



MINUTES

Committee Members Present: Mike Bailey, Patty Bedient, Rani Borkar (*chair*), Darry Callahan, Michele Longo Eder, Paul Kelly, Angel Mandujano-Guevara, Julie Manning, Laura Naumes (*phone*), Preston Pulliams, Ed Ray (*ex officio*), Kirk Schueler (*vice chair*), and Mike Thorne

University Staff Present: Ron Adams, Charlene Alexander, Jennifer Almquist, Susan Capalbo, Mina Carson, Steve Clark, Debbie Colbert, Ed Feser, Becca Gose, Mike Green, Dan Larson, Jock Mills, Gabrielle Serra, Lauren Skousen, Patti Snopkowski, and Irem Tumer

Guests: Justin Bennett (*president, Associated Students of Oregon State University*), Ben Cannon (*executive director, Higher Education Coordinating Commission*), Jon DeVaan (*immediate past chair, OSU Foundation Board of Trustees*), Reilly King (*president, Associated Students of Cascades Campus*), Zach Smith (*senior partner, Witt/Kieffer*), Suzanne Teer (*consultant, Witt/Kieffer*)

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

Board Chair Rani Borkar called the meeting to order at 9:15 a.m., asked the assistant board secretary to call the roll, and noted a quorum.

2. Public Comments

The following individuals provided public comments:

Erin Abernethy: asked trustees to pass a resolution encouraging the Oregon legislature to reform the revenue structure in the state to support education funding.

Darrell Ross: spoke in support of revenue reform to support education funding.

Borkar thanked Abernethy and Ross for their comments and sharing a resolution for the Board's consideration. She said that, as a matter of good governance, she would want to have a committee review any resolution that might be considered for action by the Board; therefore, no immediate response to the resolution was proposed. Borkar added that she intended to send a letter following the meeting to the co-chairs of the Joint Committee on Ways and Means, which would address the elements of the resolution.

Sharia Ahmed: spoke about the university's new budget model and expressed concerns about the effect of budget reductions on educational quality.

Jen Murphy: expressed concerns about increases to tuition and fees and spoke in support of working with other partners in the state on revenue reform.

Nuran Alteir: spoke about the effect of increases in tuition and fees on students.

Mabgolsh Ismi: spoke about the effect of increases in tuition and fees on students.

Luz Valenzuela: spoke about the effect of increases in tuition and fees on students.

Momo S.: spoke about the effect of increases in tuition and fees on students.

Emma Crispin: spoke about the effect of increases in tuition and fees on students.

3. Opening Comments and Reports

a. Chair's Comments

Chair Rani Borkar reported that the Governor had reappointed and the legislature had confirmed Trustees Michele Longo Eder, Patty Bedient, Preston Pulliams, Julie Manning, and Darry Callahan for additional four-year terms. She said the Governor had appointed and the legislature had confirmed Khawater Hussein, Stephanie Smith, and Lamar Hurd, who would be joining the Board in July. Borkar also expressed her appreciation for the previous evening's events and the morning's breakfast that featured students and faculty in the College of Liberal Arts.

b. President's Report

President Ed Ray reported that the university had recently submitted its accreditation self-evaluation report and would host later in April a site visit by a team of peer evaluators appointed by the Northwest Commission on Colleges and Universities. Ray said the co-chairs of the Joint Committee on Ways and Means released their proposed budget, which was based on recent revenue forecasts, without any revenues from new taxes. Their proposal provides a \$40.5M biennial increase to the Public University Support Fund. Ray noted that he would deliver in May his annual State of the University address in Bend, where he would speak to the continued role of the university in advancing its mission in Central Oregon and beyond. He also shared that later in May there would be a celebration of former OSU President Paul Risser, whose work led to the creation of OSU-Cascades. Ray spoke about his intention to step down as president in June 2020, when his current contract is completed. He thanked his fellow trustees and said he looked forward to continuing to work together through the remainder of his tenure as president.

