



The Board of Trustees of Oregon State University

Meeting of the Executive & Audit Committee

April 23, 2015

1:00 pm – 2:30 pm

Telephonic and President’s Conference Room

650 Kerr Administration Building

Corvallis, Oregon 97331

**AGENDA**

**TAB**

- 1. **Call to Order/Roll/Declaration of a Quorum** (*Reser*)
- 2. **Consent Items**..... **A**
  - a. Minutes of the March 18, 2015 Executive & Audit Committee Meeting (*Reser*)
- 3. **Action Item**
  - a. Presidential Assessment Policy (*Reser*) ..... **B**
  - b. 2016 Board Calendar (*Colbert*) ..... **C**
- 4. **Discussion Items**
  - a. Development of a Trustee Nomination Process (*Reser, Colbert*) ..... **D**
  - b. OSU 150 Plans (*Clark*)
- 5. **Adjournment**





## The Board of Trustees of Oregon State University

Regular Meeting of the Executive &amp; Audit Committee

March 18, 2015

Willamette Room, CH2M Hill Alumni Center  
Corvallis, Oregon**MINUTES**

**Committee Members Present:** Darry Callahan (*vice chair*), Paul Kelly, Ed Ray (*ex officio*), Pat Reser (*chair*), and Kirk Schueler

**Other Trustees Present:** Michelle Longo Eder, Orcilia Forbes (arrived at 9:50 a.m.), Brenda McComb, Laura Naumes, and Taylor Sarman

**University Staff Present:** Sherm Bloomer, Steve Clark, Debbie Colbert, Becca Gose, Mark Huey, Julee Otter, Sabah Randhawa, Clay Simmons, and Patti Snopkowski

**Guests:** Jean Bushong (*principal, CliftonLarsonAllen LLP*)

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

Committee Chair Pat Reser called the meeting to order at 9:00 a.m., asked the Assistant Board Secretary to call the roll, and noted a quorum.

**2. Consent Items****a. Minutes of the January 15, 2015 Executive & Audit Committee Meeting****b. Minutes of the January 15, 2015 Joint Meeting of Executive & Audit and Finance & Administration Committees**

A motion was made and seconded to approve the minutes of the January 15, 2015 Executive & Audit Committee meeting and the January 15, 2015 joint meeting of the Executive & Audit and Finance & Administration committees; the motion carried.

**3. Action Item****a. Office of Audit Services Quarterly Report**

Patti Snopkowski, Chief Audit Executive, introduced Ms. Jean Bushong, principal, CliftonLarsonAllen LLP (CLA). OSU hired CLA to perform the required NCAA Division I agreed upon procedures over the athletics financial reports for fiscal year ending June 30, 2014. Bushong reported that no exceptions were noted during the NCAA agreed upon procedures engagement. Based on a report by the Office of Audit Services, Snopkowski also confirmed that OSU is in compliance with NCAA rules concerning Division I football bowl attendance. Regarding the annual external audit, Bushong advised that CLA will also be auditing OSU financial statements and compliance with federal regulations for the fiscal year ending June 30, 2015. Bushong highlighted that, as part of standard audit procedures, board interaction will occur during the engagement as in previous years.

Snopkowski reported out on all internal audits issued, stating that the control improvement recommendations have all been accepted by management. Snopkowski also noted the follow-up audits documented a high implementation rate. Highlights of improvements to enhance the efficiencies and effectiveness of business operations as well as reduce the risk profile in several areas were provided. The status of open recommendations and actions plans were also discussed.

During the discussion of the audit plan status, President Ray discussed how during the annual planning process and throughout the year trustees can refer to Snopkowski potential areas within the University for review or audit. At the request of trustees who are not Executive & Audit Committee members, it was agreed that audit reports would be provided to the full Board.

Snopkowski noted that subsequent quarterly reports will be expanded and will focus on a combination of three topics including current audits, compliance, and risk (for example, enterprise risk management).

Following the report, a motion was made and seconded to accept the March 2015 Quarterly Office of Audit Services report; the motion carried.

