



The Board of Trustees of Oregon State University

Meeting of the OSU Board of Trustees

April 5, 2024

9:15 a.m. – 2:30 p.m.

Memorial Union Horizon Room

MINUTES

- Trustees present: Patty Bedient, Kasaundra (Kassy) Bonanno, Julia Brim-Edwards, Karla Chambers, Susan Clark, Román Hernández (*vice chair*), Grant Kitamura, Greg Macpherson, Julie Manning, Elise McClure, Jayathi Murthy (*ex officio*), Inara Scott
- Trustees absent: Stephanie Bulger, Maria Chávez-Haroldson, Kirk Schueler (*chair*)
- University staff: Jackie Bangs, Jessica Brubaker, Bruce Daley, Kevin Dougherty, Emily Farrell, Katie Fast, Ed Feser, Alix Gitelman, Becca Gose, Mike Green, Brent Gustafson, Heather Hesano, Heather Horn, Jen Humphreys, Stacy Jeffries, Deb Mott, Paul Odenthal, Rob Odom, Shalece Rains, Melanie Rose, Patti Snopkowski, Irem Tumer, Scott Vignos
- Invited guests: Ben Cannon, Carissa O'Donnell, Keera Puett, Audrey Schlotter, Eric Schoenstein, Yvette Spitz, Thomas Toepfer

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

Vice Chair Román Hernández called the meeting to order at 9:15 a.m. Board Secretary Jackie Bangs called the roll and verified a quorum.

Vice Chair Hernández delivered the university's land acknowledgment statement.

2. Public comments

Sam Sachs provided comments on OSU's hiring practices.

Todd Thompson submitted written comments on tuition.

3. Opening comments and reports

a. Vice Chair's comments

Vice Chair Román Hernández noted the absence of three trustees, including the chair, adding that absences were unusual but acknowledging that unforeseen circumstances could prevent trustees from attending.

He thanked Dean Tuba Özkan-Haller and the faculty, graduate students and staff of the College of Earth, Ocean, and Atmospheric Sciences for the previous night's board event showcasing the college's impact on research, education and the public good.

Hernández noted yesterday's campus visit from Higher Education Coordinating Commission Vice Chair Greg Hamann, adding that the HECC chair and vice chair were visiting each of the state's seven public universities to meet with university leadership and engage with governing boards.

He announced that President Murthy would share her recommendations for at-large trustee candidates at the board's final meeting of the academic year in May. Hernández invited members of the university community to submit recommendations regarding ideal characteristics for filling trustee vacancies to trustees@oregonstate.edu.

b. President's report

President Jayathi Murthy spoke about the vibrant activity on the OSU campus and noted a significant increase in spring class registrations, leading to another record enrollment term. Despite this success, she acknowledged the uncertainty faced by students and families due to nationwide delays in the FAFSA federal financial aid process and thanked OSU leadership for their continued advocacy on this issue.

She announced the grand opening of the Patricia Valian Reser Center for the Creative Arts (PRAx) and invited everyone to experience the full realization of a vision that began with Patricia Valian Reser's inspiring gift in 2017. She thanked the OSU Foundation, the state and the OSU community for their support.

The president announced the upcoming groundbreaking of the Jen-Hsun Huang and Lori Mills Huang Collaborative Innovation Complex and said she was honored to welcome the Huangs back to campus for panel discussions featuring leading intellectuals in the field of artificial intelligence, including several renowned OSU faculty members and thought leaders from industries including Nvidia and Microsoft.

She announced OSU's AI Week, culminating in the inaugural Global Features Forum next Friday. She noted the forum would be a regular event and would advance and deepen public engagement and critical inquiry about the themes outlined in *Prosperity Widely Shared*, the university's strategic plan.

The president highlighted the success of the OSU women's basketball team and noted similar accomplishments across more than a dozen OSU teams and Olympic sports. She said the success of student-athletes demonstrated their enduring capacity to compete and win at the highest levels of intercollegiate competition and emphasized the critical importance of OSU athletics to state and local economies and for providing access to higher education.

Murthy announced the settlement reached by OSU and Washington State University with the 10 departing universities of the Pac-12 conference. She said the victory would provide student-athletes with a stable conference home for the next few years and expressed confidence in the new Pac-12 commissioner Teresa Gould.

