 500 Index by 0.25 percent (after fees) over a market cycle; and
2. Rank at or above the median of a nationally recognized universe of equity managers possessing a similar style.

U.S. Equities—Small/Mid Capitalization

Small/Mid capitalization accounts will be evaluated quarterly. Specific performance objectives include, but may not be limited to, the following:

1. Exceed the return of the Russell 2500 (after fees) by 1.0 percent over a market cycle; and

2. Rank in the 40th percentile of a nationally recognized universe of small cap managers possessing a similar style.

International Equities

International equity accounts will be evaluated quarterly. Specific performance objectives include, but may not be limited to, the following:

1. Exceed the Return of the EAFE Index by 1.0 percent (after fees) over a market cycle; and
2. Rank in the 40th percentile of a nationally recognized universe of equity managers possessing a similar style.

Fixed Income

Fixed income accounts will be evaluated quarterly. Specific performance objectives include, but may not be limited to, the following:

1. Exceed the Return of the Lehman Aggregate Index 0.5 percent (after fees) over a market cycle; and
2. Rank in the 40th percentile of a nationally recognized universe of fixed income managers possessing a similar style.

JOINT CAMPUS PROGRAMS (FOR GRADUATE STUDENTS)

(Adopted by the Oregon State Board of Higher Education, Meeting #316, July 9, 1963, pp. 319-321.)

1. A registration procedure will be created that will encourage graduate students registered at either Oregon State University or the University of Oregon to take full advantage of the specialized graduate facilities and resources located on both campuses. Such graduate programs as would thus draw upon the resources of both campuses are hereafter referred to as "joint-campus" programs.
2. The following registration procedures are adopted for students participating in the "joint-campus" program, whether they are enrolling for all, or only a part of, their term's work on the "host" campus:
 - a. The student and his regular advisor will plan the term's course program in the usual fashion drawing upon the resources of both the Corvallis and Eugene campuses, as to them seems useful.
 - b. The student will register in the usual fashion on his "home" campus for all of the coursework to be taken on the Corvallis and Eugene campuses. He will list his "home" campus courses on his registration form by the prescribed prefix, number, and title indicated in the catalog, as usual; the courses to be taken on the "host" campus will be listed on the registration form as "JC 510" (for "joint-campus") followed by the initials of the "host" institution (OSU or UO) and the prefix, number and title of the course as listed in the "host" campus catalog.
 - c. The fees paid by the student will be the same as if the courses were all being taken on the "home" campus. The student body card will be issued for the "host" campus.
 - d. The instructor(s) on the "host" campus will receive from the registrar of the student's "home" campus a class registration card signifying that the student is a bona fide graduate student, duly and properly registered on the "home" campus for the specific course(s) in question.
 - e. At the conclusion of the term, the instructor(s) on the "host" campus will complete the grade cards received from the "home" campus registrar and will return them to the "home" campus registrar.
 - f. A record will be maintained of the number of such registrants and the courses taken on the "host" campus. If the instructional service provided by the two campuses, for the students they are asked to "host," does not balance out

Joint Campus Programs (For Graduate Students)

reasonably evenly, necessary fiscal adjustments will be made between the two institutions, following a joint recommendation from the presidents of the two institutions to the Chancellor.

3. The registration procedure proposed above, or one equally effective, will be extended to other institutions of the System, wherever distance between campuses does not make such "joint-campus" programs infeasible.
4. It is understood that the "home" institution will grant any degree earned by a student taking advantage of the "joint-campus" program, and the degree will be a degree allocated to the "home" institution.

**JOINT STATEMENT BY THE STATE BOARD OF EDUCATION AND THE STATE BOARD OF
HIGHER EDUCATION (1978)**

(Adopted by the Oregon State Board of Higher Education, Meeting #451,
September 29, 1978, pp. 818-826.)

Coordination of Off-Campus Credit and Non-Credit Education
and Articulation Among and Between Two- and Four-Year Colleges
and Universities and Secondary Schools

August 1978

Sharing as we do responsibility for public post-high school education in Oregon and having shared interests in some aspects of education affecting public elementary and secondary education, the members of the State Board of Higher Education and the State Board of Education consider it essential that they be in continuing and close touch with each other on matters of mutual interest. There are several such matters, of which the subject of this present statement is one.

As the two Boards engage in joint consultations with respect to shared interests—which we anticipate doing more frequently than in the past—we believe that it may prove useful from time to time to summarize our views and to formalize them in statements such as this present one. As benchmarks, these statements will offer opportunity to clarify for all who have an interest in public education in Oregon, the shared views of the Joint Boards in areas in which their official responsibilities are joined.

The accompanying statement on (1) the coordination of off-campus credit and noncredit education, and (2) articulation among and between two- and four-year colleges and universities, and secondary schools, is the 1978 version of this statement.

The Joint Boards acknowledge the assistance of the Task Force on Postsecondary Education, consisting of representatives of the two Boards, the Educational Coordinating Commission, and the legislature in the development of this statement.

**Oregon State Board of Education
Oregon State Board of Higher Education**

**A Joint Statement by the Oregon State Board of Education
and the Oregon State Board of Higher Education**

**Coordination of Off-Campus Credit and Non-Credit Education
and Articulation Among and Between Two- and Four-Year
Colleges and Universities and Secondary Schools**

The Oregon State Board of Higher Education and the Oregon State Board of Education have mutual interests in serving the continuing education needs of Oregon. In this they are joined by a wide range of other agencies, some public and some private, which have had, and should continue to have, significant roles to play in the future. These include, but are not limited to the following: independent colleges and universities, some federal and state governmental agencies, park and recreation districts, YMCA-YWCA, proprietary schools, labor unions, the Grange, and others.

We believe that efficient use of the educational resources that the above agencies—public and private—represent, will require continuing efforts to achieve greater coordination in planning and scheduling of off-campus educational programs and offerings. In the interest of promoting that coordination, we should like to: (1) review the principal efforts that have to the present been made toward promoting coordination; and (2) suggest some assumptions and principles that we believe ought to guide the schools, colleges, universities, and other agencies under our jurisdiction in their efforts to coordinate off-campus education in Oregon.

Steps Toward Coordination in Continuing Education

Apart from the many informal but important relationships that have developed among employees of our two boards interested in off-campus education—and there are a good many such relationships (see Appendices A and B)—there have been three formal proposals in recent years relating to coordination in continuing education:

- The Oregon Legislative Assembly—in establishing authorization for local school districts not included within a community college district to contract with the State Department of Higher Education for lower division transfer courses, and with the State Department of Education for post-high school vocational courses—stipulated (ORS 336.155) that:

The Department of Education and the Division of Continuing Education (of the Oregon University System) shall establish procedures to assure that duplication of classes does not occur.

- The post-high school study (1966) conducted by a committee consisting of selected presidents from the System, the community colleges, independent colleges and universities, and the Board's office (Higher Education), appointed by the Educational Coordinating Council recommended that "those who have administrative responsibilities in Oregon education, in order to find ways of sharing the task and supplementing each other's efforts in continuing education, establish a Council on Continuing Education." Such a council, it was recommended, should have as its purpose "arriving at decisions and understandings, interpreting policy and exploring broad areas of mutual concern with the hope that, in appropriate instances, responsibility for program development and administration could be shared."

This recommendation was followed by the appointment by the Educational Coordinating Council of a committee on continuing education having representation from the legislature and key agencies offering continuing education programs.

- The aforementioned committee issued a report in October 1968, which called for the establishment of local coordinating committees on continuing education to be established in some 11 regions of the state "for the purpose of discussing mutual problems, particularly in regard to duplication of services."
 - The committee recommended that the functions of these local coordinating committees should include: definition of unmet continuing education needs, development of long-range plans to provide programs, encouragement of cooperation among continuing education agencies, encouragement of sharing of resources, development of area catalogs listing continuing education and community service needs, and coordination of programs so as to avoid conflicts among the agencies offering continuing education programs or courses.
- In 1970, the State Board of Education and the State Board of Higher Education adopted a joint agreement entitled "Coordination of Continuing Education and Community Service Programs."
- In September 1977, a joint Task Force on Postsecondary Education with representation from the State Board of Higher Education, State Board of Education, the Legislative Assembly, and the Educational Coordinating Commission was formed to review the 1970 joint agreement, to propose appropriate amendments thereto, and such additional steps as seem necessary to make available to Oregon's residents access to effective programs of education without unnecessary duplication of effort.

It is in the context of the foregoing developments that we, the members of the State Board of Education and the State Board of Higher Education, now set forth a statement of guidelines for the coordination of off-campus activities of the educational agencies under our general jurisdiction, and articulation between educational segments and other public and private agencies.

General Guidelines

1. We affirm our long-standing support of continuing education (credit and noncredit campus and off-campus) in Oregon. Continuing education—once thought of as desirable for some but not essential for most—has come to be seen in these times as necessary to all who would escape early occupational, educational, or cultural obsolescence.
2. We believe that off-campus education should be seen by the schools, colleges and universities, and other educational agencies under our jurisdiction, as an integral part of their responsibilities to the people of Oregon.
3. We emphasize that the disparate lifelong educational needs of Oregon citizens require that Oregon's educational institutions and agencies offer educational opportunities (including advising services) in a variety of modes, at times and locations that will accommodate the needs of prospective students and that will provide means for students to validate and receive credit for relevant knowledge they possess, irrespective of how or when acquired.
4. We commend the steps—formal and informal—that have been taken to bring about greater coordination of effort among the several educational agencies. We cite, in particular, the individual agreements drawn up between each community college and the Oregon State University Extension Service. We urge the continuation and renewal of these or similar formal agreements as may be necessary in the face of changing needs.
5. We commend the Oregon University System/Community College Coordinating Committee for its contributions to effective articulation between the System institutions and the community colleges, and encourage the committee in its continuing efforts.

The Joint Boards request that the committee give consideration to identifying ways in which the committee might also promote articulation between colleges/universities and the secondary schools. In so doing, the committee should avoid duplicating the articulation efforts of the High School/College Relations Council.

The committee consists of the seven members appointed by the State Department of Higher Education and an equal number appointed by the State Department of Education. Representatives of the independent colleges and universities and of the Oregon Educational Coordinating Commission are participant observers, by invitation of the committee. The committee meets at least once each term to consider shared

interests and concerns and to iron out such difficulties as may have arisen involving System institutions and community colleges (e.g., student transfer problems, policies governing recording of credits on transcripts, course numbering, development of student writing competency).

6. Periodically, at the request of one or both Boards, or upon the initiative of the Board's staffs, the staffs of the two Boards shall render reports to the Joint Boards concerning accomplishments, problems, and plans relating to articulation between the two- and four-year colleges and universities and between the colleges/universities and the secondary schools, including, in particular, a report of the accomplishments, problems, and plans of the System/Community College Coordinating Committee.
7. Any intersegmental issues related to matters under consideration in this statement, and affecting the two- and four-year public colleges and universities, the independent colleges and universities, or the public schools, which cannot be agreeably resolved by the segments concerned, may be referred to the Educational Coordinating Commission for review and recommendation.
8. Allocation to specific agencies under the jurisdiction of the two Boards of primary responsibility for the following aspects of off-campus education is made as follows:

- Adult basic education (i.e., to develop reading, writing, and computational skills of adults to the twelfth grade or lower level) is the primary responsibility of the community colleges and/or area education districts, where the local public schools have primary responsibility.
- Lower division academic credit courses offered off campus are the primary responsibility of the community colleges and/or area education districts in regions included within community college and area education districts. (The role of the independent colleges and universities is acknowledged.)

Outside such districts, the Oregon University System, the community colleges, or independent colleges and universities may share the responsibility of offering lower division courses as may best serve the needs and interests of the area.

- Lower division vocational-technical work offered off campus is the primary responsibility of the community colleges and/or area education districts in regions included within community college and area education districts, except for activities that have historically been within the purview of the Oregon State University Extension Service. (The role of the proprietary schools is acknowledged.)

Outside such geographic areas, lower division vocational-technical programs and services may be offered by whatever agencies have the resources (e.g.,

community colleges, Oregon Institute of Technology, Oregon State University Extension Service).

- Upper division, graduate and advanced graduate courses and programs are the primary responsibility of the Oregon University System, a responsibility that it shares with Oregon's independent colleges and universities.
- Responsibility for noncredit courses and activities offered off-campus is to be shared by the agencies of the State Department of Education (community colleges, community schools) and those of the State Department of Higher Education (Oregon State University Extension Service, colleges and universities of the System). This sharing will be coordinated in accordance with the provisions of the section on Coordination, Appendix A.

(Note to the reader: The material that follows is proposed as a replacement for the material on coordination that appeared in the 1970 joint agreement.)

Coordination

Respecting coordination of off-campus and noncredit activities, the joint Boards agree that:

- Planning can best be done by regions. For although there may be similarities in the categories and kind of off-campus educational services needed in the several regions of the state, there is variation in: (a) the nature of the agencies equipped to serve the continuing education needs of the several regions, and (b) their capacities to serve regional needs.
- Planning regions will vary in size and in the constituency of the agencies involved.
 - Some planning regions will include a community college and one or more other agencies (e.g., community schools, park and recreation district, proprietary schools). The northwest region of Oregon, with Astoria as the focal point, is illustrative. Or the Ontario area, with Treasure Valley Community College at the core, is another illustration.
 - Other planning regions will consist of (a) one or more four-year colleges and/or universities, (b) the community colleges serving the same area, and (c) such other agencies as desire to participate in the coordinative effort.

It is in this latter type of planning unit that the coordinating interest of the two Boards converge, owing to the presence in the unit of the two- and four-year colleges and universities. Such planning units would include

each of the public four-year institutions (UO, OSU, PSU, SOU, OCE, EOU, OIT, UOHSC), the community colleges, and independent colleges and universities serving the area, and such other agencies as wish to participate in a coordinated effort.

- Coordination of the off-campus credit and noncredit activities of the two- and four-year colleges within each of the several regions will be accomplished through the presidents of these institutions jointly discussing institutional plans for offering off-campus credit and noncredit activities.
- The presidents of each of the public four-year colleges and universities will take the initiative in bringing together the presidents of the community colleges and independent colleges and universities serving the area, together with representatives of the principal other agencies offering educational services to the area for the purpose of launching this coordinative effort. (The charge given the presidents of the public four-year colleges and universities is not intended to preclude community college presidents from convening such coordinative meetings as to them seem desirable in coordinating educational efforts in their areas, as suggested in the earlier illustrations relating to the Ontario and Astoria areas.)
 - The plans should be sufficiently specific as to make clear in what ways the institution plans on using off-campus credit and noncredit courses and activities in the medium range future (i.e., What is the role of off-campus credit and noncredit activities in the institutional plans? Whom does the institution wish to serve through off-campus courses and programs? Through what kinds of courses and programs? In what areas of the state? In what way does the institution plan on coordinating its planned off-campus activities with other institutions and agencies?)
 - The plans should, at the same time, be sufficiently broad and future oriented as not to require frequent discussions among institutional presidents in the region as to the general structure of institutional plans. Once every several years should suffice.

Should these consultations among the presidents identify unnecessary duplication and overlap in the programs proposed in the institutional plans, the presidents of the affected institutions will seek to negotiate a resolution of the problems. If they are unsuccessful in so doing, they shall refer the matter to the State Department of Higher Education and the State Department of Education for appropriate action in those instances in which public institutions are involved. The ultimate appeal in intersegmental disagreements in these matters is to the Educational Coordinating Commission.

- Coordination at the operational level year-by-year or term-by-term is also encouraged by the Joint Boards, when that seems desirable. But the Joint Boards do not wish to mandate creation of regional coordinating committees in every corner of the state that would be required to meet regularly when, in the judgment of those closest to the scene, there is no necessity for such meetings.

The Boards anticipate that the presidential coordinative process will be sufficiently effective that only infrequent regional coordinative meetings will be necessary. Such intersegmental problems as may arise in the application of presidential agreements will be resolved by direct and open discussion between and among the agencies involved, or where necessary, by referral to the State Department of Higher Education and State Department of Education (where the public institutions are involved).

One practice that the Boards would like to encourage is the joint publication of the listing of off-campus courses and programs to be offered by the several segments in the same geographic area. This will greatly assist potential students in planning their educational activities.

Appendix A

Coordination of Public Two- and Four-year Colleges and Universities

Oregon has a proud record of cooperation between the State Board of Education and the State Board of Higher Education in bringing into being and nurturing Oregon's 13 community colleges, and in coordinating relationships between the community colleges and the System institutions.

