



The Board of Trustees of Oregon State University

Meeting of the Executive, Audit and Governance Committee

October 19, 2023

8:00 – 10:00 am

Memorial Union, Horizon Room

Corvallis, OR

MINUTES

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

Other trustees present: Patty Bedient, Grant Kitamura, Greg Macpherson, Elise McClure, Inara Scott

University staff present: Jackie Bangs, Kevin Dougherty, Ed Feser, Becca Gose, Mike Green, Jen Humphreys, Stacy Jeffries, Deb Mott, Paul Odenthal, Melanie Rose, Patti Snopkowski

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

Chair Kirk Schueler called the meeting to order at 8:00 a.m. Board Secretary Jackie Bangs called the roll and verified a quorum.

Chair Schueler delivered the university's land acknowledgment statement.

2. Consent agenda

a. Minutes of the June 1, 2023 Executive, Audit and Governance Committee Meeting

The chair sought a motion to approve the consent agenda. A motion was made by Vice Chair 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: FY2023 Presidential Assessment

Chair Schueler said the president's self-assessment had been shared with trustees, who expressed strong support and appreciation for President Murthy in her first year of service. He added that he had met with the president in September to review her self-assessment and her agenda for the coming year, which is closely tied to the university's next strategic plan.

Trustee Brim-Edwards said that the informal feedback she has received from stakeholders throughout the year has been positive, and she thanked the chair for compiling a thorough report and congratulated the president on a successful start to her tenure at OSU.

Chair Schueler added that he also spoke with some of President Murthy's direct reports and university partners and that feedback was consistently positive. He also noted praise for the president's performance from his colleagues and acquaintances in Central Oregon.

The chair sought a motion for the committee to recommend to the board acceptance of the board chair's report on the president's annual assessment. A motion was made by Trustee Chávez-Haroldson, seconded by Vice Chair Manning and approved by all committee members in attendance. The motion carried.

President Murthy expressed gratitude and said that a successful first year would not have been possible without a whole community of support, noting trustees, her leadership team and the Presidential Transition Committee.

b. 2024 EAGC Work Plan

Chair Schueler and Board Secretary Jackie Bangs presented the committee's 2024 work plan.

The chair reported that the self-assessment would be conducted after the October board meetings to benefit from the feedback of trustees who recently joined the board.

He noted that the committee would move its discussion of the delegation of authority to the January meeting, when they would also discuss the board's shared governance philosophy and potential candidates for at-large vacancies on the board.

Secretary Bangs recognized General Counsel Becca Gose and Chief Executive of Audit, Risk and Compliance Patti Snopkowski for their input on the governance topics the committee would explore over the coming year.

Trustee Brim-Edwards commented on the board's delegation of authority policy, noting it wasn't clear to her when she joined the board what was delegated to the president. She asked if significant changes to responsibilities delegated to the president were expected in January and asked the chair to notify the board in advance if that was the case. Schueler said no significant changes were expected.

Chair Schueler sought a motion to accept the 2024 Executive, Audit and Governance Committee work plan. A motion was made by Vice Chair Manning, seconded by Trustee Brim-Edwards and approved by all committee members in attendance. The motion carried.

c. Office of Audit, Risk and Compliance Progress Report

Chief Executive of Audit, Risk and Compliance Patti Snopkowski presented the report.

She announced the hiring of two new senior auditors in the Office of Audit, Risk and Compliance (OARC), noting those hires would allow the office to provide routine, proactive coverage of various high-risk areas. She also announced that Senior Auditor Lynn Gonzalez was being promoted to director of the integrity hotline program.

Snopkowski highlighted some of the OARC's audits, noting the office was spending more time focusing on information technology (IT). She said that focus would set the university up for success as the Administrative Modernization Program (AMP) and other projects are implemented.

She gave an overview of three topic areas of enterprise risk management for the next quarter: campus safety, human resource administration and information security. She noted that an external consultant

would be hired to make sure the Department of Public Safety and the university's emergency operating plans were in line with best practices.

Chair Schueler mentioned the success of the hotline and asked if the OARC did benchmarking against peer institutions of a similar size. Snopkowski reported that those benchmarks were done on an annual basis with a group of peers on the West Coast similar to OSU – public research universities with effective audit functions and hotlines.