The president noted the strategic plan's ambitious target of increasing research expenditures to \$600M by 2030. She thanked Vice President for Research and Innovation Irem Tumer for her leadership and announced the appointment of Rebecca Robinson as associate vice president for the new Office of Economic Development and Industry Relations. She noted that Robinson would also serve as senior advisor for strategic initiatives to Sherm Bloomer, chancellor and dean of OSU-Cascades, adding that the future Innovation District planned for OSU-Cascades would be a signature feature of the Bend campus and a priority for the Economic Development and Industry Relations Office.

In closing, President Murthy provided updates on OSU's pursuit of federally designated tech hubs focused on microfluidics technology and mass timber design, showcasing the university's approach to translating research through industry partnerships.

c. Associated Students of Oregon State University Report

ASOSU President Carissa O'Donnell delivered her report.

She noted the ASOSU's recommendation of a 4.27% increase to the student incidental fee for fiscal year 2025 in support of various student services, including the Family Resource Center, Memorial Union and new student engagement activities with professional artists at PRAX.

O'Donnell also announced a pilot program between ASOSU and PRAX to offer discounted student tickets to performances and free entry to gallery exhibitions for fiscal year 2025.

She acknowledged students' concerns about the cost of higher education and endorsed President Murthy's recommendation for tuition and fee rates for the upcoming fiscal year.

Trustee Bonanno asked O'Donnell to explain the importance of the Student Fee Committee to trustees who may be unfamiliar with what that committee's work and processes. O'Donnell said the Student Fee Committee was comprised of appointed members from each of the university's fee-funded units and was currently recruiting. She noted the committee's process starts in the fall and ends in the spring with a recommendation to President Murthy and a vote by the board.

Trustee Bedient thanked O'Donnell for her work on the University Budget Committee (UBC) in consideration of the tuition recommendation the board would vote on today. She expressed a desire for more student input through the various forums held by the UBC, and O'Donnell said she was also interested in increasing student engagement.

O'Donnell provided an update on legislative advocacy at University Lobby Day and Oregon Student Association Lobby Day. She also noted her testimony to the Higher Education Coordinating Commission and the House Higher Education Committee, as well as her participation in a panel discussion on the challenges facing higher education with all seven public university presidents and Rep. Bonamici.

Audrey Schlotter, ASOSU president-elect, shared her journey to Oregon State University and a vision for her term with vice president-elect Zach Kowash. She outlined the three pillars of their platform: student well-being, engagement, and fiscal transparency. Schlotter emphasized the importance of shared governance and expressed eagerness to work with the board to support OSU students.

d. Associated Students of Cascades Campus report

ASCC President Keera Puett begin her report by announcing that Whitney McFarlane had been elected as her successor in the role of president of the ASCC. She noted the vice president position remained open for application.

Puett noted the unsuccessful bid for \$24M in state funding for a recreation center and residence hall on the Cascades campus. She mentioned the ASCC's advocacy efforts, which included every member of their team meeting with legislators. She added that meeting with legislators virtually due to weather conditions may have impacted the meetings' effectiveness.

She announced that OSU-Cascades would welcome Dr. Katie Wilson as the new associate dean of student life, adding that the ASCC had played a role in the selection process allowing for student input.

Puett reported increased usage of the food pantry at OSU-Cascades. She added that, following a suggestion from President Murthy at the January board meeting, the ASCC had implemented a survey to determine why students rely on this service. She shared her theory that students relied on the food pantry so that funds saved on groceries could be applied to rent.

Puett announced the second annual mini-golf fundraiser scheduled for May 10, with all proceeds going to the Student Success Fund, which supports the food pantry, childcare and emergency housing subsidies, and safer living kits. She expressed concern over dwindling foundation funds for the food pantry in the face of increased demand and said the goal was to raise enough money through the mini-golf tournament to avoid using student fees to fund the food pantry.

Trustee Bonanno asked if need for the food pantry had increased over the past year or in the past few months. Puett said demand has been increasing since students came back to campus in the fall, noting that orders had roughly doubled.

e. Faculty Senate Report

Yvette Spitz began her faculty senate report by relaying faculty excitement for campus initiatives including the launch of Core Education, the implementation of *Prosperity Widely Shared* and the possibilities of AI.

She also noted that budget concerns were causing anxiety among faculty members and reported that the faculty senate was focused on sharing more information with faculty to alleviate their concerns.