Ray then reflected on the Board's conversation in January with students at the Human Services Resource Center. Following the dialogue, Ray said he asked students who attended to provide recommendations on ways the university could continue to improve services to students. He then expressed a commitment to working to end food insecurity at Oregon State University. Next, Ray asked the chair for permission to invite Dan Larson, interim vice provost for student affairs, to speak to the university's progress on addressing the specific needs identified by students. Larson summarized the recommendations and the steps the university was taking to continue to enhance services to students in need, which he described as integral to the university's commitment to student success. Following the report, trustees acknowledged the university's responsiveness to

students experiencing various types of insecurities and noted the opportunity for the university to be a leader in addressing such needs. Trustee Darry Callahan also thanked Ray for his service as president.

c. OSU Foundation Report

Immediate Past Chair of the OSU Foundation Board of Trustees Jon DeVaan reported that the OSU Foundation had raised at the end of March \$103M toward the FY2019 goal of \$116M. He shared plans for the upcoming Dam Proud Day, a 24-hour online fundraising event. DeVaan reported on the OSU Foundation Board's recent meeting, noting that trustees spent significant time discussing the Oregon State Athletics ten-year facilities master plan. The meeting also included the celebration of notable alumni, discussion of the current legislative session, and development of plans for the next fiscal year. DeVaan said work continued on plans for the university's next capital campaign, noting that a draft campaign prospectus was being shared to build support and gain feedback on potential campaign priorities and messaging. He reported that endowment performance continues to be strong relative to peers. Lastly, DeVaan thanked Ray for his service as president and his commitment to maintaining a strong relationship between the university and the foundation.

d. Faculty Senate Report

Faculty Senate President Mina Carson, a professor of history in the School of History, Philosophy, and Religion, began by expressing her gratitude for the opportunity to participate in the Board's engagement during the previous evening and at breakfast with students and faculty in the College of Liberal Arts. Carson reported that the Faculty Senate Executive Committee is working to articulate a framework for shared governance that formalizes principles and identifies best practices. Carson said several committees of the Faculty Senate continue to work on reconsideration of the Baccalaureate Core. She also reported that the Faculty Senate continues to participate in conversations about implementation of the university's new budget model. Lastly, Carson thanked Ray for his leadership and said she looks forward to working with the Board and the next president to ensure that OSU remains a leader in faculty excellence.

e. Higher Education Coordinating Commission Report

Higher Education Coordinating Commission (HECC) Executive Director Ben Cannon reported that the current work of the commission was focused primarily on leading the presentation of the postsecondary budget request to the Joint Committee on Ways and Means Subcommittee on Education. He added that university leaders, students, and other stakeholders also engaged in efforts to advocate for increased public investment in postsecondary education and articulate the consequences of insufficient funding. Cannon reminded trustees that, should a public university's combined annual increase in resident undergraduate tuition and mandatory enrollment fees exceed 5%, the HECC, or the Oregon Legislature, must approve the increase. He also provided context for postsecondary funding in Oregon, noting that, over the past five years, the state's public investment on a per student basis has increased more than any other state; however, this investment simply returns Oregon to pre-recession levels of public funding for postsecondary education. Cannon added that advocates for

public investment in postsecondary education must continue to counter misperceptions among legislators. He said one particular area that university leaders should continue to address is a desire among legislators to see strong coordination and connection across postsecondary institutions, balancing the needs of individual institutions with an expectation to engage collaboratively as a public system. Lastly, Cannon reported on work by the HECC to complete a ten-year strategic capital investment plan.

Following Cannon's report, Trustee Mike Bailey asked how legislators view OSU's demonstrated commitment to educating Oregon residents. Cannon noted that access and success for Oregon resident students is important to legislators, and he said this focus by Oregon State continues to serve the university well. He added that the HECC is interested in growing the number of Oregonians accessing public higher education. Trustee Patty Bedient noted that while it is important to acknowledge that Oregon's public funding for postsecondary education has returned to pre-recession levels, this should not be taken as an indication that the level is sufficient to meet the level of public investment needed to ensure that postsecondary education is accessible and affordable, particularly for Oregon's residents. She added that it is important to convey the difficult decision before the boards of Oregon's public universities. While Oregon State and other universities have worked to keep increases in resident undergraduate tuition and mandatory enrollment fees below 5%, this is not because public funding is at adequate levels to do so; rather, it is because boards and university leaders are committed to taking a balanced approach, despite the significant strain to do so. Trustee Preston Pulliams asked Cannon to elaborate on the expressed interest to see strong coordination and connection among the seven public universities. Cannon spoke about a desire to see evidence in proposals for new academic programs that opportunities for partnership have been explored and an interest in continuing to simplify and align transfer pathways. Trustee Mike Thorne noted that the ability to focus primarily on educating Oregon's students is challenged when decreased public support for higher education necessitates the diversification of enrollment strategies.