#### 4. Discussion Items

##### a. Draft Presidential Assessment Policy

Reser noted that, under Senate Bill 270, the Board is required to conduct presidential performance assessments. During the course of several Committee meetings, discussion has centered on best practices for implementing an assessment process and determining the aspects the Committee deemed most important to performance assessment. Reser reviewed the draft policy including the guiding principles, process, and elements of annual and periodic comprehensive assessments. Following this overview, there was a discussion of the policy. It was suggested that the policy include input from the Faculty Senate, Associated Students of Oregon State University, and others when the Board Officers are conducting an assessment.

The Committee also discussed how it would transition to the new policy for the current President. Reser outlined several options for making the transition. There was discussion of how to reconcile the timing of new contracts with a President and the timing of comprehensive assessments. Committee members expressed an interest in keeping some flexibility for the Board to schedule comprehensive assessments. Reser described the timeline for President Ray's current contract. After some discussion, several Trustees suggested that a new contract could move forward now and that a comprehensive assessment could occur in 2016 or 2017. Several of the Trustees felt that this would send a strong message of support for President Ray while also transitioning to the new policy.

The Committee asked staff to bring an updated policy for action at its next meeting.

##### b. Development of a Trustee Nomination Process

Reser deferred this item to the next meeting.

**c. Status Report on Whitepaper for October Board Retreat**

Provost Randhawa reported he is collaborating with the Faculty Senate President on a 'SWOT' analysis, looking at the university's strengths, weaknesses, opportunities, and threats, that will be completed by the summer. This analysis will support the preliminary business plan narrative for discussion at the Board retreat. The retreat will provide the Board an opportunity to engage in shaping the business plan based on that analysis, Strategic Plan 3.0, and consideration of the state's "40-40-20" education goals.

**5. Adjournment**

With no further business proposed, Reser adjourned the meeting at 11:02 a.m.

Respectfully submitted,

Mark C. Huey  
Assistant Board Secretary



## Draft Presidential Assessment Policy

### BACKGROUND

Under ORS 352.096, the Board of Trustees is charged with the supervision of the President. Over the course of several meetings, the Executive & Audit Committee has considered how to best implement this responsibility. The Committee reviewed and discussed best practices and aspects they felt were important to an assessment policy.

Most recently, at the March 2015 Executive & Audit Committee, trustees reviewed a draft policy and discussed transitioning to the new policy for the current President. There were a number of comments regarding the draft policy such as:

- The need to include input from the Faculty Senate, Associated Students of Oregon State University, and others when the Board officers are conducting an assessment;
- Concern about whether the assessment can be completed by the September 30 deadline included in the policy; and
- An interest in keeping some flexibility for the Board to schedule comprehensive assessments.

### PRESIDENTIAL ASSESSMENT POLICY

A draft resolution and Presidential Assessment Policy are provided in Attachment 1. A number of edits were made to the draft policy in response to the Committee's March discussion. These edits are shown in red text and strikethrough. In particular, the edits specify and broaden the input to the Board officers during an assessment (see edits in policy section V.B.) and provide additional flexibility in scheduling comprehensive assessments (see edits in policy section IV.B.).

There were also edits to clarify the process, timeline, and data for developing the Board Officers' Report (see edits in policy sections IV.A., V.C, V.A.). Under the draft policy, the assessment process is considered complete with the development of the "Board Officers' Report" by September 30 annually. The Board Officers' Report provides the results of the evaluation, any associated recommendations, and the proposed goals for the next year.

The timeline for completing the assessment each year must balance setting the President's annual goals in a timely fashion with providing sufficient time for up-to-date information to be gathered in support of the President's Self-Assessment Report. As illustrated in Attachment 2, the September 30 timeline provides time for data gathering but also keeps the process to a relatively compact schedule as recommended by the Association of Governing Boards of Universities and Colleges (AGB). The timing for gathering data for the President's Report is also more realistic compared to the Oregon University System in which presidents had to submit their reports in May each year.

### NEXT STEPS

Staff propose that the Executive & Audit Committee recommend to the Board that it adopt the Resolution establishing a presidential assessment policy as provided in Attachment 1.

Attachment 1

RESOLUTION NO. \_\_\_\_



Oregon State University  
Establishing Presidential Assessment Policy

**BACKGROUND**

Under ORS 352.096, the Oregon State University Board of Trustees is charged with the supervision of the President. Assessment of the President’s performance and leadership contributes to and supports the President’s and the University’s effectiveness.