Spitz reported that the faculty senate was working on defining shared governance and revisiting by-laws to be more visionary and reduce administrative burdens. She said efforts were also being made to engage senators and encourage them to gather and disseminate information within their units.

In closing, Spitz reported that the faculty senate had conducted interviews with potential faculty candidates for the board of trustees and had a list of names to propose to the governor.

Trustee Manning asked Spitz for her thoughts on implementation of the new core curriculum. Spitz said the curriculum was well done but added it was a heavy lift for faculty to go through the process of revamping courses and they had concerns about getting it done on time.

Trustee Chambers asked Spitz for her perspective on student financial health. Spitz said students were dealing with significant financial pressures, noting increased reliance on the food pantry; the often-prohibitive cost of experiential learning; and the cost of replacing essential items like laptops.

At Secretary Bangs's suggestion, Trustee Scott provided some background on the report she delivers to the faculty senate, noting she sees that report as an educational opportunity to talk about what trustees do and emphasize the level of shared governance the board operates at.

Vice Chair Hernández relayed a personal story about a professor who changed his life and expressed thanks to faculty for the work they do and how it impacts students.

f. OSU Foundation report

Eric Schoenstein, immediate past chair of the OSU Foundation Board of Trustees, addressed the board via Zoom to provide an update of foundation activities.

Schoenstein emphasized the alignment of the foundation’s strategic plan with the university’s and emphasized the importance of fundraising, reporting that efforts were on track, with over \$110M raised. He mentioned surpassing the \$1.2B mark of the \$1.75B “Believe It” campaign and announced that the endowment value stood strong at over \$876M despite market challenges.

He highlighted the foundation’s support for the university’s goals, including doubling research expenditures and increasing graduation rates to 80%. He said the foundation was also proud to play a key role in securing funding for the \$75M Patricia Valian Reser Center for the Creative Arts (PRAX) and the \$200M Jen-Hsun Huang and Lori Mills Huang Collaborative Innovation Complex. He announced the foundation had also partnered with the Office of the Provost on the fourth faculty match program to incentivize the creation of endowed faculty positions.

He provided an overview of upcoming engagement activities including the grand opening of the PRAX, the public groundbreaking ceremony for the Huang Collaborative Innovation Complex and the annual “Dam Proud Day” giving day. He concluded by expressing gratitude for the partnership with the board and said he looked forward to further discussions in May.

g. Higher Education Coordinating Commission report

Ben Cannon, executive director of the Higher Education Coordinating Commission (HECC), addressed the board via Zoom.

He expressed appreciation to OSU for hosting a visit by HECC Vice Chair Greg Hamann. Cannon announced that the HECC had launched a new website with a data dashboard that allows users to draw data from years of higher education records. He encouraged attendees to use this tool to understand trends in student enrollment, degree completion, affordability, and workforce outcomes.

Cannon noted the recent release of the Semiconductor Workforce and Talent Assessment commissioned by the HECC and conducted by ECONorthwest. He said the report aims to understand the state’s semiconductor workforce needs and recommend strategies and encouraged university leadership to consider the strategies recommended in the talent assessment.

Cannon reported that the HECC was engaged in its fourth strategic planning effort since its inception in 2013, which will include a public outreach and engagement component and is expected to be completed by the end of the year and adopted by the HECC in Nov. 2024.

He noted that the HECC was also considering requests from Oregon’s public universities and community colleges and developing its agency request budget for the upcoming 2025-2027 biennium. He emphasized that the governor’s recommended budget would be focused on housing, mental and behavioral health, early education and K-12 education. In closing, Cannon expressed cautious optimism about the upcoming legislative session.

4. Consent agenda

- a. Minutes of the January 19, 2024 Meeting of the Board of Trustees**
- b. Biennial Funding Request to HECC: Capital**
- c. Capital Project Change to Approved Budget: Kelley District Utility Plant**
- d. Debt Policy and Liquidity Management Policy Amendments**

Trustee Bedient noted the robust conversation at the previous day's meeting of the Finance and Administration Committee for agenda items 4b – 4d, adding she was comfortable having those items on the consent agenda.

Vice Chair Hernández sought a motion to approve the consent agenda, which was made by Trustee Bedient and seconded by Trustee Brim-Edwards. The consent agenda was approved by all board members in attendance, and the motion carried.

