November 20, 2008

To: Bill Boggess  
   Interim Dean, College of Agricultural Sciences  

   Larry Rodgers  
   Dean, College of Liberal Arts  

   Hal Salwasser  
   Dean, College of Forestry  

From: Sabah Randhawa  
       Provost and Executive Vice President  

RE: Applied Economics Graduate Program  

I want to thank you for your time, effort and support to help finalize and execute an agreement to advance the Applied Economics graduate program, a copy of which accompanies this memo. I remain confident that OSU has the faculty capacity to develop and offer an exemplary graduate program in Applied Economics. While the faculty in Department of Economics has chosen not to be the official members of the Applied Economics graduate program, I am heartened to see that they will participate in delivering the core curriculum in the program. I also remain optimistic that in the future, current or future economics faculty members will become active members of the Applied Economics graduate program.

Consistent with the Agreement, the University will provide up-front estimated costs for delivering core courses in the Applied Economics graduate program to the Program Director. These up-front resources are expected to be used as buy-out funds, and per the agreement, will be returned to the University. For fall 2009, the estimated cost for delivering the core curriculum is $154,000, distributed among the three participating units as follows: Economics $98,000; Forest Engineering, Resources and Management $14,000; and Agricultural and Resource Economics $42,000. These costs will be immediately returned to the University by contributing academic units, per the above distribution.

It is important that the faculty delivering the core courses meet the expectations (content and delivery) for those courses defined by the Applied Economics curriculum to ensure student success and program growth. It is equally important that there is an assessment process in place for reviewing the quality and relevance of courses and instruction, and an associated cause and due process for changes in teaching assignments that would involve input from the Graduate School and other unit and college administrators. As the Category I proposal for the Applied Economics graduate program is finalized, I expect that the Program Director will work with Dean Francis and others to concurrently define the appropriate processes to ensure program sustainability.

Again, thank you for your support of the Applied Economics Graduate Program.

c: Sally Francis, Dean of the Graduate School  
   Becky Johnson, Vice Provost for Academic Affairs & International Programs  
   Munisamy Gopinath, Director, Applied Economics Graduate Program
APPLIED ECONOMICS GRADUATE PROGRAM
Agreement between OSU Colleges of Agricultural Sciences, Forestry, and Liberal Arts and University Administration

Oregon State University will implement a graduate program in Applied Economics to be effective fall term, 2009, pending necessary approval processes. The Applied Economics graduate program will be housed in the Graduate School. The existing M.S., M.A., and Ph.D. degrees in Economics will be eliminated (See Provost's memorandum of 3/21/08); also the M.S. and Ph.D. degrees in Agricultural and Resource Economics and the forest economics option within the Forest Resources graduate degree program will be suspended. These degree programs will be eliminated once the Applied Economics Graduate Program is successfully implemented. This memorandum articulates the internal agreements and commitments that will support and facilitate the implementation of the Applied Economics program.

Overall Administration of the Program:
1. The Applied Economics Program will be administered by a Director who reports to the Dean of the Graduate School. The Director will be appointed in consultation with the leadership of the participating colleges and participating departmental faculty members. The nominal term of appointment for the Director will be three years, though like other administrative appointment at OSU, the Director will serve at the pleasure of the Dean of the Graduate School. Appointment is renewable, depending on performance as determined through annual reviews and a three-year 360° review, and the ability of the individual to effectively deliver on future directions of the program. The Director's appointment FTE will be substantially higher at the outset and will be reduced over time to be consistent with comparable multi-disciplinary, multi-departmental programs administered by the Graduate School. Development of the Category I proposal for the new program requires an initial appointment of the Director at 1.00 FTE. The University will provide resources through the Graduate School to support the salary of the Director and 0.15 FTE staff support.
2. Instructional faculty appointments associated with delivering the Applied Economics graduate program core will be made by the Director through a process of consultation involving the Deans, relevant department heads, and faculty advisory committee (or comparable structure) of the Applied Economics program to assure that the needs of the Applied Economics core curriculum are met.
3. The deans of participating colleges will work with the relevant department heads and the Director to promote the program, identify existing faculty to develop enhanced collaborations, and modify faculty members' position descriptions to reflect active contribution to the program and an expectation for the delivery of a high quality graduate degree program.
4. Student Credit Hours (SCH) generated as a result of offering the program will be credited to the units employing the faculty members responsible for the delivery of those credits.
5. Hiring for future economics faculty with core teaching responsibilities (or “economics faculty”) in relevant departments will occur through a consultative process, involving the deans, department heads, and the Director. Those positions need to achieve a balance between the needs of the Applied Economics graduate program and other strategic priorities of the academic units.
Responsibilities of the Deans of the Colleges of Agricultural Sciences, Forestry, and Liberal Arts:

