



MINUTES

Committee Members Present: Mike Bailey, Mark Baldwin, Patty Bedient, Rani Borkar, Julia Brim-Edwards, Darry Callahan (*vice chair*), Michele Longo Eder, Brett Morgan, Laura Naumes, Ed Ray, Pat Reser (*chair*), and Mike Thorne

University Staff Present: Ron Adams, Jennifer Almquist, Sherm Bloomer, Tim Brewer, Susie Brubaker-Cole, Susan Capalbo, Debbie Colbert, Ed Feser, Becca Gose, Mike Green, Annie Heck, Dan Larson, Bob Mason, Jock Mills, Susana Rivera-Mills, Cindy Sagers, Clay Simmons, Patti Snopkowski, and Marcia Stuart

Guests: Simon Brundage (*president-elect, Associated Students of Oregon State University*), Ben Cannon (*executive director, Higher Education Coordinating Commission, by phone*), Rachel Grisham (*president, Associated Students of Oregon State University*), Molly Svendson (*president, Associated Students of Cascades Campus, by phone*)

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

Board Chair Pat Reser called the meeting to order at 9:40 a.m., asked the assistant board secretary to call the roll, and noted a quorum.

2. Opening Comments and Reports

a. Chair's Comments

Pat Reser shared that she announced her retirement from the Board, effective June 30. She said that over the past 20 years she has enjoyed serving Oregon State in a variety of roles, adding that her service on the Board has been a highlight of her time at the university. She concluded by stating that it has been an honor to serve as Chair of the Board of Trustees.

b. President's Report

President Ed Ray remarked on the success of the previous day's joint session between the boards of the university and the Oregon State University Foundation, underscoring the valuable contributions of each. He also highlighted the new institutional logo, which was launched in Corvallis on April 24, Portland on April 25, and at OSU-Cascades on May 3, 2017. The brand launch at OSU-Cascades was followed by his Bend State of the University address.

Ray reported that the university had recently hosted the annual convening of the University Innovation Alliance, a national consortium of eleven large public research universities. In addition to sharing ideas across institutions, Oregon State University's

efforts to improve student success were highlighted during the visit, including the collaborative learning spaces in the Learning Innovation Center.

Next, Ray expressed congratulations to Oregon State baseball coach Pat Casey and the team for their successful season. Ray also reported that efforts to safely design and construct OSU's marine studies initiative building in Newport were underway, adding that the process included opportunities for community engagement. Ray concluded his report by highlighting some of the facts related to Commencement 2017, taking place June 17. Ray said that the university expects to graduate a record-breaking 6,807 students, who will receive a total of 7,097 degrees.

c. Faculty Senate Report

Faculty Senate President Bob Mason summarized recent activities of the Faculty Senate. He reported that the Senate continued to work on updating academic regulations to reflect the change from a state board of higher education to a local governing board. Mason also reported that the Faculty Economic Welfare and Retirement Committee of the Faculty Senate, working in collaboration with the Associated Students of Oregon State University (ASOSU), drafted an Oregon State University Family and Child Resources and Programs Resolution, which was passed by the Faculty Senate in April. Subsequently, President Ray constituted a Children, Youth and Family Committee charged to guide university-wide planning and implementation of efforts to address and advocate for the family needs of students, staff, and faculty. Next, Mason recognized Rachel Grisham for her leadership as president of ASOSU, noting her recent efforts to draft a student bill of rights. Lastly, Mason expressed his appreciation of Chair Reser and her leadership in guiding the establishment of OSU's governing board. He shared that he looked forward to welcoming her to the final Faculty Senate meeting of the academic year on June 8, and he concluded by thanking her for her service.

d. Higher Education Coordinating Commission Report

Higher Education Coordinating Commission (HECC) Executive Director Ben Cannon spoke by phone to the Board. He started his report by expressing his appreciation of Chair Reser for setting an inclusive tone for the work between the Board and the HECC. He also remarked on her leadership not only on behalf of OSU but also on behalf of statewide issues related to higher education.

