



The Board of Trustees of Oregon State University

Regular Meeting of the Board of Trustees

March 19, 2015

Willamette Room, CH2M Hill Alumni Center
Corvallis, Oregon

MINUTES

Trustees Present: Mark Baldwin, Patty Bedient, Darry Callahan (*vice chair*), Michele Longo Eder, Orcilia Forbes, Paul Kelly, Brenda McComb, Laura Naumes, Ed Ray (*ex officio*), Pat Reser (*chair*), Taylor Sarman, Kirk Schueler, and Mike Thorne

University Staff Present: Ron Adams, Sherm Bloomer, Steve Clark, Debbie Colbert, Glenn Ford, Becca Gose, Mike Green, Mark Huey, Becky Johnson, Dave King, Jock Mills, Sabah Randhawa, and Patti Snopkowski

Guests: Mike Bailey (*president, OSU Faculty Senate*), Stacey Lewis (*partner, Pacifica Law Group*), and Susan Musselman (*director, Financial Advisory, Public Financial Management*)

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

Chair Pat Reser called the meeting to order at 9:30 a.m., asked the Assistant Board Secretary to call the roll, and noted a quorum.

2. Opening Comments and Reports

a. Chair's Comments

Chair Reser thanked students Meg Floyd, Austin Smith, and Dan Draper for their presentations on OSU-Cascades and Ecampus and student trustee Taylor Sarman for the tour of the new Student Experience Center.

b. President's Report

President Ray reported on several topics of interest at Oregon State, including the launch on July 1 of an advocacy center that will provide assistance to students who have experienced incidents of sexual violence or assault. He also reported the results of the annual university-wide food drive with 474,000 pounds of food and approximately \$15,000 donated toward Oregon food banks. Ray also extended deepest sympathies to the family of University of Oregon President Emeritus Dave Frohnmayer, who passed away on March 9.

c. Faculty Senate Report

Faculty Senate President Mike Bailey thanked Jock Mills for keeping the Faculty Senate apprised of the bills submitted for the legislature's consideration, noting that the Senate is very interested in providing comment to the legislature on such topics as accelerated learning and free textbooks.

d. Higher Education Coordinating Commission Report

HECC representatives were unable to attend the Board meeting due to legislative obligations so no report was provided.

3. Consent Agenda

a. Minutes of the January 16, 2015 Regular Meeting

A motion was made and seconded to approve the minutes of the January 16, 2015 meeting. The motion carried unanimously.

4. Reports of Standing Committees of the Board

a. Academic Strategies Committee

Committee Chair Paul Kelly reported that the Academic Strategies Committee received presentations on OSU-Cascades and Ecampus. The Committee also heard a report on the development of the outcomes-based funding model and the University performance evaluation framework. Kelly reported that the BA/BS in Hospitality Management program at OSU-Cascades was approved by HECC at their March 2015 meeting.

b. Finance & Administration Committee

Committee Chair Kirk Schueler reported that the Committee discussed several action items and voted to recommend them to the full Board for its consideration. These items were FY2016 tuition rates, mandatory fees, and student incidental fees and the issuance of OSU revenue bonds. Chair Schueler also reported that the Committee accepted staff reports on second quarter operating management and investments. He noted that the Committee discussed and adopted proposed metrics and approved the execution of an agreement with the OSU Foundation to manage the endowment funds currently held by the State Treasurer's office. In addition, the Committee received an update regarding the FY16 operating budget outlook.

c. Executive & Audit Committee

Committee Chair Reser reported that the Committee discussed a draft presidential assessment policy. A key principle of the policy is supporting successful leadership. The Committee also discussed implementation of the policy during the current president's tenure and timing for conducting a comprehensive performance assessment. The Committee also received a status report on a whitepaper that Provost Randhawa, with the Faculty Senate, is working to develop for the October Board retreat.

5. Action Items

a. FY2016 Tuition Rates, Mandatory Fees, and Student Incidental Fees

Schueler reported that, at its March 18 meeting, the Finance & Administration Committee approved a resolution to recommend to the Board the FY2015-16 tuition and fee proposals as presented in Tab L, noting that approvals of the rate proposals for undergraduate resident tuition, health fees, and student incidental fees are contingent on approval by the Higher Education Coordinating Commission. Vice President for Finance and Administration Glenn Ford noted that the tuition recommendations were developed by university-wide committees, including student government on both the Corvallis and Cascades campuses, and representatives from faculty and staff. Three of the proposed increases exceeded 5% and will require HECC final approval. They include

undergraduate resident tuition increases of 7.6% (weighted average, eliminates the tuition plateau), health services, and incidental fees for both OSU-Corvallis and OSU-Cascades. The discussion that followed included recommendations that student enrollment strategies and tuition-setting process be included as part of the October Board retreat. The discussion also raised questions on policies related to staff fee privileges (i.e., tuition reduction) and graduate student stipends. There was also discussion of graduate students on research grants and the optimal method for faculty to employ graduate students in their research.

Prior to calling for a vote, Reser called for public comment on the tuition item. Josh Kaufman, an OSU freshman, expressed concern about the increased cost he will face if the tuition plateau was eliminated and he could no longer take 15 credits at the same cost as 12 credits. He acknowledged that the development of the tuition proposal was inclusive and transparent and, after considerable thinking, decided that the increases were necessary given decreased state support.

Following public comment, there was additional discussion about reducing the impact of eliminating the tuition plateau through financial aid, the effect of eliminating the plateau on the dependents of faculty and staff, and connecting proposed investments to the strategic plan.

