



The Board of Trustees of Oregon State University

Regular Meeting of the Board of Trustees

May 29, 2015

Willamette Room, CH2M Hill Alumni Center
Corvallis, Oregon

MINUTES

Trustees Present: Mark Baldwin, Patty Bedient, Rani Borkar, Darry Callahan (*vice chair*), Michele Longo Eder, Orcilia Forbes, Paul Kelly, Brenda McComb, Laura Naumes, Ed Ray (*exofficio*), 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, Jock Mills, Kirk Pawlowski, Sabah Randhawa, and Patti Snopkowski, Marcia Stuart

Guests: Mike Bailey (*president, OSU Faculty Senate*), Ben Cannon (*executive director, Higher Education Coordinating Commission*)

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 the students who spoke to the Board during Thursday's dinner and Friday's breakfast. She said the students continue to inspire her with their dedication and persistence and continue to remind her of how important OSU is to student lives and futures. Reser welcomed Faculty Senate President Mike Bailey and Executive Director of the Higher Education Coordinating Commission Ben Cannon. She reported that Trustee Elson Floyd had decided not to seek another term. Reser thanked Trustee Floyd for his service to the University, saying that, from the Board's first orientation meeting, President Floyd had been a true strength for the Board and had helped it begin its work as a Board effectively and strategically. Concluding her comments, she reminded the public that the Board would take public comments before voting on each action item as well as during the Public Comments item on the agenda.

b. President's Report

President Ray praised Trustee Floyd for his wise guidance of the Board during his tenure as Trustee and thanked him for his many meaningful contributions. Ray announced that Preston Pulliams had been appointed a Trustee and would join the Board on July 1. Pulliams is the former president of Portland Community College, a past member of the State Board of Higher Education, and a well-known national education leader. Ray congratulated the other Trustees who were recently reconfirmed. Ray announced that Trustee Taylor Sarman would continue his service on the Board until a

new student Trustee was appointed in the fall. Ray noted that Sarman had been presented with the Michael J. Palmer Award, which recognized him for his contributions as an exceptionally effective and thoughtful student leader.

Ray reported that the University is engaged in a national search for a new athletics director and that he is being assisted by a University-wide search committee chaired by OSU Distinguished Professor Joey Spatafora, OSU's faculty athletics representative to the Pac-12 and NCAA Conference. Ray also reported that several new buildings had been dedicated on campus since the March Board meeting: the Lonnie B. Harris Black Cultural Center, the Asian & Pacific Cultural Center, and the Student Experience Center, which the Board toured in March, and its adjoining glass-roofed plaza.

Ray announced that Dr. Cynthia Sagers will join Oregon State on August 31 as the new vice president for research. He recognized and thanked Ron Adams for his leadership as interim vice president and his longtime service to the University. Ray reported that a number of Trustees will participate in the commencement ceremonies on the Corvallis and Bend campuses. He said that a record number of students, the largest number among all of Oregon's four-year universities, will graduate.

Ray reported that he delivered his annual State of the University address in Bend before an audience of more than 350 people. He said that during his visit members of the community told him of their support for a four-year university in Central Oregon and noted that a recent poll showed that 60% of those polled support the new Cascades campus being built at its westside Bend location. He also highlighted Vice President for OSU-Cascades Becky Johnson for her efforts at building community support for the Bend campus and reported that Johnson had been named the Bend Chamber of Commerce's 2015 Woman of the Year.

c. Faculty Senate Report

Faculty Senate President Mike Bailey reported that there was no significant issue to bring to the Board and that the Faculty Senate's process of vetting issues through its committees and then through the Senate itself was successful in addressing most issues coming to it. Bailey highlighted the success of webcasting Senate meetings and said that the Senate continues to work on faculty welfare issues, especially those related to fixed-term faculty. He said that another issue the Senate is addressing is course overlap between departments. He reported that faculty are engaged with Provost Randhawa on developing an operational plan to support implementation of Strategic Plan 3.0 and that efforts are underway to look at ways to prevent academic fraud and to identify and address it quickly, should it occur.

d. Higher Education Coordinating Commission Report

HECC Executive Director Ben Cannon reported that a significant amount of effort went into the development of a new funding allocation formula, which the Commission approved in April. Cannon acknowledged the collaborative work of the universities in that development. The "power of the model" lies in the allocation of funds toward promoting student success outcomes rather than enrollment. He said that emerging challenges for higher education in Oregon include a push toward increasing dual-credit courses that provide college credit at the high school level and new delivery models that measure student proficiency and student learning.

