



MINUTES

Trustees Present: F. King Alexander (*ex officio*), Mike Bailey, Patty Bedient, Rani Borkar (*chair*), Julia Brim-Edwards, Darry Callahan, Michele Longo Eder, Lamar Hurd, Khawater Hussein, Paul Kelly, Julie Manning, Preston Pulliams, Kirk Schueler (*vice chair*), Stephanie Smith, and Mike Thorne

University Staff Present: Charlene Alexander, Jennifer Almquist, Sherm Bloomer, Susan Capalbo, Steve Clark, Debbie Colbert, Kevin Dougherty, Ed Feser, Becca Gose, Mike Green, Heather Hesano, Dan Larson, Paul Odenthal, Heidi Sann, Lauren Skousen, Patti Snopkowski, and Irem Tumer

Guests: Stacey Lewis (partner, Pacifica Law Group)

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

Board Vice Chair Kirk Schueler called the meeting to order at 10:01 a.m., asked the board secretary to call the roll, and noted a quorum. Schueler then made a land acknowledgement statement.

2. Public Comments

The following individuals provided public comments:

Tali Ilkovitch: spoke in opposition to the formation of an armed police force on the Corvallis campus and expressed concern about the inadequacy of an armed police response to reports of sexual assault.

Emmet Ritter: spoke in opposition to the formation of an armed police force on the Corvallis campus and noted the value of non-police alternatives in responding to mental health-related crises.

Colin Cole: spoke in opposition to the formation of an armed police force on the Corvallis campus and expressed support for the engagement of faculty with disciplinary expertise in diversity, equity, and inclusion.

Nat Young: spoke in opposition to the formation of an armed police force on the Corvallis campus and urged the university to follow the examples of other colleges and universities that have moved to disarm campus police.

Marisa Chappell: spoke in opposition to the formation of an armed police force on the Corvallis campus and encouraged creation of an unarmed crisis response team.

Carly Werdel: spoke in opposition to the formation of an armed police force on the Corvallis campus and encouraged the university to invest in health and wellness support services.

Roberto Gomez: spoke about the need to focus on the health and wellness of students and to address, in particular, the needs of Black and Indigenous students and other students of color.

Andreas Tsiboukis: spoke in support of continuation of the university's contract with Work Unlimited, which provides community employment and skills training for adults with intellectual disabilities.

3. Opening Comments and Reports

a. Chair's Comments

Schueler read remarks prepared by Chair Rani Borkar. Borkar's remarks expressed gratitude to trustees for their flexibility in adapting to remote meetings and their continued engagement over the summer. Borkar also noted that plans were underway to hold remote meetings in October and convert the Board's retreat to a half-day work session.

b. President's Report

President F. King Alexander acknowledged the extraordinary times the university, state, and country are facing and emphasized the importance of remaining committed to advancing Oregon State University's mission. He provided an update on the Corvallis campus residence hall move-in process and the measures in place to comply with health and safety guidelines. Alexander spoke about plans to improve public safety services on the Corvallis campus and expressed his commitment to also improving funding for wellness, mental health, and other social services for students, staff, and faculty. He added that the university would explore with city and county leaders opportunities to expand crisis support services. Alexander reported that he had recently launched a new website outlining actions and commitments planned and underway to work with students, staff, and faculty to advance equity and further the university's commitment to oppose systemic racism.

c. COVID-19 Response and Planning

Schueler began by expressing thanks to the members of the Continuity Management Team for their efforts to help refine the university's plans and response to the pandemic and acknowledging Alexander for his efforts to keep the Board informed. He asked Provost and Executive Vice President Ed Feser, Vice Provost for Student Affairs and OSU Coronavirus Response Coordinator Dan Larson, and Associate Vice Provost and Dean of Students Kevin Dougherty to provide an update. Feser began by describing the university's approach, which emphasizes coordination among many partners, a commitment to shared governance, and engagement with internal and external experts. He described efforts by members of the Continuity Management Team to engage stakeholders throughout the university and noted the university's commitment to regular communication with members of the university and broader community. Larson provided an overview of the university's public health condition levels and operations, noting that while Corvallis and OSU-Cascades campuses are

currently at Level 2, planning for fall term is being conducted consistent with Level 3 operational conditions. This approach calls for limited in-person instruction and reduced density university environments. Larson provided an update on prevention efforts, including updates to the university's physical distancing policy. Dougherty spoke about engagement with sorority and fraternity leaders, development of a Good Neighbor Ambassadors program, and expansion of online reporting and hotline resources to accept concerns about student violations of the university's safety policies. Larson described the four components of the university's testing strategy: diagnostic, prevalence, surveillance, and mass individualized. He added that the testing strategy would continue to evolve in accordance with any changes to the testing environment. Larson provided an update on contact tracing efforts, noted the creation of increased isolation space in residence halls, and spoke about communication strategies.

