

AOF Board Minutes

September 16, 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), Jim Etchison (OIT), and Sherry Yang (OIT). Greg Monahan (EOU) was on speakerphone. Also present: Mark Nelson, Bill Linden, and Senator Frank Morse.

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

Campus reports—

UO (RT & MV)

- Lost faculty to Cal State universities.
- Lots of new administrators.

OSU (BB)

- Relatively quiet.
- Curious about Cascade Campus in Bend.

OIT (JE and SY)

- Center for Health Professions now being built.
- Enrollment up a little.
- Compensation plan has been fully implemented.
- ALL 1039 positions (retired faculty coming back) have now been eliminated.
- Accreditation visit this year.

SOU (KY)

- Enrollments & budget crisis acute.
- New President Mary Cullinan now transitioning into the reins. She's reaching out to campus community, especially faculty.
- Creation of "professional track faculty" as a joint venture from administration, faculty senate, and faculty union. They will have rank of Instructor, with promotion to Senior Instructor (& 3 year contracts) possible.
- Accreditation preparation underway – visit is in October, 2007.
- Foundation is busy raising money for RCC-SOU joint building in Medford.

EOU (GM)

- Salary: 1% step increase this year, with an additional 1% for faculty here since 2000-01.
- Sexual assault scandal hurting image of university, and is probably inhibiting enrollment.
- Response to 80% no confidence vote by faculty has been ... nothing, by OUS.

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 43rd 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: 9th 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