**RESOLUTION**

*Now, therefore, be it resolved by the Board of Trustees that the Presidential Assessment Policy, attached as Exhibit A, is established.*

This Resolution is effective May 29, 2015.

**APPROVED by the Board of Trustees May \_\_\_\_\_, 2015**

\_\_\_\_\_/\_\_\_\_\_/2015  
Secretary to the Board                      Date



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## Oregon State University Presidential Assessment Policy

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### I. POLICY

The Board of Trustees of Oregon State University (the “Board”) will review the performance of the President annually. In addition, the Board will conduct comprehensive performance assessments at intervals set forth in this policy.

### II. PURPOSE

The purpose of the Presidential Assessment is to provide the President with regular support and feedback on performance by identifying areas of strength and opportunities for further professional development. The assessment process also provides the Board an opportunity to reflect on the health of the university and the leadership demonstrated by the President. Finally, a formal process meets the needs of the Board to ensure the public that it is meeting accountability expectations.

### III. GUIDING PRINCIPLES

The Board will use the following principles to guide its implementation of this policy:

- A. Informing and guiding successful leadership is a core principle of the assessment.
- B. The assessment is founded on the Board’s commitment to shared governance.
- C. The assessment will be conducted in a manner that fosters a trusting relationship with the President and supports his/her development.
- D. The assessment is an integral element in a forward-looking and continuous conversation about the strategic position of the university and the work of the President.

### IV. PROCESS

The assessment process has two distinct elements:

- A. An Annual Assessment based on the President’s Self-Assessment Report and on the **progress toward and** achievement of goals adopted by the Board and aligned with the university’s Strategic Plan. The Annual Assessment will be completed by September 30 each year **when the Board officers complete their report (see section V.C. “Board Officers’ Report”)**.

- B. Periodic Comprehensive Assessment based on the President's Self-Assessment Report, all previous annual reviews since the last comprehensive assessment, and progress toward achievement of the university's Strategic Plan. The Comprehensive Assessment will include input of individuals and groups from both within the university community and beyond the university. It may also include the assistance of an external evaluator.

The Comprehensive Assessment will be completed by September 30 **once every five years of the President's tenure, or at the discretion of the Board Officers.** In the year a Comprehensive Assessment is conducted, it will replace the Annual Assessment. ~~The Comprehensive Assessment will be completed by September 30 after every fifth completed fiscal year of the President's tenure.~~

## V. ANNUAL ASSESSMENT

The Annual Assessment will include the following:

### A. President's Self-Assessment Report

The President will complete a Self-Assessment Report that addresses the State of the University and the President's stewardship. The report will be due to the Board on the date specified by the Chair **and will be based on information available at the time of the assessment.**

The report will include the following:

1. Progress on meeting previously established goals including any relevant data;
2. An assessment of the university's advancement of goals outlined in the Strategic Plan;
3. An assessment of the overall academic quality of the university;
4. An assessment of the financial status of the university;
5. An assessment of the challenges and opportunities facing the university;
6. An assessment of the President's relationships with the Board, **Board officers,** university leadership, and other key stakeholders;
7. The identification of any professional development the President wishes to pursue; and
8. Goals the President proposes for him/herself over the course of the next year.

### B. Review of the President's Report

~~Within one month of receiving the President's Report, the~~ Board officers will review and evaluate the **President's Self-Assessment Report** report. Board officers ~~may~~ will solicit input from ~~other~~ Trustees, **Associated Students of Oregon State University, Faculty Senate,** and others, **as appropriate,** as they conduct their evaluation. The Board officers will meet with the President to discuss the evaluation and to agree upon goals for the next year.

### C. Board Officers' Report and Criteria for Assessment

The Board officers will **prepare a Board Officers' Report** ~~report to the Board on that~~ **provides** the results of the evaluation, any associated recommendations, and the proposed goals for the next year. Recommendations may include consideration of

presidential compensation. The criteria for the evaluation will be based principally on goals mutually set by the Board and President for the year in review. The **Board Officers' Report** report will be **completed by September 30 annually and** presented to the Board at the first regular meeting of the Board following completion of the **report Annual Assessment**.