Following the report, Trustee Julie Manning asked how decisions were made about instructional modality for fall term. Feser said deans, school directors, and department heads looked at all course offerings in Corvallis and Bend to determine which could be delivered remotely and which needed to have an in-person component in order for students to progress. In response to a question by Trustee Stephanie Smith about the number of students anticipated to move into Corvallis residence halls, Larson said 2,500 were expected with their arrival staggered over the course of five days. Smith also asked about the number of students living in sorority and fraternity houses, and Dougherty said sororities and fraternities were following Oregon Health Authority guidelines to determine the appropriate density of residents and would not be at full capacity. In response to a question by Schueler about testing, Larson said the results of those issued during move-in would be available within approximately one hour.

4. Consent Agenda

a. Minutes of the August 14, 2020 Board Meeting

Chair Rani Borkar said staff posted a revised set of minutes in response to requests by several commenters at the previous meeting who asked for a more explicit description of their position. A motion was made and seconded to approve the minutes of the August 14, 2020, Board meeting. The motion carried.

5. Action Item

a. Issuance of OSU Revenue Bonds

Borkar asked Chair of the Finance & Administration Committee Patty Bedient to introduce the next item on the agenda, noting that the action item was scheduled before the Board with committee leadership consent. Bedient began by noting that the proposed bond issuance is being brought forward given historically low interest rates at this time. She also noted the projected \$217M gap in revenues across all funds types due to impacts from the pandemic and shared that the bond issuance could provide needed flexibility during this time. Following this introduction, Vice President of Finance and Administration Mike Green summarized the nature of the request and the intended uses of the bond funds including refunding existing debt, establishing a repayment reserve, providing operational liquidity and funding for capital projects identified in the Ten-Year Capital Forecast. He discussed the strategic opportunity to take advantage of low

interest rates and asked OSU Treasury Director Heather Hesano to provide details of the proposed bond sale. Hesano shared that issuance of the bonds provides an opportunity to refund existing bonds and capture debt savings. The decision on whether to refund would be based on achieving net present value savings and efficiency rates within certain ranges. She also noted that low borrowing rates would allow creation of a Board-designated quasi-endowment to invest a portion of the funds. These investments would create a pool of funds to pay off general revenue taxable bonds after an extended period of growth in the reserve funds, assuming a range of investment returns over that time. Hesano noted that, if the bond issuance is approved, staff would return at a future meeting with amendments to the Board's investment policy to guide management of the quasi-endowment. She also described the plan for financing the new increment of debt over a forty-year period. Hesano described a scenario approach in which interest rate thresholds would trigger different levels of bond issuance and proposed uses.

In response to a question from Schueler, Green confirmed that the repayment reserve would come out of the new \$300M increment of debt issued. Hesano clarified that the investments in the repayment reserve would cover all outstanding university general revenue taxable debt. Trustee Mike Bailey asked why there is a sharp bend in the yield curve in the first 20 years, and Hesano explained that the borrowing rate increases steadily in the first 20 years and after 20 years the debt is considered long-term from an investor's perspective. Trustee Paul Kelly asked for more explanation of the finance plan after 2053. Hesano clarified that the university would be making interest-only payments in the years prior to 2053 with payments in 2053 to 2060 that would repay the \$300M at the end of the forty-year debt period. In response to a question from Trustee Julia Brim-Edwards, Green clarified that the debt capacity of the university should increase over the forty-year period assuming growth in revenues over time. Brim-Edwards asked about volatility in the marketplace that would impact the assumptions being presented to the Board. Green clarified that the Board would be authorizing up to \$366M, while giving the university flexibility to issue less debt depending on the interest rates at the time of issuance. In response to her follow-on question related to debt capacity limits on the Board's authority, Green clarified that there is no set limit on the amount of debt the Board can approve while noting that Board policy requires the university to present data to the Board on key financial ratios when requesting issuance of debt. Green also discussed the strategies used in prior debt issuance to consider the entire debt portfolio and give the university flexibility to restructure debt as needed over time. In response to a question from Bailey, Green shared that other universities are using short-term debt refinancing to mitigate the liquidity challenges of the pandemic. Smith asked about transfer of investments as provided in the resolution. Bond Counsel Stacey Lewis clarified that the university has the flexibility to make additions with notice to bond holders; however, Green noted that there is no plan to do transfers of investments.

