

**Regular Meeting of the Board of Trustees
October 17, 2014
Robert Family Event Room, Austin Hall
Oregon State University
Corvallis, Oregon**

MINUTES

Trustees Present: Mark Baldwin, Patty Bedient (telephone), Rani Borkar, Darry Callahan (Vice Chair), Michele Longo Eder, Elson Floyd (telephone), Orcilia Forbes, Paul Kelly, Brenda McComb, Laura Naumes, Ed Ray (ex officio), Pat Reser (Chair), Taylor Sarman, and Kirk Schueler

University Staff Present: Ron Adams, Sherm Bloomer, Steve Clark, Glenn Ford, Mike Green, Mark Huey, Jan Lewis, Jock Mills, Kirk Pawlowski, Sabah Randhawa, Meg Reeves, Patricia Snopkowski, Marcia Stuart, and Becky Warner

Guests: Ben Cannon (Executive Director, Higher Education Coordinating Commission), Dan Edge (President, Faculty Senate), and Tim Nesbitt (Chair, Higher Education Coordinating Commission)

1. Call to Order/Roll/Declaration of a Quorum

Board Chair Pat Reser called the meeting to order at 11:00 a.m., asked the assistant secretary to call the roll, and noted a quorum.

2. Opening Comments and Reports

a. Chair's Comments

Chair Reser thanked Interim Vice President for Research Ron Adams and his colleagues for providing an overview of research at Oregon State. Ms. Reser introduced College of Business Dean Ilene Kleinsorge, noting that the dean's vision brought about the funding and construction of the Austin Hall, home of the College of Business. Dean Kleinsorge welcomed the Board to the newly opened building, sharing how the new building has invigorated the students by adding classrooms and other meeting spaces in a handsome, aspirational structure.

b. President's Report

President Ray welcomed the Board and drew their attention to a speech he recently gave to the Faculty Senate. He highlighted continued growth in enrollment and indicated that these enrollment increases contribute to the Governor's 40-40-20 goal. President Ray also reported that the seven public university and 17 community college presidents have agreed to seek a level of funding support for the 2015-17 biennium that is comparable to the biennial budget prior to the recession (2007-09). In addition, he

summarized activities associated with the development of the OSU-Cascades campus, the Marine Studies program in Newport, and the Campaign for OSU.

c. Faculty Senate Report

Dr. Edge, president of the Faculty Senate, reported that there is high interest among the faculty to assure the academic success of student athletes. Recently instituted policy and procedural changes by the NCAA on scholarship, degree completion, etc., may have adverse effects on non-revenue sports programs on the OSU campus, and Dr. Edge encouraged the Board to be mindful of the issue.

d. Higher Education Coordinating Commission Report

Mr. Tim Nesbitt, chair of the Higher Education Coordinating Commission, congratulated the University on the success of the foundation's fundraising campaign and the launch of the University Innovation Alliance

Mr. Cannon, HECC executive director, reported that the HECC requested an approximate 20% increase over the previous biennium for higher education, with recommendations on the distribution of that increase. He also reported that, with a \$65 million funding request for the Oregon Opportunity Grant, they are seeking to fully fund the first two years of a postsecondary education, whether at a community college or at a university.

Mr. Cannon also reported that a work group has been created to develop a funding formula to replace the current model to allocate funds with an outcomes-based model. He said that there is an understanding that some aspects of the budget will not be covered under outcomes-based funding such as research and sustaining regional universities. Concern was expressed that outcome-based budgeting would be impacted by economic changes and the subsequent shifting of funding between postsecondary institutions.

3. Consent Agenda

a. Approval of Minutes (July 18, 2014 Regular Meeting)

A motion was made and seconded to approve the minutes of the July 2014 regular meeting; the motion carried.

4. Reports of Standing Committees of the Board

a. Academic Strategies Committee (October 16 meeting)

Mr. Kelly, chair of the Academic Strategies Committee, thanked Dr. Brubaker-Cole for her presentation concerning student life. As a follow-up to the July meeting, he advised that the committee reviewed their current charge and decided not to make any change to it until the committee had more experience operating within its present charge.

b. Finance & Administration Committee (October 16 meeting)

Mr. Schueler, chair of the Finance & Administration Committee, reported that, during their October 16 meeting, the Committee reviewed and accepted a committee work plan and schedule, acknowledging the inclusion of educational items and recognizing Trustee Thorne's request for the committee to review the expense of program delivery.

