



MINUTES

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

University Staff Present: Charlene Alexander, Jennifer Almquist, Dan Bartholomae, Sherm Bloomer, Susan Capalbo, Steve Clark, Debbie Colbert, Katie Fast, Ed Feser, Lori Fulton, Becca Gose, Mike Green, Heather Hesano, Dan Larson, Jan Lewis, Paul Odenthal, Dwaine Plaza, Bob Richardson, Heidi Sann, Lauren Skousen, Patti Snopkowski, and Irem Tumer

Guests: Ben Cannon (*executive director, Higher Education Coordinating Commission*), Brian Chavez (*president, Associated Students of Cascades Campus*), Jon DeVaun (*liaison, OSU Foundation Board of Trustees*), and Rachel Josephson (*president, Associated Students of Oregon State University*)

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

Board Chair Rani Borkar called the meeting to order at 9:30 a.m., asked the board secretary to call the call, and noted a quorum.

2. Public Comments

The following individuals provided public comments:

José-Antonio Orosco: spoke in support of the tentative agreement reached between the university and United Academics of Oregon State University (UAOSU) on an inaugural contract.

Bryan Tilt: spoke in support of the tentative agreement reached between the university and UAOSU on an inaugural contract.

Steve Shay: spoke in support of the tentative agreement reached between the university and UAOSU on an inaugural contract.

Megan Mobley: spoke in support of the tentative collective bargaining agreement and the provisions for fixed-term faculty.

Tyson Wepprich: spoke in support of the tentative collective bargaining agreement and the establishment of a bridge funding pool to support research continuity.

Aurora Sherman: spoke in support of the tentative collective bargaining agreement and the provisions for paid family leave.

Jason Hilkey: spoke about the importance of communication to the broader community about the university's resumption plans.

August 14, 2020 Board of Trustees Meeting

3. Opening Comments and Reports**b. President's Report**

Vice Chair Kirk Schueler asked that the Board move next to item 3.b. on the agenda and invited President Ed Ray to deliver his report. Ray began by remarking on efforts by faculty to convert approximately 4,000 spring term courses to remote delivery in response to the Governor's Executive Order and health official guidance. He said staff were exploring the possibility of implementing low density, mixed modality instruction in the fall and would continue to consult with county and state health authorities in finalizing plans. Ray reflected on his tenure as president, noting some of the achievements and milestones reached during the previous 17 years, and he expressed his support for President-elect F. King Alexander.

a. Chair's Comments

Chair Rani Borkar remarked on the generosity of leadership, trustees, employees, and stakeholders in contributing to the Beavers Care Initiative. She thanked trustee Patty Bedient for agreeing to serve another term as chair of the Finance & Administration Committee and Trustee Darry Callahan for agreeing to serve as vice chair. She thanked Trustees Preston Pulliams and Julie Manning for agreeing to move into the chair and vice chair positions of the Academic Strategies Committee, and she reported that Trustee Julia Brim-Edwards had been appointed to the at-large position on the Executive & Audit Committee. Borkar thanked Trustees Mike Thorne, Paul Kelly, and Michele Longo Eder for their outstanding leadership of the committees for the past few years.

c. COVID-19 Response Report

Borkar asked Provost and Executive Vice President Ed Feser, Vice President for Finance and Administration Mike Green, and Vice Provost for Student Affairs Dan Larson to provide an update on the university's response to COVID-19. Feser began by describing the efforts of the university's Continuity Management Team. He said the university had recently released a draft resumption plan, which envisions a scenario for fall that involves a low density, mixed modality return and considers additional scenarios that would be responsive to various conditions and consistent with the guidance of county and state health authorities. Larson described the high-level framework presented in the draft plan, the strategies and public health measures that were being developed, and the engagement strategies underway to solicit feedback. Green provided a budget update, noting approximately \$41.2M in estimated gross revenue losses for spring. He described the expense reductions that had been implemented for FY2020, adding that additional reductions were being considered for FY2021.

d. Faculty Senate Report

Faculty Senate President Dwaine Plaza began by acknowledging the efforts of students and faculty to shift to remote delivery. He reported on a number of Faculty Senate initiatives, including organizing a town hall meeting designed to engage faculty at OSU-Cascades, hosting a forum to share various faculty perspectives on the COVID-19 pandemic, and continuing to reconsider the Baccalaureate Core. Plaza summarized the results of a survey of faculty and described efforts by faculty to communicate their support for students. Following Plaza's report, Borkar thanked faculty for their efforts to shift to remote delivery.