f. Associated Students of Oregon State University Report

Associated Students of Oregon State University (ASOSU) President Justin Bennett reported that the next president had been elected, adding that he and his team would be working over the next two months to help transition the president elect. He spoke about several initiatives underway, including advocating for sustainability and environmentally sound practices and developing a program to reuse regalia. Bennett reported that the student fee process had recently concluded and he summarized key funding decisions related to Diversity and Cultural Engagement and food and housing insecurity. He spoke about his efforts to create an advisory board to the ASOSU president, which is intended to provide representation from a wide range of student constituencies. Bennett described student advocacy work at the state and federal levels. He concluded by speaking about efforts to increase communication and strengthen the partnership between ASOSU and the Associated Students of Cascades Campus (ASCC).

Following Bennett's report, Pulliams asked about the anticipated effect of reduced student fee funding for diversity initiatives. Bennett said the reduction would primarily affect staffing levels.

g. Associated Students of Cascades Campus Report

ASCC President Reilly King began with an update on student involvement at OSU-Cascades, noting that participation has increased over the past year. She described several initiatives underway, including increasing programs for student veterans, focusing on student retention, advancing diversity, and providing wellness resources to students. King reported that elections would be held later in the term for next year's ASCC president and other officers. She provided updates on the Child Care Subsidy Program and the ASCC Food Pantry. King concluded by describing ASCC's advocacy during the current legislative session.

Following King's report, Callahan asked about the role of current students at OSU-Cascades in recruiting prospective students. King described the OSU-Cascades Welcome Center and the role of students as ambassadors. Borkar congratulated King for the efforts of her and her team to increase student involvement.

4. Consent Agenda

a. Minutes of the January 18, 2019 Board Meeting

b. Board Officers Policy Amendments

A motion was made and seconded to approve the items on the consent agenda. The motion carried.

5. Reports of Standing Committees of the Board

a. Academic Strategies Committee

Academic Strategies Committee Chair Paul Kelly reported that the committee heard a report from Provost and Executive Vice President Ed Feser, which included updates on accreditation, searches for senior leadership positions, negotiations related to the first collective bargaining agreement with the faculty union, implementation of the university's new budget model, and the work of the Undergraduate Student Success Initiative. Kelly said the committee heard briefings on enrollment and financial aid and on the university's educational programs. The committee also approved three new academic programs.

b. Finance & Administration Committee

Finance & Administration Committee Chair Patty Bedient reported that the committee heard a report from Vice President for Finance and Administration Mike Green, which included updates on the university's finance and administration operations, key leadership positions, and operational improvements in human resources and business services. She said the committee approved the FY2019 second quarter operating management and investment reports. Bedient reported that, using the Board's new capital project approval process, the committee voted to advance two renovation projects, Cordley Hall and Cascade Hall, from the schematic design phase to the design development phase. She said the committee also referred two items to the Board for consideration later in the meeting.

c. **Executive & Audit Committee**

Executive & Audit Committee Chair Rani Borkar reported that the committee approved the progress report from the Office of Audit, Risk and Compliance. She said the committee also heard the latest risk management report on IT security, which she noted was thorough and demonstrated the strategic approaches the university is using to address the risk and the progress made over the past year.