Trustee Chávez-Haroldson asked about interpreters for international students and English-emergent language learners using the hotline. Snopkowski said she would get back to the board with details but noted that the university's hotline service provider could transfer callers to various interpreters.

Chair Schueler sought a motion to accept the Office of Audit, Risk and Compliance progress report. Trustee Hernández made a motion, which was seconded by Trustee Brim-Edwards and approved by all committee members in attendance. The motion carried.

4. Discussion items

a. Needs Assessment for At-Large Position Vacancies

Board Secretary Jackie Bangs provided a needs assessment for at-large position vacancies anticipated when Chair Schueler and Trustee Bedient end their terms of service in June 2024.

Bangs noted that board policy is meant to guide efforts in identifying potential candidates to recommend to the governor for at-large positions, focusing on a balance of perspectives, backgrounds, experience and skills.

She provided an overview of the next steps in the process, noting that the president would vet candidates in coordination with the board chair and vice chair with her assistance, followed by recommendation of candidates to the EAGC and then recommendations of candidates from the board chair to the governor, with Senate review and approval also required. Bangs noted that this process did not apply to faculty, staff or student positions, as the recruitment and selection of those candidates is not managed by the board.

Bangs reported that Governor Kotek, after the passing of Trustee Michele Long-Eder, expressed a desire for representation on the board from the Oregon coast region. Bangs noted another geographic region for consideration would be Central Oregon or Bend, given Chair Schueler's completion of his term of service in June. She added that Trustee Bedient would also be completing her term of service in June and all remaining members are Oregon-based.

Trustee Scott asked if construction and real estate should be added to the needs assessment as professional fields of interest, given the importance of the board's review of capital projects. Bangs agreed it would be helpful to include those fields moving forward.

Trustee Brim-Edwards seconded Trustee Scott's suggestion, noting that it has been critical to have real estate expertise on the board.

Trustee Hernández suggested that candidates from outside OSU's geographic area could bring a different perspective to the board and asked if they would be willing to accept participation by Zoom to accommodate those candidates. Schueler agreed the board would not want to exclude a qualified candidate who couldn't attend meetings in person and suggested the issue would be up to future board leadership to decide.

Trustee Macpherson asked if the board had been in communication with the governor or her staff about her expectations for the number of candidates submitted. Bangs said the governor was consistent with her predecessor in seeking two names for each open seat.

In response to a question from Trustee Kitamura, Bangs confirmed that there was an existing list of individuals who have been recommended for service that she would gladly share with the board.

b. Office of General Counsel Annual Report

General Counsel Becca Gose presented her annual report.

She noted that the Office of General Counsel (“OGC”) had provided excellent advising on high-stakes, complex, fast-paced and diverse issues this year. She said her team’s effectiveness relied on two critical factors: leadership bringing them in as core strategic partners, and leadership bringing them in early so that they have time to be proactive advisors.

Gose noted that OSU’s litigation rate has historically been extremely low compared to peers but cautioned that trend was unlikely to continue. She added that the number of administrative claims has also been historically low.

In response to a question from Chair Schueler, Gose noted that most administrative claims were resolved within a year, while litigation was more likely to be ongoing.

Trustee Chávez-Haroldson asked how the OGC team was staying on top of legal changes regarding AI. Gose said OGC shared the university’s priorities on AI, with focus areas including plagiarism and academic misconduct. She said she also anticipated future regulations at the state or federal level.

Trustee Bedient expressed appreciation to the Office of General Counsel for memos keeping trustees informed about major issues. Bedient also asked about cases in which OSU was the plaintiff; Gose said there are not many cases but cited the notable (and very public) exception of the litigation OSU and WSU have brought against the Pac-12 organization.

Trustee Scott commended the OGC and related teams in University Human Resources for using education to manage risk, emphasizing the importance of new trainings. She asked if OGC would like to develop more training in certain areas, and Gose suggested that training focused on free speech, disruption and academic freedom might be helpful.

Gose continued her report and said she anticipated the need to increase OGC’s attorney capacity in the next few years to support goals associated with the university’s next strategic plan.