5. Reports of standing committees of the board

a. Academic Strategies Committee

Committee Chair Manning provided a brief overview of the previous day's Academic Strategies Committee meeting.

Manning provided highlights from the provost's report, including updates on OSU's accreditation cycle; implementation of the university's strategic plan; announcement of 2024 University Distinguished Professor honorees Dr. Todd Palmer and Dr. Malgorzata Peszyńska; and the launch of the AI@OSU initiative.

She noted that the committee had also received reports on undergraduate and graduate programs and enrollment management.

(See minutes of the April 4, 2024, Academic Strategies Committee meeting for further details.)

b. Finance and Administration Committee

Committee Chair Elise McClure provided a summary of the previous day's meeting of the Finance and Administration Committee, which started with a report from Vice President for Finance and Administration Mike Green that included information about athletics finances and an update about the university's financial planning around implementation of the new strategic plan.

She provided an overview of the six action items the committee voted to recommend to the board at today's meeting, which included the three items just approved on the board's consent agenda in addition to the ten-year business forecast; FY2025 tuition rates, mandatory fees and student incidental fees; and short-term debt resolution that would be presented later in today's meeting.

McClure also noted that the committee received an update on the topic of student financial readiness at yesterday's meeting.

(See minutes of the April 4, 2024, Finance and Administration Committee meeting for further details.)

c. Executive, Audit and Governance Committee

Vice Chair Román Hernández summarized the previous day's meeting of the Executive, Audit and Governance Committee (EAGC), noting the committee had voted to recommend that the full board adopt a shared governance philosophy and approve amendments to the board's bylaws and several board policies to satisfy the corresponding requirements of Senate Bill 273.

He reported that the committee also voted to accept the Office of Audit, Risk and Compliance progress report and received an update and risk management report on the university's information technology ecosystem and security.

(See minutes of the April 4, 2024, Executive, Audit and Governance Committee meeting for further details).

6. Action items

a. Ten-Year Business Forecast

Finance and Administration Committee Chair Elise McClure noted the committee recommended at the previous day's meeting that the board accept the university's ten-year business forecast.

She welcomed Vice President for Finance and Administration Mike Green, Associate Vice President for Budget and Resource Planning Brent Gustafson, and Senior Associate Vice President for Administration Paul Odenthal to present the information delivered to the committee.

Green emphasized that the intent of the ten-year business forecast was to provide the board with a forward-looking financial picture that represents the best estimates of outcomes for the university's operating actions and capital investment plans.

Green added that the current update includes the financial pro forma developed to project outcomes for goals in *Prosperity Widely Shared* and noted the university would engage consultants to help refine the pro forma and those updates would be presented to the board.

Gustafson provided an overview of the operating business forecast, noting that the final product was a combination of data, judgement and assumptions about the future. He reminded trustees that the inclusion of the university's strategic plan, *Prosperity Widely Shared*, was a key difference in this year's forecast compared to last year's.

Odenthal talked about the capital forecast and how OSU would prioritize the many facility and capital needs across the university and provided an overview of major projects. He clarified that, if the board voted to approve the forecast, it would not be granting approval for any of the proposed capital projects, but allowing for those projects plans to be further developed. [Individual capital projects would still follow the [board's regular process](#) for committee review and recommendation to the full board for consideration].

Trustee Chambers thanked presenters for what she called a remarkable effort, noting the difficulty of looking ten years ahead given how quickly situations can change. She mentioned the possibility of an economic downturn and noted the importance of staying financially sound and flexible with the pace and scale of projects.

Trustee McClure echoed Trustee Chambers' comments and reminded those in attendance of the extensive discussion on risks and assumptions held during the previous day's Finance and Administration Committee meeting. Green noted the exceptionally robust committee discussion of the forecast.

Green added that the university was setting ambitious targets with *Prosperity Widely Shared* that would require significant investments and calculated risks. He stressed the importance of material conversations with the board as the process of implementing the strategic plan moves ahead and noted again the anticipated work with consultants to refine the forecast, which would be shared with the board.

Trustee Brim-Edwards asked about enrollment assumptions and the anticipated gradual increase of non-resident undergraduate enrollments from 34% to 36%. Provost Ed Feser stressed that any qualified Oregonian will continue to have a path to study at OSU. He said enrollment numbers in Oregon weren't growing robustly, and the university had increased its visibility beyond the state through the Western Undergraduate Exchange (WUE), which created more demand from out-of-state students.