The Legislative Assembly gave to the State Board of Education major responsibilities for assisting at the conception and birth of each of Oregon's community colleges and for general oversight of the community colleges.

To the State Board of Higher Education, the Legislative Assembly gave major responsibilities during the formative years of each of the community colleges to oversee, and to assure the development of, a college transfer program that would (1) assure ease of transfer of students from the two-year colleges to the four-year colleges and universities; and (2) assure that the courses and staff of the community college transfer programs were of a caliber that the community colleges could, without difficulty, meet accreditation standards of the Northwest Association of Schools and Colleges.

Those legislatively-mandated relationships between the State Board of Higher Education and the community colleges were to continue until the community college was accredited by the Northwest Association of Schools and Colleges. All 13 community colleges are presently accredited.

Continuing coordination of System/community college activities is provided through the System/Community College Coordinating Committee and by the following devices:

- Periodic meetings among two-year and four-year college and university faculty members in the same subject matter fields. These meetings bring together faculty in the same fields to discuss common problems and ways of easing the transition of students as they pass from two-year to four-year institutions and vice versa. Illustrative are the meetings held annually by faculties in health, physical education, and recreation, and the periodic meetings of faculty representatives in the law enforcement, nursing, and mathematics areas.
- Provision by the System of needed transfer information to community college faculty advisors and students. The Board's office (Higher Education), in collaboration with the deans and department heads of System institutions, produces annually a publication entitled Transfer Programs, which sets forth recommended lower division college transfer courses in each of more than 50

different academic and professional major fields of study that students in community colleges should take if they wish subsequently to transfer to System institutions in any one of the fields, and to complete baccalaureate degree requirements without loss of time. Copies of Transfer Programs are distributed by the Oregon University System to community college faculty advisors, to high school counselors, and to System faculty and administrative officers. The 1977-78 edition was distributed as follows: 1,800 to community college faculty advisors, 250 to high school counselors, and 500 to System faculty and administrative officers.

- Invitational programs conducted on System campuses for community college personnel. Various of the System institutions conduct on-campus programs to acquaint community college personnel (deans, administrators, counselors, and others at the community college's discretion) with the uniqueness of the programs and services of the System institutions being visited. In some, community college representatives have opportunities to visit with former students enrolled in the senior institution wherein circumstances of ease or difficulty of transition may be noted and corrective action taken, where it is needed.

Appendix B

Secondary/Postsecondary Educational Coordination

There is much being accomplished in the high schools, colleges and universities of Oregon by way of articulation and coordination of secondary/postsecondary education in Oregon. More remains to be accomplished, however, as suggested earlier in this statement.

Current efforts at articulation and coordination include:

- High School/College Relations Council. The Council was established in 1986 as an outgrowth of the Oregon University System High School/College Relations Committee, which had been active since 1934. It has operated as an independent agency with the System's Director of the Office of High School Relations serving as its executive secretary. The membership of the Council, now 60 persons, includes representatives from all public and independent two-year and four-year colleges and universities in the state and representatives from key educational organizations including State Department of Higher Education, State Department of Education, the Oregon Association of School Executives, Oregon Association of Secondary School Administrators, Oregon Personnel and Guidance Association, Oregon School Activities Association, the Oregon State Scholarship Commission, the Oregon School Boards Association, Oregon Association of School Counselors, and the Oregon Association of Student Financial Aid Administrators.

The Council meets in the fall and spring each year to consider concerns and interests of the membership regarding the articulation of high school graduates with postsecondary collegiate-level opportunities. Through committee deliberations and Council action, guidelines and standards have been developed in such areas as college and university contacts with high school students, articulation of alternative educational practices, admissions testing, and innovative grading practices.

- Post-High School Plans Survey. Since the late 1950s the System Office of High School Relations has, in the fall of each year, conducted a Post-High School Plans Survey of Oregon high school seniors, followed a year later with a sampling study of what those students actually did after graduation. In recent years, the surveys have been conducted in collaboration with the Educational Coordinating Commission. Effective spring term 1978, the survey is being conducted of students at the completion of their junior year. In addition to the value of the surveys for study purposes, the activity provides opportunities for students to receive general information about postsecondary educational opportunities in Oregon and to request specific information about any of the public or independent colleges and universities of the state.

- High School Vocational Education Survey. Annually, the Oregon Department of Education (Career and Vocational Education Section), in cooperation with the Oregon Educational Coordinating Commission and the public school districts in Oregon, conducts a High School Vocational Education Survey to secure information useful to public schools in their planning.

The goal of this follow-up study "is to gather data about activities and perceptions of Oregon students after leaving their formal high school training." The study focuses on the responses and impressions of former vocational (career cluster) students, with appropriate comparisons made with responses of general/college preparatory students.

- Oregon Career Information System (CIS). Since 1960 in concept, and 1971 in practice, CIS has pioneered in the delivery of information about occupational opportunities (by regions of the state), job descriptions (including necessary education or training for those jobs), and information about all schools and colleges (public, independent, and proprietary) in Oregon. CIS is a consortium with representation from the Oregon Board of Education, the Oregon Employment Division, the Oregon University System, intermediate education districts, local school districts, and other users. Approximately 325 junior and senior high schools, the 13 community colleges, and many others use CIS.

Information in the CIS files is accessed by computer terminals and manual needle-sort kits placed in schools and colleges. The information is updated continually so that users receive current data at all times. The more than 150 data items in the education files (such as costs of college attendance, student financial aid, academic offerings by specific fields, housing options, credit-by-examination opportunities) can be compared for any three institutions simultaneously.

- Information to high school and other students concerning postsecondary educational opportunities. Established, well-organized, systematic efforts are made in Oregon to provide information to high school and other students concerning post-high school educational opportunities and ways in which to make the most of these opportunities. The following are illustrative.
 - High school visitation program. Annual visitations are made to Oregon high schools by teams of representatives of the System Board's office and the System institutions to inform high school students of the post-high school educational opportunities open to them in the System institutions.
 - Informing high school students of the postsecondary educational opportunities available to them in System colleges and universities and in

Oregon's community colleges. Each year, the System publishes and distributes to high school counselors and to high school seniors and their parents, a publication entitled It's Your Decision, that provides information concerning instructional programs available in System institutions and in each of the 13 community colleges, together with information concerning admissions policies, tuition and fee charges, and the like. A total of 32,000 copies are published and distributed each year.

- Informing high school students about financial aid available in college. The System Office of High School Relations, in cooperation with the State Scholarship Commission, annually mails to all high school seniors who complete the Post-High School Plans Survey form a copy of the publication Meeting College Costs, published by the College Board, with an overlay of information concerning the costs of college and university attendance in Oregon, types of financial assistance available to students, and methods for determining eligibility for student financial aid. Approximately 26,000 copies are mailed to Oregon high school seniors each year.
- Work with high school counselors. Annual counselor workshops are held by the System's Office of High School Relations in cooperation with the Oregon State Scholarship Commission to help counselors keep abreast of information relating to post-high school opportunities and means of financing them. Counselors are provided with copies of (1) The College Counselor's Guide, an annual publication containing information pertinent to counseling for college in Oregon, (2) It's Your Decision (described above) and (3) Transfer Programs (a publication prepared annually by the System Board's office setting forth the community college courses students should take in order to be able subsequently to transfer to System institutions and complete baccalaureate requirements in any of more than 50 subject matter fields without loss of time). In addition, counselors receive six editions yearly of the newsletter, Counseling for College, published by the System Office of High School Relations, which highlights activities, changes in instructional programs in System institutions, other items of interest, including important dates relating to school-college articulation.

The two-year and four-year public and independent institutions in Oregon and Washington have, since 1947, participated in the publication of Mapping Your Education, a book edited, published, and distributed annually to the high schools in the two states.

Costs of the publications are borne by the institutions included in the book and the secondary schools that purchase copies in order to provide

counselors, students, and parents with current accurate information in an orderly, comparative fashion.

Most recent of the System's Office of High School Relations efforts to assist counselors to provide students with information they need in preparing for academic success in college is the publication of Preparing for College (1977). Sixty thousand copies were distributed to secondary schools with the financial assistance of the Oregon Department of Education, to be used with younger students (8th, 9th, 10th graders). The booklet offers suggestions to assist students: (1) in preparing, while in high school, adequately to meet basic academic skill expectations at the freshman college level; (2) in increasing their options, once in college, by broadening their preparation in specific areas of academic interest; (3) in planning early to make appropriate choices among postsecondary options; and (4) in preparing to meet financial obligations involved in attending college.

- Special information program for college-capable minority. The System Office of High School Relations maintains a special program (federally funded) designed to identify college-capable prospects among minority and disadvantaged groups, to assist them in gaining admission to postsecondary institutions, and in securing the financial and other assistance necessary.
- Policies facilitating transition from high school to college. The System Office of High School Relations, in cooperation with System institutional representatives, seeks to assure maintenance of policies that ease the transition of high school students into college and university programs.

**JOINT STATEMENT BY THE STATE BOARD OF EDUCATION AND THE STATE BOARD OF
HIGHER EDUCATION (2003-04)**

(Adopted by the State Board of Education and the State Board of Higher Education, Meeting #718, May 16, 2003, pp. 151-152)

Joint Boards of Education Commitment to Quality

The link between enrollment and funding has a direct relationship to the quality of instruction offered by the public two-year and four-year colleges and universities in Oregon. In the absence of a state commitment to sustain quality in our postsecondary education systems, further declines in state funding will occur without regard to the quality of instruction offered.

By the 2003-04 fiscal year, both the State Board of Education and the State Board of Higher Education will implement policies setting maximum capacity levels of funded enrollment, based on and indexed to the level of state funding per full-time equivalent (FTE) student that existed for community colleges in 2001-02 and for OUS institutions for 2002-03.

The Joint Boards of Education are committed to the quality of the post-secondary educational experience and intend to demonstrate, through this funded enrollment level policy, that a “sustainable enrollment level” can be identified and must be tied directly to the funding allocated to public postsecondary education in any given fiscal period.

OUS Statement

In furtherance of its responsibility for Systemwide tuition policy in the Oregon University System, the State Board of Higher Education will assure that if a campus determines that it can enroll additional students beyond the limits of this enrollment-to-funding relationship—supported only by the tuition/fees of the enrollments—the institutions will take the necessary measures to assure that the quality of the student experience and the level of campus performance are maintained.

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LEGISLATIVE FACULTY EXCELLENCE AWARDS

(Adopted by the Oregon State Board of Higher Education, Meeting #506, October 21, 1983, pp. 323-324.)

The 1983 Legislative Assembly provided \$200,000 in discretionary funds to retain distinguished faculty to provide continuing salary supplements to a small number of highly qualified faculty within the System. The Board adopted the following statement of guidelines, attributes, and procedures for the selection of the recipients of the awards:

1. General guidelines for Legislative Faculty Excellence Awards.
 - a. The awards will be made to outstanding faculty whose continued presence on campus will generate intellectual and research activity.
 - b. The awards will be made primarily for contributions in scholarship and research. A few awards will be made to faculty who are making an unusual contribution to teaching. Teaching nominees should be not only outstanding teachers, but also participating in programs to improve teaching at the institutions.
 - c. All awards will provide recurring salary support.
 - d. The amount of the awards will vary from \$2,500 to \$10,000.
 - e. Institutions may nominate up to five candidates a year.
2. Attributes of candidates for Legislative Faculty Excellence Awards.
 - a. Candidates should have national or international reputations in research or teaching.
 - b. Evidence should be provided of the candidate's ability to attract and retain research support or to influence colleagues and students by their teaching.
 - c. Particular attention should be given to identifying women and minorities who meet the other attributes for nomination.
3. Procedures for selecting legislative faculty excellence award recipients.
 - a. The Chancellor will consult with the Academic Council, the presidents, and the Board on the proposed attributes and procedures. The Board president and the Chancellor will appoint a committee to review applications and select the award winners. In subsequent years, a committee selected from the recipients of

faculty development awards will advise the selection committee in making new awards.

- b. A letter requesting nominations for the awards will be mailed to the institutions around November 1, 1983.
- c. Nominations for awards in 1983-84 will be due in the Chancellor's Office by December 1, 1983.
- d. The selection of 1983-84 award recipients will be announced sometime after December 1, 1983.

MINORITY STUDENT ENROLLMENT INITIATIVE

(Adopted by the Oregon State Board of Higher Education, Meeting #549, May 15, 1987, pp. 232-243.)

The Minority Student Enrollment Initiative was proposed to achieve the goal of a more diverse student body in Oregon's eight public colleges and universities. The initiative is described below:

The Proposal

The goal of the Minority Student Enrollment Initiative is to double the enrollment of new freshmen, underrepresented minority students (145 in 1986) to 290 by fall 1989. Concurrently, all institutional student services and academic support programs would be directed to make every effort to improve the retention of those students once enrolled.

The Minority Student Enrollment Initiative has two components:

1. Better and more intensive recruitment efforts, and
2. Special financial incentives and support through a waiver of mandatory fees required for enrollment. Currently, all mandatory fees total approximately \$1,500.

First, extra and special recruitment efforts would be undertaken Systemwide and by each institution to identify, contact, and encourage qualified underrepresented minority students in Oregon to attend a state college or university.

Second, a waiver of mandatory fees for enrollment (about \$1,500) would be awarded to 146 Black, Hispanic, and Native American students enrolling as first-time freshmen who are Oregon residents and meet all regular admission requirements. Waivers would be awarded on a competitive basis by a committee on each System campus. The award would be renewed annually for up to five years (or a maximum of 15 regular academic terms) as long as the student completes 36 credit hours of coursework with a 2.00 GPA each academic year and makes normal progress toward an undergraduate degree. Applications for the awards would be solicited through recruitment activities and from schools, appropriate agencies, and organizations.

A total of 146 fee waivers would be allocated Systemwide each academic year of the biennium as follows:

<u>Institution</u>	<u>Number</u>	<u>Approximate Fee Waiver Amount</u>	<u>Approximate Totals (1 Year)</u>
UO	32	\$1,500	\$48,000
OSU	32	1,500	48,000
PSU	32	1,500	48,000
OHSU	10	1,500	15,000
SOU	10	1,500	15,000
WOU	10	1,500	15,000
EOU	10	1,500	15,000
OIT	<u>10</u>	1,500	<u>15,000</u>
TOTAL	146		\$219,000

Projected program cost for 1987-1989 biennium: \$569,400.

If an institution does not fully use its annual allocation by June 1, the remaining allocations would become available to other System institutions until all allocations are utilized. (Because this program is being considered late in the academic year, institutions would have until August 14, 1987, to fill their quotas for the fall 1987 class.)

Summary

The Minority Student Enrollment Initiative would immediately and realistically address the need in Oregon to provide a more representative pattern of enrollment by all segments of the population in Oregon's state colleges and universities. The System is confident that the benefits of this effort will also stimulate the enrollment of underrepresented minority students in other postsecondary institutions in Oregon. Lastly, and in addition, the System will pursue vigorously other programs that enhance the college enrollment and success of underrepresented minority students.

In approving the program, the Board noted that consideration would be given to the request to include the GED student population within the scope of the program. Flexibility should be maintained to permit necessary changes. Brief yearly reports should be submitted to the Board for information. At the end of four years from the inauguration of the program, the staff shall prepare a report for submission to the Board on the effectiveness of the program, describing how the program is working and evaluating what changes, if any, should be made to improve it.

NEW GRADUATE PROGRAMS, EXTERNAL REVIEW POLICY FOR

(Adopted by the Oregon State Board of Higher Education, Meeting #585, February 16, 1990, pp. 104-105.)

In spring 1988, the Board indicated an interest in altering its program review policies. One area of concern was the need for external reviews of new graduate level programs. The Board asked staff to provide recommendations to the following two questions:

- Should the Board conduct follow-up reviews of all new graduate level programs approved by the Board to assure that the campuses did, in fact, implement programs as they were approved to do?
- With continuing concerns about duplication of effort among campuses at the graduate level as well as concerns about the adequacy of the Oregon University System's financial resources, how can the Board be certain that new graduate programs will meet a desired standard for quality and nonduplication of effort?

In response to these concerns, staff began working in the summer of 1988 to collect data on graduate level programs and to survey other states' approaches to graduate level program review.

