



Oregon State
University

The Board of Trustees of Oregon State University

Regular Meeting of the Board of Trustees

October 18, 2019

Horizon Room, Memorial Union Room 049

Corvallis, Oregon

MINUTES

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

University Staff Present: Charlene Alexander, Jennifer Almquist, Susan Capalbo, Mina Carson, Steve Clark, Debbie Colbert, Ed Feser, Becca Gose, Mike Green, Jock Mills, Paul Odenthal, 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 DeVaan (*liaison, OSU Foundation Board of Trustees*), 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 9:34 a.m., asked the assistant secretary to call the role, and noted a quorum. Borkar welcomed to the board new trustees Lamar Hurd, Khawater Hussein, and Stephanie Smith.

2. Public Comments

The following individuals provided public comments:

Marisa Chappell: spoke about the negotiations between the university and the academic faculty union, the United Academics of Oregon State University (UAOSU).

Louisa Hooven: spoke about the negotiations between the university and UAOSU.

Amanda Granrud: spoke about the negotiations between the university and UAOSU.

Ron Marek: spoke about the upper division and graduate student housing project.

Nancy William: spoke about the upper division and graduate student housing project.

Courtney Cloyd: spoke about the upper division and graduate student housing project.

3. Opening Comments and Reports

a. Chair's Comments

Chair Rani Borkar said she enjoyed the Wednesday evening events and the morning's breakfast that featured students and faculty in the Carlson College of Veterinary Medicine. She also expressed appreciation for the opportunity to

January 23-24, Board of Trustees Meeting

participate in the previous evening's dinner at the Native American Longhouse, adding that it had been a meaningful and thought-provoking experience.

b. President's Report

President Ed Ray echoed Borkar's appreciation for the conversation at the previous evening's dinner at the Native American Longhouse, adding that he looked forward to opportunities to continue the conversation. He shared that he recently delivered his annual Faculty Senate address, where he provided an update on OSU's accomplishments and points of pride, addressed the challenges facing the university, and expressed his confidence in the university's future. Ray reported that planning is underway for the 2020 legislative session, where a priority for the university will be to advance requests for capital funding, which were deferred from the 2019 session. He noted that the legislative update scheduled for later in the meeting would be the last delivered by Jock Mills, as he would be retiring from his role as director for government relations. Ray added that a search was underway with an anticipated appointment by the end of the calendar year. Ray spoke about recent legislation regarding student athlete compensation for the use of an athlete's name, image, and likeness, noting that Vice President and Director of Intercollegiate Athletics Scott Barnes and other leaders are following developments in California and engaging in conversations nationally and within the Pac-12. Ray provided an update on the university's efforts to address food insecurity, noting that an OSU Food Insecurity Task Force made up of students, staff, and faculty would be launched in the fall. He said Associate Vice Provost Dan Larson is leading a university-wide effort to increase programs and services for students experiencing food insecurity, and he pointed to some of the progress that had already been made to expand OSU's food assistance programs. Ray concluded by sharing his concerns regarding the recent off-campus arrest by Oregon State Police of an OSU student, stating that the university would continue to seek information and provide updates to the university community.

c. OSU Foundation Report

Jon DeVaan, with the OSU Foundation Board of Trustees, reported that the OSU Foundation had raised \$39M in the first quarter and was on track to meet the FY2020 fundraising goal of \$123M. He said they were close to raising the \$34M needed to complete the goal of raising \$150M for the Student Success Initiative, which began in 2016. DeVaan shared that the boards of the OSU Foundation and the OSU Alumni Association recently held a joint retreat with a focus on advocating for the value of higher education. The meeting also included the Black and Orange Gala honoring the achievements of alumni and others who have worked in support of the university. DeVaan reported that at the OSU Foundation Board's business meeting, OSU Foundation President and CEO Mike Goodwin formally announced that he would retire in January 2020. The board named Shawn Scoville the next president and CEO.

d. Faculty Senate Report

Faculty Senate President Mina Carson began by sharing that this would be her last report to the Board, as Dwaine Plaza would assume the role of president in January 2020. Carson reported that in June the Faculty Senate passed a framework for shared governance and a mandate for the Executive Committee to appoint a task force to undertake revisions. She spoke about ongoing efforts to reconsider the Baccalaureate Core, adding that the Faculty Senate would be

January 23-24, Board of Trustees Meeting

working with the Office of Undergraduate Education to organize stakeholder listening sessions to solicit input. Carson added that, across efforts, the Faculty Senate was committed to increased partnership with the Associated Students of Oregon State University (ASOSU). She shared that she and others from the Faculty Senate recently visited Bend to meet with faculty at OSU-Cascades. Lastly, Carson spoke about the university's exploration of the opportunity to complete Reser Stadium and said the Executive Committee looked forward to learning more about the project. Following her report, Borkar thanked Carson for her service.