6. **Action Items**

a. **FY2020 Tuition Rates, Mandatory Fees and Student Incidental Fees and Operating Budget Outlook**

Borkar began by remarking on the extensive discussion held by the committee during their meeting. She then asked Bedient to present this item and the recommendation of the Finance & Administration Committee. Bedient reported that Green and Director of Budget and Fiscal Planning Sherm Bloomer presented the president's recommendations for the FY2020 tuition rates, mandatory fees, and student incidental fees. Green and Bloomer also provided an overview of the university's operating budget and described how tuition fits within that framework. Bedient then asked Bloomer to review the presentation he and Green had made to the committee. Bloomer summarized the tuition and fee recommendation process, which included multiple meetings of the University Budget Committee and the Student Budget Advisory Committee. He said the groups considered a number of scenarios and made recommendations to the president in February. In parallel, student committees both in Corvallis and at OSU-Cascades reviewed and recommended student incidental fee rates. Bloomer then summarized the budget context and spoke about inflationary pressures and the effect on tuition, noting in particular the extent to which inflation is driven by personnel expenses. Bloomer added that the major drivers of cost also include strategic commitments and enrollment growth. He then provided an overview of incremental revenue sources, noting uncertainty in the level of state funding. Ray added that the Joint Committee on Student Success had recently rejected the Governor's proposal to include funding for Oregon's public universities and community colleges in a \$2B revenue package and instead remained committed to allocating all new revenues solely to Oregon's early education and K-12 programs. Bloomer then summarized the tuition and fee recommendations and presented three undergraduate tuition scenarios and the key comments from the university stakeholder conversations about these recommendations. He said staff will continue to have conversations about potential strategies to balance the FY2020 budget, including limiting funding for strategic initiatives and reducing expenditures. Ray described potential long-term consequences of reductions to strategic investments.

Bedient thanked Bloomer for his presentation. She then summarized the committee's discussion, which she said centered on the idea that continued budget cuts to meet funding gaps are not sustainable over the long term. She said committee members expressed concern about undermining the university's ability to deliver a quality education. Discussion also focused on long-term enrollment and demographic trends and the potential need to reevaluate strategic commitments. Bedient said that, during discussions about potential ways to reduce expenses, several trustees voiced support for maintaining certain strategic

investments, such as funding for capital renewal. She noted that the committee considered the effect on students and the reality that students at the margins often experience financial pressures with even modest increases in tuition rates. Bedient said that because of the impact on students, two committee members shared their desire to see no tuition increase while also voicing concern with the impact of program cuts. She noted that trustees agreed on the importance of continuing to explore multiple approaches and long-term strategies to managing costs. Bedient said that, following discussion, the committee recommended that the Board approve the resolution in Attachment 1, establishing the academic year 2019-2020 and summer 2019 tuition and mandatory fees as provided in Exhibit A, at the rates in Scenario B in Table 1 for resident undergraduates of 4.29% and for non-resident undergraduate students of 3.81%.

In the discussion that followed, trustees considered the opportunities and challenges of the proposed scenarios regarding undergraduate tuition rates. In response to a question by Schueler about the projected enrollment decline, Bloomer said it was anticipated that the incoming class would remain at approximately 70% resident students. Schueler also remarked on the potential consequences of the elimination in the Governor's Recommended Budget of funding for a key university engineering program. Pulliams requested additional information about the impact of reductions to strategic initiatives or central initiative funding, and Bloomer cited several examples of initiatives that could be subject to reductions. Pulliams also asked about funding for student success. Bloomer noted that investments in student success are distributed across the university, and Feser added that student success initiative spending had previously been estimated at approximately \$2M per year. Trustees noted that although the potential strategies to balance the FY2020 budget were presented by Bloomer for discussion, as university staff worked on specific recommendations, it would be important to retain as much support as possible for student success. Callahan acknowledged the difficulty of the decision before the Board and the challenge of finding a balance between increases to tuition and reductions to expenses without eroding critical operations.

Borkar invited those signed up for public comment on this topic to address the Board.

Public Comments

The following individuals provided public comments:

- Tamara Musafia: asked the Board not to raise tuition.
- Reed Cowden: spoke about the effects of budget reductions on students and asked the Board not to raise tuition.