Once drafted, the external review procedure was reviewed by faculty between June and November 1989. Revisions were made in the procedure as a result of this review. The recommended policy, which follows, and guidelines were approved by the Academic Council at its December 13, 1989, meeting.

External Review Policy for New Graduate Programs

- 1 Any new graduate program requests must be accompanied by an external review report.
- 2 The Vice Chancellor for Academic Affairs, working with an OUS Council of Graduate Deans, shall determine if an external review will be required for a request for a new center or institute. An external review for a center or institute should be customary if there will be a significant and long-term state investment of resources and/or the center or institute involves a significant instructional component.
- 3 The Guidelines for the External Review of New Graduate Programs is the procedure to be followed for all external reviews. (A copy of those guidelines is on file in the Board's office.)

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NEW INSTRUCTIONAL PROGRAMS, GUIDELINES FOR REVIEW OF

Information To Be Submitted in Support of Requests for Authorization to Offer New Degree or Certificate Programs or New Areas of Specialization for Existing Programs

(Endorsed by Oregon State Board of Higher Education, Meeting #429, March 23, 1976, pp. 281-285; Guidelines are taken from pp. 17-22 of the document entitled, "Request for Board Endorsement of Guidelines Proposed by Oregon Educational Coordinating Commission Relating to Review of New Programs and Locations," dated February 24, 1976, and presented to Committee on Instruction, Research, and Public Service Programs.)

(Name of Institution)

PROPOSAL FOR THE INITIATION OF A NEW INSTRUCTIONAL PROGRAM LEADING TO THE (name of degree or certificate) IN (academic specialty or area)

Description of Proposed Program

1. Definition of Academic Areas

- a. Define or describe the academic area or field of specialization with which the proposed program would be concerned.
- b. What subspecialties or areas of concentration would be emphasized during the initial years of the program?
- c. Are there other subspecialties the institution would anticipate adding or emphasizing as the program develops?
- d. Are there other subspecialties the institution intends to avoid, in developing the program?
- e. When will the program be operational, if approved?

2. Department, School, or College Responsible

- a. What department and school or college would offer the proposed program?
- b. Will the program involve a new or reorganized administrative unit within the institution?



3. Objectives of the Program

- a. What are the objectives of the program?
- b. How will the institution determine how well the program meets these objectives? Identify specific post-approval monitoring procedures and outcome.
- c. How is the proposed program related to the mission and academic plan of the institution?
- d. What are the employment outlets and the employment opportunities for the institution?

4. Relationship of Proposed Program to Other Programs in the Institution

List the closely related program and areas of strength currently available in the institution that would give important support to the proposed program.

5. Courses of Study

- a. Describe the proposed course of study.
- b. What elements of this course of study are presently in operation in the institution?
- c. How many and which courses will need to be added to institutional offerings in support of the proposed program?

6. Admission Requirements

- a. Please list any requirements for admission to the program that are in addition to admission to the institution.
- b. Will any enrollment limitation be imposed? Please indicate the limitation and rationale therefor. How will those who will be enrolled be selected if there are enrollment limitations?

7. Relationship of Proposed Program to Future Plans

- a. Is the proposed program the first of several curricular steps the institution has in mind in reaching a long-term goal in this or a related field?
- b. If so, what are the next steps to be, if the Board approves the program presently being proposed?

8. Accreditation of the Program

- a. Is there an accrediting agency or professional society that has established standards in the area in which the proposed program lies? (Please give name.)
- b. If so, does the proposed program meet the accreditation standards? If it does not, in what particulars does it appear to be deficient? What steps would be required to qualify the program for accreditation?
- c. If the proposed program is a graduate program in which the institution offers an undergraduate program, is the undergraduate program fully accredited? If not, what would be required to qualify it for accreditation? What steps are being taken to achieve accreditation?

Need

9. Evidence of Need

- a. What evidence does the institution have of need for the program? Please be explicit.
- b. What is the estimated enrollment and the estimated number of graduates of the proposed program over the next five years? If the proposed program is an expansion of an existing one, give the enrollment in the existing program over the past five years.

Is the proposed program intended primarily to provide another program option to students who are already being attracted to the institution, or is it anticipated that the proposed program will draw its clientele primarily from students who would not otherwise come to the institution were the proposed program not available there?

- c. Identify statewide and institutional service area manpower needs the proposed program would assist in filling.
- d. What evidence is there that there exists a regional or national need for additional qualified persons such as the proposed program would turn out?
- e. Are there any other compelling reasons for offering the program?
- f. Identify any special interest in the program on the part of local or state groups (e.g., business, industry, agriculture, professional groups).

- g. Have any special provisions been made for making the complete program available for part-time or evening students?

Duplication of Effort

10. Similar Programs in the State

- a. List any similar programs in the state.
- b. If similar programs are offered in other institutions in the state, what purpose will the proposed program serve? Is it intended to supplement, complement, or duplicate existing programs?
- c. In what way, if any, will resources of any other institutions be utilized in the proposed program?

Resources

11. Faculty

- a. List present faculty who would be involved in offering the proposed program, with pertinent information concerning their special qualifications for service in this area.
- b. Estimate the number, rank, and background of new faculty members that would need to be added to initiate the proposed program (that would be required in each of the first four years of the proposed program's operation, assuming the program develops as anticipated in item 9b). What kind of commitment does the institution make to meeting these needs? What kind of priority does the institution give this program in staff assignment?
- c. Estimate the number and type of support staff needed in each of the first four years of the program.

12. Library

- a. Describe in as objective terms as possible the adequacy of the library holdings that are relevant to the proposed program (e.g., if there is a recommended list of library materials issued by the American Library Association or some other responsible group, indicate to what extent the institution's library holdings meet the requirements of the recommended list).

- b. How much, if any, additional library support will be required to bring the library to an adequate level for support of the proposed program?
- c. How is it planned to acquire these library resources?

13. Facilities and Equipment

- a. What special facilities in terms of buildings, laboratories, equipment are necessary to the offering of a quality program in the field and at the level of the proposed program?
- b. What of these facilities does the institution presently have on hand?
- c. What facilities beyond those now on hand would be required in support of the program?
- d. How does the institution propose these additional facilities and equipment shall be provided?

14. Budgetary Impact

- a. Please indicate the estimated cost of the program for the first four years of its operation, following the format found at the end of this document.
- b. If a special legislative appropriation is required to launch the program (as shown in item 4b of the estimated budget), please provide a statement of the nature of the special budget request, the amount requested, and the reasons a special appropriation is needed. How does the institution plan to continue the program after the initial biennium?
- c. If federal or other grant funds are required to launch the program (items 4c and 4d), what does the institution propose to do with the program upon termination of the grant?
- d. Will the allocation of going-level budget funds in support of the program have an adverse impact on any other institutional program? If so, which program and in what ways?

Instructions for Filling Out Summary Table

The table is intended to show the budgetary impact resulting from offering the new program. The table should be filled out from the viewpoint of the budgetary unit that will be responsible for the new program. Determine what the budgetary unit will be doing as a result of the new program that it is not now doing in terms of new or additional activities, and show what these

will cost whether financed and staffed by shifting of assignments within the budgetary unit, reallocation of resources within the institution, special appropriation of the legislature, or gift, grant, or other funds.

For example, if the program is simply a rearrangement of courses already being offered, drawing on library resources purchased for other programs, and with no requirements for new or additional specialized facilities or equipment and no increase or decrease in students served by the budgetary unit responsible for the program, the budgetary impact is zero and will be so reported in the table.

If the program will require the budgetary unit to offer new courses or additional sections of old courses or other new or additional activities without increase in FTE or other resources assigned the budgetary unit, indicate that FTE of any changed assignment given faculty within the budgetary unit or reallocation of other resources in support of these new courses or activities. If FTE faculty or support staff assigned to the budgetary unit must be increased to handle an increased workload occasioned by the new program or to provide added competencies, indicate the total resources required to handle the new activities and workload (e.g., additional sections of existing courses) occasioned by the new program and footnote each item as to (1) how much of this total figure is from reassignment within the budgetary unit, and (2) how much is from resources new to the budgetary unit to enable them to offer the program.

SUMMARY OF ESTIMATED COSTS FOR PROPOSED PROGRAM

	First Year Amount FTE	Second Year Amount FTE	Third Year Amount FTE	Fourth Year Amount FTE
1. Personnel				
a. Faculty	\$ _____	\$ _____	\$ _____	\$ _____
b. Graduate Assistants	\$ _____	\$ _____	\$ _____	\$ _____
c. Support/Personnel	\$ _____	\$ _____	\$ _____	\$ _____
d. Fellowships/Scholarships	\$ _____	\$ _____	\$ _____	\$ _____
TOTAL	\$ _____	\$ _____	\$ _____	\$ _____
Percentage of Total from State Funds	_____ %	_____ %	_____ %	_____ %
2. Other Resources	<u>Amount</u>	Amount	Amount	Amount
a. Library	\$ _____	\$ _____	\$ _____	\$ _____
b. Supplies/Services	\$ _____	\$ _____	\$ _____	\$ _____
c. Movable Equipment	\$ _____	\$ _____	\$ _____	\$ _____
TOTAL	\$ _____	\$ _____	\$ _____	\$ _____
Percentage of Total from State Funds	_____ %	_____ %	_____ %	_____ %
3. Physical Facilities	<u>Amount</u>	Amount	Amount	Amount
Construction of new Space of Major Renovation	\$ _____	\$ _____	\$ _____	\$ _____
Percentage of Total from State Funds	_____ %	_____ %	_____ %	_____ %
GRAND TOTAL	\$ _____	\$ _____	\$ _____	\$ _____
Percentage of Total from State Funds	_____ %	_____ %	_____ %	_____ %
4. Source of Funds	<u>Amount</u>	Amount	Amount	Amount
a. State Funds-Going-Level budget	\$ _____	\$ _____	\$ _____	\$ _____
b. State Funds-Special	\$ _____	\$ _____	\$ _____	\$ _____
c. Federal Funds	\$ _____	\$ _____	\$ _____	\$ _____
d. Other Grants	\$ _____	\$ _____	\$ _____	\$ _____
e. Fees, Sales, etc.	\$ _____	\$ _____	\$ _____	\$ _____
TOTAL	\$ _____	\$ _____	\$ _____	\$ _____

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NEW INSTRUCTIONAL PROGRAMS, FOLLOW-UP REVIEW OF EXTERNAL REVIEW

(Adopted by the Oregon State Board of Higher Education, Meeting #594, December 21, 1990, pp. 654-657; Amended at Meeting #688, April 21, 2000, p. 39 [also see System Strategic Planning Committee docket and minutes, April 21, 2000])

Policy for External Review of New Graduate-Level Academic Programs

Each Oregon University System (OUS) institution requesting a new graduate-level professional or graduate degree program, or significant new option within an existing graduate degree program, must complete an external review of the proposed program. The purpose of the external review is to consider the proposed program in relation to the Board's four goals—quality, access, employability, and cost-effectiveness—and include evaluation that uses the criteria set forth in IMD 2.015(2) for review of new academic programs. These criteria are:

- The needs of Oregon for higher education and the state's capacity to respond effectively to social, economic, and environmental challenges and opportunities.
- Student demand that may not be met satisfactorily by existing programs.
- Program duplication is primarily of concern at the graduate and professional levels; therefore, a duplicated graduate or professional program must be specifically justified in terms of state's needs, demand, access, and cost-effectiveness.
- The resources necessary for the program are available within existing programs; have been identified within existing budgets and will be reallocated; or will be secured to meet reasonable time lines for implementation, typically within a two-year limitation.
- The congruity of the proposed program with the campus mission and its strategic direction.
- Where appropriate and feasible, the program is a collaboration between two or more institutions that maximizes student access, academic productivity, and quality.

Guidelines for External Reviews

The External Review Panel

The external review process for a proposed new graduate-level degree program must include a site visit by a panel composed of three highly qualified individuals in the specific field/discipline of the proposed program. Although scholars and professionals from Oregon may be included, the majority of the panel members must be selected from peer institutions outside the state. Only under extraordinary circumstances may an individual from an Oregon University System institution serve on the panel.

The selection of the panel members shall be determined by the Vice Chancellor for Academic Affairs, in consultation with the institution, from a list of candidates provided by the proposing institution.

Institutional Responsibilities

Site Visit

Invitations to serve on the external review panel and to act as chair are extended by the institution. The institution will provide panel members with (1) the full written program proposal, (2) participating faculty vitae, (3) the projected budget, (4) other supporting or contextual materials, as needed, and (5) a site-visit schedule and itinerary, including all arrangements. All costs associated with the external review will be borne by the institution.

Report and Institution's Response

On the basis of its visit, review of materials, and panel members' expertise, the panel will make a written report for which guidelines are provided. After receipt of the panel's report, the institution may elect to withdraw the program proposal from further consideration and notify the Vice Chancellor for Academic Affairs that the external review panel has satisfied its charge.

If the institution wishes to proceed, the academic unit must respond, in writing, to the panel's recommendations and assessments. The revised program proposal, external review report, and any institutional responses will be submitted to the Vice Chancellor for Academic Affairs, for consideration by the Academic Council. Subsequently, the review and approval process set forth in IMD 2.015(3) for all new academic programs will be followed, including provision for an institution to submit for Board consideration a program proposal that does not have the support of the Academic Council or the Chancellor's Office.

External Review Panel Responsibility

The external review panel's primary task is to evaluate, not investigate. All data, information, documentation, and supporting material will be provided by the institution, thus enabling the panel to focus its efforts on the review.

The panel is responsible for preparing the final report in a timely manner. The report will be based primarily on the full panel's evaluation of the written program proposal and the information gathered during the site visit, and will address areas set forth in these guidelines. Once completed, the chair will send the report to the institution president or provost, and graduate dean; a copy will be provided to the academic unit that developed the program proposal.

Report Guidelines

The panel is asked to assess the program within both the present and projected-future contexts.

Program

Please assess:

1. The program objectives and requirements; the mechanisms for program administration and assessment.
2. The program's alignment with the institution's mission and strategic objectives.
3. The depth and breadth of coverage in terms of faculty availability and expertise, regular course offerings and directed study, and access to and use of support resources within and external to the institution.
4. The relationship of this program to undergraduate and other graduate programs at the institution, and other institutions in the state, if appropriate. Consider collaborative arrangements, partnerships, interdisciplinary programs, service functions, joint research projects, support programs, etc.
5. The justification in terms of state needs, demand, access, and cost-effectiveness (if this program represents System duplication).
6. The probable impact of the program on the department or academic unit, as well as its effect on current programs.
7. The program's major strengths and weaknesses.

Faculty

Please assess:

1. The quality of the faculty in terms of training, experience, research, scholarly contributions, ability to generate external support, stature in the field, and qualifications to serve as graduate faculty.
2. The faculty in terms of size, qualifications for area(s) of specialization offered, and the student body served. Include analysis of program sustainability in light of such factors as upcoming retirements, etc.
3. Areas of faculty strength and weakness.

4. Faculty workload, including availability for student advising, research oversight, mentoring, and teaching effectiveness.
5. The credentials, involvement of, and reliance upon support faculty from other departments within the institutions, from other institutions, and/or adjunct faculty.

Need

Please assess:

1. The evidence that there is significant demand for this program.
2. The evidence of sufficient and relevant employment opportunities for graduates of this program.
3. The overall need for the program within the institution, the Oregon University System, state and/or region, and nation.

Resources

Please assess:

1. The adequacy of library, computer, laboratory, and other research facilities and equipment; offices; classrooms; and support services for the program; and, if relevant, the program's utilization of resources outside the institution (e.g., field sites, laboratories, museums, libraries, and cooperative arrangements with other institutions).
2. The proposed budget and any need for new resources to operate the program effectively. Where appropriate, review resources available to support graduate students (e.g., fellowships and other scholarships, teaching and research assistantships).
3. In terms of national standards, the institution's commitment to the program as demonstrated by the number of faculty relative to workload and student numbers, support for faculty by nonacademic personnel (e.g., support, staff, technicians), financial support for students, and funds for faculty research and professional activities (e.g., conferences, visiting lectures).
4. Institution leaders' commitment to this program in the long term.
5. The institution's ability to sustain the program in the foreseeable future along with its current and future projected commitments.

OCATE MISSION STATEMENT AND STRATEGIC OBJECTIVES

(Adopted by the Oregon State Board of Higher Education, Meeting #534, February 21, 1986, p. 71. See also Meeting #533, January 17, 1986, pp. 6-8 and 35-40.)