e. Higher Education Coordinating Commission Report

Borkar welcomed Higher Education Coordinating Commission (HECC) Executive Director Ben Cannon and shared that trustees had heard about the HECC's new rubric for capital projects and hoped he would address it in his remarks. Cannon spoke about the ten-year strategic capital plan, which was completed in partnerships with the public universities and an external expert in educational strategic capital planning. He said the project provided a target public university capital portfolio through 2029, adding that it would be used to guide the HECC's prioritization of capital projects and recommendations to the Governor and the Legislature. Cannon then summarized the four primary recommendations: focus new state investment in public university capital on improvement and renewal activities; incentivize greater levels of collaboration amongst institutions and their partners; take a closer look at defining with greater clarity institutional roles and missions; and improve statewide and institutional capital planning practices. He said the consultants also recommended annual investments in facilities equivalent to 2.5% for capital renewal. Cannon noted that among the key findings was the assessment by the consultants that enrollment history and future demographics do not forecast statewide capacity issues. Following receipt of the consultant's report, the HECC revised and re-approved a capital rubric that would be used to score requests from the public universities for state capital funding for the 2020 legislative session. Cannon said the new rubric places significant weight on each project's conformity with the principles, recommendations, and findings of the consultant's report.

Trustee Darry Callahan spoke about the need at a research intensive university to consider the value of investing in new versus renovated research space, which does not increase net square footage but does require capital investment, and he asked how this need was reflected in the report. Cannon said the consultants acknowledged that there are times when replacement of existing facilities may be the most appropriate and cost-effective way to meet learning and research needs; however, because the consultants did not observe capacity concerns system-wide, an emphasis was placed on supporting capital renewal. In response to a question by Trustee Kirk Schueler, Cannon confirmed that the commission adopted at their October 2019 meeting the 2019-2021 University Capital Project Prioritization Rubric. Schueler also asked how the focus on renewal would affect capital requests from OSU-Cascades, and Cannon said the consultants' findings affirmed the importance of building a student success center, highlighted the need for policy makers to consider the consequences of growing OSU-Cascades as a research intensive campus, and suggested review of current projections for student enrollment growth in Central Oregon. With regard to enrollment projections, Schueler emphasized the importance of considering long-term trends in the region. Trustee Patty Bedient encouraged the

January 23-24, Board of Trustees Meeting

HECC to explore fully the drivers of enrollment in Central Oregon and the specific role of OSU-Cascades in meeting that need. Bedient also inquired whether the consultants' recommendation related to capital planning practices included recommendations specific to institutions, and Cannon said many of the specific recommendations pertained to state planning and analysis and some were institution specific. Ray asked about both the potential impact on future post-secondary enrollment following the state's approval of a new business tax to support \$2B in additional spending across K-12 and any plans by the HECC to review and revise the ten-year forecast as needed. Cannon acknowledged the value of revisiting the plan during the ten-year implementation cycle. He also spoke to the process used by the consultants to project enrollment, noting that even using optimistic scenarios, the projections remained below enrollment growth projected by each of the public institutions. In response to a question by Trustee Julia Brim-Edwards about the state's aspirational goal for educational achievement, Cannon said that even if those goals were met, there would not be a need for significant investment in expanded capital infrastructure. Next, Cannon reported that the HECC was in the process of developing a strategic plan for post-secondary education in Oregon. He concluded by thanking OSU for efforts by faculty and administrators to improve success for transfer students.

f. Associated Students of Oregon State University Report

Borkar welcomed ASOSU President Rachel Josephson and, since it was her first report before the Board, asked her to introduce herself. Josephson introduced herself and shared that she had been in the role since June. She then spoke about three of ASOSU's priorities for the year, beginning with continuing to strengthen ASOSU's effectiveness and enhance relationships between student government and other student organization. Josephson also described ASOSU's legislative advocacy efforts and said her administration would continue to emphasize the importance of encouraging students to engage in such advocacy. She said a third priority was environmentalism and described some of the specific ways in which ASOSU would be working to address climate change, including advocating that a portion of the funds raised during the university's next capital campaign be dedicated to retro-commissioning buildings, recommending the hiring of additional building controls technicians, and working to cultivate greater consideration of environmental impacts through actions such as purchasing carbon offsets for university sponsored travel and encouraging responsible energy usage. In response to a question by Trustee Khawater Hussein, Josephson confirmed that the university currently employs one building controls technician. In response to a question by Brim-Edwards, Senior Associate Vice President for Administration Paul Odenthal said the university offered incentives to encourage students to seek alternatives to using single-occupancy vehicles. He said the university was also working on a transportation demand management plan.