Feser added his appreciation for faculty's efforts and their expressions of care to students.

f. Oregon State University Foundation Report

Borkar asked that the Board move next to item 3.f. on the agenda and invited Jon DeVaan, with the OSU Foundation Board of Trustees, to provide his report. DeVaan reported that, as of April 30, the endowment had lost 8.64% from the beginning of the calendar year. He said the fundraising total stands at \$105.4M toward the base goal of \$123M. DeVaan described the partnership between foundation and university partners to launch the Beavers Care Initiative. He spoke about efforts to pivot fundraising and engagement efforts to digital delivery. DeVaan concluded by describing efforts to collaborate with the university to thank Ray for his leadership and welcome President-elect Alexander.

e. Higher Education Coordinating Commission Report

Higher Education Coordinating Commission (HECC) Executive Director Ben Cannon spoke first about resumption planning and efforts to develop a framework for state standards for colleges and universities. He said the HECC's efforts focused on state standards for the resumption of in-person instructional research and residential activities at postsecondary education institutions, noting that institutions would follow sector guidance pertaining to other areas of operations. Cannon said that while the state would set minimum standards, individual universities would make determinations about whether, how, and when to resume activities. He provided an update on state funding and said that the recently released revenue forecast projected the state budget deficit for the remainder of the biennium to be approximately 4% of general funds. Cannon then described some of the options being considered to balance the state's budget. He provided an update on the HECC's work to develop a strategic roadmap for postsecondary education in Oregon, noting that a decision had been made in collaboration with partners to pause the planning efforts in recognition of the time and energy being expended on pandemic response.

Following the report, Brim-Edwards asked whether the HECC was considering support for Oregon high school seniors who would be transitioning to postsecondary education amidst the pandemic. Cannon described the HECC's efforts to bolster state-administered financial aid and access programs and he reflected on conversations with institutional leaders about supporting students who may have received less robust academic preparation because of the pandemic.

f. Associated Students of Oregon State University Report

Associated Students of Oregon State University (ASOSU) President Rachel Josephson began by saying that this would be her last report to the Board, as the new ASOSU President, Isabel Nuñez Pérez, would begin on June 1. She reported that legislative advocacy remained a focus for ASOSU, and she described some of the efforts to advocate for student needs during the pandemic. Josephson said that ASOSU did not intend to propose a reduction in summer fees because the fee levels are already lower. She spoke about a recommendation by the ASOSU congress to establish student advisory boards within each college to engage students in college-level plans and communications. Josephson summarized feedback from students on their spring

term experience. She concluded by reflecting on efforts during the year to improve ASOSU staff retention.

Following the report, Borkar thanked Josephson and congratulated her on her graduation.

g. Associated Students of Cascades Campus Report

Associated Students of Cascades Campus (ASCC) President Brian Chavez began by saying that this would be his last report to the Board. He described efforts by the ASCC to extend a pilot ride-sharing program in Bend, provided an update on improvements to communications and online resources for students, and reported on support for students facing food insecurity. Chavez also spoke about legislative advocacy efforts.

Following the report, Borkar thanked Chavez and congratulated him on his graduation.

h. President Transition Committee Report

Trustee Julie Manning reported that the Transition Committee had been focused on identifying transition milestones and priorities for engagement in the first year and considering opportunities for interaction across the university's broad community and many stakeholders. She said the committee continued to work with Dr. Alexander to help ensure that he is prepared as he steps into the presidency on July 1. As he begins his role, the committee will move into its third phase of work with a focus on continuing to provide guidance and support throughout Dr. Alexander's first year. Manning provided an update on the transition goals the first year and the engagement strategy developed by the committee to prepare him for immediate and long-term success at Oregon State University. She added that the committee would seek opportunities for Dr. Alexander to engage broadly while remaining flexible in how engagements are developed, consistent with university and state health and safety guidelines.

4. Consent Agenda

a. Minutes of the April 3, 2020 Board Meeting

b. Minutes of the April 3, 2020 Executive Session

A motion was made and seconded to approve the items on the consent agenda. The motion carried.

5. Reports of Standing Committees of the Board

a. Academic Strategies Committee

Academic Strategies Committee Chair Paul Kelly reported that the committee would hold its next meeting the following week. The committee would be considering a new bachelor's degree in marine studies in the College of Liberal Arts. Kelly reported that the committee would also hold a panel discussion with a number of university leaders, covering a range of topics including enrollment, education programs, and student athletes.

b. Finance & Administration Committee

Finance & Administration Committee Chair Bedient reported that the committee heard a report from Vice President for Finance and Administration Mike Green, which included an update on efforts to address the financial impacts of COVID-19 on spring term revenues and projects underway to realize cost savings in

administrative functions. The committee also heard an update on the establishment of a police department within the Department of Public Safety. Bedient reported that the committee reviewed and recommended to the Board a number of items for consideration.

c. Executive & Audit Committee

Executive & Audit Committee Chair Rani Borkar reported that the committee reviewed and recommended to the Board a policy related to the university-provided residence for the president. The committee also approved the progress report for the Office of Audit, Risk and Compliance and discussed the all hazards planning risk management report.

