



## The Board of Trustees of Oregon State University

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### Meeting of the Executive, Audit and Governance Committee

October 24, 2024

8:30 – 10:45 a.m.

Memorial Union Horizon Room

### MINUTES

Committee members present: Julia Brim-Edwards (*by Zoom*), Maria Chávez-Haroldson (*vice chair*), Román Hernández (*chair*), Julie Manning, Jayathi Murthy (*ex-officio*)

Committee members absent: Elise McClure

Other trustees present: Kasaundra (Kassy) Bonanno, Kate Carter-Cram, Karla Chambers, Susan Clark, Lisa Hale, Grant Kitamura, Toby Luther, Greg Macpherson, Marlena (MJ) Mirho, Camille Palmer

University staff present: Jackie Bangs, Scott Barnes, Ed Feser, Susan Freccia, Alix Gitelman, Becca Gose, Carla Ho'ā, Jen Humphreys, Stacy Jeffries, Deb Mott, Paul Odenthal, Rob Odom, Irem Tumer, Scott Vignos

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

Chair Román Hernández called the meeting to order at 8:30 a.m. Board Secretary Jackie Bangs called the roll and verified a quorum.

Chair Hernández read the university's land acknowledgment statement.

#### 2. Consent agenda

##### a. Minutes of the June 21, 2024 Special Meeting of the Executive, Audit and Governance Committee

The chair sought a motion to approve the consent agenda. A motion was made by Trustee Manning, seconded by Trustee Brim-Edwards and approved by all committee members in attendance. The motion carried.

#### 3. Action items

##### a. Board Chair's Report: FY2024 Presidential Assessment and Presidential Compensation Adjustment

Chair Hernández presented a report highlighting President Murthy's strong performance over the past year. He noted feedback from trustees praising the president's leadership in launching the new strategic plan, *Prosperity Widely Shared*, building authentic relationships, navigating complex issues like the Pac-12 realignment, supporting freedom of expression on campus and demonstrating care for students. Her work on the "Believe It" fundraising campaign was also commended.

The chair noted that the alignment of the president's proposed goals with *Prosperity Widely Shared* would continue in her future assessments and mentioned a recommendation to include metrics related to those goals moving forward.

In light of the president's exceptional performance and length of service, the guidelines of the presidential compensation philosophy and the board's responsibility to provide competitive compensations through comparison to similar positions that is fair, equitable and financially sustainable, Chair Hernández proposed a 4% increase to President Murthy's total compensation, effective November 1, 2024, referencing the FY2025 merit increase range of 2% - 6% for non-represented academic and professional faculty. He reminded the board that it had approved a 6% increase to the president's salary at its January 2024 meeting, noting that the initial recommendation of a 3% increase was doubled based on feedback from board members. Some members of the committee commented that 6% was still too low.

In light of the January 2024 discussions of compensation and retention efforts, the chair sought delegated authority from the board to reopen and negotiate the president's contract to address the retention issues that were shared at the board's meeting in January 2024. He noted he would bring the renegotiated contract to the full board for consideration in October 2025 and added that President Murthy was entering the third year of a five-year contract term.

In the discussion that followed, Trustee Chambers suggested pushing the president's salary increase from 4% to 6%. The chair said the proposed contract negotiation was intended to bring the president's salary to market for another five-year term rather than the two years remaining in the current contract.

Trustee Brim-Edwards suggested high-level committee discussions before the renegotiated contract was brought to the board in the interest of preventing surprises. She also voiced strong support for the proposal before the committee and stressed the importance of effective stable leadership for the university's ambitious plans.

Vice Chair Chávez-Haroldson supported the compensation increase and plan to reopen the contract, noting the president's strong performance and the importance of equity in her compensation.

Trustee Kitamura voiced his support for retention efforts and the importance of providing competitive compensation given the president's strong performance.

The chair sought a motion to recommend to the board acceptance of the board chair's report on the president's annual assessment and goals, a 4% increase to the president's total compensation and a recommendation to delegate responsibility to the chair to reopen and negotiate the president's contract. A motion was made by Trustee Brim-Edwards, seconded by Trustee Manning and approved by all committee members in attendance. The motion carried.

#### **b. 2025 EAGC Work Plan and 2024 Assessment Results**

Chair Hernández led the discussion of the 2025 EAGC work plan and the 2024 assessment results. He reminded the committee that the work plan allows for adjustments to address emerging issues and also noted that the committee charter was amended last year to recognize the committee's role in governance.

