

REFRESHERS ON THE FUNDAMENTALS OF BOARD GOVERNANCE



FIDUCIARY DUTIES OF TRUSTEES

Duty of Care

- Exercise due diligence, care and skill in determining actions in the best interests of the university
- Regularly attend, prepare and participate
- Fiduciary responsibility for the assets, finances, and investments, as well as the quality of the academic, research and outreach programs

FIDUCIARY DUTIES OF TRUSTEES, CONTINUED

Duty of Loyalty

- Act in good faith with the best interests of the university in mind
- Further the university's goals and not the trustee's personal or business interests

FIDUCIARY DUTIES OF TRUSTEES, CONTINUED

Duty of Obedience

- Ensure the university's resources are dedicated to the fulfillment of its missions
- Ensure the university complies with applicable laws and ethical violations

RESPONSIBILITIES OF INDIVIDUAL TRUSTEES

- Safeguard the university's assets and foster its capacity to serve others
- Speak candidly, foster openness and trust, respect the opinions of others
- Remember that the Board Chair speaks for the Board and the President speaks for the University

RESPONSIBILITIES, CONTINUED

- Avoid personal agenda
- Support the President while exercising critical judgment
- Distinguish between management and governance issues
- Avoid even the perception of conflict of interest

DELEGATION OF AUTHORITY

- Board to review annually
- Delegates authority to President for all activities that further the operation of the university
- Certain activities reserved to the Board such as:
 - Presidential hiring, compensation, evaluation
 - Changes to bylaws, mission of university
 - Issuance of bonds
 - Adoption of budget and determination of tuition and fees

ETHICS & CONFLICTS OF INTEREST

Board Policies

- Trustee Code of Ethics
- Trustee Conflicts of Interest & Recusal

Oregon Ethics Law

- Use of Office
- Gifts
- Conflicts of Interest
- Campaigning and Lobbying
- Statement of Economic Interest

USE OF OFFICE

- May not use your position to obtain financial benefit or avoid financial detriment
- Prohibition applies to you, as well as your relatives and members of your households

GIFTS

- May not accept gifts from any source with an economic interest, distinct from that of general public, in any matter subject to decision by the Board
- “Gift” = anything of economic value provided without consideration of equal value which is not provided to others who are not public officials on the same terms
- Prohibition extends to relatives/household members

GIFTS, CONTINUED

Exceptions include, but not limited to:

- Gifts with aggregate value less than \$50 per year/source
- Gifts from relatives/household members
- Gifts in usual/customary practice of your business
- Entertainment incidental to main purpose of event
- Entertainment where acting in official capacity
- Cost of admission/food/beverage when representing OSU at reception/meal/meeting
- Payment of reasonable expenses by another public body if officially representing OSU

CONFLICTS OF INTEREST

“Conflict of Interest” – Participation in official action that *could* or *would* result in financial benefit or detriment to you, your relative or a business with which either is associated

Two types of conflicts:

- Potential conflicts (“could”) – Must announce and may participate
- Actual conflicts (“would”) – Must announce and refrain/recuse

STATEMENT OF ECONOMIC INTEREST

Annual verified statement

- Must be filed with the Oregon Government Ethics Commission each April 15
- Each trustee's personal responsibility

CAMPAIGNING AND LOBBYING

Campaigning

- You may not, in your OSU capacity, promote or oppose election petitions, candidates, political committees, or ballot measures
- You may only do so in your personal capacity

CAMPAIGNING AND LOBBYING, CONTINUED

Lobbying

- You may either engage in discussions or actions to influence legislators and other state actors to advocate for policy or legal agendas to benefit OSU's interests
- OSU must register any public officials acting on its behalf who spend either 24 hours or \$100 in one calendar quarter on lobbying activities (e.g., attempting to influence legislative actions)

PUBLIC RECORDS LAW

- Purpose — confers the right for any person to inspect any nonexempt public record of a public body in Oregon
- “Public record” includes:
 - Any writing (including email), stored in any medium that contains information relating to the conduct of the public’s business
 - That is owned, used, or retained by a public body
- Exemptions from disclosure may apply

PUBLIC MEETINGS LAW

- Meetings of governing bodies at which decisions about the public's business are made or deliberated must be open to the public
- If there is a quorum, the gathering is subject to the Public Meetings law
- Must provide notice of meetings and opportunity for the public to attend

PUBLIC MEETINGS LAW, CONTINUED

- Executive sessions:
 - Not open to the public (but media can attend)
 - Executive sessions still must be announced, they may be convened only for certain matters, and there must be no final decisions made
 - Civil penalties against public officials for violations — advice of counsel *is* a defense, unlike most ethical violations

QUESTIONS?