Next, Cannon stated that the current focus of the HECC was the legislative session and in particular on trying to ensure that the legislature increases funding for higher education. He said that some legislators expressed interest in seeing any increases in state funding levels applied to reducing tuition increases; however, the HECC believes any additional funding should be directed to the Public University Support Fund to be distributed through the HECC's funding allocation formula. Cannon also reported that the status of Oregon Promise remained uncertain, adding that he expected the focus of the program may be narrowed to include income guidelines. Cannon shared that the HECC, like many state agencies, was facing cuts to funding for agency operations. He said that reductions in staffing could affect service levels to institutions and the agency's ability to effectively operate some programs.

Cannon also provided an update on House Bill (HB) 2998, which relates to transfer of credits between community colleges and public universities. He said that with passage

of the bill efforts would be undertaken by a workgroup to be convened by the HECC to establish a path toward a guaranteed portfolio of transferable credits between any Oregon community college and any Oregon public university. Lastly, Cannon reported that the HECC had approved all of the tuition increases over 5%, noting that the initially rejected increases for Portland State University and the University of Oregon had subsequently been approved. He said that the process revealed the extent to which the statute requiring HECC approval of increases over 5% appeared to place the HECC board in a governing role with regard to tuition, adding that, should this authority be retained, the HECC should continue strengthening relationships with university governing boards to work toward alignment between decisions.

Following Cannon's report, Reser spoke to the effective relationship between OSU and Linn-Benton Community College and suggested that model may serve as an exemplar should HB 2998 pass. Cannon agreed that it was an example of a strong partnership.

e. Associated Students of Oregon State University Report

Chair Reser acknowledged outgoing President of the Associated Students of Oregon State University (ASOSU) Rachel Grisham and thanked her for her energy and passion in support of students. She also recognized her engagement with Faculty Senate and efforts in support of shared governance and her work at OSU and nationally to support the It's On US campaign. Reser then invited incoming President of ASOSU Simon Brundage to give his report. Brundage reported that he had been in office for one day, and he thanked Grisham for her guidance in the transition. Brundage shared that he had recently completed hiring the first round of cabinet officers with additional hiring to occur over summer. He concluded his report by stating that he looked forward to working with the Board.

f. Associated Students of Cascades Campus

Molly Svendsen, president of the Associated Students of Cascades Campus (ASCC), reported that her term of service ended following Commencement and she shared that Jordyn Langeliers would be serving as the next president. Svendsen also reported on several accomplishments during spring term, including holding the ASCC Food Pantry's first distribution of food boxes, working to streamline childcare subsidies, and initiating a textbook lending program following receipt of a grant. At the conclusion of her report, Reser thanked Svendsen for her service.

3. Public Comments

Board Secretary Debbie Colbert announced the receipt of a petition titled "Save the Corvallis Multicultural Literacy Center," which included over 80 signatures.

The following individuals spoke during the public comments period:

- Dee Curwen spoke as the coordinator of the Corvallis Multicultural Literacy Center (CMLC) about the importance of the center's contributions to the community. She expressed concern that the Sunflower House, the current location of the CMLC, was set to be demolished as part of a plan to expand campus student housing, and she urged the board to consider preserving the building.
- Joan Gross spoke about the role of the CMLC in fostering transformative educational experiences through cross-cultural partnerships. She said the atmosphere of the Sunflower House was important to this work, and she added that the location of the house created a gateway between the city of Corvallis and OSU.

- Valori George spoke about the role of the CMLC in creating connections between campus and the community. She said that although the university had identified a new location for the CMLC, it was less optimal than the Sunflower House.
- Karim Hamdy expressed his support for the work of the CMLC. He also shared concerns about OSU's reduction in Arabic language course offerings and about World Languages and Cultures.
- Joanna Wesolowska spoke about the importance of the CMLC for international families and said her connection to the CMLC made her feel like a member of the community.
- Lori Stephens asked the university to consider preserving the Sunflower House by creating a unique design that would integrate the space into the housing plans.
- Bruce Osen said he saw the Sunflower House as a link between the university and the community. He submitted a drawing of a design plan that would integrate the Sunflower House into the student housing plans.
- Kathy Miller spoke about her desire to see the Sunflower House remain.
- Jeff Hess shared his concerns about a disconnect between the university and the Corvallis community. He also urged the Board to consider instituting a requirement that presidential housing be located in Corvallis.
- Michele Gretes asked the Board to preserve the Sunflower House.