The Oregon Center for Advanced Technology Education (OCATE) will act as a facilitator, coordinator, and promoter of cooperative, world-class, graduate-level, advanced technology education. OCATE will bring together the best faculty from Oregon's public and private higher education institutions, leading industrial researchers, and out-of-state experts to provide state-of-the-art technological and business education to the advanced technology industries in Oregon.

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OFF-CAMPUS INSTRUCTION

(Adopted by the Oregon State Board of Higher Education, Meeting #480, October 23, 1981, pp. 580-585; amended Meeting #482, January 22, 1982, pp. 11-15.)

1. There shall be maintained in the System a centrally coordinated, institutionally based off-campus instructional program, with funding of off-campus enrollments in the same manner as on-campus enrollments.

Should the legislature not authorize funding for off-campus enrollments in the same way as on-campus enrollments, the institutions may offer such instruction as self-support courses.

2. Campus enrollments are state-funded enrollments for credit in: (1) courses conducted within the campus boundaries; and (2) courses that must be offered outside the boundaries because resources or facilities necessary to conduct the courses are available only in off-campus locations (e.g., student teaching, clinical experience, marine science instruction at Newport and Charleston). (Institutions may also schedule courses within the campus boundaries that are taught under contract or agreement where the sponsoring agency pays the full cost of instruction or which are self-supporting from fee income.)
3. Off-campus enrollments are enrollments for credit in courses taught at a location outside the campus boundaries in order to make the courses and programs of the institution more accessible geographically. Such enrollments are limited to:
 - a. Upper division or graduate courses.
 - b. Lower division courses outside a community college or area education district.
 - c. Lower division courses inside a community college or area education district offered with the approval of the district.
4. Off-campus instructional programs will be limited to courses and activities scheduled for the convenience of part-time students.
5. Responsibility for off-campus noncredit courses and activities is shared among the institutions, according to institutional interest, resources, and the interests of the publics to be served. Generally, with the exception of programs of the Oregon State University Extension Service and the Labor Education Resources Center at the University of Oregon, noncredit courses and activities do not receive state-fund support and none is proposed.

Institution Responsibilities

6. The System's coordinated off-campus instructional program shall be based on the strengths of the institutions as regional instructional centers and statewide providers of educational programs. Each institution will have primary responsibility for service to the geographic area in which it is located and will assist other institutions that may, in accordance with centrally approved plans, wish to schedule programs and courses in the region.
7. In addition to its regional responsibilities, each institution will have a statewide responsibility to identify, organize, and administer off-campus programs in curricular areas and specialties unique to the institution.
8. Institutions will have a shared responsibility for serving regions of the state outside their respective geographic service areas. All such programs will be conducted in accordance with centrally approved plans. When a choice must be made among two or more System institutions seeking to serve a specific clientele in a specific location, the Board's office will give consideration to the appropriateness of the proposed program to the need to be served, geographic proximity, ability and willingness to make available resources necessary to offer a program of good quality, and the expressed preference, if any, of the clientele to be served.
9. The institutions are encouraged to examine ways in which their regular degree programs can be made more accessible to the nontraditional student through appropriate modifications in such areas as admissions, registration, counseling, scheduling of courses, format of courses, system of delivery, location of courses, interpretation of residence credit required.
10. Efforts will be made to assure that there shall be no distinction in quality between an institution's on- and off-campus and programs:
 - a. Admissions and prerequisites requirements for credit courses and programs offered off-campus shall be the same as for on-campus courses and programs of the same kind.
 - b. Curricular allocations and course authorizations as approved by the Board shall apply to all credit course offerings, on and off campus.
 - c. Adjunct faculty employed to teach off-campus credit courses shall be subject to the same appointment criteria and review procedures as regular faculty and shall be fully qualified to be informed as to the standards and grading practices of the department approving the instructional assignment.

- d. Degree requirements for programs offered in off-campus locations shall be the same as for on-campus programs, except as specifically indicated in respect to residency requirements. Residency requirements for off-campus programs shall specify a minimum number of hours that must be completed in course work taught by members of the regular campus-based instructional staff.
 - e. Before authorization is granted for the scheduling of credit courses or programs in an off-campus location, arrangements must be completed for student access to library resources, counseling, and support services adequate to the instruction proposed.
11. Arrangements to offer a degree program in a specific off-campus setting under the off-campus instructional policies of the Board is not and shall not be considered or described as establishment of a branch campus. Institutions will develop and implement procedures to assure that all persons and agencies associated with off-campus instructional programs of the System are cognizant of the limited nature of the programs.
 12. The Board's office will work with the institutions in assuring the orderly development of extended degree programs and appropriate coordination of these efforts with Oregon's community colleges and independent colleges and universities.
 13. Subject to applicable statutory requirements, the institutions may procure off-campus office and classroom space through rental, lease, or cooperative arrangements with non-System organizations and agencies in order to provide a consistent location for registration, information, and instructional services offered in the off-campus programs. Acquisition of such a facility does not constitute establishment of a branch campus, and the costs of the facility will be charged to the programs served.
 14. Off-campus instructional programs shall be scheduled within the geographic boundaries of the state, with the following exceptions:
 - a. Courses that are a part of the regular curricula of the sponsoring institutions, but that must be offered in out-of-state locations because the facilities necessary to conduct the courses are only available in those locations (e.g., foreign study).
 - b. Courses offered through independent study (correspondence and multimedia courses).
 - c. Credit courses that are supported entirely by student fees and other nonstate income offered in regions contiguous to Oregon which are a part of the sponsoring institution's natural geographic service area, and are not a part of the natural service area of an out-of-state institution offering similar instruction.

- d. Courses and activities, credit and noncredit, offered in the Northwest region and elsewhere, which make available specialized expertise of regular campus-based faculty, when this can be done without penalty to the campus programs and when the entire cost of the offering is covered by fees, grants, gifts, and/or contract funds.

Coordination

15. Central coordination of off-campus instruction, credit and noncredit, including independent study (correspondence and multimedia courses), in the System will be provided through the Board's office of Academic Affairs, working in cooperation with an interinstitutional council on off-campus education. Specifically, the Board's office will work with the institutions in coordinating policies and procedures for off-campus instructional programs, avoiding unnecessary program duplication, insuring maximum use of resources, providing special reports to interested groups, serving a clearinghouse function, adjudicating issues that may arise concerning off-campus instruction, and promoting off-campus educational opportunities for citizens residing in areas remote from campuses of the System.
16. It is expected that the System institutions will adhere to the Joint Statement adopted by the State Board of Higher Education and the State Board of Education concerning coordination of off-campus credit and noncredit education and articulation among and between two- and four-year colleges and universities and secondary schools, and to any subsequent changes in that Statement as may be agreed to by the two Boards.

In accordance with this Statement, intersegmental regional coordination of credit and noncredit off-campus programs in Oregon will be maintained through regional coordinating meetings of the institutional presidents (System, community college, independent college and university) or their designees; necessary intersegmental coordination on the state level will be accomplished through consultation between the Board's office and the State Department of Education and independent institution representatives, or through the System/Community College Coordinating Committee, as appropriate, with a participation of such other individuals and agencies as may be necessary. Any intersegmental issues related to coordination that cannot be resolved agreeably by the segments concerned may be referred to the Educational Coordinating Commission for review and recommendation.

OREGON HONORS SCHOLARSHIP PROGRAM

(The Chancellor presented a *Campaign for Excellence* to the Oregon State Board of Higher Education at its Meeting #494 on October 22, 1982, pp. 468-470. An important element in the *Campaign for Excellence* was referred to as the *Oregon Presidential Scholarship Program*, and the nonresident scholar plan was an outgrowth of that proposal.)

Awards in the amount of \$1,000 (as a deduction against the out-of-state instruction fee), renewable for a maximum of four years, are granted to attract highly qualified nonresident scholars who might otherwise elect not to attend System institutions because of the high nonresident instruction fee. A maximum of \$500,000 plus the number of continuing students times \$1,000 in nonresident fee remission is available for this purpose each year.

The number of new students each year shall be limited to the following distribution (unused quota in a given year will not be continued into an ensuing year):

<u>Institution</u>	<u>Undergraduates</u>	<u>Graduates</u>	<u>Total</u>
UO	100	20	120
OSU	100	20	120
PSU	75	10	85
WOU	50	10	60
SOU	50	10	60
EOU	0	5	5
OIT	<u>50</u>	<u>0</u>	<u>50</u>
TOTAL	425	75	500

The institutions shall establish standards and procedures for administering the award program, including criteria to determine outstanding academic programs (high school grades) and potential for college success (test scores) and indication that the student probably would not attend or continue without this incentive. Scholarships continue for students enrolled in good standing as long as the student is classified as a nonresident. Students who become resident students for fee purposes are no longer eligible for the Oregon Honors Scholarship Program.

Institutions shall record the basis on which academic potential was determined and track the continued enrollment for each recipient. Quota use (new and continuing students) shall be reported to the Office of Academic Affairs annually. Unused quota in a given year will not be continued into an ensuing year. Students who received Oregon Honors Scholarships in 1983-84 and 1984-85, and who are currently enrolled, will be reported in the quota use tally; students who received residency exceptions based on merit in 1983-84 and 1984-85 will not be reported in the continuing quota count.

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PRESIDENTIAL SEARCH PROCESS

(Adopted by the Oregon State Board of Higher Education, Meeting #535, March 21, 1986, pp. 122-130; amended Meeting #560, February 17, 1988, pp. 64-70; Meeting #570, October 21, 1988, pp. 564-570; Meeting #581, October 20, 1989, pp. 457-463; Meeting #623, October 22, 1993, pp. 500-508; Meeting #627, April 22, 1994, pp. 130-136; Special Meeting, January 29, 1997, pp. 41-50; Meeting #667, October 17, 1997, pp. 462-472. The process approved by the Board is presented below in narrative form. See also discussion, Meeting #558, December 18, 1987, pp. 602-609. Amendments were last approved by the Board in Meeting #667, pp. 462-472; Repealed, Meeting #843, October 8, 2010.)

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PROGRAM CLOSURES, SUSPENSIONS, AND ELIMINATIONS

Internal Management Directive 2.001 (1): The "Board shall act on institutional requests for modification of existing curricular allocations, including addition and deletion of curricular programs, ...in accordance with Board policies..."

Oregon Revised Statute 351.200: The Board "may direct the elimination of duplicate work from any institution, and determine and define the courses of study and departments to be offered and conducted by each institution."

Statement on "Board Posture Toward Curricular Allocations," Item 2, Paragraph 2: "Curricular planning includes not alone the identification of unmet educational needs and the development of programs designed to serve them; it includes, as well, the responsibility to evaluate in some systematic, orderly way and to reduce or to eliminate those whose continuance at current levels cannot be justified by defensible criteria."

Policies With Respect to Institutional Closure, Student Access, Reduction and Elimination of Programs

(Endorsed by the State Board of Higher Education, Meeting #477, May 29, 1981, pp. 302 and 372-375.)

The president of the Board prepared and presented to the Board for review and discussion a statement, entitled Problems of Higher Education in Oregon—A Response. It set forth assumptions that had been expressed concerning higher education and commented on those assumptions, citing data pertaining to them. The issue of quality and the effects of the financial crisis on quality were reviewed. The question of institutional closure and student access were addressed. The statement concluded with a series of recommendations for dealing with what was believed to be a temporary financial crisis so that programs essential to the missions of the institutions or the System would be maintained and outstanding programs will be protected. (That portion of the statement appears below.)

"Another solution periodically suggested is that one or more institutions be completely closed. The Governor does not agree with such a solution. The State Board of Higher Education does not agree with such a solution. We believe that most of the public and most legislators do not agree that this is a viable solution. We believe this because the information that we have does not show that closing an entire institution is going to save appreciable amounts of money and may even increase costs in some respects. Without restricting access, the students would simply go to other institutions, creating need for new facilities and additional faculties there. Although there would possibly be some small saving in administrative costs, there would also be exceedingly uneconomic, even wasteful, use, if any, of existing facilities, to say nothing of imposing probably disastrous economic consequences upon the communities where the schools now exist.

"We have proposed that the manner in which access will be restricted will be through the closing or reducing in size of programs which we have instructed the institutions to identify. The Board will have the final decision as to which programs will be reduced or eliminated.

"This information is not yet available, but one of the central problems with the legislature is the request that we identify those programs before a determination has been made by the legislature that it is necessary. Although the fact that such identification may create a self-fulfilling prophecy is recognized to some extent by the legislature, nonetheless they continue to press for that information as necessary to their deliberations.

"The concern has also been expressed by members of the Higher Education Subcommittee of Ways & Means that the presidents cannot or will not identify programs to be reduced. One statement is that "the institutions cannot do it—their mission is to grow." Another assumption seems to be that the presidents will not do so because of their relationships and obligation to the various faculties.

"I would ask the question, 'If they will not or cannot, where will the information upon which an informed decision must be based, come from?'

"My confidence in the presidents is greater than that. They are paid (more or less well paid) to make such difficult decisions. They know where the programs are which will do the least damage to the institution and to the System. They are not as beholden to the faculties as popularly assumed. Most of the complaints I have received from faculty members about the presidents have been over their carrying out of Board decisions.

"We must rely upon them because I doubt if this Board or even the Chancellor's Office, except in isolated instances, could really identify those programs which are weakest and where the public loss will be the least upon their elimination. We also know that weak programs have been eliminated or reduced in the past.

"If the public choice, after adequate public debate, is that we provide more quality for fewer students with less money, we will do so.

"It will not be done by some of the methods discussed herein which have been suggested to us.

"We will, of course, if it is insisted upon, be required to identify the programs which we would intend to eliminate that would have the effect of reducing student access. It is my opinion, however, that higher education and the public interest would be better served by simply requesting that the legislature tell us how much money we are to receive and assuring that we will make the hard decisions that they are asking for. I believe that such

a posture is consistent not only with good judgment, but the statutory scheme for a system of higher education in Oregon. I recommend a careful reading of ORS 351.070, 351.110, and 351.200.

"It is entirely within the province of the legislature to change the entire System for providing higher education in Oregon, or even to abolish it; however, I do not believe that it is their prerogative under present legislation to supervise the educational programs or to define the courses of study and departments to be offered and conducted by each institution.' (ORS 351.200(1)) This will, of course, be the effect, directly or indirectly, of their reviewing programs at the institution level and making decisions as to funding that may result in their closure or continuation.

"The presidents and the System are apparently being confronted with a legislative procedure which will encourage not more for less, but as earlier stated, less for less.

"I certainly agree that there is necessity for coordinated effort by the State Board, otherwise we will only shift students from institution to institution or to other segments of education. I believe we have already established a mechanism by which coordinated effort will be achieved.

"It seems to me that we face a dilemma. What incentive is there to cut programs if some of the savings cannot be, at least in some substantial part, devoted to improvement of the remaining programs?

"Am I suggesting that we do nothing?

"I am not. To adopt such a posture is to risk the continuing deterioration of outstanding programs to maintain the mediocre.

"I believe that first of all the legislature should be urged to make every effort to fund higher education at the minimum levels suggested in the Governor's budget.

"In fact, Bill Barrows, the legislative fiscal analyst, has recommended approval of the Governor's budget for 1981-82. (Parenthetically, it should be noted that he has made some other policy proposals that I believe merit careful consideration.)

"It should be made very clear that if growth continues, as it has, eliminating programs to deal with what we certainly hope (and many believe) is a transitory financial crisis, will have a long-range impact and cost which may be greater than the short-range savings, since these programs cannot be restarted without great public expense if future circumstances require it.

"I do recommend that the Chancellor be directed to work with the presidents to determine those programs which can be eliminated with the least damage to the

institution and to the System, and that the following criteria be applied (among others which may be suggested by this Board or by the Chancellor's Office):

- (1) Those programs, which are central to the mission of the institution, will be maintained.
- (2) Those programs, that are essential to the System's mission as an educational delivery system as a whole, will be maintained.
- (3) The large measure of statewide public services now provided to Oregon's citizens and industries should be maintained.
- (4) Elimination should not be considered where the result will simply be to shift the burden to another institution or to some other segment of education.
- (5) Where quality is marginal or cost of maintenance or upgrading is disproportionate to the importance of the program to the mission of the institution and the System, it may be eliminated. These programs should be identified as soon as possible and elimination considered whether or not the Governor's budget is funded.
- (6) Outstanding programs will be protected. I do not think that that is a necessary assumption under some of the proposed legislative changes. An example is the continuing proposal to discontinue all physical education service courses. As I understand it, this would cripple what has just recently been identified as one of the five best P.E. schools in the country at the University of Oregon.