g. Associated Students of Cascades Campus Report

Borkar welcomed Associated Students of Cascades Campus (ASCC) President Brian Chavez and, since it was his first report before the Board, asked him to introduce himself. Chavez introduced himself and described the priorities for his administration. He spoke about a proposal to offset the cost to students to print on campus. Chavez also shared that the ASCC was involved in creation of the new Student Equity Lounge, which opened to students at the start of the academic year. He reported that the ASCC continued to work to raise awareness about the proposed Student Success Center, and

January 23-24, Board of Trustees Meeting

he provided an update on the food pantry at OSU-Cascades. Following the report, Ray said he had recently met with student leaders at OSU-Cascades, and he commended Chavez and his peers for their leadership and engagement.

h. Presidential Search Committee Report

Trustee Darry Callahan provided an update on the presidential search, noting that it was in the search committee phase of the process. He described the membership and acknowledged the committee's dedication and the diverse perspectives they have brought to the process. Callahan reported that the search committee over the summer received training on how to identify and mitigate the potential for bias in the search and interview process. The committee also spent time discussing the qualifications approved by the Board in the presidential leadership profile in order to develop a shared understanding about the meaning of each qualification. Callahan spoke about the active recruitment efforts over the summer, which resulted in applications from a diverse and highly accomplished pool of 68 candidates. In September and October, the search committee reviewed the applications and identified for first round interviews 12 candidates, each of whom had extensive expertise and a broad range of higher education leadership, teaching, and research experience. Callahan said the search committee completed first round interviews earlier in the week and, as required by their charge, was preparing a report for the Board Chair, who will then identify candidates for second round interviews later in the fall. Board Secretary Debbie Colbert described the process for second round interviews, noting that candidates identified for this round would interview with a diverse and broadly representative stakeholder group and with the Board. She said that each member of the stakeholder group would have an opportunity to provide input on the candidates directly to trustees. This approach provides a balance of gathering input from community members while maintaining the confidentiality of candidates during the process. Colbert said that after the second round interviews, the Board would deliberate and rank the candidates and delegate to Borkar the responsibility to negotiate confidentially with the top ranked candidate. Callahan concluded by affirming the strength of the candidate pool. Trustee Patty Bedient said she enjoyed serving on the search committee, adding that her participation confirmed her support for the Board's search process. Borkar affirmed the importance of the Board's clear framework and decision-making criteria, and she thanked Callahan and the members of the search committee for their efforts.

i. President Transition Committee Report

Trustee Julie Manning began by thanking Callahan for his leadership of the search committee and remarking on the effectiveness of efforts to engage the community and seek broad input in the development of the presidential leadership profile. Manning reported that over the summer, she and trustee Michele Longo Eder, vice chair of the transition committee, worked with staff to draft a framework and outline a plan that would support the immediate- and long-term success of OSU's next president. She said the committee held its first meeting in September, which focused on outlining the three phases of the committee's work. Manning shared that the first portion of the committee's work was focused on providing input to Borkar on the hiring announcement and other transition-related communications and compiling orientation materials in partnership with stakeholders across the university. Manning said the committee would also determine the structure for engagement and communication with the

January 23-24, Board of Trustees Meeting

president-elect, once named. She spoke next about the second phase, which would begin in January. In that phase, the committee's focus would be on identifying the transition milestones and priorities for the first year of the presidency, considering a limited number of engagements prior to the next president assuming the role, and positioning the president and family to feel well-integrated with the university and broader community. Manning concluded by noting that the transition committee's work would continue through the first year of the presidency in order to ensure that the success of the next president is supported fully. In response to a question by Brim-Edwards about the Board's engagement, Manning said that Borkar had asked her to continue providing standing reports through the transition.