Additionally, the Committee reviewed the FY 2014 fourth quarter operating management report and evaluated the structured content within the report. The committee reviewed and recommended for Board approval the following items: acceptance of the Matteson property gift of approximately 181 acres of timber property, the proposed Public University Fund Investment Policy, and the proposed university treasury management policies (the University Internal Bank Policy, the University Investment Policy, and the University Debt Policy). Chair Schueler expressed his appreciation for the educational item "Bonds 101" that was presented to the committee.

c. Executive & Audit Committee (August 28 and October 16 meetings)

Ms. Reser, chair of the Executive & Audit Committee, provided an update on the committee's two meetings, noting the committee approved the Office of Audit Services' organizational structure and plan and the selection of CliftonLarsonAllen LLP as the external auditor firm for services during fiscal year 2015-16.

5. Action Items

a. Approval of Proposed Resolution Delegating Authority to the University (Revised)

Chair Reser provided background on the proposed resolution to delegate certain authorities to the University and the revisions that were made subsequent to the July meeting, noting that several "checks and balances" were included in order to ensure accountability. A motion was made and seconded to approve the delegation of authority to the University as set forth in the resolution; the motion carried.

b. Approval of Proposed FY15 Presidential Compensation

Chair Reser provided background, noting that President Ray's current employment agreement, dated July 18, 2014, continued without change the FY2012-13 salary and retirement contribution agreed to by the State Board of Higher Education and the OSU Foundation. Based on President Ray's exceptional performance and also an evaluation of peer and comparable land-grant university presidential salaries, the Executive and Audit committee voted at its August 28 meeting to recommend to the Board an increase of 9% to the president's salary and deferred compensation (retroactive to the beginning of the university's fiscal year, July 1, 2014). The Chair advised that this salary increase would complement the 9% increase approved by the foundation's board of trustees at their September meeting.

A motion was made and seconded to authorize a 9% increase over President Ray's current salary and deferred compensation, effective July 1, 2014; the motion carried. Ms. Reser acknowledged that this vote was an expression of the Board's appreciation and confidence in President Ray's leadership of the University.

c. Approval of Proposed FY15 Presidential Performance Assessment Process

The Executive and Audit Committee recommended the Board assess President Ray's performance against a set of goals and priorities agreed on by the president and the Board, based on the president's agenda for FY15. At the conclusion of FY15, the Board chair will lead the Board in conducting an assessment of the president's performance against these established goals and priorities. Over the course of the next year, the committee will develop a more comprehensive evaluation process and metrics. Following a brief discussion, a motion was made and seconded to approve President

Ray's "Agenda for FY15" as the goals and priorities against which the Board will assess his performance for FY15; the motion carried.

d. Approval of Proposed Acceptance of Matteson Property Gift

Vice President for Finance and Administration Glenn Ford advised that 181 acres of timber property had been offered to the University by the estate of Marion Matteson to assist the College of Forestry. The property is gifted in memory of Mr. Matteson's mother, Rubie P. Matteson. A motion was made and seconded to accept the gift as presented and recommended by the Finance and Administration Committee; the motion carried.

e. Approval of Proposed Public University Fund Investment Policy

House Bill 4018 established the Public University Fund for the purposes of pooling the cash balances of the public universities. Public universities desiring to participate in this fund would delegate to one of the participating universities the responsibility and authority to administer the fund, working with the State Treasurer and the Oregon Investment Council. Associate Vice President Mike Green noted that Oregon State agreed to be the designated university and to institute an investment policy that establishes investment guidelines pertaining to the assets of all public universities participating in the Public University Fund. A motion was made and seconded to approve the proposed Public University Fund Investment Policy as presented and recommended by the Finance and Administration Committee; the motion carried.