6. Action Items

a. FY2021 Operating Budget

Borkar asked Bedient to introduce this item. Bedient said that the Finance & Administration Committee reviewed the university's recommendation for its FY2021 operating budget and discussed the uncertainties that remain, including enrollment levels and state funding. She said the university is presenting a scenario-based approach to provide flexibility in responding to new information as it emerges. The focus is on funding the university's strategic priorities and preserving the university's capacity to meet its mission and deliver instruction through multiple modalities. Bedient reported that the committee unanimously recommended to the Board approval of the preliminary operating budget for FY2021 as presented in the docket. She then asked Green and Associate Vice President for Budget and Fiscal Planning Sherm Bloomer to summarize the operating budget plan.

Green said the university had been planning for two scenarios, one that assumes that modified campus operations will resume in fall 2020 and a second scenario that assumes in-person operations on campus would not be significantly underway until January 2021. Bloomer began by providing context for the budget and noting particular challenges. He then summarized the two scenarios and cases within each scenario that considered different assumptions about state funding, enrollment, and other revenue changes. Bloomer said that current information on reopening plans, state funding, and enrollment trends suggests that scenario 1, case 2 is a reasonable target for planning budgets for FY2021. He provided additional context and described the challenges and uncertainties across all fund types, including Education & General (E&G), self-support, and restricted. He also spoke about the balancing strategy and the multiple actions being considered across funds. Bloomer concluded by stating that there would likely be revisions to the budget projections as the university learns more about enrollment trends and state funding decisions.

Following the report, Kelly asked about the inclusion in the presentation of scenario 2, case 4. Bloomer said this additional case had been developed after the docket was finalized to consider an additional scenario where state funding and enrollment levels drop significantly and the resumption of onsite activities is delayed beyond fall term. Schueler asked about anticipated updates to the budget, and Bloomer said staff would continue to make adjustments and provide more information to trustees later in the summer. Trustee Preston Pulliams asked about any early trends in enrollment, and Bloomer said there had been some increase in Ecampus enrollment.

A motion was made and seconded to approve the preliminary operating budget for FY2021 as presented in Tables 2 through 6. The motion carried.

b. 2021-23 Biennial Funding Request to HECC: Operating

Borkar asked Bedient to introduce this item. Bedient reminded trustees that the Board is asked every two years to endorse the consolidated funding request that Oregon's public universities jointly submit to the HECC as part of the state's budget process. She said the Finance & Administration Committee reviewed and recommended to the Board approval of the operating budget request for the 2021-23 biennium. She then asked Bloomer and Jan Lewis, the university's budget liaison with the HECC, to summarize the request.

Bloomer began by reviewing the categories included in the appropriations to the universities: the Public University Support Fund, state programs, the Statewide Public Services, Outdoor School, and Sports Lottery. He said the inter-institutional workgroup tasked with developing the request began by identifying expected biennial cost increases to continue current operations. Bloomer noted that the formula used by the state to calculate Continuing Service Level (CSL) regularly underestimates the actual costs universities encounter. For this reason, the universities include a calculation of the full base costs necessary to maintain the existing level of funding as a way to communicate more accurately inflationary costs.

Bloomer reported that the HECC had initially requested that universities respond to funding level scenarios ranging from 10% decreases in funding to 20% increases in funding; however, as it became clear that circumstances were changing drastically due to the pandemic, the HECC revised their request. He summarized the new scenarios and the funding levels at each scenario. He also detailed the request in each appropriation category, noting the percent change from the previous biennium and the estimate of OSU's allocation. Lewis added that the HECC's Agency Request Budget would be submitted to the Governor by the end of August.

Following the presentation, Schueler asked how the response by the universities to the funding level scenarios would be used by the HECC. Bloomer said the data universities compiled provided insight for the HECC into different choices universities would need to make in each scenario. In response to a question by Callahan about the level of state support for operations, Bloomer said conversations had centered on reaching approximately 30%. Callahan added that it would be important to consider further the optimal level of state funding.

