



The Board of Trustees of Oregon State University

Regular Meeting of the Board of Trustees

October 16, 2015

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

MINUTES

Trustees Present: Mark Baldwin, Patty Bedient (*by phone*), Rani Borkar, Darry Callahan (*vice chair*), Michele Longo Eder, Paul Kelly, Brett Morgan, Laura Naumes, Preston Pulliams, Ed Ray (*ex officio*), Pat Reser (*chair*), and Kirk Schueler

University Staff Present: Sherm Bloomer, Steve Clark, Debbie Colbert, Glenn Ford, Becca Gose, Mike Green, Jock Mills, Sabah Randhawa, Cindy Sagers, Patti Snopkowski, and Marcia Stuart

Guests: Mike Bailey (*president, OSU Faculty Senate*), Tim Nesbitt (*chair, Higher Education Coordinating Commission*), Cassie Huber (*president, Associated Students of Oregon State University*)

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

Chair Pat Reser called the meeting to order at 10:10 a.m., asked the Board Secretary to call the roll, and noted a quorum. Reser welcomed trustees Morgan and Pulliams to the Board. Reser thanked trustees Longo Eder and Thorne for agreeing to serve as vice chairs of the Academic Strategies and Finance & Administration committees, respectively.

2. Recognition of Elson Floyd and Orcilia Forbes

Chair Reser read resolutions honoring founding trustees Dr. Orcilia Forbes and Dr. Elson Floyd for their lives, work, and legacies and their exceptional service to the OSU Board, the University, higher education, and underrepresented students. Many of the trustees shared their memories of Orcilia and Elson, expressing profound loss at their passing.

A motion was made and seconded to approve the resolutions acknowledging the outstanding service of Elson Floyd and Orcilia Forbes to Oregon State and higher education. The motion carried.

3. Opening Comments and Reports

a. Chair's Comments

Reser thanked the trustees for the very productive meetings at the Hatfield Marine Science Center and thanked Center Director Bob Cowen and his staff for the tour and presentation on the Marine Sciences Studies Initiative. Reser reported that the Board held its first retreat and expressed her appreciation for the conversations held, particularly those held about enrollment and student success.

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b. President's Report

President Ray expressed his sorrow concerning the loss of life at Umpqua Community College and assured the Board of the safety practices that are in place on the OSU campus. He announced the opening of the Survivor Advocacy and Resource Center, a 24/7 center where the University and the Center Against Rape and Domestic Violence (CARDV) partner to provide a safe place where survivors of sexual assault can go for assistance.

Ray announced that OSU has been elected a member of the Phi Beta Kappa honorary society and that a chapter is being established on campus.

The Fiske Guide to Colleges 2016 lists OSU as one of the top 20 public university "Best Buy" in the U.S., Canada, and England. This is the third time in four years that OSU has made the list. He noted that it should be a point of pride for the people of Oregon that two of its public universities (OSU and the University of Oregon) were included on this list.

c. Faculty Senate Report

Faculty Senate President Mike Bailey reported that he and Associated Students of Oregon State University (ASOSU) President Cassie Huber have begun to collaborate on issues affecting both students and faculty. He also reported that, to ensure the needs of non-tenure faculty are not overlooked, the Faculty Senate is reviewing a proposal to create a new position, Professor of Teaching, for exceptional teachers in the non-tenure ranks. In addition, in order to attract quality faculty who have attained tenure rank at their universities, rules are being developed to address the issue of the transferring to or acknowledgement of tenure rank by Oregon State.

Bailey reported that several individuals have addressed the Senate during the past few months: Head Football Coach Gary Anderson, Higher Education Coordinating Commission (HECC) Executive Director Ben Cannon, new Athletic Director Todd Stansbury and Board Chair Pat Reser. He provided a handout detailing the process for curriculum proposals and summarized the process for proposals progressing through the Senate committees. He said that a new Course Proposal System is currently being beta-tested and, when it is available, will be customizable and provide faculty/staff with more ease when entering their proposal into the system. It was suggested that, when a proposal is in process, the Academic Strategies Committee be notified prior to its submission for Committee review.

Concluding his report, Bailey introduced Dr. Kate Halischak, the incoming 2016 Faculty Senate president.

d. Higher Education Coordinating Commission Report

HECC Chair Tim Nesbitt advised that Mr. Neil Bryant was recently appointed the next HECC Chair. He congratulated Oregon's public universities on a successful legislative session and the increase in revenue funding received during the session, which he attributed to the advocacy of the public university boards and, in particular, the OSU Board.