4. Consent Agenda

a. Minutes of the April 21, 2017 Board Meeting

A motion was made and seconded to approve the minutes of the April 21, 2017, Board Meeting. The motion carried.

5. Reports of Standing Committees of the Board

a. Executive & Audit Committee

Executive & Audit Committee Chair Pat Reser reported that the committee had a telephonic meeting on May 23 to consider the proposed 2018 and 2019 Board calendars, the election of a Board chair, and the presidential assessment policy. She said the committee also discussed the upcoming at-large Board position vacancy and heard a progress report from the Office of Audit Services.

b. Academic Strategies Committee

Academic Strategies Committee Vice Chair Michele Longo Eder reported that the committee approved a new academic program, a Master of Adapted Physical Education (MAPE). The MAPE program would be located within the College of Public Health and Human Sciences and would be the only program in the state to offer an adapted physical education endorsement. The committee's approval is pending the approval of the statewide Provost's Council, the HECC, and the Northwest Commission on Colleges and Universities.

Eder also reported that Provost and Executive Vice President Ed Feser provided a high-level overview of the university's strategic academic planning efforts. Eder said the discussion focused on aligning programs with resources; maintaining a mix of programs to meet OSU's land grant mission and the mandate for distinction across the state, the nation, and the world; and linking academic planning and university strategic planning.

Next, the committee heard from College of Earth, Ocean, and Atmospheric Sciences Dean Roberta Marinelli. Marinelli provided an overview of the college, described the key strengths in student engagement and faculty excellence, and outlined the college's strategic direction. Eder shared that the committee also heard from University Registrar Rebecca Mathern who provided highlights from the registrar's annual report on the graduating class. Eder noted that several highlights included surpassing 7,000 degrees for the first time and having 1,335 seniors qualify for academic distinction. Vice President and Director of Intercollegiate Athletics Scott Barnes also spoke with the committee to share his philosophy and initial areas of focus. Eder noted that Barnes would present a more formal report at their October meeting. Lastly, the committee heard a report on lab safety, which Eder noted was one of the risks identified by the university and assigned to the Academic Strategies Committee. She reported that the committee heard an overview of progress on efforts to mitigate lab safety, adding that while it is a high-risk area, the methods of mitigation are producing positive results.

c. Finance & Administration Committee

Finance & Administration Committee Vice Chair Mike Thorne reported that the committee forwarded recommendations to the Board on four items. First, the committee heard a report from Interim Vice President for Finance and Administration and Chief Financial Officer Mike Green on the proposed FY2018 Operating Budget. Next, the committee heard a report from Green and Anita Azarenko, associate vice president for capital planning and facilities services, on the FY2018 Capital Budget and a bond sale resolution. Thorne reported that the committee also considered a Liquidity Management Policy and a request to authorize the issuance of one or more lines of credit to the university. Thorne noted that additional detail would be provided later in the meeting. Thorne reported that the committee also heard a report on research space needs, which is one of the risks identified by the university and assigned to the Finance & Administration Committee. He shared that the committee heard a progress report on efforts to mitigate this risk and discussed specific strategies the university is pursuing to achieve its strategic goals.