Following discussion, Schueler made the motion, which Trustee Darry Callahan seconded, to approve the FY2015-16 tuition rates, mandatory fees, and student incidental fees, as provided in Tab L, and that approval of the rate proposals for undergraduate resident tuition, health fees, and student incidental fees are contingent on approval by the Higher Education Coordinating Commission. The motion carried.

b. Issuance of OSU Revenue Bonds

Schueler reported that at its meeting on March 18, 2015 the Finance & Administration Committee approved a resolution to recommend that the Board approve the issuance of revenue bonds. Ford explained that the recommendation is for the issuance of up to \$57.5 million in University revenue bonds to fund five capital projects (Learning Innovation Center, real estate acquisition of the former Nypro Manufacturing Facility, OSU-Cascades expansion, space improvement program, and the OSU-Cascades long-range development campus plan). He noted that Associate Vice President Mike Green, with Susan Musselman (PFM) and Stacey Lewis (Pacifica Law Group), had worked with various parties to structure the revenue pledge structure to achieve the best possible credit profile and rating for the University.

Following a brief discussion, in which trustees expressed their support of Oregon State issuing bonds to fund the five capital projects, Trustee Schueler made the motion and Trustee Bedient seconded the motion that the Board adopt the Resolution provided in Attachment 1 of Tab M, authorizing the issuance of one or more series of general revenue bonds of the University in the aggregate principal amount not to exceed \$57.5 million for the purpose of financing the acquisition of and improvements to University facilities and to pay the cost of issuance of such bonds. The motion carried unanimously.

6. Discussion Items

a. Legislative Update

Jock Mills, director of OSU government relations, reported that funding for higher education in Oregon continues to face challenges. Mills provided an overview of proposed bills that could affect the University. He noted that, without a university system, Oregon's public universities have been working collaboratively on providing information and responses on a wide variety of bills that could affect the universities. During the discussion that followed, the board suggested that a discussion about political advocacy be included on a future Board meeting agenda. In his concluding comments, Mills invited trustees to attend "OSU Day at the Capitol" on April 14.

b. Communication Practices

Steve Clark, vice president for university relations and marketing, provided the Board with guidelines for communicating with members of the campus community or the media. He noted the Board had instituted a policy that the chair would be the voice of the Board when communicating to the public. The chair can delegate this communication to the University.

Clark said that University staff use three main means to communicate with the Board. He described the first category as information provided for Board and Committee meetings. The second category of communication is through briefings that summarize recent noteworthy achievements and other activities. The last category of communication is alerts to the Board regarding incidents affecting the University.

A trustee asked about emails sent to their non-oregonstate.edu accounts. General Counsel Becca Gose reminded trustees that they should retain these e-mails and that the University will maintain e-mails sent and received through their University accounts

7. Education Items

a. OSU-Cascades

OSU-Cascades Vice President Becky Johnson provided an overview of the academic programs, curriculum, and faculty at OSU-Cascades. She reported that in the fall of 2016, OSU-Cascades will begin to offer four-year degrees, while continuing its 2+2 model with Central Oregon Community College. Johnson noted that the campus faces several challenges because of its growth such as the need for start-up funds for new programs, attracting high-quality faculty, and funding student advisement services.

b. ECampus

Associate Provost Dave King provided the Board with background on the establishment of ECampus and noted that it has grown to 900 online courses offered in 90 subject areas. In his slide presentation, King provided information about ECampus student demographics, trends in student credit hours, and degree programs. He also said that discussions are underway to develop online open access text books, which would provide substantial savings to students. Board members asked questions about degree-completion for students in programs whose classes are eliminated due to insufficient enrollment. In addition, trustees expressed appreciation for ECampus developing programs that encourage students in non-credit courses to consider completing a

degree and for the Ecampus learning experience supporting Strategic Plan 3.0's goal to provide a transformative education experience.

8. Other Business

President Ray noted that, based on the day's discussions and public comments, staff would follow up on the efforts to provide additional financial aid to offset the impact of eliminating the tuition plateau and to look into the effect on dependents of faculty and staff from eliminating the plateau. Ray also noted that there would be follow up on the concerns expressed about employment of graduate students. Ray also mentioned that the FY2017 budget planning process would begin earlier in the year and explicitly connect proposed investments to elements of the strategic plan.

9. Public Comments

The following is a list of individuals who spoke and the topic addressed in their remarks:

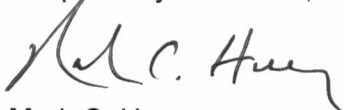
- Shannon Andrews, graduate student: financial support for graduate students in the College of Liberal Arts (CLA);
- Ryan Beaston, graduate student: financial support for graduate students in CLA;
- Samantha Christensen, student: financial support for graduate students in CLA;
- Jeff Hess, community member: student housing;
- Thomas Morrill, graduate student: financial support for graduate students in CLA;
- Melanie Nichol, graduate student: financial support for graduate students in CLA;
- Kris Osterloh, graduate student: graduate employee representation on the Board.

10. Adjournment

Before adjourning, Chair Reser asked board members to give their closing thoughts for the meeting. Trustees expressed appreciation for the quality of the Education Items presentations and the diversity of the students who spoke at breakfast. Trustees also expressed appreciation for the open and thoughtful discussions that took place, and they acknowledged that difficult decisions were made.

The meeting was adjourned at 3:03 p.m.

Respectfully submitted,



Mark C. Huey
Assistant Board Secretary