Committee members were invited to comment and ask questions about the work plan as laid out in the board materials. There were no questions and no discussion from committee members or trustees at large.

The chair sought a motion to accept the 2025 EAGC work plan and 2024 assessment results. A motion was made by Trustee Manning, seconded by Trustee Brim-Edward and approved by all committee members in attendance. The motion carried.

**c. Office of Audit, Risk and Compliance Progress Report**

Chief Audit, Risk, and Compliance Executive Patti Snopkowski delivered the quarterly OARC progress report and began with an overview of the office's functions and reporting to the committee.

Snopkowski noted the quarterly reports primarily focus on audit activity updates. She highlighted the four major reports related to building security, research accounting practices, third-party information security and the Division of Educational Ventures. She discussed follow-up activities to confirm that improvements have been made in previously audited areas, noting that those areas that remain open are expected to be closed in 2025.

The chair sought a motion to accept the Office of Audit, Risk and Compliance progress report. A motion was made by Trustee Manning, seconded by Vice Chair Chávez-Haroldson and approved by all committee members in attendance. The motion carried.

**4. Discussion items**

**a. Needs Assessment for At-Large Position Vacancy**

Chair Hernández introduced the agenda item, noting that Trustee Julia Brim-Edwards will be completing her term of service at the end of June 2025. In accordance with board policy, a needs assessment is conducted to guide the board's efforts in identifying potential candidates to recommend to the governor for at-large positions.

Board Secretary Jackie Bangs provided an overview of the needs assessment process, which is informed by the governor's appointment process and the board's recruitment and appointment policy. Bangs noted that there are over 250 boards and commissions in Oregon, with seven public governing boards for universities. She added that the governor's appointments for university boards must be confirmed by the Oregon Senate.

Bangs stressed the importance of the board policy on recruitment and appointments and noted that the board is required to share its needs assessment with the university community and seek their feedback about the ideal characteristics of board members.

Bangs also discussed succession planning, noting recent turnover and the importance of building capacity and institutional knowledge. She added that board composition is reviewed to ensure a balance of perspectives, backgrounds, skills, experience and geographical representation, emphasizing the governor's priority for representation from the Oregon coast.

Bangs noted the independent processes for recruiting student, faculty and staff trustees. Student trustee Kassy Bonanno spoke briefly to the recruitment process with student government. Faculty trustee Camille Palmer gave an overview of her experience with the appointment process, and staff trustee Susan Clark suggested further conversations about including professional faculty in addition to represented faculty, noting her term ends in June 2025.

President Murthy echoed the governor’s suggestion for representation from the coast and expressed interest in skills including financial expertise, large organization experience and tech industry representation – especially considering the AI revolution and CHIPS Act money. Trustee Manning suggested the board consider candidates who bring expertise specific to the main actions and goals of *Prosperity Widely Shared*.

In closing, Chair Hernández encouraged trustees to forward the names of potential candidates to Secretary Bangs.

**b. Office of the General Counsel Annual Report**

Vice President and General Counsel Becca Gose provided an overview of the Office of the General Counsel's (OGC) activities, highlighting their role in advising the university, managing litigation and claims and engaging outside counsel to support the university's mission.

Gose emphasized OGC’s philosophy of being strategic thought partners who aim to help OSU innovate and achieve its goals by providing proactive and preventive legal advice. She noted the importance of her team being involved early in the decision-making process to be effective.

Gose reported that OSU continues to have a low litigation rate compared to its peers, a trend that has remained consistent over the years. She noted that there had been no significant concerns related to administrative claims this year.

Gose explained that outside counsel is engaged in four main situations: for specialized expertise, litigation, independent reviews and bandwidth issues. She noted significant costs associated with the Pac-12 litigation but added that those costs were dwarfed by the resulting financial settlement.

Gose introduced her team members, who were present at the meeting, and expressed her gratitude for their support, especially during the Pac-12 matter. She also mentioned plans to add another attorney in the future to support the university's growth and research goals.

Trustees complimented Gose on the professionalism of her team and a doing a great job in light of the heavy workload brought by Pac-12. Chair Hernández and Vice Chair Chávez-Haroldson appreciated the OGC’s proactive approach and email communications aimed at keeping the board well informed and preventing surprises.

**c. Annual Compliance and Ethics Program Report**

Susan Freccia, deputy chief executive of compliance and ethics, emphasized the role of compliance in supporting the university's mission.