With no further discussion and no public comment on this action item, Vice Chair Hernández sought a motion to accept the fiscal year 2024 through 2033 ten-year business forecast, including the ten-year capital forecast. A motion was made, seconded and approved by all trustees in attendance. The motion carried.

b. FY2025 Tuition Rates, Mandatory Fees and Student Incidental Fees

As chair of the Finance & Administration Committee, Trustee McClure introduced the tuition and fees agenda item, noting extensive discussion at the previous day's meeting and the committee's recommendation that the board approve the proposed tuition rates, mandatory fees and student incidental fees.

She welcomed Vice President for Finance and Administration Mike Green and Associate Vice President for Budget and Resource Planning Brent Gustafson back to the presenter's table to walk trustees through the presentation they made at yesterday's committee meeting.

Green informed the board that tuition and fee rates reflected an analysis of various cost drivers for next year and that the University Budget Committee (UBC) had recommended a tuition increase that would provide sufficient funding for continuing operations and new investments like those proposed in *Prosperity Widely Shared*. He also recognized the impacts of inflationary cost pressures on students.

Green also reminded trustees that a tuition increase above 5% would require approval by the Higher Education Coordinating Commission (HECC), which would mean OSU would not have tuition rate certainty until later in the year, further stressing an enrollment management process already facing significant challenges due to the new federal FAFSA process.

Vice Chair Hernández asked for the rationale behind the higher tuition increase recommended by the UBC versus the lower recommended increase proposed to the board. Green said the higher UBC-recommended increase of 7+% was due in part to significant uncertainty with respect to material projected cost increases and there was some apprehension about basing the tuition increase on uncertain costs. He also noted uncertainty with the HECC approval process, which would cause further delays in finalizing OSU's fiscal year 2025 tuition rates. Gustafson added the option of moderating cost pressures with several years of moderate tuition increases instead of approving a large spike in tuition in one year.

Hernández voiced concern about OSU pricing itself out of the market and stressed the importance of addressing the needs of lower-income students. Green said the university would increase its institutional financial aid along with any tuition increases to help avoid pricing out the most vulnerable students.

Trustee Bedient said she did not remember the board ever having approved a tuition rate lower than what was recommended by the UBC and expressed concern that doing so was not fiscally responsible.

She stressed she was not making that decision lightly and expressed concern that the board may face even more difficult decisions next year if a lower rate is approved now.

Trustee Bonanno asked about student participation in tuition forums open to the campus community and Gustafson said the overall number was modest, with 15-18 students at the most well-attended session. In response to a follow-up question from Bonanno, Gustafson said that not many students had offered their perspective on tuition increases. Bonanno noted that [despite the open tuition forums] the recommendations for tuition increases being considered by the board were made with minimal student feedback. [For reference: the board received written public testimony from one individual and one student provided in-person public testimony regarding tuition.]

Trustee Chambers recognized the difficulty in balancing costs and tuition while protecting faculty and minimizing hardship for students. She cited inflation shock on top of this year's federal financial aid debacle, the Pac-12 realignment and the impact of local housing and said she didn't expect a decrease in interest rates any time soon. She expressed appreciation to President Murthy for the balance she brought to the issue but expressed concern that the bigger financial picture would only get harder to address over time.

Trustee Macpherson asked about factors driving the university's current service level higher than the rate of inflation, and Murthy and Green said the main drivers were labor and benefit costs. Green added the university had little control over PERS costs but had done what it could to drive those costs down by taking advantage of a match from the state to put some of its fund balance into a side account to help reduce PERS rates. He pointed out that 76% of the university's costs were for labor and noted the increased cost of providing wrap-around services that students need, saying that these need to be balanced with business efficiencies gained through investments in the Administrative Modernization Program (AMP), AI and other options.

Trustee Scott said she appreciated that this was a difficult conversation. She asked the board to recognize pressure on faculty and staff to do more with less, adding that would be the result if current service levels were not funded. She said not fully funding current services has the potential to harm students and expressed hope that this was a short-term effort and balance could be restored long-term, adding that the current situation was not sustainable for students, faculty or staff.

Trustee Clark said she understood labor cost pressures and also noted an instance of a department losing staff to the private sector for higher wages and comparable benefits. She stressed that the work university faculty and staff do has value that deserves fair compensation and also acknowledged how difficult tuition increases are for students.