He reported that HECC is involved in the strategic planning process for 2015-17, focusing on goal-setting, “40/40/20”, and current efforts, including Common Course equivalencies, aligning standards for lower-division courses, and supporting all institutions in creating a more clear and efficient pathway for all students. He also reported that HECC is reviewing the creation of a new strategic fund to incentivize best practices in postsecondary institutions. He said that in their strategic plan, the HECC will be formally acknowledging research and will be developing an investment strategy to connect sustainable and strategic funding with the Oregon Spires of Excellence in research.

President Ray thanked Nesbitt for his service, acknowledging his contribution to higher education and students through his leadership in the development of the Student Resource Allocation Model.

e. Associated Students of Oregon State University

Reser asked Cassie Huber to make the first ASOSU report to the Board. Huber thanked Taylor Sarman, past trustee and ASOSU president, for his contribution and legacy to the life of students and the university. She spoke about some of the goals on which she is working as ASOSU president, including an “active shooter” response campaign. She reported that ASOSU has reshaped the process of electing the student trustee on the Board of Trustees to allow a more open process which includes soliciting and review of applications, interviewing candidates, and forwarding recommendations to the Governor.

Huber also reported that a recent statewide student survey ranked the top 10 issues for students, and the top two issues were tuition and textbook affordability. As a result, ASOSU and OSU are collaborating on promoting the use of open source textbooks, and the ASOSU is advocating for free text books.

Huber said that the ASOSU is partnering with Athletics to engage athletes and broaden their involvement with ASOSU and with the Faculty Senate on a number of issues affecting the campus.

4. Consent Agenda

a. Minutes of the May 29, 2015 Regular Meeting

b. Proposed Resolution Regarding Classified Information for the U.S. Department of Defense

A motion was made and seconded to approve the minutes of the May 29, 2015 meeting and the proposed resolution regarding classified information for the U.S. Department of Defense. The motion carried.

5. Reports of Standing Committees of the Board

a. Academic Strategies Committee

Committee Chair Paul Kelly reported that the Academic Strategies Committee acted on three program proposals that it would be bringing before the Board for action. The Committee, following a lively discussion, did not adopt its proposed work plan and will be developing a more robust plan that will more clearly reflect the Committee’s role in ensuring a quality education to students.

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b. Finance & Administration Committee

Committee Chair Kirk Schueler reported that the Finance & Administration Committee approved the 2016 Committee Work Plan and accepted the FY2015 Fourth Quarter Operating Management Report, Investment Reports, and Public University Investment Policy change. The Committee received presentations on the OSU-Cascades Residence Hall and Dining/Academic Center and the IT Systems Infrastructure pro formas.

c. Executive & Audit Committee

Committee Chair Reser reported that the Executive & Audit Committee approved the 2016 Committee Work Plan and reviewed and accepted the Office of Audit Services Quarterly Report. She said that the Committee acted on three items to be brought to the Board for action.

6. Education/Discussion Item

a. Compliance & Ethics Program

Chief Audit Executive Patti Snopkowski, General Counsel Becca Gose, and Chief Compliance Officer Clay Simmons provided a review of the compliance and ethics program. Gose thanked President Ray, Provost Sabah Randhawa and Vice President for Finance and Administration Glenn Ford for their support of the compliance program. . Gose explained that Simmons serves as the “hub” between the University departments and the Compliance Office with responsibilities including meeting with individual units responsible for managing daily risk; providing guidance and tools for the Compliance Executive Committee to evaluate escalating risk; consulting with the Office of Audit Services and the Office of General Counsel on risk elevation; staffing the Compliance Executive Committee, which oversees progress toward risk mitigation and allocates resources; and reporting to the Executive & Audit Committee on an annual basis regarding the program and providing periodic risk reports.

Simmons provided an overview of the status of university policies, stating that many policies were adopted by OSU at the dissolution of the Oregon University System and are in need of updating. Simmons described the university’s plan to review and modernize its policies over the next five to ten years.

Snopkowski discussed education, training, and tools for departments to ensure that a control structure is in place to monitor for compliance and then the OAS can provide independent assessments of program effectiveness. An additional tool in place is the hotline administered by an independent third party, which provides an option for the caller to remain anonymous. Simmons noted that he has been meeting with divisions across the campus to assist them in developing and evaluating components of risk in their divisions.

Snopkowski noted that the Board would be engaged in university-wide risk management and the results of monitoring and oversight of incident response protocols will also occur throughout the year through audit reporting, an annual report on the compliance and ethics program, and updates from the Office of the General Counsel.