A motion was made and seconded to endorse the public universities' 2021-23 Consolidated Funding Request to the Higher Education Coordinating Commission, which includes a request for base funding for all appropriation categories and an additional increase for the Public University Support Fund. The motion carried.

c. Collateralization of Public Funds for Change in Banking Services

Borkar asked Bedient to introduce this item. Bedient summarized the request to approve amendments to the Board's Liquidity Management Policy. She said that in addition to its banking agreement with the Oregon State Treasury, the

university had begun an independent relationship with JPMorgan Chase Bank as an additional service provider for payment and deposit services. The proposed amendments define the university's requirements for the collateralization of public funds and reflect the staff recommendation of a minimum of 50% collateralization. Bedient reported that the Finance & Administration Committee recommended to the Board approval of the policy amendments.

With no further discussion, a motion was made and seconded to approve the amendments to the Liquidity Management Policy as provided in Attachment 1. The motion carried.

d. Capital Project Change to Approved Budget: Finley Hall

Borkar asked Bedient to introduce this item. Bedient reminded trustees that the Board approved in July 2018 a capital project budget of \$10.5M for the Finley Hall housing renovation project. When the project was approved, the funding source was University Housing and Dining Services (UHDS) cash reserves. Bedient said that because of significant revenue losses in spring term as a result of the COVID-19 pandemic, the university is seeking to shift project funding to OSU-paid bonds. She noted that this action would preserve UHDS cash flow for its shorter-term operational needs, adding that the university has \$45M unallocated from the 2019 bond issuance that could be used for this purpose. Bedient said the Finance & Administration Committee recommended to the Board approval of this budget change.

With no further discussion, a motion was made and seconded to approve the budget change for the Finley Hall project. The motion carried.

e. Capital Project Stage Gate II: PacWave

Borkar asked Bedient to introduce this item. Bedient said the Finance & Administration Committee was asked to consider approval of the total project budget for the PacWave Energy Test Facility project and advancing the project to construction phase. Bedient noted that the total project budget is \$82.5M with \$61M in grants from the U.S. Department of Energy and \$12.5M in non-federal matching funds. She said the project is a collaboration between the federal government and the university to provide a streamlined way for researchers to test a range of wave energy device types. The test facility will be overseen by the College of Earth, Ocean, and Atmospheric Sciences, building on its existing collaborations with coastal communities to advance carbon-free energy technology. Bedient stated that the committee recommended to the Board approval of the project budget and its advancement to construction phase.

Bedient added that during the committee's discussion there was a question about the disposition of ownership under different scenarios and the risk to the university if operating funds are not secured. She asked Senior Vice President for Administration Paul Odenthal to provide additional information. Odenthal described the conditions of the cooperative agreement with the Department of Energy, noting that Oregon State University conditionally owns the title while the property is being used for the stated purpose. When no longer needed, the property reverts to the Department of Energy to determine the disposition, but the university would be entitled to compensation for its investment into the property. Odenthal also spoke to the risk of proceeding with initial operations prior to securing Department of Energy funding, noting that staff identified this as low risk

as funding is expected. Should operations be delayed until funding is secured, the cost to the university for maintenance would be minimal and staff associated with the project could be reassigned.

A motion was made and seconded to approve a total capital project budget of \$73,500,000 for the PacWave Energy Test Facility project and advancing of the project to the final construction phase. The motion carried.

f. **Capital Project Stage Gate II: Gymnastics Practice Facility**

Borkar asked Bedient to introduce this item. Bedient reminded trustees that this project was previously approved to advance to the first stage in the capital project process and includes the renovation of a recently purchased building on Research Way to serve as the replacement for the Gladys Valley Gymnastics Center. She said the project advances several of Athletics' strategic goals, and, with more than double the current space for training, the new facility will provide the infrastructure necessary to support a nationally competitive team. Bedient stated that the project has a budget of \$8.6M to renovate approximately half of the building's space to accommodate the gymnastics facility. The remaining space will continue to be leased to current tenants. She said the Finance & Administration Committee recommended budget approval and advancing the project to the construction phase.

With no further discussion, a motion was made and seconded to approve a total capital project budget of \$12,150,000 for the Gymnastics Practice Facility project and advancing of the project to construction phase. The motion carried.

g. **President's Residence Policy**

Borkar said the Executive & Audit Committee considered and recommended Board approval of a policy to guide the operations, management, and use of the president's residence. The policy would supplement the terms specified in the president's employment agreement. Borkar reminded trustees that the university purchased the residence the previous summer and had since been completing updates for accessibility and use of portions of the house of university events. The purchase and updates were funded by the proceeds from the sale of the previous university-owned residence and gifts. Borkar thanked Callahan and Bedient for leading the Board's efforts to identify, fundraise for, and renovate the residence.