**D. Establishment of Goals and Criteria**

The Board Officers' Report, upon acceptance by the Board, will establish and memorialize in writing the President's goals for the next year. To the extent possible, these goals should be measurable and relate to the Strategic Plan.

**VI. COMPREHENSIVE ASSESSMENT**

The Comprehensive Assessment will include the elements outlined in Section V (Annual Assessment) of this policy. Prior to commencing a Comprehensive Assessment, the Board officers will identify the methods by which input from individuals and groups will be gathered. They will also determine the role of, and appoint an external evaluator, if utilized. The Board officers will specify any additional elements to be included in the President's Self-Assessment Report. This work will be conducted in consultation with the Board prior to commencing the assessment.

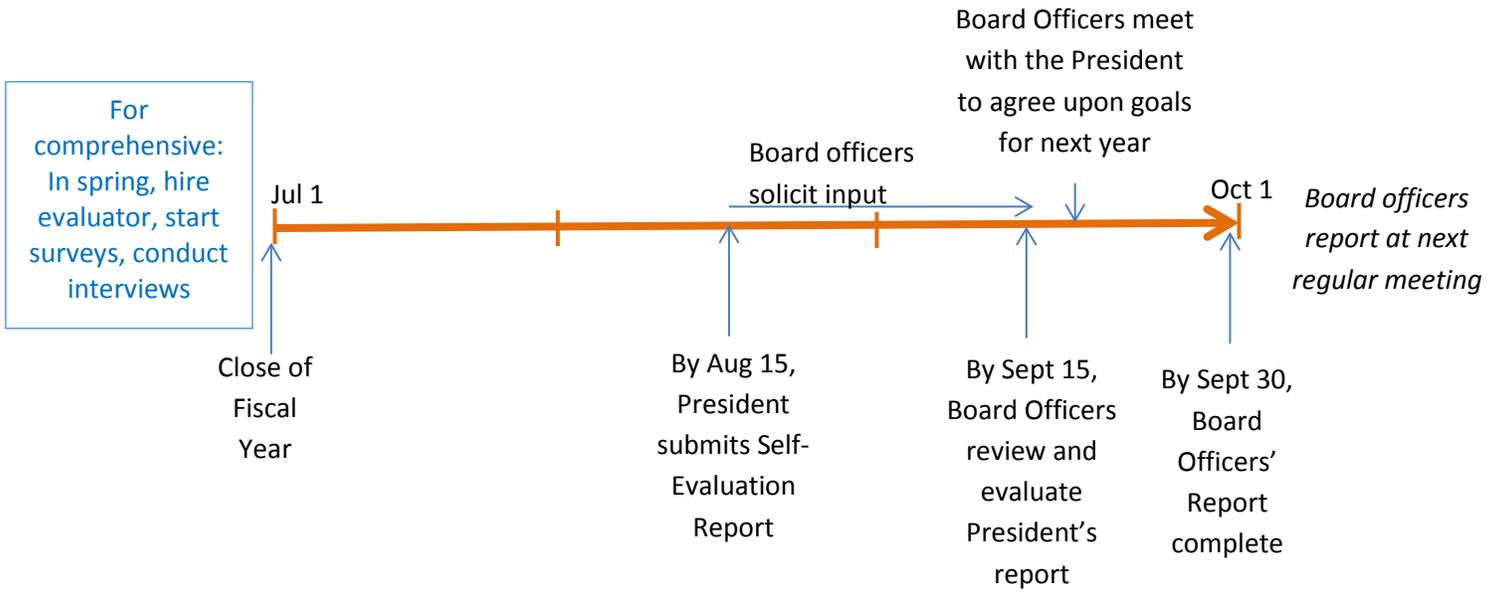
**VII. CONFIDENTIALITY**

Oregon law governs the confidentiality of personnel records. Evaluative information will be received and maintained in a manner that is consistent with the personnel records standards outlined in ORS 351.065 and University policies.