4. Consent Agenda

a. Minutes of the May 31, 2019 Board Meeting

b. Resolution Regarding Classified Information

Borkar noted that the consent agenda included minutes from the May Board meeting and a resolution on classified information. 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 Vice Chair Michele Longo Eder reported that the committee heard a report from Provost and Executive Vice President Ed Feser, including updates on senior leadership searches, the university's acceptance of transfer credits, and fall enrollment. She said Feser also spoke about the university's systematic approach to development and delivery of academic programs. Eder said the committee approved new academic programs, a Bachelor of Science in Biological Data Sciences and a Bachelor of Music. She reported that the committee discussed their work plan for the year, noting the potential needs for adjustments to accommodate any actions following the retreat. The committee also heard briefings on faculty affairs and internationalization and global engagement and a report on lab safety.

b. Finance & Administration Committee

Finance & Administration Committee Chair Patty Bedient reported that the committee heard a report from Vice President for Finance and Administration Mike Green, which included a written annual capital projects status report and several capital project highlights, including news that the Marine Studies Building in Newport would be constructed with a fully built third floor within the original approved budget of \$61.7M. She said Green shared that the committee would receive an update to the Ten-Year Capital Forecast in January and previewed two of the new building concepts that would be included, a new Collaborative Innovation Complex and a project to complete Reser Stadium. Bedient said Green reported on the HECC's strategic capital development plan and the university's efforts to prepare the capital investment request to the HECC for review in the next legislative session. Green updated the committee on the final FY2020 university budget, the challenges the university continues to face, and the efforts by units to manage budget shortfalls. He also shared with the committee that the university is transitioning some of its banking services in order to develop independent banking relationships that can better serve the needs of the university.

Following the report, the committee reviewed and approved its 2020 work plan and reviewed the assessment results. Bedient said the committee reviewed eight capital projects, approving advancing the PacWave Energy Test Facility to the next phase of design development and referring the remaining projects to the Board for consideration later in the meeting. The committee also reviewed and recommended to the Board amendments to the Public University Fund (PUF) investment policy. Following the action items, the committee heard an update about the Athletics Financial Sustainability Plan. Green, Barnes, and Associate Vice President for Budget and Fiscal Planning Sherm Bloomer discussed the performance of Athletics since it instituted a plan in 2017 to eliminate a chronic operating budget shortfall. Bedient noted that Barnes and staff in Athletics implemented the recommended adjustments, substantially achieved the goal of reducing the annual operating budget despite facing continued challenges, and projected balanced budgets starting in FY2021. She said the committee also discussed the cumulative operating deficit and options for addressing it. Since this was a discussion item, no action was required. Following the report, Manning remarked on the progress by Athletics and thanked the many people involved. Callahan pointed to the discussion of progress on the Athletics Financial Sustainability Plan as an example of the importance of occasionally checking on the status of projects.

c. Executive & Audit Committee

Executive & Audit Committee Chair Rani Borkar reported that the committee approved the progress report from the Office of Audit, Risk and Compliance. She said the committee also heard the annual update on the compliance and ethics program and the annual Office of General Counsel report. Borkar said the committee also referred two items to the Board for consideration later in the meeting.

6. Action Items

a. Board Chair's Report: FY2019 Presidential Assessment

Borkar reported that the Executive & Audit Committee had a good discussion about the president's performance over the past year and his proposed goals for next year. She said trustees congratulated Ray for his many accomplishments over the past year and expressed support for next year to implement Strategic Plan 4.0, continue work on the next campaign, build community, and secure capital funds in the next legislative session. In particular, the committee expressed appreciation for Ray's efforts to create a seamless transition to the next president. Borkar said the committee recommended that the Board accept her report on Ray's annual assessment. A motion was made and seconded to accept the Board chair's report on the president's annual assessment. The motion carried. Borkar concluded by congratulating Ray for another successful year and thanking him for his continued outstanding leadership of the university.

b. Board Policy Review

Borkar introduced this item, noting that it came from the Executive & Audit Committee with a recommendation for the Board to adopt the resolution in Tab E, Attachment 1, which repeals a number of policies transferred to the university when the transition in governance occurred in 2014. She said the policies proposed for repeal are outdated or have since been superseded by the Board's

actions. A motion was made and seconded to adopt the Resolution appealing and amending policies as provided in Tab E, Attachment 1. The motion carried.

c. 2020 Board Work Plan and 2019 Board Assessment Results

Borkar proposed moving this item to the next meeting in January in order to incorporate discussions following the retreat. Trustees agreed.

d. Capital Project Stage Gate II: Research Way Laboratory Improvements

Borkar asked Bedient to introduce this item. Bedient reported that the Finance & Administration Committee reviewed the Research Way Laboratory Improvements project, which will address capital renewal needs for this 30-year old building that was acquired in April 2018 to serve as surge space for faculty and researchers when Cordley Hall is renovated. It will ultimately become a permanent OSU research and innovation-focused building with flexible wet and dry labs, new and refurbished research spaces, along with minimally updated offices and meeting rooms, and storage for research collections. Bedient said the renovation also upgrades existing safety, plumbing, and HVAC systems, and it addresses accessibility needs in parking lots, sidewalks, building entries and restrooms. She noted the project risks identified by staff and the proposed mitigation strategies and described the total project budget of \$11M. The project is scheduled for completion in summer 2020.

