



The Board of Trustees of Oregon State University

Special Meeting of the Board of Trustees

August 25, 2023

2:00 – 4:00 p.m.

Virtual meeting held by Zoom webinar

MINUTES

Trustees present: Kirk Schueler (*chair*), Julie Manning (*vice chair*), Kasaundra Bonanno, Julia Brim-Edwards, Stephanie Bulger, Karla Chambers, Maria Chávez-Haroldson, Susan Clark, Román Hernández, Grant Kitamura, Greg Macpherson, Elise McClure, Jayathi Murthy (*ex officio*), Inara Scott

Trustees absent: Patty Bedient

University Staff: Jackie Bangs, Scott Barnes, Sherm Bloomer, Jessica Brubaker, Bruce Daley, Katie Fast, Ed Feser, Becca Gose, Mike Green, John Gremmels, Stacy Jeffries, Shannon Murray, Paul Odenthal, Rob Odom, Jarrod Penttila, Steve Pitman, Melanie Rose

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

Board Chair Kirk Schueler called the meeting to order at 2:02 p.m. Board Secretary Jackie Bangs called the roll and verified a quorum.

Chair Schueler delivered the university's land acknowledgement statement.

2. Consent Agenda

a. Minutes of the June 2, 2023 Meeting of the Board of Trustees

A motion to approve the consent agenda was made by Vice Chair Manning and seconded by Trustee Brim-Edwards. The consent agenda was approved by all trustees in attendance.

3. President's Update

President Murthy reflected on a transformational year. She thanked trustees for their leadership and acknowledged new board members in attendance: Kassy Bonanno, Stephanie Bulger, Grant Kitamura, Greg Macpherson and Elise McClure.

She mentioned the destabilization of the Pac-12 conference and said the topic would be covered in greater detail later in the meeting. She added that she was excited about the upcoming football season, with six home games in the newly-renovated Reser Stadium.

Murthy reported strong enrollments for the upcoming semester, with an 11.4% increase over this time last year. She also noted continued success at OSU-Cascades and very strong Ecampus enrollments, adding that the numbers reflect how highly prospective parents and students regard OSU.

She announced the launch of Access OSU, a collaboration with community organizations serving Black, Indigenous and Latino communities in Portland. The program offers STEM camps, outdoor school, pre-college programs for middle and high school students, student support initiatives and career development opportunities.

Murthy announced the upcoming University Day on Tuesday, September 19, noting that 57 faculty, staff and students would receive awards and Marcia McNutt, geophysicist and first female president of the National Academy of Sciences, would deliver the keynote address.

Murthy gave an update on OSU's research enterprise, noting \$367M in expenditures in 2023, a 23% increase over last year. She reported that research awards increased more than 31% during the same period, totaling \$480M in 2023, and that federal research awards had increased 45%, from \$290M to \$426.6M. She noted that other research and innovation-related contributions and licensing and royalty revenues totaled \$12.9M, and gifts reported in support of research were nearly \$2.7M.

She announced that a draft of the university's next strategic plan would be shared with the OSU community in the coming weeks, saying it was ambitious in advancing a vision for OSU as a solutions-focused university and prioritizing academic and professional success for all students. She said the plan would be presented to the board at its October meeting.

Murthy gave an update on the progress of the Jen-Hsun and Lori Huang Collaborative Innovation Complex, a 150,000 square foot research and education facility that will solidify OSU's position as a leader in transdisciplinary and solutions-based research. She announced that groundbreaking is scheduled for December 2023 and noted that the building would house one of the nation's most powerful supercomputers.

Murthy also gave an update on construction of the Patricia Valian Reser Center for the Creative Arts (PRAx), which will open on April 6, 2024 and have its first full season in 2024-2025.

4. Board Chair's Update

Board Chair Kirk Schueler began by expressing gratitude to the many OSU supporters and thanking President Murthy and Vice President and Athletic Director Scott Barnes for working tirelessly to resolve the uncertainty around the Pac-12 conference.

He welcomed six new trustees to the board and announced the addition of two new student trustee positions in the coming year as part of the implementation of SB 273, noting that recruitment and selection for candidates is governed by student government bylaws.

Schueler announced the annual board retreat in the fall, with focus areas to include shared governance and the implementation of the university's next strategic plan. He provided a brief overview of the fall board meeting, which will include the president's annual goals and a needs assessment for two at-large positions on the board that will become vacant when he and Trustee Bedient complete their terms of service in June 2024.

5. Action Items

a. Update of University Firearms Policy

Paul Odenthal, senior associate vice president for administration and Jessica Brubaker, associate general counsel gave an overview of the proposed updates to the firearms policy.

Odenthal noted that the current policy was established under the Oregon University System in 2012, and that the proposed updates capture changes allowed under SB 554, which was passed in 2021.

He added that though, overall, the policy falls under the authority delegated to the president, board action was required for the concealed carry-related provisions of SB 554. He said the bottom line is that the main premise of the policy remains unchanged in that firearms are not allowed on OSU-owned or -controlled property, unless an exception applies. Pursuant to SB 554, concealed carry is not an allowed exception.