6. Action Items

a. FY2018 Operating Budget

Reser asked Thorne to present this item. Thorne said that staff presented to the Finance & Administration Committee the details of the operating budget plan for the 2017-18 fiscal year and that the Board would hear an abbreviated version of that presentation. Thorne noted the FY2018 budget has more areas of uncertainty than has been the case in recent years, and adjustments may be needed in fall term once more information is available about the status of state and federal funding and about enrollment projections. Thorne stated that the budget, as presented, works to maintain commitments that advance the mission of the university and implements strategic reductions to manage a gap between revenues and expenses of approximately \$20M. He said the committee discussed the budget for Athletics, including plans for the department to work toward a self-sustaining budget. The committee also discussed the new focus on setting aside money for capital renewal and maintenance. Lastly, Thorne noted that staff had characterized the budget as conservative, allowing for strategic investments while maintaining the university's strong financial foundation. He then invited Green and Director of Budget and Fiscal Planning Sherm Bloomer to provide an overview of the presentation they made to the Finance & Administration Committee.

Bloomer said that the proposed budget, totaling \$1.217B in projected revenues and \$1.220B in projected expenditures and net transfers, provides a plan to develop and distribute resources that will support pursuit of the goals outlined in Strategic Plan 3.0. He also emphasized that the proposed operating budget was an estimate, given the uncertainties mentioned by Thorne. Bloomer then spoke about the budget context, noting the significant impact of enrollment and adding that reports show enrollment generally on track for projections. He also said that the current projections for state funding are flat for 2017-19 and that the federal funding environment remains volatile. Bloomer reported that the Corvallis Education & General Fund budget reduction of approximately \$20M would be achieved through the reduction or deferral of some new and existing central commitments and targeted spending reductions. He added that differential reductions would occur across academic and administrative units, with reductions averaging about 2.1% in colleges and 3.6% in administration. Green acknowledged the leadership of Provost Feser working with academic leaders to implement the necessary budget reductions.

Next, Bloomer reported that a new budget model is being phased in for the Education & General Fund budget in Corvallis. He said decisions for academic units will be based on strategic need and impact and decisions for administrative units will be based on a more qualitative assessment of the connection between activities and student success.

Reser invited those signed up for public comment on this topic to address the Board.

Public Comments

The following individuals provided public comments:

- Jeff Hess asked the Board to consider setting a maximum salary for university employees in order to address economic inequality.
- Tabitha Pitzer spoke about her experience as a legislative intern for the Oregon Student Association. She said the statewide, student-led advocacy group was part of conversations to address the state's revenue system and to urge legislators to address the needs of higher education. She encouraged the Board to also lend their support to these conversations.

In the discussion that followed, Trustee Julia Brim-Edwards reflected on that morning's breakfast with students who had encountered substantial barriers and who were supported and mentored by faculty committed to student success. She noted the importance of investing in faculty and other support structures for students. Callahan agreed that the university has many faculty and staff who are committed to excellence and student success. Ray added that as the student body becomes increasingly diverse, faculty and staff are increasing their ability to support students with a wider range of backgrounds and experiences and redoubling their commitment to positively affecting the lives of students.

Following discussion, a motion was made and seconded to approve the proposed operating budget for FY2018 as presented in TAB K, Tables 1 through 4. The motion carried.

b. FY2018 Capital Budget and Bond Resolution

Reser asked Thorne to present this item. Thorne said that, during the March 2017 meeting, the Finance & Administration Committee reviewed and approved an earlier iteration of the 2018 Capital Plan, but it was not brought before the full Board for approval. He then provided an overview of the \$106.28M capital budget request, which includes \$12M in state-paid bonds, \$72.28 in OSU-paid bonds, \$14M in gift funds, and \$8M in university funds to develop seven projects. Thorne added that the capital budget included a request that five of the projects be funded with proceeds from OSU revenue bonds, noting that the bond sale would not materially impact the financial metrics that the Board has previously reviewed as part of the 10-year Business and Capital Forecast. Thorne said the committee also discussed the upper division and graduate student housing project, including the balance of considerations such as responding to an urgent need for additional on-campus housing as well as helping to continue the important services provided by the Corvallis Multicultural Literacy Center (CMLC), which currently leases space in a building on the site planned for development. He said the committee also talked about the Newport Housing project, which presents a challenging *pro forma* but is also a strategic opportunity and priority for the university. Lastly, Thorne said that committee members discussed the relationship between bond funding and the university's internal bank, interest rates, and impacts on the university's long-term financial health. He then invited Green and Associate Vice President for Capital Planning and Facilities Services Anita Azarenko to provide an overview of the presentation they made to the Finance & Administration Committee.

