

Present were Bob Becker, Alan Bakalinsky, and Kemble Yates. Also present: Mark Nelson, Dave Reinhard, and Erica Hagedorn. Tim Thompson attended by phone.

New President Tim Thompson called the meeting to order at 9:05 AM.

Mark Nelson announced that Tim Thompson was elected President, Steve Gibbons was elected Vice President, and Kemble Yates was elected Secretary-Treasurer.

The minutes of our May meeting were approved as amended.

Treasurer's Report: We're down a little (projected revenues/costs relative to actual) as we begin our next fiscal year. Tim suggested we put on the agenda for September the possibility of a dues increase.

Campus reports—

OIT (TT)

- Administrative turnover continues – only the VP for Student Affairs remains. New President active in reorganizing the administration, and streamlining.
- \$1M of stimulus money moving around in building projects on campus.
- Geothermal drilling seems to have fizzled out, at least as a news item.
- Major land purchase (of failed housing development land) adjacent to campus.
- No notices of appointment for next year yet... has created some anxiety.
- To make up for a 4.7% salary cut, the tentative plan is to cut a week off of the pre-Fall Quarter activities.

OSU (BB and AB)

- AFT and AAUP have both called meetings at OSU (and UO), presumably trying to organize the faculty at these campuses. Very preliminary at this point.
- President Ray keeps saying publicly that he won't declare exigency. The figures being talked about are 15-20% budget cuts.
- Administration is seeking faculty and program input, but only some folks are participating.
- Cascades campus: new administrator named recently. Safe for at least two years, despite discussion by the Ways & Means Comm. of closing the campus.

SOU (KY)

- Negotiations have begun.
- SOU union interested in a more formal relationship with AOF, perhaps making every member of APSOU a member of AOF.

Executive Director Report (Mark Nelson)

Legislative Report: Budget update (global)... \$15-17B budget for 07-09 originally and ended up at \$14B actual, after cuts. For 09-11, we're looking at initial budget shortfall (from essential budget level [EBL]) of \$4B. K-12 took about a 7% cut (final budget after veto overridden was \$5.8B). Head Start was fully restored (but it's small). Corrections and Human Resources have also had some nice add backs from their most draconian cuts. Measure 57 has been delayed which creates some savings.

\$800M tax increase is part of making the budget work. "Shared Responsibility Model" – gist is to make tax increases broad and temporary to deal with this crisis was proposed by an alliance of business interests. Legislature instead decided on gross receipts tax, which many in business community abhor, plus an increase of 1.2% on corporate income tax. Also, on the personal income tax increase side, increases for high income earners. (All of these would be permanent.) This will likely be referred to the voters. All of the business entities will fight this – opposing it. Polling and history suggest that if it gets to voters, it will be rejected.

Bottom line of GF/Lottery funds: about 11.7% decrease from 07-09 to 09-11. Also built in is the expectation of a 6% res. And 9% other tuition increases. Chancellor's Office is projected to cut 25% -- probably unrealistic, though. \$6.6M was added back to small schools (at Chancellor's behest) – crucial especially for EOU and SOU. Also, \$7M went to tuition buydown and \$7M went to enrollment increase. Rep. Galizeo was a strong supporter for Higher Ed. We examined the Educ. Subcommittee to Ways & Means budget recommendation... Once enacted by the Legislature, OUS will break this down for campuses and AOF will look at those details later this summer or early fall.

Christmas "bush" will come in the endgame. Some funds may well come to OUS. We agreed that all of our budget documents should be put on our web site asap.

PERS coalition. Case decisions haven't really gone our way lately. We need to continue to assess our membership in this group – we currently pay 1% of its legal costs, approximately \$125 per month.

SB 897 on PERS, submitted by PERS coalition. It will allow a retiree to be a member of the board. New retirees (whether PERS or ORP) will now be eligible for medical benefits in PERS (self-paid, though). PERS would be required to give members a verified estimate of benefits two years out from retirement, and PERS would be held accountable for any factual errors they make on years of service or employment history. Senate passed unanimously, over the opposition of PERS board, and it now goes to House.

PEBB is going "self-insured" (medical and dental) in about a year. Erica will send us the information.

The financials of AOF for the time period since the May meeting were examined by the group. The future practice will be for the Board as a whole to view these details, but only the Secretary-Treasurer will keep copies – all other copies will be returned and shredded.

Future meetings will be Sept. 19, Oct. 17, and Nov. 21. There will be no December meeting, and we'll set the 2010 schedule sometime in the fall.

Meeting adjourned: 11:45 AM