"Last, it is my proposal that the legislature consider that some substantial proportion of the savings which can be obtained from the elimination of programs be retained by the institution or the System for improvement of its other programs. This will encourage rather than discourage a hard look at programs that could be eliminated.

"I know this will not be particularly attractive to the presidents, but I believe that their choice is that they will have a reduced number of programs with reduced funds, or a reduced number of programs with more adequate funding for the remainder in the future.

"I do not believe that this can be accomplished before this legislature completes its deliberations. It will take time and effort, but I believe that it is a proposal which should be made to the legislature for the future if present levels of funding for higher education in Oregon are not to be improved."

REDEDICATION OF PHYSICAL FACILITIES

(Adopted by the Oregon State Board of Higher Education, Meeting #406, September 26, 1972, pp. 657-661.)

The following guidelines were approved for establishing the amounts of adjustments to the appropriate bond sinking fund reserves upon the rededication of buildings and facilities from one type of use to another:

1. For buildings and facilities 30 years of age or older, no adjustment would be required upon rededication.
2. For buildings and facilities less than 30 years of age that are no longer needed for the original or modified purpose prior to the proposed rededication:
 - a. If purchased for cash, the adjustment shall be equal to the capitalized value less depreciation calculated at the rate of two percent per year for the first ten years and at the rate of four percent per year thereafter; provided, however, that for buildings and facilities other than student residence halls and food service units, for which the debt service requirements are consolidated on a Systemwide basis, the amount of the adjustment shall not be less than the balance of any bonded indebtedness incurred for that building or facility.
 - b. If leased temporarily or sold on contract, the rental or annual payment shall be equal to the annual debt service requirement applicable to that building or facility for a period of time equal to the difference between the age of the building and 30 years. (For example, if the building is already 20 years old, the annual payment would be made for ten years.)
3. For other desired rededications of buildings and facilities that are less than 30 years old:
 - a. If purchased for cash, the adjustment shall be determined from the current market value of the building or facility.
 - b. If leased temporarily or sold on contract, the rental or annual payment shall be based upon current commercial rates for comparable space.

(Note: Exceptions to guidelines 1, 2, and 3 above may be necessary or desirable under those circumstances where gift and/or grant funds were used to finance the building or facility, or a portion thereof, subject to certain conditions or obligations, or where major rehabilitation or remodeling of the building or facility has been undertaken.)

4. Land rededication:
 - a. If the property was purchased prior to July 1, 1963, no adjustment would be required. (Prior to July 1, 1963, all land purchases were financed from General Fund appropriations or other state fund resources. By Board action on June 12, 1962, the land acquisition policies were revised, effective July 1, 1963, to require that land needed for future sites of dormitories or buildings and facilities of other self-sustaining auxiliary enterprises would be financed from auxiliary activity earnings, building fees, or from proceeds from bond issues secured by such revenues, with the understanding that if the properties were rededicated for general institutional purposes, the restricted funds would be reimbursed for the value of the land.)
 - b. If the property was purchased after July 1, 1963, full reimbursement would be provided plus interest at the rate prevailing at the time of original purchase.

**REIMBURSEMENT TO RESIDENCE HALLS FOR SPACES UTILIZED ON A TEMPORARY
BASIS FOR OTHER PURPOSES**

(Adopted by the Oregon State Board of Higher Education, Meeting #397, July 26,
1971, pp. 521-522.)

When residence hall spaces are used for educational or administrative purposes on a temporary basis, payment shall cover utilities, maintenance, insurance, administrative costs, and the same rate of debt service that is required for the space used as dormitories.

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REORGANIZATION OF INSTITUTIONS, MAJOR ADMINISTRATIVE

(Adopted by the Oregon State Board of Higher Education, Meeting #429, April 29, 1976, pp. 381-382)

Major internal administrative reorganizations of the institutions will be reported to the Board.

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SEXUAL HARASSMENT

(Adopted by the Oregon State Board of Higher Education, Meeting #754, September 9, 2005, pp. 956-958)

Sexual harassment is contrary to the mission, goals, and positive learning environments of the Oregon University System and its institutions. Each institution shall set forth its policy; shall establish effective means to notify the university community of the policy; shall provide mechanisms to educate the university community regarding the policy and its application; shall ensure fair investigations and review of allegations of sexual harassment; and shall periodically evaluate the effectiveness of its policies and procedures.

Institution policies shall:

1. Use common definitions of "Sexual Harassment." For students, sexual harassment is defined in the Board's Administrative Rule, OAR 580-015-010(2). For employees, sexual harassment is unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature when:
 - (a) Submission to such advances, requests, or conduct is made either explicitly or implicitly a term or condition of an individual's employment; or
 - (b) Submission to or rejection of such advances, requests, or conduct by an individual is used as a basis or condition for employment; or
 - (c) Such conduct is unwelcome and sufficiently severe or pervasive that it interferes with an individual's work performance because it has created an intimidating, hostile, or offensive working environment for the individual who is the object of such conduct, and where the conduct would have such an effect on a reasonable woman (if the object is a woman) or a reasonable man (if the object is a man).
2. Prohibit sexual harassment and retaliation for reporting sexual harassment.
3. Identify a source of assistance to those wishing to file sexual harassment complaints.
4. Identify the process by which allegations of sexual harassment will be investigated and reviewed.
5. Contain the following:
 - A description of the grievance process;
 - Timelines for resolution and/or requests for time extensions of complaints;

- A statement of the possible consequences for violating the sexual harassment policy, consistent with Board, institution and collective bargaining agreement requirements for the imposition of sanctions; and
 - A statement of the policy's applicability to employees and students.
6. Require notice to all contractors that contractors and contractors' employees are expected to adhere to the institution's policy prohibiting sexual harassment in their interactions with members of the campus community.
 7. Establish campus-wide educational programs.

The policy shall be broadly and regularly disseminated to the entire campus. Institutions shall also offer training to faculty and administrators and ensure that those responding to complaints have training and knowledge to fulfill their responsibilities. Institutions shall periodically assess the effectiveness of their notification and training processes.

8. Establish requirements for reporting and recordkeeping.

Each institution shall maintain records showing for each academic year:

- The number of formal complaints of sexual harassment;
- The number or percentage of those complaints in which sexual harassment was found to have occurred; and
- The sanction imposed (to the extent consistent with restrictions on disclosure of records).

Beginning in September 2006, every four years, each institution shall report to the Board the results of a study designed to measure the effectiveness of the policy as perceived by students and employees. This report is to include comments on the efficacy of education, information dissemination, and training efforts.

SEXUAL MISCONDUCT

(Adopted by the Board, Meeting #835, January 5, 2010.)

POLICY/PURPOSE

The State Board of Higher Education is committed to providing a learning environment free of all forms of abuse, assault, harassment, and coercive conduct, including sexual misconduct. As such, the Board does not tolerate sexual misconduct by students in any form. The Board is committed to enacting, improving, and enforcing efforts to **prevent** sexual misconduct, to **support** victims should it occur, and to obtain appropriate **resolution** in order to keep it from recurring.

APPLICABILITY

While this Board policy outlines expectations for resources and processes on OUS institutions, including, but not limited to, an annual reporting requirement, this policy applies to the conduct of OUS students or any other person subject to the student conduct code of an OUS institution.

PRINCIPLES

(A) *Board Expectations*

The Board expects OUS institutions to incorporate the above-mentioned values of prevention, support and resolution into the resources and services available to students regarding sexual misconduct. In addition, the Board expects OUS institutions to reflect upon the following principles in devising the institution's response mechanism to sexual misconduct on its campus:

Victim-Directed

Sexual misconduct—in all its forms—is a harrowing experience for victims and largely removes their sense of control over their environment, decision-making, and choices. The Board expects a process that places as much control as possible back with victims at each step. The Board expects OUS institutions to provide victims with access to reasonable resources including advocacy, medical treatment, emotional support, assistance with filing of reports/charges, assistance with class schedules, room assignments, and no-contact orders, and clear and complete explanations of options.

Offender-Focused

The Board recognizes that regardless of circumstances including use of alcohol/other drugs, previous relationship with the offender, and sexual history, there is no excuse for engaging in non-consensual sexual activity. As such, the Board expects the investigation and resolution of sexual misconduct instances be focused on offender behavior in relation to clear definitions of proscribed conduct.

Committed to Due Process

Should sexual misconduct be alleged on an OUS campus, the Board expects a thorough investigation and adjudication by a sexual misconduct review board or hearing officer that is appropriately trained in the myriad issues involved with sexual misconduct on college campuses. Clearly defined proscribed conduct relating to sexual misconduct—in all its forms—will serve as the basis for all determinations of responsibility and appropriate sanctions.

(B) Definition

The Board defines sexual misconduct, as applicable to all OUS students and any other person subject to the student conduct code of an OUS institution, at OAR 580-022-0045.

(C) Report

(1) The president or designee of each OUS institution will file a written report annually with the Chancellor, specifically addressing how the institution’s resources and services uphold the above-referenced expectations of prevention, support, and resolution and how the institution’s sexual misconduct response mechanism is victim-centered, offender-focused, and committed to due process. The report will also include, for the relevant calendar year, the number of reported incidents of sexual misconduct, the number of sexual misconduct adjudications, the dispositions of the completed adjudications, and the disciplinary sanctions, if any, issued to any student found responsible for sexual misconduct.

(2) The institution’s report is due no later than December 31 of each calendar year.

(3) Appendix A—“Values in Actions”—is attached to this policy, which identifies best practices and relevant research to assist the OUS institution in the development and deployment of resources and services.

Appendix A

Values in Action

Prevention—“Keep it from Happening”

Prevention – comprehensive strategies which focus efforts on the root causes (e.g., attitudes, behaviors, conditions) of sexual violence in order to stop sexual violence *before it occurs*.

Education/Outreach – individual activities which raise awareness of the scope and impact of sexual violence and address how to respond to sexual violence (e.g., definition and prevalence of sexual violence, victim impact, risk reduction, supporting victims).

Support for victims of sexual violence and sexual violence prevention are not mutually exclusive. The likelihood that a prevention programming participant has had direct or indirect experience with sexual violence is high. As such, sexual violence prevention providers must be cognizant of the potential for programming to trigger memories of participants, and must be prepared to offer and provide support to participants. Moreover, supporting participants is crucial to both the effectiveness of the prevention program and the healing process of participant victims.

Prevention strategies should incorporate the nine principles of effective prevention⁶:

1. **Comprehensive:** Strategies should include multiple components and affect multiple settings to address a wide range of risk and protective factors of the target problem.
2. **Varied Teaching Methods:** Strategies should include multiple teaching methods, including some type of active, skills-based component.
3. **Sufficient Dosage:** Participants need to be exposed to enough of the activity for it to have an effect.
4. **Theory Driven:** Preventive strategies should have a scientific justification or logical rationale.
5. **Positive Relationships:** Programs should foster strong, stable, positive relationships between children and adults.
6. **Appropriately Timed:** Program activities should happen at a time (developmentally) that can have maximal impact in a participant’s life.
7. **Socio-Culturally Relevant:** Programs should be tailored to fit within cultural beliefs and practices of specific groups as well as local community norms.
8. **Outcome Assessment & Evaluation:** A systematic outcome assessment and evaluation is necessary to determine whether a program or strategy worked.
9. **Well-Trained Staff:** Programs need to be implemented by staff members who are sensitive, competent, and have received sufficient training, support, and supervision.

⁶ Nation, M., Crusto, C., Wandersman, A., Kumpfer, K. L., Seybolt, D., Morrissey-Kane, E., & Davino, K. (2003). What works in prevention: Principles of Effective Prevention Programs. *American Psychologist*, *58*, 449-456.

Education should utilize constructs shown to have an effect on attitudes and behaviors.⁷

Additionally, education should not be seen as solely the responsibility of the co-curriculum. A commitment should be developed to integrate education into the academic curriculum and to ensure appropriate education and training of faculty. Issues of power, sexual interactions with students, and bystander responsibilities must be included. Sexual violence prevention providers must be cognizant of the potential for programming to trigger memories of participants, and must be prepared to offer and provide support to participants.

1. **Knowledge & Awareness** – includes factual information such as legal and OUS definitions, descriptions of who are victims and offenders, local responses and resources, and examples of behaviors that are inappropriate/in violation of expectations

Uses: to establish relevance and motivation for change.

Importance: should be included as there are almost always individuals in any audience who have experienced sexual violence.

Effectiveness: HAS NOT shown to be effective in changing attitudes and behaviors, although with a focus on naming and dismantling behaviors rather than on describing victims and perpetrators, may be particularly useful on the college campus.

Recommendation: initial focus, especially information on OUS expectations.

2. **"Rape Myths"**

Uses: to address the cognitive distortions which justify rape.

Importance: were found to be the second most frequent precursor to rape.

Effectiveness: has been shown to be effective in changing attitudes.

Recommendation: correcting myths should continue to be a primary target of any sexual violence prevention program. Social norming/marketing via presentation of factual information vs. population perceptions is one highly recommended approach—but requires the collection of pertinent data.

3. **Victim Empathy**

Uses: to help others understand the experiences of victims of sexual violence (during the actual event and the aftermath).

Importance/Effectiveness/Recommendation: evaluation literature shows strong support for including in sexual violence prevention programs.

4. **Communication, Assertiveness & Limit Setting**

Importance: everyone can benefit from these skills.

⁷ Schewe, Paul. (2002). "Guidelines for Developing Rape Prevention and Risk Reduction Interventions," in P. Schwere (ed.), *Preventing Violence in Relationships*. Washington DC. American Psychological Association.

Effectiveness: has been shown to have some level of success in changing knowledge and attitudes.

Recommendation: must BE CAREFUL NOT TO inadvertently send the message that individuals who do not communicate clearly may be somewhat responsible for being sexually assaulted.

5. **Bystander Intervention**

Uses: moves beyond women having to identify as "victims" and men having to identify as "perpetrators"; teaches individuals how they can intervene to prevent sexual violence and assist victims

Importance: reframes sexual violence as a social problem that requires both men and women to intervene in others' behavior.

Effectiveness: individuals are more likely to intervene if they feel personally responsible to stop the witnessed event and if they feel certain about *how* to intervene (and what to expect); moves into the realm of changing behaviors.

Recommendation: should be included in more comprehensive programs with sufficient time to practice prevention skills. Additionally, should utilize peer-to-peer education and training opportunities whenever possible, which requires a commitment to develop well-trained peer advocates/trainers.

6. **Single-Gender Audiences**

Uses: targets information appropriate to each gender and decreases male defensiveness.

Importance: information for men can focus on bystander approach and discuss negative consequences for perpetrating, while information for women can focus on bystander approach and risk reduction for victimization.

Effectiveness: single-gender audiences have been found to be more effective for both men and women.

Recommendation: single-gender audiences should be used whenever possible, particularly if the information provided goes beyond general knowledge and awareness.

NOTE: It is recognized that there are those who identify outside of the traditional gender binary of male female, including trans-gender and gender-neutral. This approach is not meant to diminish the needs of any individual, but rather to focus on the prevalence of male violence against women. Similar approaches can be taken with trans-gender and other audiences.

Support during prevention programming should take into account the following guidelines:

1. Before the program begins
 - Describe the nature of the program to participants.
 - Notify participants about available support services.
2. During the program
 - Provide counseling service information to participants.

- Have advocates on-site for participants.
 - Use gender-neutral and culturally sensitive language.
 - Minimize the level of graphic detail within a survivor’s story.
 - Maximize the level of educational content.
 - Directly address, dispel and redirect any victim-blaming or rape myths coming from participants.
3. After the program, remind participants of support resources available.

Support—“If it happens”

Each campus has various offices, personnel, procedures, and resources in place to assist victims of sexual assault. Regardless of varying roles and titles between campuses and in the communities in which those campuses exist, it is critical that there be sufficient redundancy of resources to ensure adequate support. In other words, whenever possible institutions should seek to have support staff in place, even when those same resources exist in the surrounding community.

In order to ensure timely, coherent, integrated response to sexual assaults, campuses should have in place a Sexual Assault Response Network, composed of the following entities.