The law that established institutional governance at the public universities assigned the HECC the task of evaluating each university on an annual basis and also established the areas in which the evaluations are to be conducted. HECC has been working with the Provosts' Council, interinstitutional faculty senate, student representatives, and others to develop an evaluation framework for reviewing areas of institutional focus including access, enrollment, degree-completion, research, governance, quality of the board, and academic quality. The HECC anticipates adopting the evaluation criteria this fall, with OSU, Portland State University and University of Oregon evaluated by the end of 2015 and the four regional universities evaluated in 2016. During a discussion on the evaluation criteria, Cannon was asked to provide the draft criteria as follow up.

Cannon advised that, during the month of August, the Commission will be strategically looking toward the next ten years and considering issues such as whether the targets related to 40-40-20, capacity, and funding are appropriate. He said that the Commission desires to send a clear message about the state's vision for increasing access, opportunity, and success to higher education in the next decade.

3. Consent Agenda

a. Minutes of the March 19, 2015 Regular Meeting

A motion was made and seconded to approve the minutes of the March 19, 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 acted on two items it would be bringing before the Board for action, the 2015-16 achievement compact and a new academic program. He said that Provost Randhawa provided an informative report that included a follow-up on the item College of Liberal Arts graduate assistants had raised during public comments at the March meeting. Kelly complimented the Board Office for tracking the issue and the Provost's Office for reporting on its outcome. Kelly said that Executive Director for Equity and Inclusion Angelo Gomez had provided an update on the University's efforts related to sexual misconduct.

Assistant Provost for Enrollment Management Kate Peterson and Manager of Information Systems and Budget, Office of Budget and Fiscal Planning, Michael Hansen gave a presentation on enrollment management. Peterson reported that she heads a task force charged with developing a five-year plan for enrollment. Hansen spoke about the CORE initiative (Cooperative Open Reporting Environment) and demonstrated some of its analysis and reporting capabilities. Kelly reported that the university continues to plan the expansion of Ecampus, OSU-Cascades and Newport Marine Science Center enrollment. He noted that OSU enrolled 38.5% of all resident freshmen at Oregon's seven public universities and that approximately two-thirds of the OSU undergraduate student enrollment is Oregon residents.

b. Finance & Administration Committee

Committee Chair Kirk Schueler reported that the Finance & Administration Committee acted on four items and would be bringing two of them to the Board for its consideration. He said the Committee accepted the FY2015 Third Quarter Operating Management Report, Public University Investment Report, and Oregon State University Investment

Report. Schueler also said the Committee would be bringing the FY2015-16 Operating Budget and the 2015-17 Biennium Capital Plan to the Board for approval. Schueler said that Vice President for Finance and Administration/CFO Glenn Ford reported that the Oregon State University Foundation had approved a fund management agreement and a funding agreement with the University; the HECC approved the University's proposed FY2016 tuition rates, mandatory fees, and student incidental fees; Moody's Investor Service had given Oregon State a bond rating of Aa3; and the University had sold \$56.8 million in tax-exempt and taxable bonds in support of capital projects. Schueler also said Ford updated the Board on issues regarding parking and housing in Corvallis that were raised during public comments at the March Board Meeting. Ford said the city had approved its participation with OSU and representatives of the neighborhoods nearest to the University in a Community Relations Advisory Group.

c. Executive & Audit Committee

Committee Chair Reser reported that the Executive & Audit Committee voted to recommend to the Board the FY2016-2020 presidential employment agreement and notice of appointment and to accept the Office of Audit Services quarterly report. Reser said that Vice Provost for Information Services Lois Brooks made a presentation on information security, providing an overview of current risks facing the University from the national and global environments and progress achieved to date by OSU in areas such as governance, organization, and technology. In addition, Brooks described the roadmap for OSU moving forward. Reser also said that Board Secretary Debbie Colbert provided an overview of a draft Trustee Recommendation Policy, which the Committee plans to bring to the Board in October.