**Document History**

- Adopted by the Board of Trustees \_\_\_\_\_

**Illustration of Process and Hypothetical Timeline  
For Implementing the Presidential Assessment**



## 2016 Board Calendar

### BACKGROUND

The Board Calendar Policy directs the Secretary of the Board to deliver the schedule of the Board’s regular meetings for the upcoming year by July 1 of each year (Attachment 1). Under the Standing Committees Policy, the chair of each standing committee must select dates for committee meetings as soon as practicable after the schedule of board meetings is set (Attachment 2). Once board and committee meetings are set, the Secretary of the Board posts the meetings schedule on the Board’s website and delivers the dates to each trustee.

The Board office worked closely with the President’s Office and other university offices to identify potential board and committee dates for 2016. The dates do not conflict with holidays, the academic year calendar, and the President’s schedule. The dates were also vetted with university offices providing staff support to the committees. Based on this vetting process, six “groupings” of dates emerged as potential committee and board meeting dates. Trustee availability for these dates was assessed using a web-based polling tool.

### 2016 BOARD CALENDAR

The 2016 Board Calendar is proposed as follows:

Date	Meeting
January 28-29, 2016	Standing Committees & Full Board Meetings
March 30-31, 2016	Standing Committees & Full Board Meetings
June 2-3, 2016	Standing Committees & Full Board Meetings
October 19, 2016	Board Retreat
October 20-21, 2016	Standing Committees & Full Board Meetings

The proposed 2016 dates meet the policy requirement for four regular meetings of the board. However, the Board Calendar Policy specifies that the board meet in January, March, May and October each year. Since the board would meet in June, rather than May, a majority of the Board must approve the calendar.

In addition to these dates, committees may schedule additional meetings throughout the year, as needed. For example, in 2015 the Executive & Audit Committee scheduled three additional meetings. Efforts are underway to identify additional 2016 meeting dates for the Executive & Audit Committee. The dates will be vetted with committee members once they are identified.

### NEXT STEPS

Staff propose that the Executive & Audit Committee recommend to the Board that it approve the 2016 meeting dates.

**Attachment 1**

**Board Calendar**

The Board operates on the University's fiscal year (July 1 – June 30). Trustee terms, board officer terms, and committee appointments will generally begin on July 1.

Unless a majority of the Board decides otherwise, four regular meetings of the Board will be held during the year, in January, March, May, and October of each year.

The Secretary to the Board will post on the Board's website, and deliver to each trustee, the schedule of the Board's regular meetings for the upcoming year by July 1 of each year.

Adopted by the Board of Trustees March 13, 2014

## Attachment 2

### Standing Committees

The Board of Trustees operates through the following three standing committees:

- Executive and Audit Committee
- Academic Strategies Committee
- Finance and Administration Committee

After the first regular Board meeting in even-numbered years, at which the Board elects its Chair and Vice-Chair to a two-year term beginning July 1, the new Chair-elect will, within thirty days, appoint the memberships of the standing committees of the Board for two-year terms beginning July 1.

Each committee consists of not fewer than three trustees, appointed by the Chair of the Board. The Chair of the Board also designates the chair and vice chair of each committee. Each committee will then meet upon the call of its chair.

A quorum of a committee is a majority of the voting members. Trustees who are disqualified from voting on a particular matter are not counted for the purpose of establishing a quorum in relation to that matter. Action on a matter may be taken upon the approval of a majority of the trustees if a quorum is present when the action is taken.

As the need arises, the Board may create special committees with such functions, power, and authority as it may determine. Unless otherwise provided in the action of the Board, the Board Chair shall determine the number of committee members, appoint its members, and designate the committee chair and vice chair.

By July 1 of each year, dates for Board meetings for the next year will be selected. As soon thereafter as is practicable, the chair of each standing committee, after receiving advice and recommendations from the Secretary to the Board and from the University office providing staff support to the committee, will select dates for committee meetings for the next year. The Secretary to the Board will post on the Board's website, and deliver to each trustee, the schedule of standing committee regular meetings for the upcoming year.

Adopted by the Board of Trustees March 13, 2014



## Development of a Trustee Nomination Process

### BACKGROUND

Under ORS 352.076, Oregon State University trustees are appointed by the Governor and confirmed by the Oregon Senate. The number of trustees authorized by law ranges from a minimum of 11 to a maximum of 15, and the actual number of trustees within this range is fixed or changed by the Governor as provided by law. There are four trustee positions internal to the University with terms and voting status set by statute: the President, a student, a faculty member, and a non-faculty employee. The President of the University serves as an ex officio, nonvoting member of the Board. Current practice is that the Associated Students of Oregon State University (ASOSU), Faculty Senate, and Service Employees International Union (SEIU) consider and put forward nominees to the Governor through their own respective processes.