Green began the presentation by stating that while staff were seeking approval for seven capital projects, including the upper division and graduate student housing project, they would continue to work with the CMLC to identify ways the university might be able to assist continuation of their programs. Next, Azarenko provided an overview of each of the projects, beginning with the College of Veterinary Medicine's expansion of Magruder Hall to expand clinical space for increased caseload and specialty offerings.

In speaking about the upper division and graduate student housing project, Azarenko referenced public comments and echoed Green's commitment to identifying ways the university might assist the CMLC in continuing their services following removal of their current location, the Sunflower House. Trustee Mark Baldwin asked whether the Board's decision about the capital budget request tacitly included approval of specific plans for each project listed. He added that, with regard to the upper division and graduate student housing project, it was clear that the project would expand programming and address an on-campus housing need, but the current plan would also impact the ability of the CMLC to continue operating out of the Sunflower House. Green stated that the Board's authorization of the \$30M in OSU revenue bonds would put in place the authority for the university to proceed with the current project plan, which includes removal of the Sunflower House. General Counsel Becca Gose added that the Board's approval of capital projects includes the project parameters and an upper limit on cost, and that design decisions remained under the purview of staff. Ray asked about whether there had been consideration of alternate plans, noting the importance of balancing considerations such as the relationship with the Corvallis community, the financial impact, and the impact on the ability to respond to the need for additional on-campus housing. Green said that building around the Sunflower House would require a reduction to the size of the housing structure such that it would no longer be a financially viable project. Reser asked whether it was possible for the Board to have additional information

about viability considerations, and she added that, while the Board's authority was consideration of the capital budget request for the purposes listed, trustees could also expect to receive information about elements that informed how projects were completed. Reser also asked about the timeline for conversations with the CMLC, and Azarenko said that OSU staff started conversations with the CMLC staff and board in February 2016 when the lease expired. At that time, the university informed the CMLC that they would not be able to provide a three-year extension to the Sunflower House lease because OSU would be developing the site in response to a need for additional on-campus housing. Azarenko said these initial discussions included such options as the CMLC purchasing and moving the Sunflower House and the university providing an alternate campus location. More recently, Azarenko said that she and Vice Provost for International Programs Mark Hoffman had met with CMLC staff to talk about the programming needs and ways the university might support the continuation of programming regardless of location. Following those discussions, Azarenko and Hoffman met with CMLC board members to present the option of relocating to the space that formerly served as the location for the Asian & Pacific Cultural Center. She said the CMLC board would be meeting later in June to discuss this option. Reser thanked Azarenko for the additional information and again reminded trustees of their responsibility to either approve or disapprove the capital budget and bond resolution and, if needed, request additional information as the project is implemented, including the potential financial impact of any decisions on students. In response to a question from Ray about the timing of the project, Azarenko stated that the groundbreaking would be scheduled for spring 2018. Ray said that timeline would provide an opportunity for the Board to hear an update on the efforts of staff to better understand the viability of various project plans and to continue to work with the CMLC staff. Callahan clarified that the Board could choose to approve the budget, thus delegating decisions about the project plan to Ray and his staff, and still expect updates on the project. Thorne noted this was similar to the discussion within the Finance & Administration Committee. Trustee Patty Bedient asked about the ability to remodel the alternative location that has been proposed for the CMLC. Bedient added that given the testimony, she would like the university to explore all possible options for accommodating the needs of this program within the parameters of the Board's fiduciary duties. Reser stated that the university had demonstrated its commitment to diversity in a number of ways, including by supporting the seven Cultural Resource Centers, noting that it was important to continue that commitment while also meeting the need to provide additional on-campus housing. Azarenko confirmed that staff would continue working with the CMLC.