Borkar said the proposed policy followed best practices by providing clear guidance for how the residence would be operated. She noted that the policy attended to the unique public and private nature of the residence and set an annual budgeting process with final expense reports submitted to the Board at the close of each fiscal year.

With no further discussion, a motion was made to adopt the President's Residence Policy as provided in Attachment 1. Colbert clarified that the motion would also include the amendment forwarded by the committee. The motion was seconded and carried.

h. **President Emeritus**

Borkar said this item introduced consideration of awarding the rights, privileges, and title of President Emeritus to President Ed Ray. She reflected on his 17

years of leadership and remarked on the many ways he transformed the university across every aspect of the mission. Borkar said that for these reasons, she and a number of trustees nominated Ray for the title of President Emeritus. After Borkar's remarks, trustees thanked Ray and made comments on his nomination, reflecting on his distinguished service, his commitment to the institution, and his remarkable leadership. Borkar then read a resolution highlighting Ray's accomplishments and acknowledging him for his service. Following the reading, a motion was made and seconded to adopt the resolution. The motion carried.

Borkar then invited Ray to make remarks. Ray thanked trustees for the recognition and expressed his appreciation for the opportunity to serve as president for 17 years.

Next, Borkar asked that trustees consider delegating to her the authority to award certain items received by the Office of the President during Ray's term in recognition of his professional achievements. She said there had been several items received in the course of his presidency that could be appropriate for him to take as he transitions to faculty. Borkar added that if the Board delegated to her this authority, she would consult with the board secretary and general counsel before awarding any items. A motion was made and seconded to delegate to the Board Chair authority to award President Ray items received during his term in recognition of his professional achievements. The motion carried.

7. Discussion Items

a. OSU Corvallis Vision

Borkar asked Odenthal, University Land Use Manager Bob Richardson, and Capital Construction Manager Lori Fulton to present this item. Odenthal began by stating that the Corvallis Campus Vision was intended to identify the university's values and vision for how the campus will evolve over the next ten years. Richardson reviewed the history of campus planning at OSU's Corvallis campus. He spoke about the purpose of the plan, which he said included serving as a high-level planning tool that establishes a unified direction for physical development that connects to and support the university's strategic plan and that informs future policies, plans, and studies related to the physical campus. Fulton summarized themes that emerged from outreach sessions and noted that values identified by participants included a sense of place and community. She said that from the priorities that had been expressed, a number of guiding principles were created, including social responsibility and environmental ethics. Fulton described both campus wide and area specific implementation strategies and Richardson summarized next steps.

Following the presentation, Thorne asked whether staff anticipated that the experience of the pandemic might alter thinking about how to approach the Corvallis Campus Vision. Odenthal said that the process had been amended to ensure that community outreach could continue to occur remotely. In response to a question by Schueler about the university's agricultural lands, Fulton confirmed that they were included in the vision. In response to a question by Trustee Mike Bailey about "opportunity sites," Fulton said the sites identified were determined to have a best use beyond their current use. Manning asked how the vision statement would be used in connection to requests for specific projects. Richardson said that while the vision would not specify the details of

projects, it would guide the development of campus in alignment with the university's values and in support of the strategic plan.

b. Legislative Update

Borkar asked Executive Director for Government Relations Katie Fast to provide a legislative update. Fast began by noting that the political landscape remains in flux. She reported that the legislature had recently received the May revenue forecast in which the state's economist estimated a \$1.9B reduction in general fund revenue, and almost \$2.7B when combined with other revenue sources. Fast said the state has two avenues to make adjustments: utilizing the allotment authority or making reductions through a special session. She anticipated that more would be known about the state's direction in late summer, following information about any federal action. Fast said that if the legislature convenes a special session, there might be an opportunity for a bonding package. Were this to occur, the university's capital projects that had been slated for funding in the 2020 session could be well positioned. Fast stressed that the 2021-23 budget—with a projected \$4.3B total general fund and other tax revenue shortfall—could have a significant impact on the future of higher education. She said it would be important for Oregon's public universities to collectively advocate for the value of higher education.

8. Executive Session

At 2:00 p.m. Borkar announced that the Board was moving to an executive session pursuant to ORS 192.660(2)(d) to conduct deliberations with persons designated by the governing body to carry on labor negotiations. Borkar stated that designated staff would be allowed to attend the executive session. Other members of the audience were not allowed to attend the session. Borkar noted that no decisions would be made in executive session.

Borkar closed the executive session at 2:31 p.m. and trustees returned to the public session of the remote meeting.

9. Adjournment

With no further business proposed, Chair Rani Borkar adjourned the meeting at 2:34 p.m.

Respectfully submitted,

Jennifer M. Almquist
Assistant Board Secretary