Freccia explained that higher education is a highly regulated industry due to the wide range of activities it encompasses and highlighted the numerous federal, state and local laws that apply to higher education institutions.

Freccia discussed the annual compliance risk assessment and provided details on one major compliance area: disability accessibility. The university strives to create an inclusive and welcoming environment for people with disabilities in alignment with federal laws such as the Americans with Disabilities Act (ADA), the Fair Housing Act, and Section 504. A new rule under Title II of the ADA requires heightened web and mobile app accessibility by 2026, and will impact the entire university. Freccia announced that a steering group and teams with representation from IT, equal opportunity and access, disability access for students, libraries, Ecampus and others have been convened to ensure compliance with these new requirements.

Freccia detailed efforts to create a sense of community, share best practices and break down silos among compliance partners. She mentioned the annual gathering 2023 awards, which went to:

- The Environmental Health and Safety team, which received the Ten-Year Improvement Award for their lab safety work
- Youth Safety and Compliance team and Director Eric Cardella, who received the “It Takes a Village” Award
- The Animal Care Program in the Research Office, which received the “Nothing Happened” Award, explaining that, when compliance is done well, nothing happens.

During the presentation, Trustee Manning asked about integrating ethics into compliance work. Freccia noted that the university, in alignment with its code of ethics and mission, can in some cases go above and beyond what is required by law, and also discussed state ethics law requirements for university employees and volunteers.

At the end of the presentation, Vice Chair Chávez-Haroldson commented on the role of compliance in ensuring safety, and Secretary Bangs asked about resources available to offices on campus to check the accessibility of websites and materials. Freccia noted the accessibility hub webpage through the Office of Equal Opportunity and Access.

#### **d. Landscape of Athletics**

Vice President and Director of Intercollegiate Athletics Scott Barnes and Vice President and General Counsel Becca Gose provided an overview on the landscape of athletics at OSU.

Barnes emphasized the unprecedented pace and magnitude of changes impacting student-athletes. He said that OSU’s student-athletes are thriving academically and athletically despite these challenges, with 97.2% in good academic standing and a cumulative GPA of 3.38 – slightly higher than the general student body.

Barnes explained the fundamentals of Name, Image, and Likeness (NIL), which allows student-athletes to control their brand and get paid for activities like product endorsements, autograph signings and social media posts. He discussed the chaotic marketplace created by the patchwork of state NIL rules and the lack of strong enforcement by the NCAA. Barnes highlighted the educational programs provided to student-athletes at Oregon State, including financial literacy, business skills and NIL education resources.

Gose discussed the national challenges regarding the classification of student-athletes as employees. She explained the potential implications of this classification, including bargaining rights, wage and hour laws and the impact on scholarships and benefits.

President Murthy asked about the consequences if student-athletes are determined to be employees. Gose said it remains to be seen but stressed potential impacts to issues like bargaining, terminating employees and determining benefits, adding that the university would likely be looking at increased costs. Barnes said the university could see a reduction in sports offerings, with more dollars going to fewer student-athletes.

Gose then provided an overview of the antitrust challenges to NCAA rules and the resulting House settlement (*House, Hubbard and Carter*). She noted that the global settlement for those three cases and several prelitigation claims – which is still preliminary – would be \$2.7B in back damages paid out over 10 years. Barnes discussed the implications of the settlement for OSU, including the need to generate new revenues and prioritize existing funds to stay relevant in the competitive landscape.

Barnes gave an overview of the Pac-12 rebuild, highlighting the addition of new members including Boise State, Colorado State, Fresno State, San Diego State, Utah State and Gonzaga. He emphasized the importance of geographic proximity for student-athlete success and wellness and noted that the Pac-12 will be selective in adding new members to ensure they bring value to the conference.

In the discussion that followed, Trustee Chambers asked where the economic and revenue model would land and what would happen to teams that want to return to something more like college athletics than professional sports. Barnes stressed that the settlement is based on the false premise that most universities are elite business enterprises with huge revenues from Athletics.

Trustee Bonanno asked about student-athlete perspective on these issues. Barnes said there had been a lot of dialogue and that most student-athletes like the system the way it is and do not want to be classified as employees. He added there are a few vocal advocates pushing for this change.

## **5. Adjournment**

With no further discussion or business before the committee, Chair Hernández adjourned the meeting.

Respectfully submitted,



Stacy Jeffries  
Executive Assistant, Office of the Board of Trustees