Bedient reported that committee discussion focused on the concept of total cost of ownership, which the university has begun using to understand true costs for buildings over their lifetime. She said committee members would like to see this information provided with more context about the strategic benefits of proposed projects in support of the university's goals in order to weigh more effectively the value of the total cost. Staff committed to continuing to refine this metric. Following discussion, the committee recommended that the Board approve a total capital project budget of \$11M for the Research Way Laboratory Improvements project and advance it to the construction phase. Schueler reminded trustees that the improvements project was a continuation of the purchase of the building and the next step to convert the building to useful space. He added that the committee discussed the lower cost of renovation compared to new construction. In response to a question by Trustee Mike Bailey, Bedient described the project as part of the university's strategy to support the renovation of Cordley Hall. Odenthal added that staff had planned sufficient time for the renovation so as not to delay the work on Cordley Hall.

Following discussion, a motion was made and seconded to approve a total capital project budget of \$11M for the Research Way Improvements Project and advance the project to construction phase. The motion carried. Following the vote, Ray suggested that staff begin including in capital project requests an estimate of net carbon impact. Odenthal said energy requirements are considered during the design, but rough estimates of anticipated savings could be included earlier. Manning asked about the extent to which the university uses energy efficient systems and materials in renovation projects, and Odenthal shared that the university has standards that it follows that are similar to those set by the Leadership in Energy and Environmental Design (LEED).

e. Capital Project Stage Gate II: Cordley Hall

Borkar asked Bedient to introduce this item. Bedient reported that the Finance &

January 23-24, Board of Trustees Meeting

Administration Committee reviewed the Cordley Hall renovation project. She said the committee heard from College of Science Dean Roy Haggerty and College of Agricultural Sciences Dean Alan Sams about the broad impact that the Cordley Hall renovation will have on students and the community. For the first time, all 1,400 life science majors will learn and do research collaboratively in one space creating a biology hub for all of campus. Specimen collections will be on display and accessible to scholars and community members. Bedient said the renovation project is scheduled in three phases and, if approved, would be completed in 2024. She summarized capital improvements and noted that spaces will be updated to meet modern research space guidelines including flexible modular labs, collaboration areas, and shared infrastructure. Bedient added that the Cordley Hall project also includes the addition of a district chiller to an existing chiller loop that support a series of research-intensive buildings. The upgrade would extend the lifespan of the two existing chillers and provide for increased reliability, reduced future maintenance costs, and the ability to expand future capacity. She noted the project risks identified by staff and the proposed mitigation strategies and described how the \$158.8M total project budget would be funded. Bedient said phases 1 and 2, the west side renovation totaling \$80.8M, are scheduled to begin in 2019, with completion in summer 2022. Phase 3, the east side renovation, totaling \$78M would begin in 2021, with an estimated completion date in summer 2024. She noted that the project is scoring high on the HECC's capital rubric, but if full funding is not provided, phases one and two could be executed with a reduced scope, and phase three would be paused until funding is secured. Bedient reported that the Finance & Administration Committee recommend to the Board that it approve a total capital project budget of \$158.8M for the Cordley Hall renovation project and advance it to the construction stage.

Following the report, Manning asked when and how faculty, staff, students, and equipment would be moved to temporary space. Bedient said moves would occur after completion of the Research Way Laboratory, and Odenthal described the timeline for moves across the phases. Bedient added that the committee confirmed that the surge space would accommodate offices and labs, but classes would be held in other locations on campus. Ray described the Cordley Hall project as an important part of the university's efforts to continue to enhance facilities for teaching and research. Eder also emphasized the unique facility needs of OSU as a land grant, research intensive university. Callahan remarked on the cost per square foot for the renovation, and Odenthal noted that the cost to build new lab space was estimated to be over 40% higher. Schueler asked what portion of the \$73M in state-paid bonds had already been approved, and Odenthal said \$15M had been approved for Phase 1 and the remaining \$58M would be requested over the next two biennia.