On campus, these areas should, at a minimum, include:

- Campus Public Safety/Police
- Student Health Center/Medical Staff
- Student Counseling Staff
- Student Conduct/Judicial Affairs Staff
- Residence Life/Housing Staff
- Campus Crisis Line/Resource Center(s)/Other

Community partners should, at a minimum, include:

- Sexual Assault Victim Services
- Police Department
- District Attorney’s Office/Victim Services
- Local Hospital

These areas—each of which may be the initial contact point for a victim or friend—together with community partners, must provide the following response services:

- Adequate numbers of well-trained staff in each area
- Access to 24 hour support, advocacy, and crisis intervention services

- Access to 24-hour medical services, provided by a SANE Nurse (Sexual Assault Nurse Examiner), preferably both on campus and in the community, including an on-campus forensic collection site
- Filing of reports/charges, both through campus safety staff and local law enforcement
- Counseling assistance
- Family/relationship crisis management
- Assistance with class schedules, room assignments, no contact orders, etc.
- Anonymous reporting opportunities

Since multiple areas will likely be involved with provision of these services, it is recommended that these on-campus areas work in concert with the following points in mind:

- Clearly define and publish the role(s) of each area.
- Clearly define and publish a flow chart of roles.
- Clearly define and publish the type and nature of communication between areas.
- Clearly define learning outcomes for training of staff in each area.
- Clearly define with community partners each area's roles, responsibilities, and procedures.
- Establish quarterly meetings designed to promote communication, discuss trends, review case-studies, etc.
- Ensure that staff in every area can and do provide accurate, consistent information about the university's sexual assault policy, resources, and procedures.
- Ensure that information about resources is published and disseminated in a coordinated fashion in appropriate ways, including web and print.

By taking these steps, campuses can create a Sexual Assault Response Network composed of existing resources that will give accurate information and effective referrals appropriate for a victim's particular circumstances no matter where the victim initially goes for assistance.

Resolution—"Stop it from happening again"

Student conduct procedures should be viewed as a resource to the victim of sexual misconduct. A student charged with sexual misconduct can be prosecuted under the Oregon Criminal Code **if the victim chooses** and **separately** disciplined by the institution. Even if the criminal justice authorities choose not to prosecute, **a student charged with any type of sexual misconduct will be subject to the OUS institution student conduct process.** If the OUS institution, through its conduct procedures, finds that the alleged misconduct occurred, the institution should take swift and appropriate disciplinary action.

Hearing procedures and disciplinary sanctions should strive to accomplish the following:

- The victim is shepherded through the process by well-trained campus personnel and understands procedures and “next steps” at each phase of the conduct process;
- The victim is given as much control over timing and how to proceed through the conduct process as is deemed feasible and appropriate;
- Victims are not re-victimized in any way—this includes safeguards so that victims are not required to re-state their story multiple times; not required to come face-to-face with the accused student; not questioned directly by the accused student; not having their past sexual history considered by the hearing officer/board, etc.;
- All hearing officers/board members receive comprehensive training with established learning outcomes. Topics covered should include sensitivity to victim reactions; characteristics of Rape Trauma Syndrome; myths and facts about sexual assault; sensitivity to both race and sexual orientation of individuals; and appropriate standards of proof;
- The conduct process is completed in a timely manner so that the victim does not have to “re-live” the trauma of the event for a prolonged period of time;
- The accused student may be suspended in an “interim” manner should it be determined that the student is a continuing risk to the victim and/or the campus population;
- Allegations of sexual misconduct, to the extent permitted by law, will be addressed by the conduct process regardless of whether the alleged infraction occurs on- or off-campus. Codes of conduct and hearing procedures should make clear that by being enrolled as a student at an OUS institution means a student is responsible for the conduct code regardless of the location of the infraction;
- Any student found to be responsible for attempted or completed sexual misconduct at an OUS institution not be allowed to transfer to another OUS institution without relevant information about the infraction and sanctions being provided to the new institution. NOTE: This provision will necessitate further work and coordination between institutions within OUS.

SPACE USE OBJECTIVES AND BUILDING PLANNING STANDARDS

(Adopted by the Oregon State Board of Higher Education, Meeting #469, October 24, 1980, pp. 683-703.)

As contemplated by Internal Management Directive 7.105, institutions and divisions shall follow the space use objectives and building planning standards adopted by the Board. Details of the current space use objectives and building planning standards, based upon Board action on October 24, 1980, are outlined within Chapter VIII of the "Planning and Procedures Handbook for Campus and Building Development" issued by the Board's office of Facilities Planning.

8.01 - Introduction

The purpose of Chapter VIII is to set forth standards and planning criteria to be used in the physical development, evaluation, and assignment of spaces of institutions in the System. The standards are flexible and must be interpreted consistent with the "mission" and "guidelines" of the institution. Physical requirements and limitations, such as the confines of existing spaces in remodeling, as well as outsize equipment which should be noted in programs and evaluations, may necessitate deviations from the standards.

8.02 - Space Standards

The facility needs of an institution are projected on the basis of the mission, the approved programs of an institution and enrollment projections. (Refer to Section 7.02)

Three biennia enrollment projections, which are used to project instruction related space, need to be reliable because the planning and construction of a facility typically has a lead time of at least five or six years. If appropriate, more than one enrollment projection for which assumptions and reliability are stated should be made to a target planning period. For facility needs, enrollment projections must be reconciled with enrollment ceilings established by the Board.

Facility needs of an institution that are not entirely dependent upon enrollment and staffing must be projected using appropriate unit sizes (room size, station size, etc.), program bases and relevant criteria. Examples are spaces for activities or functions such as research and public services, that are variable in relation to enrollment and partially related to staffing, spaces for physical education that should have at least a minimal size, spaces for libraries that are to a considerable extent dependent upon collection size, and spaces for the physical plant that are dependent primarily upon the area served as well as the character or amount of service rendered. The basic or unit size of space, below which the function cannot be served, may also be a determinant of space size.

Projection Standards - Projection standards are for use by the institution's planning office and Board's office of Facilities Planning in estimating total space needs of an institution and may not reflect an exact spatial configuration for any one category because it may vary depending on the special characteristics of the functions housed.

Design Standards - Design standards are for use by institutional personnel and planning consultants in identifying optimums of unit size and efficiency in the design of proposed facilities.

8.03 - Classroom Space Use Objectives

Classrooms are defined as general purpose instructional rooms with equipment suitable for lecture, discussion, and dry-demonstration formats. Rooms which are known as lecture halls, classrooms and seminar rooms are all expected to be subject to regular central assignment in order to achieve utilization at the maximum practical level. The objectives shall be to achieve at least the following minimum hours of scheduled occupancy of classrooms, and student stations as an average on an institution-wide basis:

Classroom Scheduled

Occupancy

33 hours per week

Classroom Student Station

Scheduled Occupancy

20 hours per week

Which is a Classroom Student Station Occupancy of 60 percent for 33 hours per week of Classroom Scheduled Occupancy

Inasmuch as the University of Oregon Health Sciences Center is a special purpose institution with unique scheduling of classroom facilities for the medical, dental, and nursing schools, it is not expected that the standards applicable to the other institutions within the System will apply. However, the objective shall be to achieve utilization of classroom space at the maximum practicable level at the Center.

8.04 - Classroom Projection Standard

Classroom space needs will be projected on the basis of student stations in conformance with classroom space use objectives (Section 8.03). Area requirements will be determined utilizing a norm of 15 square feet per student station including related service areas (weighted mean derived from survey of the typical distribution of classroom sizes and related service areas).

8.05 - Classroom Design Standard

The number of square feet per station in general purpose classrooms will vary with the size of the room and the type of station, ranging from chairs around a table in a seminar room to a fixed-seat lecture hall. Additional square footage for special equipment may be required. Typical classroom sizes are:

<u>No. of Student Stations</u>	<u>Sq. Ft. per Student Station</u>	<u>Sq. Ft. Area of Room</u>
15	20	300
20	17.5	350
25	16	400
30	15	450
40	14.2	568
50	13.5	675
60	13	780
80	12	960
100	11	1,100
125	10	1,250
200	9	1,800

8.06 - Class Laboratory Space Use Objectives

Teaching laboratories are defined as rooms used by regularly scheduled classes which require special-purpose equipment for student participation, experimentation, observation, or practice in a field of study.

The expected utilization of laboratory space at each institution shall be the maximum practicable level. The objective shall be to achieve at least the following minimum hours of scheduled occupancy of laboratories and laboratory student stations as an average on an institution-wide basis:

<u>Class Laboratory Scheduled Occupancy</u>	<u>Class Laboratory Student Station Scheduled Occupancy</u>
Lower Division 22 hours per week	18 hour per week
	Which is a Class Laboratory Student Station Scheduled Occupancy of 80 percent for 22 hours per week of Class Laboratory Scheduled Occupancy

<p>Class Laboratory <u>Scheduled Occupancy</u></p> <p>Upper Division 16 hours per week</p>	<p>Class Laboratory Student <u>Station Scheduled Occupancy</u></p> <p>12 hours per week</p> <p>Which is a Class Laboratory Student Station Scheduled Occupancy of 75 percent for 16 hours per week of Class Laboratory Scheduled Occupancy</p>
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Inasmuch as the University of Oregon Health Sciences Center is a special purpose institution with unique scheduling of class laboratory facilities for the medical, dental, and nursing schools, it is not expected that the standards applicable to the other institutions within the System will apply. However, the objective shall be to achieve utilization of class laboratory space at the maximum practicable level at the Center.

8.07 - Class Laboratory Projection Standard

Class laboratory space needs will be projected on the basis of student stations in conformance with laboratory space use objectives (Section 8.06). Area requirements will be determined by the character of special-purpose equipment, the number of students expected to be served, and the associated service area requirement.

8.08 - Class Laboratory Design Standard

The design standards for class laboratories vary with the academic discipline and must conform to the student station size, equipment, and service requirements. Examples of area allowances for some disciplines, including the student station and the ancillary service areas, are as follows:

Net Assignable Square Feet per Student Station	
<u>Discipline</u>	<u>(fully developed academic program)</u>
Animal Science	160
Chemical Engineering	160
Electrical Engineering	110
Theater	100
Chemistry	68
Dairy Science	68
Geology	68
Physics	65
Plant Pathology	65
Anthropology	50
Zoology	50
Business Administration	32
Speech	32

8.09 - Other Instructional Facilities Standard

There are instructional spaces on most campuses that are used for instructional programs not included within the previously identified categories outlined in this chapter. These include spaces such as special class laboratories, music practice rooms, programmed-instruction study areas, individual study laboratories, drama facilities, museums, and galleries related to the instructional program. The justification of these facilities is related directly to the mission and guidelines for the institution, and the areas are determined by an analysis of the specific requirements.

Examples of groupings of disciplines are suggested below, but space entitlements for each institution must be justified by programmatic needs.

- Group I - Disciplines suggested which have very little, if any, special instructional space needs: Economics, History, Sociology
- Group II - Disciplines suggested which have minimal special instructional space needs: Business Administration, English, Political Science
- Group III - Disciplines suggested which have moderate special instructional space needs: Applied Science, Entomology, Foreign Language, Vocational Training
- Group IV - Disciplines suggested which have considerable special instructional space needs: Chemistry, Engineering, Health Sciences, Physics
- Group V - Disciplines suggested which have extensive special instructional space needs: Art, Drama, Music, Zoology

8.10 - Office Projection Standard

An office is defined as a room or suite of rooms equipped with desks, chairs, files, bookcases, word processing equipment, etc., that is assigned to one or more persons primarily for the performance of administrative, clerical, or faculty duties, other than meeting classes. The projection standard includes active office service areas such as reception-waiting areas, conference rooms directly associated with instructional and administrative offices, file rooms, and work rooms.

Office space needs will be projected at an institutional level based upon the number of FTE faculty and staff, the headcount of non-employed advanced graduate students, and FTE senior administrative staff. The projection standard, which will include the types of areas identified in the preceding paragraph, is 150 net assignable square feet per FTE faculty, staff, and non-employed advanced graduate students (three non-employed

advanced graduate students headcount equals one FTE for purposes of office space projections), and 210 net assignable square feet per FTE senior administrative staff.

8.11 - Office Design Standard

The following office design standards will be used except where special equipment, such as pianos and drafting tables, require larger areas. When office sizes and lay-out are determined, it is important that flexibility be maintained so that assignments can be made without regard to rank for efficient functioning and ease of reassignment.

Sq. Feet per Station

a.	Faculty offices:	
	Senior Faculty (Instructor-Professor)	100
	Department Head	150
	Graduate and/or Teaching Assistant	50
b.	Administrative offices:	
	Presidents	300
	College Dean or Director	200
	Administrative Assistant	100
c.	Staff offices	
	Secretary/clerk	75
	Reception area	150
	File Room space:	
	with work space	10/file
	without work space	6/file
d.	Other:	
	Advanced graduate student study space (multiple office)	50
	Conference room	20

8.12 - Library Standard

Libraries are defined as a room or group of rooms used for the collection, storage, circulation, and use of books, periodicals, manuscripts, and other reading or reference materials.

Libraries in the System are to be programmed to provide for the space outlined below. Stack space and non-book material space will be based on the estimated size of collections six years following the completion of a facility or facility addition. (Warehouse operations are not applicable.)

Library Reader Space - Reader stations are to be provided for 15 percent of the fall term FTE undergraduate students and 25 percent of the fall term FTE graduate students at all institutions. Reader station space will allow 25 square feet for each FTE undergraduate student and 30 square feet for each FTE graduate student.

Faculty Research Reader Space—Research space standards are outlined under Section 8.15 RESEARCH STANDARD. In addition, there is an entitlement of 15 square feet for carrel space in the library for each FTE faculty identified primarily in Groups I and II of Section 8.15 RESEARCH STANDARD, such as the humanities, social sciences, etc. There is an entitlement of three square feet of carrel space for each FTE faculty identified primarily in Groups III, IV, and V of Section 8.15 RESEARCH STANDARD, such as the life, physical, and behavioral sciences, agriculture, etc.

Stack Space—The following allowances, which reflect a higher percentage of bound periodicals at health science and law libraries will be used in providing stack space:

	<u>nasf/volume</u>	
	<u>HS & Law</u>	<u>All Others</u>
100,000 vols.	0.12	0.10
next 900,000 vols.	0.08	0.07
next 1,000,000 vols.	0.05	0.05

or by:

	<u>nasf/volume</u>	
	<u>HS & Law</u>	<u>All Others</u>
100,000 vols.	9	10
next 100,000 vols.	10	12
next 800,000 vols.	12	14
next 1,000,000 vols.	15	16

Non-Book Material—The following space allowances, which have been developed by measuring collections and the space required for storing, handling, and using non-book materials, will be used in projecting space needs.

<u>Item</u>	<u>Formula</u> Items per Sq. Ft. of Floor Space <u>Suggested Standard</u>	Space To Be Allotted in Minimum Units <u>of Square Feet</u>
Microcards	6,000	10
Microprints	1,400	10
Microfiche 4"x 6"	2,500	10
Microfiche 3"x 5"	6,000	10
Microfilm reels	60	10
Film strips	200	10
Slides	700	12
Transparencies	500	10
Motion picture reels	12	12
Video tape reels	3	10
Computer tape reels	9	10
Tape reels	30	10
Phonograph records	75	10
Picture files	500	10
Maps	50	30
Pamphlets	150	10
Test files	150	10
Multi-media kits	9	10
Government documents	50	10
Unbound periodicals	15	bibliographical units 10

Archives Space requirements for collection will be submitted by institutional librarian.

Manuscripts Space requirements for collection will be submitted by institutional librarian.

Library Services and Administration - An additional area equal to 25 percent of the space generated by the reader and stack space will be allotted for library services and administration.

8.13 – Computer Facilities

Computer facility needs beyond instruction and research vary at each institution and may or may not be separated into instructional, research and administrative components. Inasmuch as the amount of equipment may range from input/output terminals to centralized Systemwide components, space requirements will reflect the equipment housed and the size of the supporting staff.

Technological advances may reduce the area required for equipment or permit expansion of capabilities without increasing facilities.

8.14 – Special Service Facilities

In general, facility projection and space standards are associated with specific functions. Special and independently administered services such as printing, central duplicating, cafeterias independent of student unions and housing, and parking structures, which are not identified elsewhere in these standards, will be programmed in accordance with institutional needs.