7. Action Items

a. 2016 Board Work Plan

Reser brought the proposed 2016 Board Work Plan to the Board for approval. Following a brief discussion, a motion was made and seconded to approve the proposed FY2016 work plan; the motion carried.

b. New Academic Program: MA in Environmental Arts and Humanities

Reser called upon Provost Randhawa to introduce the proposed program on behalf of the Academic Strategies Committee. She explained that the Committee had reviewed the proposed program in detail during its meeting and voted to forward the proposal to the full Board for approval. Randhawa said that this new academic program is unique for Oregon public universities and cuts across approximately six colleges within OSU. The program received an excellent external review with full support for the proposal.

Following a supportive comment period, a motion was made and seconded to approve Oregon State University offering a MA program in Environmental Arts and Humanities, upon the approval of the Higher Education Coordinating Commission and the Northwest Commission on Colleges and Universities; the motion carried.

c. New Academic Program: MS, PhD in Psychology

Randhawa introduced the proposed program, advising that the ASC reviewed the proposal in detail during its meeting and was recommending the proposal to the full Board for approval. The proposed program will encompass three areas of concentration: psychology in engineering, health psychology, and applied cognition. The program received an excellent external review with full support for the proposal and with the support of the University of Oregon and Portland State University.

A motion was made and seconded to approve the establishment of an instructional program leading to a doctor of philosophy degree and a master of science degree in Psychology, effective fall 2016, pending approval of the Higher Education Coordinating Commission and the Northwest Commission on Colleges and Universities. The motion carried.

d. New Academic Program: MAT in Athletic Training

Randhawa introduced the proposed program, advising that the ASC reviewed the proposal in detail during its meeting and was recommending the proposal to the full Board for approval. This program was created as a result of a mandate by the accreditation agency that the master's degree would be the new entry level to the program; however, the Board was assured that all students currently in the bachelor's degree program would receive their degree before the bachelor's degree program was ended.

A motion was made and seconded to approve the establishment of an instructional program leading to a MAT in Athletic Training, effective fall 2016, pending approval of the Higher Education Coordinating Commission and the Northwest Commission on Colleges and Universities. The motion carried.

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e. Standards for Foundations and Agreement with OSU Foundation

Reser advised that the purpose of the memorandum of understanding (MOU) with the foundation and the proposed changes to the standards for foundations had been discussed during the Executive & Audit Committee meeting on the previous day. Ray said that the standards for foundations are a carry-over from the Oregon University System and that the review of the MOU will be conducted annually. Gose said that, as an outcome of the Committee discussion, the change to the standards was to clarify and bring consistency in the language of both the standards and the MOU and allow for flexibility in determining where donor funds would reside.

A motion was made and seconded to approve the resolution provided in Attachment 1b of Tab D, establishing the revised OSU Standards 580-046-0005 through -0045, as well as the Board's ratification of the continued recognition of the OSU Foundation and the Agricultural Research Foundation. The motion carried.

f. Trustee Recommendation Policy

Reser said that the characteristics and traits to be used in discussing potential candidates for the Governor's consideration in filling vacancies on the Board were modified following the October Executive & Audit Committee meeting (included as redline in the materials). A motion was made and seconded that the Board adopt the resolution establishing a policy for nominating at-large Board positions as provided in Tab E, Attachment 1. The motion carried.

g. Board Officers' Report: FY2015 Presidential Assessment

Reser reported that the process had been discussed during the previous Executive & Audit Committee meeting. She noted that, in conducting the President's assessment, the Board Officers reached out to trustees and a number of the President's direct reports and university partners. Broad support was expressed for the President's performance this year and his goals for the coming year. Reser expressed her appreciation to President Ray for his leadership of the University. Vice Chair Callahan offered his personal appreciation to President Ray and shared that everyone to whom he spoke concerning Ray's performance expressed their support.

A motion was made and seconded to accept the Board Officers' report and the 2015 presidential assessment. The motion carried.

h. Public University Funds (PUF) Investment Policy Change

Reser asked Schueler to present the item. Schueler noted that the changes to the Public University Funds were recommended by the Finance & Administration Committee as identified by the Oregon State Treasurer and the Oregon Investment Council. The amendments change benchmarks within the Intermediate-Term and Long-Term strategies and clarify language in the PUF Long-Term Pool policy.

A motion was made and seconded that the Board approve the resolution amending the Public University Fund Investment Policy as provided in Tab Q, Attachment 1. The motion carried.