In response to a question from Schueler regarding funding for capital projects, Green stated that this bond issuance gives the university the ability to continue to advance strategic capital projects if there is lower than expected gift and/or state funding. Responding to a question from Trustee Mike Thorne, Hesano noted that

the flexibility provided by this bond issuance is in alignment with the Federal Reserve's recent announcements related to interest rates. Trustees expressed appreciation for staff's approach to the bond issuance, structuring it to provide flexibility to deal with financial uncertainties while also being clear about how use of the funds would be approved by the Board.

Public Comments

The following individual provided public comments:

- Sami Al-AbdRabbuh: spoke in support of issuance of the revenue bonds given the strategic benefits and flexibility provided by the funds.

With no further discussion, a motion was made and seconded to approve issuance of revenue bonds up to \$366M as described in the Bond resolution provided in Attachment 1. The motion carried

b. Capital Project Change to Approved Budget: Cordley Hall

Borkar asked Bedient to introduce this item. Bedient reminded trustees that the budget for the Cordley Hall Renovation project was approved by the Board in October 2019. The estimated final cost of the project remains the same as the original approved budget of \$158.8M; however, the university is proposing a change to the composition of the funding. She asked Senior Associate Vice President for Administration Paul Odenthal and Associate Vice President for Finance and Controller Heidi Sann to present the proposed budget adjustment. Odenthal said the proposed change was prompted by funding decisions by the state legislature and OSU's response to the financial situation resulting from the COVID-19 pandemic. He said the university is proposing to preserve OSU funds by removing Education & General Capital Improvements and Renewal program funds from the project and instead using OSU-paid bond funds from a future bond issuance. Schueler noted the funding source change was made possible by the action the Board had just taken to approve issuance of revenue bonds.

A motion was made and seconded to approve the funding source change for the Cordley Hall Renovation project. The motion carried.

6. Discussion Items

a. Budget Update

Borkar asked Bedient to introduce this item. Bedient said the update would be a continuation of the Board's previous discussions of budget planning, with the final budget scheduled to be presented for action by the Board in October. She asked Green and Associate Vice President for Budget and Fiscal Planning Sherm Bloomer to provide an update. Green said that although there continues to be significant uncertainty in the budget planning process, projections for fall have improved somewhat given stronger than expected enrollment. Bloomer described other changes since May, including continued fluidity in enrollment patterns and uncertainty about the timing of the resumption of sports competitions. Bloomer provided an overview of revised projections across fund types and planning scenarios, described a number of uncertainties that continue to present challenges to budget planning, and summarized management strategies to be

implemented across all funds. He reiterated that strategic investments will continue.

Following the report, Bailey asked about anticipated savings from the temporary salary reduction program. Bloomer said the program implemented in September would save approximately \$14M if it were to remain in place for the academic year. In response to a question from Trustee Khawater Hussein, Bloomer said the temporary salary reduction program applied to academic faculty and most professional faculty. In response to a question from Brim-Edwards about attrition around the deadline to withdraw from the term, Bloomer said that the percentage of students withdrawing in spring 2020 was higher than what is typically seen around the deadline. Schueler asked whether proceeds from the bond sale might be a component of the university's all-funds budget management strategies, and Bloomer said it was possible that it may be considered as a short-term strategy. In response to a question from Smith, Bloomer clarified that the strategy does not generally include gift funds, which are typically subject to donor restrictions. Trustee Preston Pulliams asked about the budget implications for Athletics, and Green described several options to address the anticipated revenue shortfall, including a possible loan program through the Pac-12.