8.15 – Research Standard

These standards recognize research as a creative inquiry. A number of factors unique to each institution must be identified and correlated to the needs of the institution in the application of research space standards. The mission of the institution, which is relatively constant, must be identified and only those standards that are consistent with the mission should be applied. Some research space requirements within the institution will vary from year to year and others will be relatively constant for a long period of time. It must be recognized that changes of entitlement to research space occur and that a process for an institutional review of space assignments needs to be identified and applied. Further, space needs must be differentiated by discipline and may be differentiated by the functional orientation of the discipline.

The use of research space standards for projecting institutional space requirements will utilize a composite methodology with the components identified hereafter.

The entitlement to the space by any one individual or department is responsive and flexible; it must relate to the extent of faculty involvement in research, the level of grant-funded research and the needs of the discipline. It is implicit that the appropriate administrator should promptly reassign underutilized research space.

Departments will be expected to share, as far as practical, specialized equipment as well as common and/or interdisciplinary support space. It is expected that the design and layout of research space will allow for maximum flexibility for reassignment.

The amount of space that is allocated to research for each institution and the allotments within each institution are dependent upon the following factors:

1. Consistency with the mission of the institution.
2. Level of involvement in research.

- a. Consistency with teaching appointments for "instruction and related research."
- b. Levels of grant-funded research in addition to that which can be integrated with research expected as a part of an instructional appointment.

The derivation of research space entitlements will require officials at each institution to develop a distribution of the programs associated with 1 and 2 above into the appropriate space projection group as outlined hereinafter. The space entitlement is a function of the number of FTE faculty, where FTE faculty is the sum of the full-time equivalent professors, associate professors, assistant professors, instructors, research assistants unclassified, research associates, graduate teaching and research assistants, as well as one-third of the advanced full-time graduate students (9 hr.) not included above. (Classified support personnel associated with research do not generate space but are accommodated by the proper group assignment of the FTE faculty.) (See also 8.12 LIBRARY STANDARD, Faculty Research Reader Space.) Office space associated with research appointments is provided for in office projections. (Refer to 8.10 OFFICE PROJECTION STANDARD.)

The discipline distribution (see following outline) is based upon functions required by the research undertaking. Groups II through V include those disciplines that require minimal to extensive amounts of laboratory, laboratory service, studio, and studio services space for research, while Group I includes disciplines with primarily library and office space needs only. The disciplines suggested for each group are subject to adjustment to a higher, lower, or intergroup level depending upon the substantiated differing character of the research.

Group I – Disciplines with primarily library and office associated space needs only. Examples of disciplines suggested in this group are:

Business & Management
Economics
Languages & Linguistics
Literature & History
Math
Philosophy
Political Science & Administration

Group II – Minimal research space requirement. This group generates 30 square feet per FTE faculty. Examples of disciplines suggested in this group are:

Computer Science
Education

Fine & Applied Arts - primarily nonstudio
Social Sciences (General Psychology, Sociology, etc.)
Theoretical Studies (Public Affairs & Services, etc.)

Group III – Moderate research space requirements. This group generates 110 square feet per FTE faculty. Examples of disciplines suggested in this group are:

Architecture & Environmental Sciences
Communications & Theater (films, TV, etc.)
Home Economics - nonlaboratory setting
Music
Physical Education
Social/Physical Science (Anthropology, Geography, etc.)

Group IV – Considerable research space requirements. This group generates 300 square feet per FTE faculty. Examples of disciplines suggested in this group are:

Engineering (Industrial, General)
Fine & Applied Arts - studio
Home Economics - laboratory setting (Foods, Textiles, etc.)
Natural Sciences (Biology, Botany, Zoology, etc.)
Physical Sciences (Chemistry, Geology, Pharmacy, Physics, etc.)
Psychology - Experimental
Clinical Sciences - Medical
Dental

Group V – Extensive research space requirement. This group generates 360 square feet per FTE faculty. Examples of disciplines suggested in this group are:

Agriculture & Natural Resources (Crop Sciences, Animal Sciences, Forestry, etc.)
Engineering (Chemical, Civil, Mechanical and those not included in Group IV)
Basic Science

8.16 - Physical Education Recreation & Athletic Standard

Physical education activity and support areas are used frequently for recreation and also, to a lesser degree, by athletic teams. It is expected that many of the areas can be used for a full schedule of instruction and when not being used for instruction, be available for physical recreation and athletics, in contrast to having duplicate facilities for use by physical recreation and athletics. Facility requirements from the three categories may be combined for translation into an overall facility program.

Physical education areas are those that are used principally by students and faculty for physical education instruction.

Recreation areas are those that are used principally for physical recreation activities.

Athletic team areas are those that are used principally for interinstitutional team sports.

Space projections shall be made on the basis of fall term FTE total undergraduate enrollment and 25 percent of fall term FTE graduate enrollment.

(It is acknowledged that larger institutions may experience somewhat more intensive use of facilities due to diversity factors.)

Projection Standards for physical education instruction with compatible use for physical recreation and athletics are:

- a. Indoor space is projected at 12 square feet per FTE student as defined above. This includes approximately nine square feet for the activity areas and three square feet for the ancillary services areas of lockers, showers, etc. The space allocation must be made in units of complete teaching stations/activity areas. The minimum facility should be projected on the basis of a 3,000 FTE student enrollment as defined above.

Approximately 55 percent of the activity area required high ceilings, such as 25 feet for basketball, and somewhat lower ceilings for court games such as handball and apparatus requirements of gymnastics. Another 30 percent of the area may have lower ceilings for combative activities, dancing and weight lifting, with an additional 15 percent for swimming and diving pools.

- b. Outdoor activity areas are projected at 100 square feet per FTE student as defined above. The space allocation must be made in units of complete teaching stations/activity areas for all types of field sports. The areas need to be convenient to lockers and showers, and those areas used for classes should be within a ten-minute walking distance from academic classrooms. The minimum total facility should be projected on the basis of a 3,000 FTE student enrollment as defined above.

Approximately 60 percent of the areas are sodded or turfed for games such as soccer, touch football, and softball. Another 15 percent is for courts, such as tennis and volleyball, with an additional 20 percent in specialized areas, such as for track and field, baseball, archery, and golf. An additional five percent is for related service areas.

Recreation and Athletic Areas - In addition to the indoor and outdoor physical education areas outlined in "a" and "b" above, provisions may allow for additional square footage in sports fields and buildings for use in intramural sports, varsity sports, and recreational uses as appropriate for the institution.

Design Standards should conform to recognized planning criteria such as those outlined in publications by the American Association for Health, Physical Education and Recreation, the National Recreation Association, and other standard sources.

8.17 - Student Health Services Standard

The type of health service facilities required is usually a matter of institutional policy as well as proximity to and working arrangements with local hospitals. They include such areas as examination rooms, treatment rooms, observation rooms, laboratories, reception-waiting areas, supply rooms, and infirmary facilities. The latter are appropriate primarily at larger institutions.

Space projections of this category should be based upon the number of people served, typically on the basis of one to one-and-a-half square feet per fall term FTE student. Office space for physicians and supporting staff is projected under Section 8.10 OFFICE PROJECTION STANDARD.

8.18 - College Union Standard

The functions that college union facilities house and the composition of the college community served may vary considerably from one campus to another but they exhibit an overall balance in relation to the size of the student body. College unions are institutional centers that provide services as required and/or desired by the users to complement those provided in the community.

A nominal level of college union facilities may include the following functions:

1. Organizational Activities
 - Publications
 - Rooms for meetings
 - Organizations and interest groups - offices, workspace, and storage
 - Broadcast - radio, television
2. Recreation
 - Active - table tennis, bowling, etc.
 - Passive - lounge, music listening, television viewing, etc.
 - Hobbies - crafts, arts, etc.
 - (Extensive physical recreation facilities as well as some off-campus facilities may be considered outside the guidelines.)

3. Socio-Cultural
 - Galleries
 - Auditoria
 - Ballrooms
 - Etc.
4. Administration
5. Food Service
 - Cafeteria
 - Snack Bar
 - Dining Room
 - Service
6. Specialized Services
 - Bookstores
 - Concessions
 - Etc.

The area required for a college union must be responsive to the services expected to be provided and varies with size of the institution by the following approximation: Using fall term student FTE as a base, a straight line curve with a minimum of 14 NASF per fall term student FTE for institutions with 2,400 FTE enrollment to eight NASF per fall term student FTE for those with 20,000 or more FTE enrollment. An institution with fewer than 2,400 fall term student FTE may use the standard for 2,400 or provide a smaller amount of space as appropriate to the needs of the institution.

Nonassignable spaces, such as elevators and mechanical rooms, as well as work and storage areas necessary for the maintenance and custodial functions, are important to the operation of college unions and need to be included. In addition to the net assignable spaces noted above, the PHYSICAL PLANT AREA STANDARD is applicable. There usually are some additional unique needs dependent upon the activities housed in the union facilities; for instance, specialized and adequate storage is very important to service multipurpose spaces such as dining room/ballrooms.

8.19 - Residential Housing Standard

It is expected that institutions will provide a reasonable amount of residential housing to supplement living accommodations available within the community. While projections of need may be appropriate for an individual institution, diversity of student populations and campus locations do not lend themselves to Systemwide standards.

Residence housing areas may include food service, as well as central food storage, furniture storage, and maintenance as appropriate for the institution.

Design standards for residence halls are:

- a. For residence halls including kitchen and dining areas, either within the dormitory building or an allocable area in a different building, the gross area per student based upon the outside dimensions of a building would, in general, range of 215-235 square feet.
- b. For kitchen and dining facilities, included in the area referred to in item "a" above, regardless of the location thereof, the approximate gross area per resident would range of 30-40 square feet.
- c. For a typical two-student sleeping/study room included in item "a" above the net inside room area would be about 140-180 square feet.

8.20 - Physical Plant Service Area Standard

Areas required for the operation and maintenance of the campus physical plant are identified in two categories: for the support of (1) central service functions and (2) building custodial functions.

1. **Central Service Functions**—This encompasses all of the areas used for buildings and grounds operation and maintenance, including heating plants, service shops, garages, storerooms, and warehouses. Central and building area required for the delivery, pick-up, and holding/storage of materials should be included also and should be located in conjunction with custodial areas. The area is calculated at five percent of the net assignable square feet of the buildings fully served. It may or may not include various auxiliary enterprise areas and other areas such as agricultural facilities. If these are included, they should be in proportion to the amount of service rendered.
2. **Building Custodial Functions**—This encompasses all of the area used for regular custodial functions, including deliveries of supplies, collection, and pick-up of waste and materials for recycling within each building. The area is calculated as approximately 0.7 percent of the usable area of a building, excluding mechanical rooms. To allow for satisfactory and efficient use and storage of equipment and supplies, the basic custodial area should have the following minimal characteristics:
 - A. In buildings with elevators

1. An approximately 8x12' supply and equipment room close to the elevator on the main floor.
 2. An approximately 5x8' supply and equipment room close to the elevator on all other floors.
 3. For all floors with 15,000 usable square feet or more, an additional approximately 3x5' closet adjacent to washrooms.
- B. In buildings without elevators, custodial area should be provided as in A.1. above on each floor and A.3. above if applicable.

STRATEGIC PLAN FOR THE OUS (1985-1987)

(Adopted by the Oregon State Board of Higher Education, Meeting #501, May 27, 1983, p. 142; revised Meeting #539, July 18, 1986, pp. 386-387.)

The Strategic Plan was adopted at the May 1983 meeting after consideration and revision at previous meetings. The action adopting the Plan appears at the conclusion of the action taken with respect to admissions requirements. With the adoption of the recommendations pertaining to admission, the Board completed consideration of the recommendations in the Strategic Plan and adopted the Plan in its entirety. The action is reported on file in the Board's office.

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SUBSTANCE ABUSE

(Adopted by Oregon State Board of Higher Education, Meeting #589, June 14, 1990, p. 268.)

At its May 1990 meeting, the Board adopted minimum standards for institutional comprehensive drug and alcohol abuse plans. In response to the Oregon Student Lobby's testimony on that topic, the Board directed staff to draft a policy statement on substance abuse indicating the Board's preference for education, prevention, and treatment programs. The following policy statement was presented to the Board and adopted at the subsequent meeting:

The Board recognizes that substance abuse is a serious problem currently facing society and, likewise, affecting students and employees of the Oregon University System. It is the policy of the Board to encourage current efforts that each institution is making to eliminate this problem. The Board believes that the System's most effective response to these problems is through education, prevention, and treatment programs.

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SUSTAINABILITY

The Oregon State Board of Higher Education recognizes the importance of the Oregon University System in making Oregon a living laboratory for teaching, testing and practicing excellence in sustainability. For purposes of this policy, “sustainability” means using, developing and protecting resources in a manner that enables people to meet current needs and provides that future generations can also meet future needs, from the joint perspective of environmental, economic and community objectives (ORS 184.423).

The Board is committed to developing, implementing and continuously improving the Sustainability Plan for the Oregon University System adopted by the Board and approved by the Oregon Sustainability Board in 2004 pursuant to Executive Order 03-03. To promote collaboration among all universities in the Oregon University System, partnerships with the Oregon University System and equal access by diverse communities, businesses, government and non-government organizations, it is the policy of the Board to:

1. Build on Oregon’s “green” brand to attract the best and brightest students, faculty and staff to our universities from Oregon, across the country and around the world to explore how we can live sustainably on Earth.
2. Provide all students, faculty and staff the opportunity to understand the key aspects and consequences of sustainability and explore how sustainable practices can integrate in their personal and professional lives.
3. Support economic development in Oregon by developing the work force needed to support and grow sustainable businesses and industries.
4. Create an environment of innovation around sustainable technologies, processes and practices that contribute nationally and internationally to sustainable development and attract businesses to Oregon to take advantage of the knowledge we create.
5. Make our campuses, facilities and events models of sustainable design, construction and operations, meeting or exceeding national and international performance standards.
6. Engage communities and industry throughout Oregon to help them develop sustainably using the knowledge and expertise of the universities.

Institution presidents have primary responsibility for developing and implementing this policy. The Chancellor is responsible for convening, coordinating and enabling the presidents in this effort and for developing consistent performance metrics. The Chancellor shall evaluate the performance of the presidents and other officers reporting to him in the implementation of this policy.

DOCUMENT HISTORY

- Adopted, Meeting #8432, October 8, 2010



TEACHER EDUCATION IN THE SYSTEM, QUALITY ASSURANCE

Adoption of California Basic Educational Skills Test as Requirement for Admissions

(Adopted by the Oregon State Board of Higher Education, Meeting #518, November 16, 1984, pp. 569-581; see also Meeting #478, August 7, 1981, pp. 474-476, for references to proficiency in basic skills and use of California Achievement Test.)

The Board received a report on teacher education within the five professional education schools of the System. The report concluded with a statement of the beliefs concerning the conditions necessary for the effective preparation of teachers and included a series of recommendations for the improvement of teacher preparation in Oregon.

The Board approved a motion that the report be accepted and that the Board encourage the institutions offering teacher education programs, their staffs, and the Board's staff, working cooperatively with the public schools and other agencies and organizations, to move vigorously to implement the recommendations for improvement of preparation of teachers in Oregon as soon as possible. The Board also approved an amendment to the original motion stating that the Board set a very high priority on providing the environment and the support necessary to complete and articulate the qualities necessary for excellence in teaching along the lines of the discussion.

The eight priority recommendations approved by the Board were:

1. Recruit top students into teaching by providing new fiscal incentives, (i.e., scholarships and tuition waivers).
2. Provide competitive salaries to attract and retain well-qualified faculty in teacher education programs and require that education faculty continuously upgrade their professional skills.
3. Require education faculty to become significantly involved with public schools on a continuing basis and recognize faculty field work through conventional college and university rewards of promotion and tenure.
4. Continue efforts to improve standards for admission to OUS teacher education programs, including the adoption of the California Basic Educational Skills Test (CBEST) as a requirement for admissions.

5. Provide instruction on the uses of new technology in education as part of the regular teacher education program and require computer literacy at the functional computing level for students graduating from teacher education programs.
6. Establish a summer session subsidy program to enable colleges and universities to provide courses required for certification by teachers and administrators on a planned, responsive basis.
7. Implement a statewide entry-year assistance program, jointly operated by higher education institutions and school districts, that provides a year-long residency in a public school, concurrent graduate-level instruction, and workshops for beginning teachers in Oregon.
8. Develop a coordinated research and development agenda for OUS' teacher education programs to improve resource sharing and pilot new developmental projects for the benefit of the entire System.