5. Action Items

a. Presidential Assessment Policy

Reser introduced the proposed presidential assessment policy and noted that the Executive & Audit Committee developed the policy over the past few months and based the policy on Association of Governing Boards (AGB) best practices and with advice provided by Trustee Floyd. The policy includes a timeline for both comprehensive and annual assessments. No discussion followed. A motion was made and seconded to adopt the Resolution establishing a presidential assessment policy as provided in Tab P, Attachment 1; the motion carried unanimously.

b. FY2016-2020 Presidential Employment Agreement

Reser reported that the Executive & Audit Committee also reviewed and recommends for approval the 2016-2020 presidential employment agreement, noting the value of offering a five-year contract to President Ray that is closely tied to the presidential assessment policy timeline. Trustee Callahan recommended that Section 5.6 of the proposed agreement be amended to "...taking residence in an official university residence...." With no further amendments proposed, a motion was made and seconded to approve the Employment Agreement and Notice of Appointment as provided in Tab F, Attachment 1, as amended; the motion carried unanimously. President Ray thanked the Board and noted that he views this contract as both evidence of support and a challenge to continue to inspire the University to greater success.

c. 2016 Board Calendar

Reser asked Board Secretary Debbie Colbert to present the item. Colbert said that Board policy stated that the next year's calendar must be set by July 1 of each year. Colbert also said that many factors were reviewed and the dates within January, March, May, and October were selected. This calendar varies from the original calendar set in 2014 to better accommodate student participation during May rather than during the exam period in June. A motion was made and seconded to approve the 2016 Board and Committee meeting dates; the motion carried unanimously.

d. FY2016 Operating Budget

Reser asked Finance & Administration Committee Chair Schueler to present the item. Schueler provided an introduction to the item and then invited Vice President Ford and Director of Budget & Fiscal Planning Sherm Bloomer to present the item. The operating budget provides a plan to develop and distribute the resources necessary for the faculty, staff, and leadership to pursue the goals outlined in the Strategic Plan. Bloomer summarized how the budget would be distributed and explained that staff acknowledge that there were several issues whose outcomes were still uncertain, including legislature-approved funding and the financial implications of the Oregon Supreme Court's overturning recent reforms to the Public Employees Retirement System. Following an in-depth briefing on the proposed budget, there was no additional discussion. A motion was made and seconded to approve the proposed operating budget for FY2015-16 as presented in Tab M, Tables 1A through 1D; the motion carried unanimously.

e. 2015-17 Biennium Capital Plan

Ford introduced University Architect Kirk Pawlowski who presented the capital plan proposed for the 2015-17 biennium. Pawlowski described each project included in the capital plan. Trustee McComb noted that she receives queries from faculty and students on the reasons for building or renovating some buildings but not others. She encouraged staff to use a more transparent project selection and prioritization process, culminating in a complete list for Board review.

Following this discussion, Ford noted that the Board was being asked to approve the list of proposed projects at this time. The financial pro forma for each of the projects that will be financed through OSU-paid revenue bonds would be brought to the Finance & Administration Committee. The bond sale resolution related to these projects would be brought to the Finance & Administration Committee for review and the Board for approval at a later time. Ford noted that if the scope of a project changes in the future, the project will be resubmitted for Board approval. Following additional discussion, a motion was made and seconded to approve the 2015-17 Biennium Capital Plan; the motion carried unanimously.

