Refresher on the Fundamentals of Board Governance

Oregon State University
Board of Trustees
October 16, 2015
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

• 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

• Duty of Obedience
  • Ensure the university’s resources are dedicated to the fulfillment of its mission
  • Ensure university complies with applicable laws and ethical obligations
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
• Avoid personal agenda
• Support the President while exercising critical judgment
• Distinguish between management & governance issues
• Avoid even the perception of conflict of interest
Delegation of Authority

• Effective July 1, 2014
• 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 & determination of tuition and fees
Ethics & Conflicts of Interests

• 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 of less than $50 per year from one source
  • Gifts from relatives/household members
  • Gifts in usual/customary practice of your business and n/a to OSU/Board
  • Entertainment incidental to main purpose of event
  • Entertainment where you are acting in official capacity and representing OSU for ceremonial purpose
  • Cost of admission/food/beverage when you are representing OSU at reception/meal/meeting
  • Payment of reasonable expenses by another public body or non-profit if you are scheduled to make a speech or officially represent 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
Annual Verified Statement of Economic Interest

• 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 committee or ballot measures.
  • You may do so only in your personal capacity

• Lobbying
  • You may engage in discussions and 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 on 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 are 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?