

# AOF Board Minutes

## May 6, 2006

Meeting called to order at 9:05 AM. Present were President Rick Troxel (UO), Vice-President Bob Becker (OSU), Secretary-Treasurer Kemble Yates (SOU), Marie Vitulli (UO), Steve Gibbons (WOU), Greg Monahan (EOU), Chuck Johnson (PSU), Jim Etchison (OIT), and Sherry Yang (OIT). Greg Monahan (EOU) was on speakerphone. Also present: Bill Linden and Danelle Romain.

Rick Troxel called the meeting to order at 9:00.

Campus reports—

UO (RT & MV)

- Law School Dean controversy.
- L. Davis is Provost now, and Frohnmayer and Mosely rarely sighted.
- Salary questions are in limbo.
- Diversity plan still rankles faculty.

OSU (BB)

- Diversity also an elevated concern at OSU.
- Serious budget difficulties ahead – departments asked to put 6 figure amounts on table while overall \$13-14M deficit looms.
- Significant investment in engineering underway.

OIT (JE)

- Quiet. President has not yet signed off on compensation package.

SOU (KY)

- Enrollments still a huge concern.
- Presidential search proceeds – hope is to bring finalists to campus later this month or in June.
- A special Senate and faculty union committee has put forth a major proposal to better define promotion/tenure procedures and to create a new instructional track of faculty.
- Accreditation preparation underway – visit is in October, 2007.
- Foundation is busy raising money for RCC-SOU joint building in Medford because SOU ended up short on its half of the project.
- Senate passed a modified general education package.
- Next big capital campaign will be for a major renovation and expansion of Science building.

EOU (GM)

- 75% no confidence vote of President by faculty. Provost is trying to leave. Chancellor and Board visiting later this month.
- Strike authorization vote will occur this week.
- Faculty are asking for 8% cumulative over biennium.
- Institutions' reserves are in the 3-4% range.

## PSU (CJ)

- Budget cutting planning going on-- 6% for 2006-07.
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### **Visitor: Senator Frank Morse**

Senator Morse gave an impassioned report on Oregon's volatile and broken revenue/spending situation. With the passage of Measure 5 and subsequent initiatives constraining revenues and requiring government spending, the Oregon budget is a mess.

Higher Ed's funding/student is down 33% since 92-93.

We're 43<sup>rd</sup> in the nation in state tax burden (but we are a high *fee* state, thanks to tuition and hospital/Medicaid). If Oregon had California's tax system, \$3.3B would be added to our \$12B budget. Idaho's would add \$1B.

Senator Morse proposes a reformulation of Oregon's taxation system. A much lower personal income tax and capital gains tax would be balanced with a 5% sales tax. Principles are: any change must strengthen economy, decrease revenue volatility, increase employment, have a tax cut component (e.g. to income and capital gains taxes), and stabilize revenue.

Asked AOF's help and guidance in making this vision come about.

### **Executive Director Report (Mark Nelson) --**

Political polling suggests... Governor: Kulongoski leading Sexton by small margin. Senate: MN predicts 16-12 for Dems. (w/ 2 Independents). House: MN predicts somewhere from 31-29 to 34-26 for Reps. Initiatives: 41 is passing, 45 is passing, 46 & 47 are passing, 48 is losing.

OUS Budget planning for 2007-09: \$920M request, significantly more (by \$100M!) than the "10% increase" being peddled by Gov K. The request includes a \$29M salary package for faculty. OUS also proposing a withdrawal from PEBB and once again wants to de-link ORP contribution rate from PERS'.

Revenue forecast: Up another \$230M for 2005-07 – the kicker will kick. 2007-09 is up another \$154M. There should be ~\$1.2-1.4 B more in the new biennial budget for allocation. As usual, K-12 wants it all and more.

PERS: 9<sup>th</sup> Circuit finally heard oral arguments on Robertson and Henderson. Strunk attorney fee request—action by Oct. 19. The two retiree cases will be heard soon. Lipscomb's City of Eugene judgment was vacated by Or Supreme Court.

OUS 403B farm out: Initial RFP has been withdrawn. Our (AOF) issues are plan choices and administrative fees. Marie and Bill will try to meet with Denise Yunker and other OUS players.

Miscellany: We need to get an IFS senator to sit on our board. Laura Nissen from PSU might make a good replacement for Chuck Johnson on our board.

Future meetings: October 14, November 11. No meeting in December. 2007 meetings to be scheduled.

Meeting adjourned at 12:00 PM