Following discussion, a motion was made and seconded to approve a total capital project budget of \$158.8M for the Cordley Hall Renovation Project and advance the project to construction phase. The motion carried.

f. Capital Project Stage Gate II: Washington Way Improvements

Borkar asked Bedient to introduce this item. Bedient reported that the Finance & Administration Committee reviewed the Washington Way project, which will relocate and reconstruct the Washington Way corridor and several intersections. The street runs along a portion of Union Pacific Railroad tracks, and the project includes improvements to pedestrian safety and establishes required easements along the railway. Bedient noted

January 23-24, Board of Trustees Meeting

that the project arose from a memorandum of agreement between the university and the City of Corvallis, in which Oregon State committed to improve this section of Washington Way following construction by the university along the street. She described the project, the contingencies and mitigation strategies to address project risks identified by staff, and the details of the total project budget. The project is scheduled for completion in fall 2021 or 2022, depending on the start date, which is contingent on the timing of permits. Bedient said the Finance & Administration Committee recommended that the Board approve a total capital project budget of \$24M for the Washington Way Improvements project and advance it to the construction phase.

In response to a question by Callahan, Odenthal confirmed that the university owns the street. Schueler asked about building standards, and Odenthal confirmed that the university would be required to build to city standards for a private street because this is a component of the city's network. Schueler summarized the committee's discussion about the total project cost, noting the components that make up the cost and the significant contingencies included in the budget. Following discussion, a motion was made and seconded to approve a total capital project budget of \$24M for the Washing Way Improvements Project and advance the project to construction phase. The motion carried.

g. Capital Project Stage Gate II: Campus Operations Center

Borkar asked Bedient to introduce this item. Bedient reported that the Finance & Administration Committee reviewed the Campus Operations Center project, which improves the former OSU Foundation property at 35th and Western to create a complex that will house the entire University Facilities, Infrastructure and Operations unit in one location. She noted that the project includes the demolition of the existing Facilities Services shops buildings that have been extended beyond their useful life, making way for the upcoming Arts and Education Complex. This will remove an estimated \$10M from the university's deferred maintenance backlog. She summarized the university's risk mitigation strategies and contingency budgets and spoke about total project costs. The project is scheduled for completion in spring 2021. Bedient added that the committee discussed the energy efficiency aspects of the renovated space. She said the Finance & Administration Committee recommended that the Board approve a total capital project budget of \$26.5M for the Campus Operations Center project and advance it to the construction phase. In response to a question by Bailey, Odenthal noted that the project included removal of the abandoned underground oil storage tanks and remediation of any underground contamination of the site.

Following discussion, a motion was made and seconded to approve a total capital project budget of \$26.5M for the Campus Operations Center project and advance the project to construction phase. The motion carried.

h. Capital Project Stage Gate II: Cascade Hall

Borkar asked Bedient to introduce this item. Bedient reported that the Finance & Administration Committee reviewed the Cascade Hall project, which updates the west side of the building and provides a new home for Navy ROTC, following the demolition of its current location along Washington Way. It also expands available space on the second floor to accommodate growth in the university's Department of Public Safety. Along with these renovated spaces, the project includes full replacement of all building systems and seismic updates. Bedient noted the university's risk mitigation strategies and contingency budgets and spoke about the total project costs. She said the committee discussed the resiliency of this building in natural disasters, given that it houses the

university's emergency responders and emergency operations center, adding that the project includes seismic updates and backup power to sustain operations. Bedient said the committee recommended that the Board approve a total capital project budget of \$6.5M for the Campus Operations Center project and advance it to the construction phase. A motion was made and seconded to approve a total capital project budget of \$6.5M for the Cascade Hall Renovation Project and advance the project to construction phase. The motion carried.

i. Capital Project Stage Gate II: OSU-Cascades Academic Building 2

Borkar asked Bedient to introduce this item. Bedient reported that the Finance & Administration Committee reviewed the OSU-Cascades Academic Building 2 project, which would be located adjacent to the new 10-acre campus and the first building on the recently reclaimed land. She said the building would add teaching and research capacity for science, technology, engineering, arts, and math disciplines and would accommodate an additional 500 students with general purpose classrooms, flex-laboratories, makerspace, and offices. Bedient reported that the building will feature innovative use of Oregon and regional wood products, setting the design standard for future buildings on the OSU-Cascades campus. The project includes necessary infrastructure to support the building and the campus community, and the building's design meets Energy Trust of Oregon "Path to Net Zero" energy efficiency requirements. She noted the university's risk mitigation strategies and contingency budgets and spoke about the total project costs. The building is scheduled for completion in summer 2021. Bedient said the committee discussed the unique nature of the timber building materials, which will be sourced from around the Pacific Northwest. She said the committee recommended that the Board approve a total capital project budget of \$50.2M for the OSU-Cascades Academic Building 2 project and advance it to the construction phase. Schueler asked about the project funding, and Green confirmed that a portion of the state-paid bond funding had been secured in the previous legislative session. A motion was made and seconded to approve a total capital project budget of \$50.2M for the OSU-Cascades Academic Building 2 project and advance the project to construction phase. The motion carried.