Vice Chair Hernández recognized that it pained the board to have to raise tuition to further the mission of the university but acknowledged the necessity of doing so, especially considering that tuition dollars are the key source of funding.

The board welcomed public comment from Joe Page, who gave remarks on the proposed tuition and fee rates based on his experience as a three-year member of the University Budget Committee, former chair of the Student Fee Committee and long-time stakeholder in the university's various budgeting processes.

Trustee Bonanno thanked Mr. Page for his testimony and noted he was the only other student (in addition to her) that the board had heard from about tuition. She said the university needed to find

other ways of paying for things beyond tuition and emphasized the lack of robust student participation in the tuition setting process.

With no further discussion, Vice Chair Hernández sought a motion to approve the resolution establishing academic year 2024 – 2025 and summer 2024 tuition and mandatory fees, with recommendations for a 4.65% increase for continuing undergraduates at Corvallis and OSU-Cascades, a 5.1% increase for new undergraduate students at Corvallis and OSU-Cascades and a 4.65% increase for Ecampus students continuing and new. A motion was made by Trustee Bedient, seconded by Trustee Chambers and approved by all trustees in attendance. The motion carried.

c. Short-term Debt Resolution

Finance and Administration Committee Chair Elise McClure reminded trustees that the FAC voted yesterday to recommend that the board approve a resolution guiding the use of short-term debt. She welcomed Vice President for Finance and Administration Mike Green, Treasury Director Heather Hesano and Managing Director at PFM Financial Advisors Thomas Toepfer back to the table to walk trustees through information provided to the FAC yesterday.

Green stressed the need to rethink the university's current short-term financing structure given the needs of the current ten-year forecast.

Hesano provided details of the short-term financing program of up to \$125M. She said the strategy being pursued was to establish a commercial paper program for tax-exempt project funding for up to \$100M, with a separate \$25M short-term financing source being evaluated specifically for taxable needs.

Vice Chair Hernández reiterated comments made earlier in the board meeting that the FAC discussed the proposed resolution at length at yesterday's meeting, with nearly all board members also present and participating in that discussion.

With no further discussion and no public comment on this action item, Vice Chair Hernández sought a motion to approve the resolution for short-term refinancing. A motion was made by Trustee Chambers, seconded by Trustee Macpherson and approved by all trustees in attendance. The motion carried.

After the vote, Green added that his team would develop a periodic report on the use of the short-term debt facility for the FAC to review.

d. Shared Governance Philosophy

Vice Chair Román Hernández gave an overview of the board's proposed shared governance philosophy, noting it was informed by the works of the American Association of University Professors and the Association of Governing Boards. He added the philosophy also reflected takeaways from the October 2023 board retreat, which included participation from the faculty senate, student government and senior leadership at the university.

Hernández noted that the document memorializes the board's commitment to shared governance with a focus on high-level principles, stressing the importance of engagement. He provided an overview of key principles from the document for members of the university committee who were not present for the discussion at yesterday's meeting of the Executive, Audit and Governance Committee:

- Open deliberation and decision-making

- Mutual respect and trust among governance partners and stakeholders
- Alignment with the university’s mission and strategic plan
- Accountability and recognition of roles and responsibilities
- Differentiating between shared governance and shared decision-making
- Delegating authority to the president to administer the university, with key decisions informed by appropriate experts
- Seeking meaningful engagement with diverse stakeholders to foster a culture of inclusivity.

Trustee Manning expressed her appreciation to everyone who worked on the proposed philosophy, which she said was a wonderful reflection of the discussion from the board retreat. She said she was excited to see the document come into play.

With no further discussion and no public comment on this action item, Vice Chair Hernández sought a motion to approve the board’s shared governance philosophy. A motion was made by Trustee Manning, seconded by Trustee Kitamura and approved by all trustees in attendance. The motion carried.

e. SB 273: Implementation and Next Steps

Vice Chair Román Hernández provided background on Senate Bill 273, which was passed by the Oregon Legislature in 2023. The bill requires university governing boards to adopt policies on operational matters and also amends the number of board members to include two new student positions.