1. Ensure effective departmental leadership in the Departments of Agricultural and Resource Economics, Economics, Forest Engineering, Resources, and Management, and Forest Ecosystems and Society that will support, facilitate and enable the initial implementation and long-term success and growth of the program.

2. The Department of Economics will be responsible for covering yet-to-be determined costs of graduate faculty duties (e.g. thesis direction, committee work) that faculty members in the Department of Economics will not be performing in support of the Applied Economics program.

Responsibilities of the Dean of the Graduate School:

1. Hire and appoint the Director.

2. Provide management of the Director position, including:
   a. Annual evaluation of the Director
   b. Oversight of use of resources allocated to the program
   c. Decide on broad direction of the program, including enrollment targets
   d. Ensure that key milestones of the implementation and development process are executed

3. In resolving conflicts regarding the academic program quality and delivery of core courses, as in the case of other multi unit or interdisciplinary programs housed in the Graduate School, issues will proceed from the director to the Graduate Dean who will work with the participating deans to reach a resolution. The effectiveness of this approach will rely on the involvement of the deans which necessarily relies on their relationships with their respective department heads.

Responsibilities of the Provost and Executive Vice President:

1. Provide University resources to support the salary of the Director and support staff.

2. Provide a recurring investment of an estimated $154,000 to the Director starting fall, 2009, for the purpose of securing instructional FTE to deliver the Applied Economics core courses on a contract basis according to appropriate standards set by the Director and oversight group. The estimated investment is based on the need to deliver 11 core courses annually at an average salary of $10,000 per course and an average OPE of $4,000 per course ($14,000 x 11 = $154,000). The expected division of expenditures will be as follows: Economics $98,000; Forest Engineering, Resources and Management and Forest Ecosystems and Society $14,000; and Agricultural and Resource Economics $42,000. These funds will be under the control of the Director of the program to be used to provide buyout from OSU academic units of faculty time for instruction of core courses. That is, the "buyout" funds will be immediately returned to the Provost by the Director in exchange for faculty FTE purchased from the contributing academic units. If an OSU faculty member fails to meet agreed upon expectations for the delivery of a given core course, and following appropriate evaluation of the course and the faculty member or if no OSU faculty member has the appropriate expertise, the "buyout" funds may be used by the Director to secure instruction from qualified faculty members external to OSU; in such cases, funds will be retained by the external entity.

3. Resolve conflicts regarding budget allocation involving the three academic colleges in the delivery of the Applied Economics program.
The Colleges of Agricultural Sciences, Forestry, and Liberal Arts agree to be unified in their support of this agreement, and will continue to maintain critical mass of faculty for delivery and expansion of the Applied Economics Program.

Bill Boggess
Interim Dean, College of Agricultural Sciences
10/29/08

Hal Salwasser
Dean, College of Forestry
10/29/08

Larry Rodgers
Dean, College of Liberal Arts
10/29/08

Sally Francis
Dean, Graduate School
10/29/08

Sabah Randhawa
Provost and Executive Vice President
10-21-08