(The review of teacher education by the Board and other groups culminated in the approval by the Board of extended teacher preparation programs on January 20, 1989, Meeting #572, pp. 5-46. Throughout the period 1981-1989, the minutes contain references to various studies and proposals for improvement of teacher education in the System.)

TRANSFER AND ARTICULATION (1998)

Introduction

What do we know about transfer and articulation? First, that they're not the same thing. Transfer is defined as the process for reviewing and admitting applicants to undergraduate programs who have previous college work. Articulation is the process whereby two or more institutions align courses and/or programs. Second, these are not just Oregon issues, but are receiving widespread national attention. According to a 1996 report by the National Center for Education Statistics, only about 37 percent of the students who earn a baccalaureate degree do so from the school at which they first matriculated. Third, student movement between and among institutions is not necessarily linear (e.g., two years at a community college followed by two years at a university). Several recent studies document the multiple patterns of student movement in their pursuit of higher education (e.g., Kearney et al., at a large public Midwestern university, 1995; Kinnick et al., at PSU, 1997). Fourth, an increasing array of postsecondary educational providers and delivery modes further challenges our ability to provide for the smooth movement of students through their postsecondary experience.

And, finally, educational reform (both nationally and in Oregon) and higher expectations by prospective employers are moving higher education away from traditional evaluation by course credits and contact hours to evaluation based on proficiency and specific outcomes.

Direction of State Leadership

The Oregon State Board of Higher Education, Governor Kitzhaber, and the Oregon Legislature have all targeted improved transfer and articulation as key educational priorities. Following is a summary of recent actions.

Board of Higher Education. In late 1996, the Board formed a Solution Team on Access, Transfer, and Community Colleges. As part of its Systemwide strategic planning, it was charged with developing a barrier-free admission and transfer process to enable students to achieve their academic goals, and partnering with the community colleges to provide baccalaureate capacity and access. The Solution Team recommended action in several areas: credit acceptance; student access strategies; transfer; communication; and comprehensive, collaborative students services.

Governor Kitzhaber. The Governor's Task Force on Higher Education and the Economy report (December 1997) encouraged "all Oregon institutions of higher learning to form alliances to serve the needs of Oregon learners." The Governor's Task Force on College Access report (8/97) called for a "level of transfer much more general than that offered by the Associate of Arts/Oregon Transfer degree" (AA/OT); a Web site and toll-free phone number to increase communication; and transfer agreements. In December 1997, Governor Kitzhaber reiterated to the Board his strong commitment to higher education access, stating that no Oregonian should be "left out by reason of geography, economic, racial or ethnic background, time constraints, or avoidable logistical problems." His goal is to achieve "complete program transferability among

community colleges and universities, as well as facilitating transferability issues with private and out-of-state schools."

Oregon Legislature. During the last legislative session, two bills in particular address the need for intersector progress toward solving transfer and articulation problems. House Bill 2387 directs the Board of Education and the Board of Higher Education to "jointly develop a plan for the transfer of credits between community colleges and state institutions of higher education" and to submit this plan for approval at the next legislative session. Senate Bill 919 directs the two boards "to develop policies and procedures that ensure maximum transfer of credits between community colleges and state institutions of higher education."

The Oregon Context

Current Perspective. Myriad postsecondary educational choices currently exist, creating a staggering number of possible educational pathways for students. OUS and its partners need to be prepared to receive these students. In 1995-96, there were 3,706 postsecondary education institutions in the United States (Andersen, 1997). OUS currently offers 321 baccalaureate degree programs. In 1996-97, more than 3,000 new students were admitted to OUS undergraduate programs from Oregon community colleges alone, and an additional 2,258 students were admitted from 742 different out-of-state institutions.

OUS and its partners have tackled transfer and articulation problems through a number of avenues. Among the most notable are the AA/OT degree; common course numbering; the development of comprehensive course equivalency tables that are accessible on the Web; the K-16 Web page "ONE"; and numerous OUS-community college partnership arrangements, such as the University Center in Bend.

Issues regarding credit transfer continue to be at the heart of higher education's challenge. Non-application of credit may occur for any number of reasons, such as:

- The receiving institution limits the number of professional-technical courses it accepts;
- The course in question is college preparatory (i.e., remedial);
- The credit was granted on the basis of prior learning (experiential) and not considered equivalent to offerings at the receiving institution;
- The course was taken at a non-accredited institution; or
- The student received an unsatisfactory grade.

Realistically, some problems will always be beyond the ability of higher education to address (e.g., additional coursework required due to a student changing his/her major).

Future Perspective. Education is changing, throughout the nation and in Oregon. As a result, the transfer/articulation picture is growing in both scope and complexity. Some important elements of the new context follow.

As more out-of-state providers enter the Oregon educational market, placebound students will be able to "attend" non-Oregon institutions. Electronically delivered coursework will provide time-bound and placebound students with more educational opportunities from a variety of providers. As a result, student transcripts for transfer will become more varied and complicated.

One of the biggest changes underway in education in the nation is the concerted move to outcomes-based education. Educational sectors are being asked to define learning goals, standards, and outcomes of courses, programs, and degrees.

The educational emphasis on outcomes extends to performance indicators approved by the Board (November 1997). An access indicator calls for measuring the effectiveness of transfer programs (e.g., the proportion of transfers of total enrollment, the graduation rate of transfer students) and will produce data to track the progress made.

Students no longer move lockstep through a predetermined high school curriculum, but have opportunities for more individualized and accelerated academic programs. Articulation strategies such as co-enrollment and early admission will demand increased attention from higher education providers.

Public accountability and "customer" expectations will continue to grow in importance in this state, as elsewhere. Oregonians want to see evidence that the public sector exhibits a market orientation and works effectively with other sectors in providing students a rich array of programs and services.

Next Steps

Although the scope and complexity of transfer and articulation issues are daunting, OUS and its partners are resolved to create the most seamless process possible. Changes in the future context -- and others yet to be identified -- suggest that transfer and articulation initiatives need to foster a "co-evolving" of the educational sectors and economy to meet the needs of higher education's varied customers. The following proposed policy and strategic actions affirm the System's commitment to advance transfer and articulation initiatives within current and emerging contexts, with an emphasis on relationships between OUS and the community colleges.

Policy and Principles

The goal of the Oregon State Board of Higher Education is for Oregonians to have maximum academic program articulation and transferability.

To that end, the Board endorses the following assumptions and guiding principles:

1. Responsibility for successful student transfer and articulation is shared among OUS, community colleges, K-12, students, and independent and other educational providers; cooperation and collaboration are essential.
2. Broad curricular diversity among the OUS institutions and community colleges creates a dynamic tension when trying to resolve problems of articulation.
3. OUS institutions, as well as intersector groups (e.g., Joint Boards Articulation Commission) are actively addressing problems that arise in transfer and articulation processes.
4. Communication is fundamental, both among educational providers and with students.
5. Transfer and articulation agreements may be constructed at many levels (e.g., system to system, institution to institution, program to program) and for any number of reasons (e.g., regional partnerships, workforce needs).
6. Transfer and articulation initiatives must be structured enough to guide action, yet flexible enough to allow for student, societal, and educational change and evolution.
7. Initiatives should be informed by sound research.
8. Initiatives should reflect the increasing move by all levels and sectors of education to outcomes- and proficiency-based learning and admissions processes.
9. Transfer and articulation initiatives are not limited to curricular alignment alone and, consequently, should be responsive to student service needs (e.g., timely and accurate advising, financial aid).

Strategic Actions

To implement the policy and principles, the Board of Higher Education directs the Chancellor's Office and the System campuses to take specific action in the following areas:

1. *Co-admission/co-enrollment programs.* Develop additional co-admission and co-enrollment programs for eligible students who begin their postsecondary education on community college campuses and who plan to complete their baccalaureate program at the partnering OUS institution. By enabling timely relationships with students through such programs, degree completion has a better chance of success.
2. *Articulation agreements.* Support the development of articulation agreements between individual institutions within the array of educational service providers in the state. As the explosion of distance education, alternative format, and Web-based courses and programs from multiple educational service providers continues, formalized arrangements will facilitate an orderly flow of students from campus to campus. The

new major regional partnerships have strong potential for meeting educational access needs.

3. *Additional block transfer degree.* Work with the community colleges to develop a block transfer Associate of Science (AS) degree that would better fit students whose goals are to transfer to OUS programs in the sciences, health sciences, engineering, and other technical fields (and where the current AA/OT degree does not align with the baccalaureate major requirements).
4. *Baccalaureate degree outcomes.* Establish the learning outcomes expected of a student graduating with a baccalaureate degree. Ease of transfer should eventually result if the focus is on the learning outcomes a student is able to demonstrate, rather than the course credits accumulated. Building on the work of PASS and other outcomes-based initiatives, a Systemwide task force, with participation from the community colleges, will be charged with identifying baccalaureate degree outcomes and their application to the transfer process.
5. *Course equivalency information systems.*
 - Uniformly compile, regularly update, and widely distribute information regarding course equivalencies (between OUS institution courses and community college courses). Those System institutions presently lacking this capability should make it a priority for the next admission cycle. Publishing information on the World Wide Web, with a user-friendly interface, is the preferred distribution method. Contact persons at each institution should be identified for students, advisors, counselors, or others needing assistance in finding and interpreting the equivalency information as published.
 - At the System level, a standard course-equivalency information system should be created that builds on the efforts already in place at the campus level. Such a comprehensive data system would enable students and advisors to determine the relationship between all community college courses and similar courses offered at OUS institutions. Resources to accomplish this strategic action should be sought.
6. *Discipline-based problem solving.* Convene and conduct periodic meetings among faculty in the same disciplines in community colleges and OUS institutions to discuss issues of mutual concern and to resolve problems. The Joint Boards Articulation Commission (JBAC), the Academic Council (OUS), and/or the Council of Instructional Administrators (community colleges) should sponsor such faculty forums. For example, faculty must resolve transfer issues related to similar (or the same) courses offered at the upper-division level in OUS institutions that are offered at the lower-division level in community colleges. Resolutions are required that do not disadvantage (e.g., with respect to upper-division credit requirements) transfer students who have earned credits in the community college courses.

7. *Professional-technical courses.* Reach agreement between OUS institutions and the community colleges about how professional-technical courses and programs are defined and then operationalize transfer policies and procedures consistent with those definitions. Further, expand institutional policies and practices that facilitate student transfer from professional-technical programs into compatible and/or complementary baccalaureate programs.
8. *Research agenda.* Establish a focused research agenda to inform the transfer and articulation policy agenda, and current and future strategic directions. Examples of such research questions should include (but are not limited to): (1) What happens to the large number of AA/OT graduates who apparently do not transfer to an OUS institution? (2) What are the highest-demand programs for students transferring into OUS institutions? (3) How much time do students transferring in with an AA/OT, and/or other associate degree take to earn a baccalaureate degree? (4) What are the comparative success rates of students with different patterns of pursuits of the baccalaureate degree?
9. *Institutional responsibilities.* Recognize that every institution bears an administrative responsibility for implementation and oversight of matters affecting transfer students. Each campus should review its capacity to respond to student problems and concerns, and make improvements as needed. (The Web-based JBAC Articulation Hotline provides links to the campus contacts who are responsible for transfer student issues.)
10. *Communication, course sharing, and articulation.* Develop, in cooperation with the ONE (Oregon Network for Education) project, a Web-based common college catalog of distance education courses available from Oregon and partner institutions. Establish a "Common Course Marketplace" comprised of those distance education courses for which credit would be accepted at any participating Oregon institution. Resources to accomplish this strategic action should be sought.
11. *Early options programs.* Develop, with the Joint Boards, policies that support new and/or expanded partnerships among OUS, community colleges, and high schools to better serve "college-ready" high school students in early college programs and expedite student progress toward a college degree.
12. *Intrasystem transfer issues.* Resolve "internal" (OUS institution to OUS institution) programmatic transfer issues. For example, students transferring upper-division credits from a System program that is not professionally accredited are sometimes required to repeat courses when moving to a program that is professionally accredited. Professionally accredited programs should work with "sending" programs to develop learning outcome-based ways to assure that transfer credits meet the specifications of their curriculum. Where this is unacceptable to accreditation groups, work to accommodate the demonstrated learning outcomes of transfer students.

13. *Intersector transfer plan.* Work with the JBAC and its action teams to respond to the requirements of House Bill 2387, presenting an effective intersector transfer plan to the 1999 Legislature.

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TUITION POLICY

(Adopted by the Oregon State Board of Higher Education, Meeting #610, June 25-26, 1992, pp. 318-323.)

The Tuition Committee (an ad hoc Board committee) recommended several policy statements for Board adoption. The Committee was guided by shared values, a belief in the need to achieve Oregon Benchmarks goals, and a desire to maximize access to Oregonians (in total numbers as well as in terms of all socio-economic and cultural groups and of all regions of the state to a predictable quality and level of programs at a predictable price.

Policy Statements

- 1 The State Board of Higher Education charge Oregon resident undergraduate students an instruction fee of no more than one-third the average cost of instruction.
- 2 The State Board of Higher Education charge nonresident undergraduate students an instruction fee at least equal to the average cost of instruction, including capital depreciation.
- 3 The State Board of Higher Education charge an instruction fee equal to the average cost of instruction to Oregon resident undergraduate students who have exceeded the requirements for their degree programs by 32 credits or more. Further study is needed to determine appropriate administrative procedures and waiver policies for double majors, students pursuing second baccalaureates, and transfer students (especially those returning to school after an interruption of several years and those from non-OUS colleges and universities whose credits may be accepted but might not be able to be applied toward specific degree requirements).
- 4 The Board should charge students in professional programs (currently law, medicine, dentistry, and veterinary medicine) an instruction fee at least equal to that charged undergraduate students.
- 5 The State Board of Higher Education work with the State Scholarship Commission to coordinate financial aid programs and state budget requests for financial aid funding. The responsibility of the Board toward students of public higher education cannot, of course, be compromised by such coordination.
- 6 The State Board of Higher Education reserves the right to provide incentives, such as tuition waivers, for students to pursue programs of study designed to meet the critical social and economic needs of Oregon.

(Note: Vice Chancellor Weldon E. Ihrig indicated at that Board meeting that the recommendations of the Tuition Committee cannot be adhered to in the present economic situation.)



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UNDERGRADUATE CLASS SIZE

(Adopted by the Oregon State Board of Higher Education,
Meeting #828, June 5, 2009.)

Unless a compelling educational or financial reason exists, an on-campus undergraduate lecture course offered for credit during the regular academic year and enrolling fewer than 10 students normally will not be scheduled or will be cancelled. It is recognized, nonetheless, that some electives and required sequences in specialized curricula, particularly at the upper division level, may make it necessary to offer classes below the standard of 10 students. The responsibility for determining whether a compelling educational or financial reason exists for a particular class and for approving exceptions to this policy will be exercised by institution presidents through their provosts/chief academic officers.

Certain instructional formats are intended for sound pedagogical reasons to enroll fewer than 10 students. Such courses may include seminars, thesis study, laboratory or discussion sections, reading and conference, independent study, music performance, individual research, senior project, and internship courses. These courses, as well as those offered exclusively online, primarily computer- or video-based, or as correspondence courses, are excluded from this minimum class size policy.

Because of the particularized nature of graduate study, no specific standard related to class size is proposed at the post-baccalaureate level.

Each university will provide an annual report to the Provosts' Council regarding exceptions approved and their justification. These reports will be periodically audited by the OUS Internal Audit Division. The Provosts' Council will include the information from these reports in its annual report to the Board of Higher Education.

This policy supersedes the former policy on class size adopted by the Board on April 25, 1962.

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UNDERGRADUATE PROGRAM DEMAND

(Adopted by the Oregon State Board of Higher Education,
Meeting #828, June 5, 2009.)

The Provosts' Council will review annually the number of bachelor's degrees awarded in all undergraduate programs offered by each university. For programs that award fewer than five bachelor's degrees at the institution in a given year, each university will provide a report to the Provosts' Council that addresses:

1. The degrees and enrollment trends of the program for the most recent five years;
2. The connection of the program to the institution's mission and strategic priorities;
3. The program's relationship to the institution's general education requirements;
4. The faculty resources needed to offer the program relative to the program's enrollment;
5. Potential changes under consideration for the program;
6. Any other contextual information that would help to understand the relatively low demand.

The Provosts' Council will include the information from these reports in its annual report to the Board of Higher Education.

Nothing in this policy should be construed as supplanting ongoing reviews that take place at an individual institution.

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