Following the comments, several trustees acknowledged feeling conflicted, recognizing the need to preserve programs and initiatives and maintain educational quality as well as the significant hardship some students experience with any increase to tuition. Trustees also discussed the importance of continuing to invest in support for students, particularly those at the margins, and continuing to advocate for public investment in postsecondary education. Following discussion, a motion was made and seconded to approve the resolution in Attachment 1 establishing the academic year 2019-20 and summer 2019

tuition and mandatory fees as provided in Exhibit A, at the rates in Scenario B in Table 1 for resident undergraduates (4.29%) and for non-resident undergraduate students (3.81%). The motion carried.

b. Capital Project Stage Gate: Merryfield Hall

Borkar asked Bedient to present this item. Bedient said that the university was seeking permission to advance the Merryfield Hall renovation project to the construction phase. She said the project would renovate part of the College of Engineering building, which dates from the 1920s, to modernize classrooms and laboratories, update fire alarms and install sprinklers, and house some faculty and graduate students from the School of Nuclear Science and Engineering. Bedient noted that the project, scheduled for completion in summer 2020, has an estimated cost of \$6.2M and is being funded primarily by college and gift funds of \$5.9M, plus \$300,000 in state-paid bond proceeds allocated for capital improvements and renewal.

Bedient reported that during the presentation to the committee, Scott Ashford, dean of the College of Engineering, explained the programmatic need fulfilled by the project and described the benefits to student success and retention that would result from the renovation. Ron Adams, interim senior associate vice president for administration, discussed the project's risks and the actions the university is taking to mitigate potentially negative cost, scope, or schedule impacts. Bedient noted that trustees asked about details of the renovation and about the possibility of the City of Corvallis asking for additional improvements. She said staff confirmed that the project's design already incorporates code requirements from the city, so no additional requirements are expected.

Following Bedient's summary, a motion was made and seconded to approve a total capital project budget of \$6.2M for the Merryfield Hall project and advance the project to the construction phase. The motion carried.

7. Discussion Item

a. Presidential Search Process

Borkar introduced this item by reminding trustees that Ray would step down in June 2020 when his current contract is complete. She said she had appointed Callahan as the chair of the presidential search committee. She then asked Callahan to lead the discussion. Callahan expressed his honor at being appointed to lead the committee. He then welcomed representatives from Witt/Kieffer, the executive search firm retained to assist with the process, and invited Zach Smith, senior partner, and Suzanne Teer, consultant, to introduce themselves. Callahan then asked Smith and Teer to present the president search proposed timeline. Smith said an important step in launching an executive search is holding listening sessions with university and community stakeholders to understand the characteristics and experience desired in Oregon State's next president. Callahan encouraged trustees to participate in the listening sessions, and Board Secretary Debbie Colbert added that trustees might be invited to serve as hosts at some sessions. Smith said the community input becomes the basis for a leadership profile, which will be finalized by the Board at the May meeting and then used to assist with the recruitment of candidates over the

summer and into early fall. There was discussion of the timing and process to recruit candidates and the role of the search committee in reviewing candidates and selecting individuals to participate in a first round of interviews. Smith described the first round interview process, noting the importance of maintaining confidentiality. Following first round interviews, the search committee will prepare a report for the Board Chair who will determine candidates to forward to the Board. In the second round, candidates who advance will participate in a confidential interview process with a select, expanded group of university and community constituents and the Board of Trustees. Smith said the proposed timeline anticipated that the search would conclude in winter 2019. Colbert reminded trustees that the entire process is detailed in the Board's Presidential Search and Selection Guidelines. Trustees discussed this hybrid process, which moves from participation by the search committee through a first round of interviews to broader engagement by a select subset of the community in the second round in order to maintain confidentiality while also providing a wide range of perspectives to the Board before trustees meet in executive session to rank candidates. Trustee Michele Longo Eder asked about the recruitment strategies to be used by Witt/Kieffer, particularly with regard to recruiting a diverse applicant pool. Smith spoke about their approach to building a diverse pool, and Teer added that over 50% of the firm's placements have been women and/or people of color. Pulliams asked about steps to ensure a smooth transition, and Colbert noted that the Board will lead the transition and the Board Chair will appoint a transition team to assist with the process. Thorne asked about the contract and compensation, and Callahan said the Board Chair would be responsible for negotiation. Colbert added that a compensation study would be conducted in advance to inform compensation levels and elements of the contract. In conclusion, Borkar said hiring a president is an important responsibility, adding that it would be important to maintain clear communication and strong collaboration among the Board during the process.