Next, Azarenko continued her overview of the proposed capital projects. Then, Green provided a summary of the \$74.675M funding request and the 2017/2018 General Revenue Bond Resolution provided in TAB L, Attachment 1. Following the presentation, Bedient asked whether the Board would hear updates on previously approved capital projects. Green stated that staff were developing a capital project status report to bring to the Board beginning in October and then on an annual basis thereafter as a way to provide accountability for the progress of capital projects. Ray suggested that the report be modeled after the status reports given to the Academic Strategies Committee.

Reser invited those signed up for public comment on this topic to address the Board.

Public Comments

The following individuals provided public comments:

- Azeem Hussaini expressed concern that the Board did not take seriously efforts by students to bring their concerns forward, citing reports he had heard about discussion during the previous day's Board activities.

Reser said that while trustees typically do not respond during the public comment period, she apologized for any negative interpretations of the discussions. She added that the Board demonstrated that they had listened to students' concerns about the cost of attendance by approving a tuition increase lower than that of any of the other Oregon public universities.

Following discussion, a motion was made and seconded to adopt the FY2018 Capital Budget and the Bond Resolution provided in TAB L, Attachment 1. The motion carried.

c. Liquidity Management Policy

Reser asked Thorne to present this item. Thorne stated that staff recommended that the university adopt a policy to outline the university's philosophy for optimal liquidity management, to define the university's primary objective for liquidity management, and to provide a framework for utilization of short-term debt. He added that the liquidity management policy would provide a framework for managing the university's overall finances by tying together other financial policies such as the Internal Bank, Debt, and Investment Policies. Thorne then asked Green to provide additional detail about the proposed policy. Green added that providing a framework for the financial policies would help the university to optimize its financial structure, maximize investment earnings, and minimize debt costs.

There was no additional discussion. A motion was made and seconded to adopt the Resolution establishing the Liquidity Management Policy as provided in TAB M, Attachment 1. The motion carried.

d. Short-term Financing

Reser asked Thorne to present this item. Thorne said that the Finance & Administration Committee's recent conversations about how the university can better manage its cash flow led to development of the liquidity management policy as well as a recommendation that the university establish a short-term line of credit. He said the resolution would authorize the university to issue a \$50M Revolving Line of Credit to provide liquidity for interim financing of capital projects that will be paid for by bonds and gift funds that are collected over a period of several years. Thorne noted that the additional \$50M in overall debt does not materially affect the university's debt policy ratios and actually improves the university's liquidity ratios.

There was no additional discussion. A motion was made and seconded to adopt the Resolution in TAB N, Attachment 1 authorizing the issuance of one or more lines of credit to the university in the aggregate principal amount not to exceed \$50M for the purpose of providing interim financing for capital funding consistent with the Liquidity Management Policy. The motion carried.

e. 2018 and 2019 Board Calendars

Reser reminded trustees that the Board Calendar Policy directs the Board Secretary to deliver the schedule of the Board's meetings for the upcoming year by July 1 of each year. Colbert presented the proposed meeting dates at the Executive & Audit Committee's telephonic meeting on May 23. Reser directed trustees to TAB R, noting that this year's proposal included dates for calendar years 2018 and 2019. She said this advance planning was intended to aid with overall logistics and to provide additional transparency to Board operations. Reser also noted that the selection of the proposed dates included consideration of written and public comments from students and others about scheduling meetings during the final week of classes and during Finals Week, particularly during the early spring meeting when the Board acts on any proposed changes in tuition. Colbert added that, in the past, the Board did not have flexibility in even-numbered years with regard to the timing of this spring meeting because of the April 1 statutory deadline for the university's submittal of the biennial funding request to the HECC. However, she reported that Senate Bill 54, which removes the statutory deadline, had recently passed both Houses. A motion was made and seconded to approve the 2018 and 2019 meeting dates. The motion carried.

f. Presidential Assessment Policy

Reser summarized the proposed changes to the Presidential Assessment Policy as contained in TAB S. She said the changes were prompted by the General Counsel's Office recent identification of two Oregon appellate cases decided in the last year. Under these recent interpretations of public meetings law, the role of the Board Officers in several sections of the policy would be deemed a "committee" of the Board even where there was no "quorum" explicitly required for the committee to act. Reser stated that under the proposed change, the Board Chair was identified as the responsible party, rather than the Board Officers. Colbert also noted that the proposed amendments would be consistent with the recent cases. A motion was made and seconded to adopt the resolution amending the Presidential Assessment Policy as provided in Attachment 1. The motion carried.