f. Approval of Proposed University Treasury Management Policies

Chair Reser noted that the following changes to the policies as they appeared in the docket (pages F-23 – F-40) were proposed and recommended by the Finance and Administration Committee for approval as follows:

i. University Internal Bank Policy

On page F-23, in Section II ("Management of the Internal Bank"), revise the second sentence to read: "...the University Vice President for Finance and Administration delegates to the University Associate Vice President for Finance and Administration, with oversight by the Provost and Executive Vice President and the University Vice President for Finance and Administration, the responsibility for management of the Internal Bank. The Associate Vice President may employ staff to provide the services that align with the goals of the Internal Bank..."

ii. University Investment Policy

On page F-27, in Section V ("Delegation of Authority"), revise the first sentence to read: "The management responsibility for the investment program is hereby delegated by the University Vice President for Finance and Administration to the University Associate Vice President for Finance and Administration, with oversight by the Provost and Executive Vice President and the University Vice President for Finance and Administration..."

iii. **University Debt Policy**

This policy was endorsed by the Finance and Administration Committee with no accompanying amendments.

A motion was made and seconded to approve the proposed University Treasury Management Policies as amended and recommended by the Finance and Administration Committee; the motion carried.

g. **Approval of Resolution of Appreciation--Meg Reeves**

The following resolution was read into the record by Chair Reser:

WHEREAS, the Oregon Legislature established the Board of Trustees of Oregon State University to assume governance for the University; and

WHEREAS, the Board adopted Bylaws and Policies and assumed its powers and authority on July 1, 2014; and

WHEREAS, the Bylaws designate the Board Secretary an officer of the University to serve "...as a liaison between the Board and the University administration..." and to support the Board and its committees; and

WHEREAS, the Board appointed Meg Reeves, the University's general counsel, to serve as its first Secretary; and

WHEREAS, Meg Reeves has performed all the duties of the Board Secretary in an exemplary manner which will serve as a model of thoughtful advice and support for future Secretaries; and

WHEREAS, Meg Reeves' integrity, wisdom, counsel and good humor have provided the Board with such guidance as to begin its work on the strongest possible foundations; now therefore

BE IT RESOLVED, that we, the members of the Board of Trustees of Oregon State University, express our most sincere gratitude and appreciation to Meg Reeves and acknowledge her extraordinary work in helping us establish this Board's governance for the benefit of this University and the State of Oregon that it serves.

A motion was made and seconded to approve the resolution; the motion carried.

6. **Education Items**

a. **Overview of Student Life Policies**

Dr. Susie Brubaker-Cole, vice provost for Student Affairs provided an abridged version of the presentation she had made the day before to the Academic Strategies Committee.

b. **Sexual Misconduct—Prevention and Response**

Angelo Gomez, executive director of the Office of Equity and Inclusion, gave a presentation on university efforts underway to address sexual harassment and sexual violence on campus. Mr. Gomez noted that, reported cases of sexual harassment on the OSU campus only represent a small percentage of actual incidences. Although it appears that incidents have increased over the past five years, in actuality, the statistical increase can be attributed to improved data collection as well as the university fostering a climate that provides victims the confidence to come forward.

He also noted that the onus is on the University to respond and stop misconduct by investigating reports of sexual abuse, eliminating hostile environments, and providing awareness and prevention education and training.

c. Strategic Major Gift Initiative

Mr. Shawn Scoville, executive vice president of the OSU Foundation and director of the "Campaign for OSU," informed the Board about the strategic major gift initiative. He noted that the campaign will conclude on December 31, 2014, and that, currently, \$1.1 billion has been raised. For the next campaign, three objectives have been developed: to increase private philanthropic support, to position Oregon State for the next comprehensive campaign, and to build a strong engagement of alumni, parents and friends. Mr. Scoville announced that a year-long celebration would continue throughout the academic year. On behalf of the Board, President Ray and Chair Reser congratulated the foundation on the successful campaign.

7. Other Business

No other business was proposed.


8. Public Comments

Mr. Jeff Hess shared his concerns about affordable housing in Corvallis. President Ray noted that OSU has engaged in discussions with the city council and the mayor to continue the university's collaboration with the city to mitigate any adverse effects on housing, traffic, and parking in the neighborhoods around the university resulting from the university's growth.

9. Adjournment

With no further business proposed, the meeting was adjourned at 3:55 p.m.

Respectfully submitted,



Mark Huey
Assistant Board Secretary