b. Legislative Update

Borkar invited Government Relations Director Jock Mills and Federal Relations Director Gabrielle Serra to present this item. Serra began by stating that Oregon State's Federal Government Relations is focused on maintaining and promoting relationships between the university and federal partners. She said a primary focus is engagement with the federal appropriations cycle, which entails working with faculty and academic leaders as well as the Oregon congressional delegation, congressional committees, and federal agencies to pursue funding objectives of direct importance to OSU's education, research, and extension missions. Serra noted that, despite uncertainty and instability in the federal government, there has been a robust budget agreement and dedicated defense and discretionary spending by congress. She provided a brief overview of key outcomes for OSU's research enterprise, including funding from the National Science Foundation to continue design and construction of the next class of ocean-going research vessels, funding for projects in the university's marine energy and marine engineering portfolio, and funding for the university's agricultural and natural resources objectives. Serra said that congress is presently in the early stages of preparing for Federal Fiscal Year 2020, adding that new priorities for OSU include exploring opportunities to build collaborations

with the Department of Energy and the Department of Defense and securing funding for advanced manufacturing research and development. Pulliams asked about the status of conversations at the federal level related to student loan forgiveness, and Serra described efforts to engage with the Oregon congressional delegation on policy concerns and priorities and to work with national higher education associations on a range of matters affecting students. In response to a question by Trustee Julie Manning, Serra described opportunities to pursue funding from the National Institutes of Health.

Next, Mills provided an update on the legislative session. He noted key deadlines and provided an overview of bills that OSU is tracking. Mills described the status of several OSU initiatives, including efforts to seek a \$30M increase for the OSU Statewide Public Service Programs. He also spoke about recent indications that the Joint Committee on Student Success would remain committed to allocating all new revenues solely to Oregon's early education and K-12 programs. Mills added that a broad consortium of education interests continued to seek a \$186M increase to the Public University Support Fund, which supports all seven public universities. The universities have also signaled that a \$120M increase would enable keeping tuition increases below 5% while seeking to keep operations intact. Mills said that if funding for postsecondary education is less than requested, there might be conversations about spending more in the first year of the biennium with the hope that additional funding would be made available in the second year. Next, Mills spoke about capital funding, noting that the Governor recommended deferring all but three individual projects to the 2020 legislative session. Mills added that the university's advocacy would continue to focus on seeking funding for Oregon State's capital projects for the current biennium. He spoke about several bills, including one that would address food insecurity. In response to a question by Trustee Angel Mandujano-Guevara, Mills said the bill would create a pilot program that would make anyone who takes part in work study programs eligible for SNAP benefits. Manning asked about the education reform and tax package and proposals to address the public pension system. Mills said that while there will be legislative pressure to support bills in these areas, it was not yet clear that there would be direct benefits to postsecondary education. Kelly asked what message trustees should convey to legislators, and Mills said it would be important to convey that, although the Board had voted to keep tuition increases under 5%, state funding at the requested levels would be critical to keeping operations intact.

8. Other Business

Borkar invited trustees to continue the conversation that was started during the tuition and fee discussion regarding follow-up action by the Board. Manning reiterated a suggestion made by Ray during that conversation to continue talking about long-term financial strategies for the university, adding that the Board's retreat in October could provide a good opportunity for further exploration of the topic. Borkar noted this and said she would soon begin working with Schueler and Colbert to plan for the retreat. Trustees also discussed the importance of continued advocacy for legislative funding increases. It was noted that Borkar would be writing a letter to legislators regarding the Board's decision on tuition and fees and urging the legislature to increase funding for Oregon's universities. Through discussion,

trustees reached consensus on a decision to have the letter sent over Borkar's signature with a copy to all of the trustees to indicate collective support.

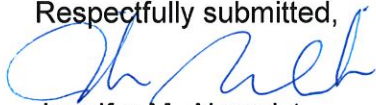
9. Closing Thoughts

In closing, Borkar thanked her fellow trustees for their engagement. Trustee Preston Pulliams added his appreciation for the opportunity to engage with students and faculty during breakfast and the previous evening's dinner.

10. Adjournment

With no further business proposed, Chair Borkar adjourned the meeting at 3:24 p.m.

Respectfully submitted,



Jennifer M. Almquist
Assistant Board Secretary

Non-substantive updates made to correct list numbering on June 3, 2019.