



The Board of Trustees of Oregon State University

Regular Meeting of the Executive & Audit Committee

October 7, 2021
Horizon Room, Memorial Union Room 049
Corvallis, Oregon

MINUTES

Committee Members Present: Rani Borkar (Chair), Patty Bedient, Julia Brim-Edwards, Becky Johnson (ex officio), and Kirk Schueler (Vice Chair)

Other Trustees Present: Mike Bailey, Darry Callahan, Michele Longo Eder, Lamar Hurd, Khawater Hussein, Paul Kelly, Julie Manning, Stephanie Smith, and Mike Thorne

Trustee Nominees Present: Maria Chávez-Haroldson, Susan Clark, Román Hernández, and Inara Scott

University Staff Present: Steve Clark, Debbie Colbert, Katie Fast, Ed Feser, Becca Gose, Mike Green, Lauren Skousen, Patti Snopkowski, and Irem Tumer

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

Committee Chair Rani Borkar called the meeting to order at 9:25 a.m., asked the board secretary to call the roll, and noted a quorum

2. Consent Agenda

a. Minutes of the May 20, 2021, Executive & Audit Committee Meeting

A motion was made and seconded to approve the minutes of the May 20, 2021, Executive & Audit Committee meeting. The motion carried.

3. Action Items

a. Board Chair's Report: Consideration of President's FY2022 Goals

Chair Borkar began this action item by sharing that she met with Interim President Johnson over the summer to share with her the process the Board uses to set annual priorities with the president. As a follow up to that discussion, Johnson shared a set of proposed goals, which she developed with input from several members of her team. Borkar then shared the proposed goals with trustees individually for their feedback. Some adjustments were made based on that feedback and Johnson provided a final set of goals for consideration by the Board. Borkar then asked if Johnson had any comments to make.

Johnson began by acknowledging the list of goals was lengthy. She said she consulted with many senior leaders at OSU in creating them and expressed that she is confident that progress can be made on the goals.

Borkar expressed her appreciation for the level of detail that Johnson provided in laying out her goals. She noted that the goals were ambitious,

and that they also felt like the right mix of addressing both immediate and longer-term priorities for the university. Borkar then asked if the committee had any comments or questions.

Trustee Patty Bedient agreed the goals are ambitious, expressed her appreciation for the way they are tied to SP4.0, and looks forward to the progress.

Trustee Mike Bailey appreciated K-12 being mentioned in the goals, noting the importance of paying attention to that pipeline.

Trustee Kirk Schueler noted the unique nature of an interim presidency and that it would be nice to have a mid-year check-in to get an update to see how Johnson thinks progress is being made on the goals.

A motion was made and seconded to accept Chair Borkar's report and set the goals for Interim President Johnson for FY2022. The motion carried.

b. Delegation of Authority Amendments

Borkar began by noting that this agenda item is follow-up to a request from Trustee Julia Brim-Edwards at the May 2021 committee and Board meetings. Board Secretary Debbie Colbert and General Counsel Becca Gose were then asked to lead the committee members through a discussion of possible amendments to the Board's delegation of authority policy regarding certain settlement agreements.

Colbert then shared that, in response to Trustee Brim-Edwards' questions in the May 2021 meeting, Gose and Colbert conducted research on how settlement agreements are handled at other institutions. They did not find any consistent best practices and found quite a bit of variability amongst institutions. Some delegate consideration of settlements entirely to the president while others have various specified threshold amounts that require consideration by the Board. Further, all but one of the seven Oregon public institutions delegate settlement agreements entirely to the president, which is OSU's current practice. Gose reviewed two options should the Board choose to change the current approach. Option A leaves the authority with the president to finalize settlement agreements, but requires a real-time stop point for executive session discussion with the Executive & Audit Committee (EAC) for settlements over \$500K or regarding litigation surrounding Board or Trustee actions. Option B is the same as Option A except that, before the settlement agreement can be finalized, another EAC meeting must be held for the trustees to consider the approval of the settlement the president was able to reach. Gose shared pros and cons of both options.

Trustee Darry Callahan asked why the proposed amendments were for the EAC rather than the full Board and also how staff came to the threshold of \$500K. Gose responded that it was about practicality with consideration that decisions often need to be made quickly in these situations. On the \$500K threshold, Gose shared that there were no consistent amounts among comparator institutions, but it fits relatively well within the range of what

others are doing. Also, based on what staff have seen historically at OSU, \$500K would be a relatively large settlement.

Brim-Edwards noted that the increase in meetings would not be substantive, maybe one or two a year. Gose concurred that that is true as of now, but could change if the number of settlements at OSU changes.

Bailey asked Gose if the settlement required the university do something that could end up costing money, would that be included in the \$500K trigger. Gose responded that it would be very difficult to be able to accurately quantify ahead of time and that would not be typical. It's important to be clear ahead of time who has the authority to reach settlement.

Schueler asked if it is current practice to inform the Board of all complaints filed in court. Gose affirmed that is the case.

Brim-Edwards noted that OSU has a very low rate of cases relative to other institutions, especially in light of the complexity of the organization. With that in mind, Borkar asked what the problem is that is trying to be solved. Brim-Edwards noted the potential for reputational and financial cost to the university through litigation and settlements, stating that this is something the Board needs to pay attention to in terms of its fiduciary responsibilities.

Borkar wondered if the current communication efforts may meet the Board's need to be aware of lawsuits and settlements. Schueler responded that he favors additional context, as provided in the amendments as shown in Option A; he noted it clarifies that consultation will be sought.

Eder noted her appreciation that this came forward and expressed her preference for consultation directly with the Board chair, which may result in calling an executive session of the EAC. Bedient voiced her support for consultation with the chair, which could result in either executive session with the EAC or the full Board.

At the conclusion of discussion, Colbert said staff would work on new proposed language for an amendment to the policy that would reflect this discussion before the Board meeting tomorrow.

4. Adjournment

With no further business proposed, Chair Borkar adjourned the meeting at 10:13 a.m.

Respectfully Submitted,



Jen Humphreys
Assistant Board Secretary