The remaining trustees serve “at-large” with terms of four years that can be extended through reappointment for one additional term. When the Board was created, the President worked closely with Governor’s Office to develop a list of nominees for at-large positions on the Board. This approach was also used more recently to identify a nominee to replace Trustee Elson Floyd at the conclusion of his term in June 2015. The current composition of the Board and trustees’ terms are provided in Attachment 1.

### NOMINATION PROCESS FOR AT-LARGE POSITIONS

Moving forward, there is an opportunity for the Board to develop a process that anticipates filling vacancies for at-large positions and strategically puts forward nominees for the Governor’s consideration. This practice is recommended by the Association of Governing Boards of Universities and Colleges (AGB). Also, the National Governors Association lists this process as one of the five best practices for public higher education boards to implement.

To implement this approach, the Board would adopt a process that sets out individual skills and qualities of trustees and the collective composition of the Board. The process would also identify roles for overseeing the review and vetting of potential candidates. Based on samples from other universities, assigning oversight of candidate review to the Executive & Audit Committee would be appropriate, with the President responsible for vetting potential nominees. The vetting process could include meeting with the candidates, determining the candidate’s interest and readiness for nomination, and educating potential candidates on the responsibilities of trustees.

To aid the Committee’s discussion, staff have compiled the following individual trustee characteristics to consider:

1. Commitment to public education;
2. Record of public or community service;
3. Knowledge of complex organizations and academic institutions;
4. Demonstrated collaborative leadership;
5. Willingness and availability for constructive engagement;
6. Commitment to open-minded, non-partisan decision-making; and
7. Record of integrity and civic virtue.

In addition to the criteria for individual nominees, qualities for the Board collectively could include:

1. Gender, ethnic, and geographic diversity;
2. Unique skills and competencies;
3. Complimentary skills and perspectives;
4. Balance of perspectives, backgrounds, experience and skills that could include, but not be limited to professional fields (e.g., education, legal, finance, engineering), business community, etc.; and
5. Institutional memory.

### **SUCCESSION PLANNING**

Once the Board sets out the characteristics for individual trustees and the group collectively, staff can create a “skills and composition matrix” for the Board. This work could dovetail with an annual self-assessment by the Board developed under a separate process. The matrix can track the characteristics of current trustees and anticipate vacancies. This tool can assist the Board in seeking out trustees who meet individual characteristics while also complementing the needs of the Board as a whole. The matrix can also be used to track membership and skills at the committee level. The Board can maintain a list of potential at-large Board members that is reviewed and refreshed regularly. Names can come from a variety of sources such as senior administrators, trustees, alumni, and others.

### **NEXT STEPS**

Based on Committee interest and input, staff could prepare a draft nomination process for consideration at the May 2015 meeting.

Attachment 1

Current Composition and Terms of OSU Board of Trustees

OSU Board of Trustees Current Composition and Terms		
Board member	Term Expires	Current Committee Assignments
Baldwin, Mark (Staff trustee)	June 30, 2015	F&A
Bedient, Patricia	June 30, 2015	F&A
Borkar, Rani	June 30, 2017	EAC
Callahan, Darry (Vice Chair)	June 30, 2015	E&A (Vice Chair) F&A
Eder, Michele Longo	June 30, 2015	ASC
Floyd, Elson	June 30, 2015	F&A (Vice Chair)
Forbes, Orcilia	June 30, 2017	ASC (Vice Chair)
Kelly, Paul	June 30, 2017	ASC (Chair) EAC
McComb, Brenda (Faculty trustee)	June 30, 2015	ASC
Naumes, Laura	June 30, 2015	F&A
Ray, Ed (President)	Not applicable	EAC
Reser, Pat (Chair)	June 30, 2015	E&A (Chair) ASC (ex officio) F&A (ex officio)
Sarman, Taylor (Student trustee)	June 30, 2015	F&A
Schueler, Kirk	June 30, 2017	EAC FAC (Chair)
Thorne, Mike	June 30, 2017	FAC