g. Election of Board Chair

Reser stated that her announcement of her retirement from the Board effective June 30, 2017 triggered the process for electing a Chair to fulfill the remainder of her unexpired term as set out in the Board Officers Policy. Reser said that Colbert presented her findings from that process to the Executive & Audit Committee, which included four strong candidates. All four expressed honor and gratitude at being considered for the position; however, three declined due to a range of considerations. All three went on to express support for Trustee Rani Borkar, who confirmed her willingness to serve as Chair. Reser said that Borkar spoke to the committee about her commitment to Oregon State University and to the State of Oregon, which Reser said affirmed her decision to retire knowing the Board would be under such capable leadership. Callahan added that the Board was considering Borkar to complete Reser's unexpired term and that he would continue to serve his full term as Vice Chair. Ray acknowledged the high caliber of everyone nominated, adding that others likely felt comfortable declining consideration because of their confidence in Borkar. He added his appreciation for Borkar and her contributions.

Following discussion, a motion was made and seconded to approve Trustee Rani Borkar as the Board Chair, commencing July 1, 2017. With unanimous enthusiasm, the motion carried.

h. Resolution Regarding Classified Information for the U.S. Department of Defense

Reser said the resolution provided in TAB U, Attachment 1 was required by the federal Defense Security Service in connection with OSU's classified research conducted under the National Security Program. A change is required to reflect changes in Board membership that will be effective June 30, 2017. Reser noted that the item is typically included under the consent agenda, the action was on the agenda separately so the resolution could reflect the Board's election of the Chair position. A motion was made and seconded to adopt the resolution regarding access to classified information related to the Department of Defense material with amendment to reflect the Board's election of Trustee Rani Borkar as Chair effective July 1, 2017. The motion carried.

i. Resolutions of Appreciation

Reser introduced a Resolution of Appreciation for Trustee Brett Morgan, who would be graduating later in June. She asked Morgan to stand with her and Callahan as she read the resolution acknowledging him for his service to the Board and to the entire university. Following the reading, a motion was made and seconded to adopt the resolution. The motion carried.

Next, Callahan introduced a Resolution of Appreciation for Chair Pat Reser. He noted that she her leadership had been integral in forming and setting the tone for the Board. Callahan then read a resolution acknowledging Reser for her service. Following the reading, a motion was made and seconded to adopt the resolution. The motion carried.

7. Education/Discussion Items

a. Legislative Update

Chair Reser asked Government Relations Director Jock Mills to provide a summary of recent actions and bills under consideration by the Oregon legislature. First, Mills provided an overview of a wide range of revenue issues. He reported that the state's most recent quarterly revenue forecast issued in May indicated that while Oregon's economy still growing, the rate of growth is slowing. He added that the forecast for the 2015-17 biennium shows that revenues are expected to exceed the 2% "kicker" threshold, which will generate a refund to Oregon taxpayers. As a result, legislators will need to set aside approximately \$400M for the kicker, while developing a budget that still faces a \$1.4B shortfall. Mills indicated that legislators continue to work on tax reform, including a corporate gross receipts tax, but indicated that the legislature will likely run out of time in this session to garner the super majority needed to approve a tax overhaul.

Mills also reported that recently Oregon's seven public university presidents sent a letter to the Governor and legislative leaders urging them to raise revenue to invest in higher education while also curbing unsustainable costs. He stated that the seven universities also continued to advocate for an additional \$100M state investment in the Public University Support Fund (PUSF). While some legislators expressed interest in seeing all increased support to the PUSF be applied to lowering tuition increases, Mills said he did not think such a mandate likely, especially for universities that had sought tuition increases lower than 5%. Mills also said that the focus for capital funding requests remained consistent, including the \$69.5M in state bonding for expansion of the

OSU-Cascades campus. Additionally, Mills noted work being done by volunteer advocates with the Beaver Caucus.