j. Capital Project Report & Budget Approval: Burt Hall II Reconstruction

Borkar asked Bedient to introduce this item. Bedient reported that the Finance & Administration Committee reviewed the capital project report and budget approval request for the Burt Hall II reconstruction project, which repairs fire, smoke, and water damage that occurred as a result of a fire in December 2018. Bedient said the Stage Gate I request was approved by the Finance & Administration Committee in July and the project proceeded under the Emergency Construction provision of the Board's capital projects policy. This allowed work to begin over the summer to ensure that occupants could return to the building as soon as possible. She said the committee heard an update from Odenthal and College of Earth, Ocean, and Atmospheric Sciences Dean Roberta Marinelli on the status of repairs and the impacts of the incident on research and teaching. Faculty and researchers have been successfully relocated to temporary spaces, but there have been costs to interrupting and delaying research and grant proposals. Bedient noted that, in addition to restoring critical research laboratories and offices used by the college, the current reconstruction project would also make necessary accessibility updates and modernize fire suppression systems and lighting. She said the total \$9.5M project budget would be funded by insurance reimbursements, adding that the university continues to work with the insurance provider to finalize the claim. The committee discussed the status of discussions with the insurance company and a slight delay that resulted in adjustments to timelines. Bedient said that work is now underway with an anticipated project completion dates of spring 2020. The committee

January 23-24, Board of Trustees Meeting

recommended that the Board approve a total capital project budget of \$9.5M for the Burt Hall II reconstruction project. Borkar asked about discussions with the insurance provider, and Odenthal said progress had been made to reimburse the bid costs for most systems that will be replaced. Discussion is ongoing for several other reimbursements. A motion was made and seconded to approve a total capital project budget of \$9.5M for the Burt Hall II Reconstruction project. The motion carried.

k. Public University Fund Investment Policy Amendments

Borkar asked Bedient to introduce this item. Bedient reported that the Finance & Administration Committee reviewed a request to amend the PUF Investment Policy. She said this was initiated by the Oregon State Treasury, which serves as the investment manager for the fund. The proposed amendments were largely minor housekeeping changes and updates for clarity related to permitted holdings, diversification, risk, and other items. Bedient noted that OSU is the designated university to administer the fund on behalf of the participating Oregon universities and contracts with the University Shared Services Enterprise to provide administration of the fund. Bedient reported that the committee discussion clarified that the proposed changes do not impact OSU's current investment policy. She said that, following discussion, the committee recommended to the Board that it approve the amendments. A motion was made and seconded to approve the resolution amending the Public University Fund Investment Policy as provided in Attachment 1 of Tab U. The motion carried.

7. Discussion Items

a. Advancing Equity, Inclusion, and Social Justice: Annual Report

Borkar asked Vice President and Chief Diversity Officer Charlene Alexander to present this item. Alexander began with an update on implementation of the university's diversity strategic plan. She said the first goal was to integrate and advance inclusive excellence in all aspects of the university, and she described the efforts to advance that goal, including work to support implementation of SP4.0 and an inclusive excellence assessment initiative. Alexander also summarized the 2018-19 recommendations of the President and Provost's Leadership Council on Equity, Inclusion and Social Justice (PPLC) and shared the council's charge for 2019-20. The second goal is to improve recruitment of students and employees from underrepresented communities. Alexander summarized the work related to this goal, including developing pipelines from K-12 schools in the region, developing Ecampus programs dedicated to serving tribal communities, and building new partnerships to improve faculty hiring. She said the third goal was to create an inclusive university climate to support the retention and success of all students and employees. Efforts in this area include course redesigns to serve diverse learners and the establishment of the Dreaming Beyond Borders Center. The fourth goal is to provide innovative and transformative learning experiences enabling all students and employees to advance inclusive excellence. Alexander said efforts in this area include improving access to diversity education and building capacity for holding difficult conversation. The final goal is to communicate the university's accomplishment, initiatives, and innovations as the university advances inclusive excellence. Alexander discussed efforts to tell stories about initiatives across the university and to continue to advance the We Have Work To Do campaign. She concluded by noting that OSU has been recognized for the second straight year with an award that honors colleges and universities that weave diversity and inclusion into their campus cultures.