f. FY2016 Oregon Education Investment Board Achievement Compact

Academic Strategies Committee Chair Kelly summarized the history of the achievement compacts the State Board of Higher Education established for Oregon's public universities. He noted that with the Oregon Education Investment Board ceasing to function, effective June 30, 2015, the expectation is that the achievement compact before the Board for its approval would be the last and that the Board itself would be responsible to the HECC for academic quality at OSU. A motion was made and

seconded without discussion to approve the 2015-16 Achievement Compact as provided in Tab B, Attachment 1; the motion carried unanimously.

g. New Academic Program: PhD in Women, Gender, and Sexuality Studies

Kelly introduced the proposed program on behalf of the Academic Strategies Committee, advising that the Committee had reviewed the proposed program in detail during its meeting and was forwarding the proposal to the full Board for approval. Kelly thanked Senior Vice Provost for Academic Affairs Becky Warner and Susan Shaw, Director of the School of Language, Culture and Society and Professor of Women, Gender, and Sexuality Studies, for their presentations on the doctoral degree program during the Committee meeting. During the Board's discussion, Trustee McComb drew attention to concerns expressed by the faculty pertaining to the lengthy proposal process for new programs in general, and Bailey agreed with her concerns and shared that faculty have been discussing how to compress the timeline.

Following a supportive comment period, a motion was made and seconded to approve Oregon State University offering a Ph.D. program in Women, Gender, and Sexuality Studies, upon the approval of the Higher Education Coordinating Commission; the motion carried unanimously.

6. Education/Discussion Items

a. Legislative Update

Jock Mills, director of government relations, thanked Chair Reser and President Ray for their recent visit to Salem and their meetings with legislators and the Governor. Mills reported that the public universities have been working together on their budget request for state funding of higher education and for their capital and capital renewal projects. Mills said that funding for seismic work on the state capitol building may put pressure on the state's capacity to fund other public capital projects and that he continues to monitor the situation. Increased funding for statewide public services at the moment looks positive. Mills recommended that university boards consider developing a more formal structure to inform each other of issues that may be of concern to more than one institution, to develop unified approaches where possible, and to coordinate their activities with the legislature.

b. OSU 150 Plans

Steve Clark, vice president for university relations and marketing, gave a presentation on plans for the University's sesquicentennial celebration, "OSU 150." Of note among the described plans, the Oregon Historical Society Museum will hold a major six-month exhibit in 2018 that will showcase the University's impact on the state, in both an historical and current context and, subsequently, will be used as a lecture series to reach out to prospective donors.

7. Other Business

Chair Reser asked whether there was any other business to be discussed by the Board. There being none, the meeting moved to Public Comments.

8. Public Comments

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

1. Adjunct Professor David DeHart, OSU Divest/ASAP! (Allied Students for Another Politics), regarding divestment from fossil fuels and the practice of socially and environmentally responsible investing
2. Ph.D. student Luciana Leiti, OSU Divest/ASAP!, regarding raising funds to provide scholarships and fellowships for students and the impact of student loans on graduates
3. Graduate Teaching Assistant Thomas Morrill, Coalition of Graduate Employees, regarding support for students
4. Graduate Teaching Assistant Raquel Rosario Sanchez, Dissent, regarding the impact of university messages on others.

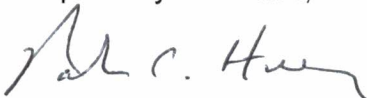
9. Closing Thoughts

Before adjourning, Chair Reser invited Trustees to reflect on the last two days' events. Trustee Bedient commented that, after hearing the student presentations, she was struck not only by the intellect shown but also by the "heart" the students are giving back to the world. Trustee Baldwin thanked the Board for unanimously approving the Ph.D. program and expressed his appreciation for the potential impact the program may have on future students. He also encouraged the Board to lobby for a restructuring of financial aid models to include more support for middle-class students. Trustee McComb noted how OSU has evolved to be a university that is involved in social welfare and promoting social justice, and expressed her desire to see a continuing progression in awareness of social justice issues over the University's next 150 years. Several trustees thanked the students who addressed the Board during the public comments period for expressing their concerns.

10. Adjournment

There being no further business, the meeting was adjourned at 2:59 p.m.

Respectfully submitted,



Mark C. Huey
Assistant Board Secretary