Mills also spoke about efforts planned for future legislative sessions. He noted that legislators remained interested in addressing the manner in which universities consider the transfer of credits especially from community colleges to four-year institutions. He said that both the Oregon Promise and Oregon Opportunity grants would also continue to receive attention.

b. Vision 2030 Update

Chair Reser asked Senior Vice Provost for Academic Affairs Susan Capalbo to present this item. Capalbo provided an update on what themes she and Associate Vice President for Research Roy Haggerty were seeing emerge from individuals who were participating in Vision 2030 focus groups. She noted that the focus groups were not intended to be comprehensive; rather, they were designed to get a sampling of perspectives about Oregon State today and the university's direction for the future. Capalbo summarized the themes related to questions about what is emblematic about OSU, what key drivers of change are impacting the higher education landscape, and what will make OSU bold and distinctive in 2030 and beyond. She stated that these themes would inform a Vision 2030 statement to be refined over the summer and used to help guide the development of Strategic Plan 4.0.

Following the presentation, Borkar asked whether industry partners had been included as focus group participants. Capalbo said that sessions in Portland, Newport, and Bend would include industry partners, and she added that she and Haggerty had also engaged students. Thorne urged staff to make strong connections between the vision and the university's 10-year business forecast, and Feser confirmed that such details would be an important part of the strategic planning process.

8. Closing Thoughts

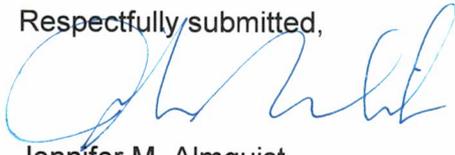
Chair Reser invited trustees to provide closing thoughts. Trustee Bedient expressed appreciation for the opportunity to spend time with the OSU Foundation Board. She said she was also impacted by the stories shared by students at that morning's breakfast. Lastly, Bedient expressed appreciation for the thoughtful comments provided by supporters of the CMLC. Bailey also reflected on the stories shared at breakfast, which he said underscored the importance of connecting with and caring for students as whole beings. Borkar agreed, adding that it was the best breakfast to-date because it was a reminder that while data are important, so is the qualitative evidence of the impact of the university's focus on student success. Borkar also thanked Reser for creating a culture of inquiry and transparency and building a foundation of trust and respect. Morgan expressed his appreciation of the Board's willingness to directly engage with difficult issues. In reflecting on her experience at that morning's breakfast, Eder stated that it was clear faculty are making important contributions and that the needs of students are increasingly complex. Naumes agreed, and she added that she looked forward to working with Borkar as Chair. Brim-Edwards thanked Morgan for his thoughtful insights and Reser for her grace, wisdom, and openness to all points of view. Baldwin reflected on Azarenko's description of her efforts with the CMLC stating that they reflected the commitment and integrity of OSU's staff. He also thanked Reser and Morgan and welcomed Borkar to her new role. Thorne thanked Reser for positioning the Board to meet a wide range of challenges. Ray remarked on the depth of understanding trustees have developed since the inception of the Board and thanked staff for their engagement. He

also noted the positive experience of meeting with the OSU Foundation Board and added that the students who presented at breakfast had also moved him. Lastly, he expressed appreciation for Morgan and Reser. Callahan thanked Reser and said he looked forward to working with Borkar. He also acknowledged the leadership of committee vice chairs Eder and Thorne throughout the committee and Board meetings. Callahan also expressed his appreciation for the college spotlight included as part of the Academic Strategies Committee meeting, and Reser concurred. Reser also remarked on the resilience of the students who shared their experiences at breakfast and on the importance of engaged faculty. She added that she has learned a lot from her fellow trustees, and she individually thanked trustees and the staff for their unique contributions to the Board.

9. Adjournment

With no further business proposed, Chair Reser adjourned the meeting at 3:31 p.m.

Respectfully submitted,



Jennifer M. Almquist
Assistant Board Secretary