Following the report, Manning asked about the status of the university's recruitment and retention efforts. Alexander noted that a number of efforts were underway to support the implementation of student recruitment practices to promote diversity. She said the 2019-20 priorities of the PPLC included creating best practice guides to advise colleges in their recruitment and retention of a diverse academic faculty. Borkar shared that in previous dialogues between students and trustees, some students raised concerns about their interactions with faculty. Alexander noted that the focus on diversifying the academic faculty was important for a number of reasons, including supporting student success, and she spoke to the importance of continuing to deliver training across the university. Eder commended Alexander and the Office of Institutional Diversity for their work and said she was pleased to learn about efforts to develop pipelines between K-12 and the university. She asked about the role of search committees, and Alexander described the university's efforts to continue to improve search processes and training for committee members. Hussein acknowledged the value of reporting on broad demographic categories and added that it was also important to include specificity both in reporting and in considering individual and community needs where possible, as such broad categories can obscure important nuances. Alexander said that while some federal reporting requirements dictate the categories to be used, the university's efforts would continue to use more nuanced approaches. Trustee Lamar Hurd asked what was being done on an ongoing basis to build a sense of connection, and Alexander noted that, in particular, the cultural resource centers were engaged in a number of efforts aimed at building community. Following the discussion, Borkar thanked Alexander for her report and for helping to organize the previous evening's event at the Native American Longhouse.

b. Fundamentals of Board Governance

Borkar asked Schueler to set the context for the presentation on fundamentals of board governance. Schueler said that an annual review of board governance was good practice. He began by reviewing the fiduciary duties of trustees: care, loyalty, and obedience. He then spoke to the responsibilities of individual trustees and the culture of the board of speaking candidly and fostering openness and trust. Schueler said the Board's practices and culture helped to support strong working relationships between trustees and the president and university staff. Schueler noted the importance of remaining mindful of the difference between governance and management and of focusing the Board's efforts at a strategic level. He reminded trustees that the Board Chair speaks for the Board. Next, Colbert spoke about the delegation of authority, which the Board reviews annually. She said that an important component of effective governance is open communication between the Board and the president, adding that President Ray has been thoughtful and consultative in his interactions with the Board and has adopted a "no surprises" approach. Callahan emphasized the importance of continuing this approach with the next president. In response to a question by Brim-Edwards about risk oversight, Colbert noted that the Board addresses this both in the bylaws and in the Executive & Audit Committee Charter. Colbert added that the list of activities reserved to the Board that was included in the presentation was a summary and that a complete list was detailed in the Board's bylaws and Delegation of Authority Policy. General Counsel Becca Gose continued the presentation, focusing on ethics and conflict of interest policies and laws. She reminded trustees that they may not, in their OSU capacity, engage in supporting or opposing ballot measures or candidates. In conclusion, Colbert reminded trustees that all of the Board's policies were contained in the policy booklet provided to trustees.

January 23-24, Board of Trustees Meeting

c. Legislative Update

Borkar asked Government Relations Director Jock Mills to present this item. Mills began by describing the different dynamics between “regular” legislative sessions in odd years and “short sessions” held in even years. He said that the upcoming session was likely to include several proposals that did not pass in 2019, including childhood vaccinations, gun safety, and climate change. Mills reported that one of the university’s priorities in the 2020 legislative session would be capital construction because the legislature postponed decisions about capital facilities on individual campuses during the 2019 session. The state is projecting that approximately \$315M will be available for allocation in 2020 to entities that are seeking bond-reliant projects. Mills noted that, going into the 2019 session, the projects at the state’s seven public universities totaled approximately \$280M; however, the total is likely to change given the HECC’s revised capital projects prioritization process. He said that OSU’s legislative efforts would be aimed at funding for three capital projects: the OSU-Cascades Student Success Center at \$12.9M, the Arts & Education Complex at \$35M, and the Cordley Hall Renovation Project at \$28M. Mills added that OSU is providing \$68M in matching funds for the \$75.9M in state bonding capacity that it is seeking. Next, Mills spoke about a number of policy matters on which the university would engage during the next session, including hemp; ocean acidification and hypoxia; campus hunger and basic needs; student-athlete name, image, and likeness; and betting on college sports. In response to a question by Ray, Mills noted that he would be moving to a position in the School of Public Policy where he would continue working with the Presidential Student Legislative Advocates program.

Following the discussion, Borkar introduced a Resolution of Appreciation for Jock Mills. She read the resolution acknowledging him for his service. Following the reading and additional expressions of gratitude by trustees, a motion was made and seconded to adopt the resolution. The motion carried.

8. Executive Session

At 3:15 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. All other members of the audience were asked to leave the room. Borkar noted that no decisions would be made in executive session.

Borkar closed the executive sessions at 4:09 p.m. and invited members of the public back into the room.

9. Adjournment

With no further business proposed, Chair Borkar adjourned the meeting at 4:10 p.m.

Respectfully submitted,

Jennifer M. Almquist
Assistant Board Secretary