Trustee Macpherson asked about the amount OSU is spending on outside counsel for intellectual property and whether Gose thought the OGC should add staff in that area. Gose indicated that was not yet necessary, noting that IP costs are currently associated with patent prosecution, which requires an attorney with both legal and scientific expertise specific to a particular patent. She said that hire would start to make sense if costs shifted toward the transactional side of the patent.

Trustee Manning asked about the criteria for seeking an opinion from outside counsel. Gose said OSU seeks outside opinions in several areas, including when specialized expertise was needed, when an independent view was needed, in litigation matters and when the work surpassed the bandwidth of the office. She noted that seeking an outside opinion was especially important when OSU was, for example, conducting an investigation into higher profile matters, to make sure the university remained above reproach.

In response to a question about outside attorney fees from Chair Schueler, Gose clarified that the numbers in her report represented net fees after insurance payments (and not gross).

Trustee Hernández mentioned fallout from the Supreme Court decision on affirmative action, noting that institutions with diversity programs seemed to be targets of litigation. He asked if there had been an assessment to ensure OSU's DEI programs were in compliance with federal law, and Gose said that, although it's a large decentralized university, she believed OSU had taken the right steps to move forward important DEI initiatives in ways that are compliant with the law and she was comfortable with the university's position in that area.

c. Annual Compliance and Ethics Program Report

Chief Executive of Audit, Risk and Compliance Patti Snopkowski and Deputy Chief Executive of Compliance and Ethics Susan Freccia delivered the report.

Snopkowski noted the recent change to Freccia's title to reflect her duties, since she is both the deputy overseeing compliance and the ethics officer for the university.

Freccia gave an overview of compliance and higher education and the elements of effective compliance; provided examples of collaboration across compliance areas in the large, decentralized OSU environment; and touched briefly on trends and emerging areas in compliance functions.

Freccia used the Americans with Disabilities Act and the university's ADA31 Task Force to highlight the complexity of effective university-wide compliance associated with a single federal law. She noted that compliance with the ADA includes factors like physical accessibility and wayfinding – which involves University Facilities, Infrastructure and Operations; web and IT accessibility – which involves University Information and Technology; and accommodation for students in the classroom and employees in the workplace – which involves the Office of Student Affairs and the Office of Equal Opportunity and Access. She noted at least four compliance subject matter areas for a single law.

Trustee Manning asked what emerging trends were addressed at Compliance Executive Committee meetings. Freccia said the committee engaged in strategic discussions about what they anticipate on the compliance landscape, looking at the big picture to determine if the institution is doing a good job. She stressed the importance of making sure senior leadership was aware of key topic areas in higher education compliance, changing regulations and laws.

In response to a question from Trustee Chávez-Haroldson, Freccia said the full report and recommendations of the ADA31 Task Force could be found by typing "Accessibility and ADA31" into the search function of the OSU website.

d. SB 273 Implementation Update

Board Secretary Jackie Bangs and Executive Director of Government Relations Katie Fast provided an overview of the implementation process for Senate Bill 273 related to university governance, which was passed last year.

Fast summarized key elements of the legislation, which includes the addition of two new student positions to the board; a training requirement for new board members to be convened by the Higher Education Coordinating Commission (HECC); and the addition of an annual reporting requirement for governing boards.

Bangs clarified that the annual reporting requirement would sunset in 2026 to allow boards enough time to communicate how the content of SB 273 had been implemented. She said a resolution would be drafted and considered at a future EAGC meeting to create a crosswalk between the legislation and policies the board already has on record, with the likely addition of a policy to satisfy requirements in SB 273.

Trustee Manning asked about the convening role of the HECC. Bangs said that topic was not yet fully fleshed out and added that after an initial meeting with HECC's executive director and university board secretaries, subsequent meetings had been cancelled. Bangs said she did not have specific details on the proposed training or HECC's convening role at this time.

Fast asked trustees to contact her and Bangs with any items that might be helpful regarding HECC's convening or training roles.

5. Adjournment

With no further discussion or business before the committee, Chair Schueler adjourned the meeting at 9:45 a.m.

Respectfully submitted,



Stacy Jeffries
Executive Assistant, Office of the Board of Trustees