In response to a question from Trustee Brim-Edwards regarding the approval process for exceptions related to academic research mentioned in section 5.2.4, Odenthal clarified that the process required written documentation. At Chair Schueler's request, Brubaker said the policy would be amended for clarity.

There was no public comment on the proposed updates. Chair Schueler sought a motion to accept the revised firearms policy amended as discussed and direct it to the president for approval and implementation. A motion was made by Trustee Hernández, seconded by Trustee Brim-Edwards and approved by all trustees in attendance.

b. Capital Project Stage Gate II: OSU-Cascades Campus Phase II and Innovation District Land Development

Details of the project were provided by Mike Green, vice president for finance and administration; Sherm Bloomer, chancellor and dean of OSU-Cascades; Steve Pitman, interim chief operating officer at OSU-Cascades; and Jarrod Penttila, OSU-Cascades associate director of capital planning and construction.

Green said the project would bring approximately 24 acres of land to build-ready status, including the first eight-acre parcel of the innovation district. He added that the project includes remediation of a portion of the demolition landfill and the old pumice mine and construction of key infrastructure for the next phase of development.

Pitman added that the pumice mine and landfill were acquired in 2017 at well below market value and that both sites required significant remediation in order to become build-ready. He said the current project was scheduled for completion in 2024 and would reduce the amount of landfill and increase the amount of buildable land.

Penttila noted that the OSU-Cascades master plan divides the campus into three distinct sections: the recreation district, the academic district and the innovation district. He said this project provides eight acres for developing the innovation district, with sixteen acres available for a future phase of campus development.

Bloomer added that the innovation district has been part of the campus vision from the beginning and would foster economic development in central Oregon, enhance career development for students and create a space for dynamic interaction between the community and the campus.

Trustee Chávez-Haroldson asked about the environmental impact from pollutants and what safety measures were in place. Presenters clarified that pollutants at the site were not considered “mobile” and do not pose a significant threat to the water table. It was further noted that workers are trained to OSHA standards to recognize pollutants and the Department of Environmental Quality has jurisdiction over the remediation process and also monitors the air.

Trustee Chambers asked how much the university’s bonding capacity had been impacted by this project. Green replied that bonds for this project had already been issued. He acknowledged that the project carried some risk, but said he believed that enrollment at the OSU-Cascades campus would grow to cover the debt service. He added that the risk would also be backstopped by university E&G funds if necessary.

In response to a question from Chair Schueler about the ground lease arrangement in the project plans, Green said estimates were based on leasable square footage and what the university could expect to realize on actual constructed facilities.

There was no public comment on the project. Chair Schueler sought a motion to approve a capital project budget of \$36M for the OSU-Cascades Campus Phase II and Innovation District Land Development project and advance the project to the construction phase. A motion was made by Trustee Hernández, seconded by Trustee Macpherson and approved by all trustees in attendance.

c. Capital Project Stage Gate II: Kelley District Utility Plant Project

Bruce Daley, associate vice president for university facilities, infrastructure and operations, and John Gremmels, director of capital planning, provided an overview of the project.

Daley noted that stage I and stage II for this project were coming to the board together because it became apparent during the design phase that the project would exceed the \$10M threshold and require board approval. He added that the chiller plant needs to be renewed and its capacity expanded to meet the needs of the coming Jen-Hsun and Lori Huang Collaborative Innovation Complex.

Gremmels said the Kelley District Utility Plant (DUP) was completed in 2005 and is currently past its useful life. He noted that the DUP will also provide heating and cooling for Johnson, Kelley and Plageman Halls, with other

locations to be added in the future. He added that heat from supercomputer in the Huang Collaborative Innovation Complex would be captured to heat about 500,000 square feet beyond the complex on a typical class day.

There was no public comment on the project. Chair Schueler sought a motion to approve a capital project budget of \$12M for the Kelley District Utility Plant project and advance the project to the construction phase. A motion was made by Vice Chair Manning, seconded by Trustee Hernández and approved by all trustees in attendance.

5. Discussion Items

a. Elliott State Research Forest Update

Paul Odenthal, senior associate vice president for administration, and Shannon Murray, program director for the Elliott State Research Forest provided an update on OSU's involvement in the Elliott State Research Forest (ESRF).

Odenthal gave an overview of key milestones, noting that the State Land Board voted to keep the forest in public ownership in 2017. Rather than OSU ownership of the forest – which was unacceptable to key stakeholders and posed risks to the university – a state agency, the Elliott State Research Forest Authority, was created. Per SB1546, that agency shall contract with OSU for management of the ESRF. A decision from OSU's Board of Trustees on the university's participation in the management of the forest must be made by Dec. 31, 2023 for the establishing legislation to become operational.