Hernández noted the relevant requirements of SB 273 were integrated into the proposed amendments to the board’s bylaws and by amending four standing board policies. He also mentioned other key elements of the legislation, including a reporting requirement that will sunset in January 2026 and a requirement that the Higher Education Coordinating Commission (HECC) serve as a convener of members of the governing boards to provide opportunities to meet and discuss their work in higher education across Oregon.

With no further discussion and no public comment on this action item, Vice Chair Hernández sought a motion to approve the board’s implementation of SB 273. A motion was made by Trustee Manning, seconded by Trustee McClure and approved by all trustees in attendance. The motion carried.

7. Discussion items

a. 2024 Legislative Session Update and Look ahead to 2025

Katie Fast, executive director of Government Relations, provided a legislative update.

She began by thanking Beaver Nation for the unprecedented engagement from stakeholders during the last legislative session, noting 10,000 emails sent to legislators and the governor. She expressed a desire to shift that momentum to other issues around affordability and financial aid moving into the 2025 session.

Fast gave an overview of key investments for OSU, most notably \$10M for student scholarships. She added that the Legislature’s intent was to use those funds for athletic scholarships. She also cited funding in excess of \$2M for faculty, graduate students, equipment and curriculum development related to semiconductors and \$1.9M in funding for the veterinary diagnostic lab.

Fast explained that the \$20M reduction in funding for the Outdoor School was due to a carryover balance from the pandemic and was not a surprise or a rejection of services. She said \$9M remained in

the carryover balance, with the Legislature directing some of that funding to grants for Outdoor School providers.

She gave an overview of other legislation, including passage of Senate Bill 1502, which requires recordings of board meetings to be posted online within seven days effective Jan. 1, 2025.

Fast said one of the largest bills of the session was an education bill introduced by Sen. Dembrow with over 15 sections addressing topics from early childhood education to four-year institutions. She said the two key items of interest to OSU from that bill are a requirement directing the HECC to establish a direct admissions program for public universities and HECC having authority to approve distribution rates for the Oregon Opportunity Grant.

Fast noted that OSU had submitted its capital funding requests for the 2025 session predicted that funding for the next biennium would be softer than usual, which would inform how aggressive the university should be with funding requests going into the 2025 session.

In closing, she said she expected September appointments and Senate confirmation for new members of the OSU Board of Trustees.

In response to a question from Trustee Manning, Fast said she expected less turnover in the House but significant turnover from Republicans in the Senate. Fast also noted key leadership changes, including new Speaker of the House Julie Fahey and new House Majority Leader Ben Bowman.

Trustee Chambers noted that higher ed had not historically been a priority for the governor or the Legislature and asked Fast what it would take to change that. Fast cited the need to improve messaging around the value of a four-year degree and thanked Vice President for University Relations and Marketing Rob Odom for the work he is doing to build the university's message on that topic. She also stressed the need to be mindful that higher ed would continue to face significant competition from K-12 education, which has elected school boards in every legislative district.

Trustee Macpherson, who served on the board of the Beaver Caucus, emphasized that the university was very well represented in Salem and was accomplishing more than might be imagined given current challenges. Vice Chair Hernández asked Macpherson to reiterate comments he made during yesterday's discussion regarding state funding, and Macpherson repeated that no other publicly-funded state services have an alternate funding source like higher education does – tuition.

Trustee Manning asked about the appetite in Salem for taking on budget reductions in K-12 education given declining enrollment. Fast explained that changing the funding formula would result in winners and losers, which might change things for individual school districts but might not have a big impact on other budget sources.

There being no further discussion, Vice Chair Hernández made the following announcement to end the public portion of the meeting and move into executive session:

“The OSU Board of Trustees will now meet in executive session pursuant to Oregon Revised Statutes 192.660(2)(d) to conduct deliberations with persons designated by the governing body to carry on labor negotiations.

“No decision will be made in executive session. I ask that only trustees and designated staff remain and all others leave the room before we proceed. The live broadcast via Zoom of the meeting will be

suspended. At the end of the executive session, we will return to open session and welcome the audience back into the room.”

Secretary Bangs added that the executive session would not include members of the media, either remotely or in person, as provided for under the statute.

8. Adjournment

With no further discussion or business before the board after the executive session, Vice Chair Hernández adjourned the meeting.

Respectfully submitted,

A handwritten signature in black ink that reads "Stacy Jeffries". The signature is written in a cursive, flowing style.

Stacy Jeffries
Executive Assistant, Office of the Board of Trustees