b. Public Safety Update

Borkar introduced this item by noting that, given the importance of the topic, public safety would continue to be on the agenda at future meetings. She added that when the Board authorized in April the establishment of a police department on the Corvallis campus within the Department of Public Safety, trustees agreed on the importance of establishing a public safety program and law enforcement services that address the safety needs of the community, reflect the university's mission and values, and provide accountability and transparency. She asked Green, Odenthal, and Vice President and Chief Diversity Officer Charlene Alexander to provide an update. Green began with a review of efforts to date, starting with the engagement of a Public Safety Advisory Committee after the Oregon State Police notified the university that they would no longer provide law enforcement services on the Corvallis campus. The initial recommendation of the committee was to explore a law enforcement contract with the city of Corvallis; however, it became apparent that the contract for service approach would not provide adequate control over the conduct and culture of the police force. Green added that the Corvallis Police Department was also unable to meet the university's timeline for a transition in law enforcement. It was after further discussion and evaluation of options that staff recommended and the Board approved establishment of a police force on the Corvallis campus. Green referenced the decision by Portland State University to disarm their campus police, noting the differences between the two campuses and the coverage provided by city law enforcement. He added that President Alexander would be meeting soon with local county and city officials to explore possible expansion of crisis intervention and support resources, similar to the CAHOOTS program in Eugene. Green said that even with the presence of the CAHOOTS program, the University of Oregon continues to maintain an armed police force on campus.

Odenthal reviewed the transition timeline and provided an update on the recruitment and selection of officers. Vice President Alexander spoke about

continued community engagement and said the Public Safety Advisory Committee continued to meet with campus public safety partners and learn about existing city and county crisis intervention services and opportunities for possible expansion. She provided an update on the university's response to community demands, including groups opposed to policing on the Corvallis campus, and described the process for reviewing and responding to demands. Following the report, Kelly asked who had submitted demands, and Vice President Alexander said they originated from a range of students, staff, and faculty. Pulliams asked about plans to continue community engagement as law enforcement services are established. Odenthal said two groups would be developed to assist with oversight of public safety, including a group that will provide input directly to the chief of police and a group that will provide oversight and updates to university leadership. Hussein reflected on points made earlier in the meeting during public comments, particularly the importance of appropriately funding wellness, mental health, and other social services and exploring crisis intervention options that do not involve an armed response. Brim-Edwards expressed interest in receiving additional information about the differences between the campuses and city law enforcement services at Portland State University and the Oregon State University Corvallis campus. Kelly added that he would also be interested in learning more about what is provided at the University of Oregon. Brim-Edwards asked how the development of a crisis intervention program similar to CAHOOTS would impact the number of armed officers needed on campus. Green described baseline needs, which entail adequate staffing to support the presence of one armed officer available to patrol at all times and adequate leadership within the Department of Public Safety. Brim-Edwards also asked about specific efforts to engage Black students, staff, and faculty, and Vice President Alexander described efforts that had occurred and plans for continued engagement. Vice President Alexander added reflections based on her own experience and previous interactions at another institution with officers who were well integrated as members of the university community. Bedient emphasized the importance of continued engagement, particularly in the recruitment and selection process and in developing a public safety program that reflects the values of the university. Bailey asked about work with an external consultant and plans to develop initial training for new officers. Odenthal said the consultant, Daigle Law Group, is regarded as an expert in the field and would inform development of foundational training for officers with the development and provision of specific trainings to be provided by the Office of Institutional Diversity. Bailey expressed interest in seeing the training plan, and Odenthal said it would be made available once developed. Trustee Darry Callahan expressed support for continued efforts to advance a commitment to equity, inclusion, and diversity. He noted as well the importance of considering the safety of all students, staff, and faculty and expressed support for proceeding with development of a police department on the Corvallis campus. Pulliams reflected on his interactions with police officers and emphasized the value of a community-oriented policing strategy, the importance of continued oversight, and the need for training. He added that the Board's clear statement of expectations would help to attract outstanding people who will operate in accordance with the university's values. Trustee Michele Longo Eder expressed continued support for establishment of licensed law enforcement and noted an interest in learning more about crisis intervention concepts similar to CAHOOTS. She added that it would

be important to engage in a thoughtful recruitment and selection process in order to identify officers with a demonstrated commitment to the values they will be asked to uphold at Oregon State University. Trustee Lamar Hurd reflected on the complexity of the topic, the importance of having a transparent process, and the need to continue to seek community engagement. President Alexander spoke about recruitment, selection, and training and the importance of hiring people who share a commitment to student success. Schueler expressed his continued support for establishment of licensed law enforcement and the approach staff are taking to do so in a way that supports the university's educational mission and community values. Thorne concurred and stressed the importance of looking holistically at the provision of social services. Borkar thanked trustees for their thoughtful conversation and reflected on the discussion, the importance of having clear principles and a framework for decision making, and the need to continue dialogue and engagement.

7. Adjournment

With no further business proposed, Chair Rani Borkar adjourned the meeting at 1:19 p.m.

Respectfully submitted,



Jennifer M. Almquist
Assistant Board Secretary