Murray provided information on the foundational documents for the ESRF specified in SB 1546, noting that the Habitat Conservation Plan (HCP) and Forest Management Plan (FMP) were still under development. She noted that the state has until the end of December 2023 to submit the HCP to the U.S. Fish and Wildlife Service and National Marine Fisheries Service, with review continuing into spring 2024 and publication of the record of decision in the federal register in July 2024.

Murray reported that a draft of the Forest Management Plan is being finalized for a public comment period in October, with presentation to the State Land Board for a decision on approval scheduled for December 2023.

Murray gave an update on financial viability for the ESRF, noting the need for \$40M in start-up funding. She said detailed financial analyses had been completed but would need to be updated based on changes to final harvest restrictions in the HCP.

Odenthal said the OSU team would share updated financial information with the board at its October 2023 meeting. He reported that a draft of the management agreement between the university and the Elliott State Research Forest Authority (ESRFA) was expected in November. He noted that the ESRFA's nine-member board had been appointed but has no authority until the operational date of Jan. 1, 2024, adding that there would be limits on operations in the forest until the record of decision was issued in summer 2024.

Trustee Hernández asked about the implications if the HCP isn't approved. Odenthal said the risk of the HCP not being approved was low due to the nature of the public process. He said the main impact on OSU is that the university is limited in what it can do in the forest until the HCP is approved.

Trustee Chambers asked who assumed financial risk and noted that there wasn't much about fire mitigation in the FMP. Odenthal replied that ultimate responsibility was with the ESRFA and that OSU had indemnification through the management agreement. He said he would provide more information at the October board meeting.

In response to a question from Trustee Chávez-Haroldson regarding tribal engagement, Murray said tribal representation had been included since early in the process when the research proposal was under development. She also noted the involvement of Cristina Eisenberg, associate dean for inclusive excellence and director of tribal Initiatives in OSU's College of Forestry.

Trustee Kitamura asked about start-up funding, noting that it appeared \$32M was needed for facilities instead of \$17M. Murray confirmed that was the most recent update, made last week.

a. Athletics Update

President Jayathi Murthy and Vice President and Director of Intercollegiate Athletics Scott Barnes provided an update on athletics.

Chair Schueler thanked them both for fighting for OSU's interests, especially the well-being and success of student-athletes. He expressed appreciation for the consultations President Murthy had had with him and the calls she made to each individual trustee to keep the board informed. He reminded trustees and others that Murthy and Barnes were bound to confidentiality on some topics.

President Murthy recognized the hard work of student-athletes and coaches, acknowledging how hard destabilization of the Pac-12 has been for everyone. She provided context on the current state of the Pac-12, noting that a proposed media deal had unraveled quickly, followed by the sudden withdrawal of members from the conference, which created a crisis that undermined OSU's ability to shore up the conference or secure an exit strategy. Murthy noted that OSU doesn't have the same leverage in the media market as other schools and reported that university leaders are working tirelessly, convening appropriate stakeholders and charting out multiple options.

Murthy emphasized that the university's priority was to preserve the ability of OSU student-athletes to compete at the highest level possible and thrive in athletics and academics. She added that preservation of the Pac-12 in some form was in the best interest of the member institutions, but added that OSU continues to pursue additional opportunities inside and outside the conference.

Barnes said that guiding principles for a path forward were informed by conversations with student-athletes, student-athlete leadership, coaches and the campus community. He added that being mindful of regionality, travel time and time away from campus were all important to the success of student-athletes, further noting the university's significant investment in their success, with 46.5 FTE devoted to student-athlete services.

Barnes noted that OSU has 17 sports, including Olympic (non-revenue) sports. He said the university creates affiliate memberships when necessary to make sure every sport has a competitive opportunity in conference play.

He emphasized the desire to create the best experience for alumni and fans and noted the role of athletics in the larger university mission. He said Reser Stadium would serve as a guiding light through this particular storm, noting that net revenue from Reser partially funds all 17 athletic programs.

Trustee Scott thanked Barnes and Murthy for their leadership and for prioritizing the needs of student-athletes, adding that it was hard to imagine what longer road trips would mean for them.

Trustee Hernández mentioned rumors that two of four remaining Pac-12 schools would leave the conference and asked about the option of rebuilding. Murthy acknowledged that rebuilding would be more difficult if Stanford and Cal leave. Hernández expressed the opinion that universities that have made public statements to the media about their intentions to leave have a conflict of interest moving forward on discussions of the Pac-12 as an entity and said he hoped the university was taking that position. General Counsel Becca Gose said that all options were being pursued.


Trustee Chambers expressed agreement with Hernández regarding conflict of interest issues for those universities who have left the conference. She noted the monopolistic behavior of the media companies driving college athletics and said the situation had created 50+ winners and 100+ losers, economically.

In response to a question from Trustee Bonanno, Barnes said there would not be a reduction in athletics scholarships awarded in 2023, since revenues will stay the same until next year.

5. Adjournment

There being no further discussion or business, Chair Schueler adjourned the meeting at 4:18 p.m.

Respectfully submitted,



Stacy Jeffries
Executive Assistant, Office of the Board of Trustees