8. Education/Discussion Items**a. 2015 Board Assessment Results**

Reser noted that a presentation on this item was provided to the Board at the Executive & Audit Committee meeting on October 15 and that the results of the assessment are provided in Tab W.

b. Refresher on the Fundamentals of Board Governance

Reser called upon Callahan, Colbert, and Gose to present the item. Callahan said that this was an annual refresher on Board governance, the fiduciary duties of the Board, and individual trustee responsibilities. These responsibilities underscore how the trustees must look at the collective needs of the University, exercising critical judgement, and speaking candidly while respecting the opinions of others. Colbert noted that under statute the Board is vested with the power and authority to govern the University and, with the adoption of the delegation of authority, day-to-day activities that further the operation of the University are delegated to the President, with a requirement to review that delegation annually. Colbert noted that certain activities are reserved to the Board such as presidential hiring, compensation, and evaluation; changes to bylaws, the mission of university; issuance of bonds; adoption of budget and determination of tuition and fees.

Gose advised that trustees must abide by the Trustee Code of Ethics and the Trustee Conflicts of Interest and Recusal. She noted that trustees are required, by Oregon ethics law, to adhere to state guidelines and standards pertaining to the use of office, acceptance of gifts, conflicts of interest, campaigning and lobbying, and submittal of the annual Statement of Economic Interest. She also discussed ethics and conflict of interest considerations for trustees when engaged in lobbying and advocacy activities, encouraging trustees to contact her office for guidance. During the presentation, there was discussion of public records requests and maintaining emails related to Board business.

c. Legislative Update

Reser invited Director of Government Relations Jock Mills to provide a recap of the previous legislative session and a forecast for the next session. Mills noted that Oregon's public universities were unified in their presentations to the 2015-17 legislative session. Of note, the university support fund received a 28% increase, the Statewide Public Services (SWPS) received an additional \$14 million, and three major capital projects were approved. He credited the SWPS increase to the advocacy of the OSU Board with the legislature. Mills expressed caution concerning the 2017-19 session, advising that, with the forecasted reduction in available resources, more competition among the universities may be expected; however, the universities have begun their work to submit a unified budget request.

Mills reported that a number of proposals (e.g., the University Venture Development Fund, campus security, adjunct health benefits, minimum wage increase) will be submitted during the 2016 legislature session that will have an impact on the universities.

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9. Other Business

Reser presented former trustee Taylor Sarman with a resolution recognizing his contributions as a founding member of the Board, his thoughtful contributions during Board discussions, and his maturity, integrity, and sense of responsibility to serve students and the University. Ray expressed his appreciation for Sarman's leadership during the past year. A motion was made and seconded to approve the resolution. The motion carried.

10. Public Comments

The following is a list of individuals who spoke and the topic addressed in their remarks:

1. Jeff Hess, Corvallis citizen, regarding housing issues and the lack of affordable housing in Corvallis.
2. Shiana Ramos and Julia Bingham, students, regarding their request for OSU, through the OSU Foundation, to remove its investments in fossil fuels.

11. Closing Thoughts

Reser invited senior staff and trustees to reflect on the last three days' events. Vice President Steve Clark thanked the trustees for their contextual and intuitive comments during the retreat that encouraged staff to participate; Ford expressed his appreciation for the spirit of collaboration exhibited between staff and trustees at the retreat; and Gose thanked the trustees for their sense of integrity and vision for the University. Colbert thanked Trustee Borkar for her thoughtful contributions to the development of the Board assessment survey and to Callahan for his leadership in the development of the retreat.

Trustee Morgan expressed his excitement about the ongoing work of the Board and gratitude for trustees' acceptance of his opinions, saying that he felt empowered by the value given him. Borkar said she appreciated the productive three days of meetings and the opportunities for dialogue and constructive feedback. Schueler shared his appreciation for how the three days added to his own growth as a trustee and for the opportunity to develop deeper relationships with other trustees. Callahan complimented staff for the new trustee orientation, sharing that the discussions were better than in the past because of the time put into the planning. Ray thanked the leadership team for their development of the retreat materials and participation in the retreat. Kelly said that the retreat was critical for the advancement of planning and valuable for the Academic Strategies Committee's discussion on future work plans.

Trustees thanked the staff for the constructive and productive retreat and expressed their appreciation to the Hatfield Marine Science Center staff for their hard work in planning for the Board's visit to the center.

12. Adjournment

There being no further business, the meeting was adjourned at 3:35 p.m.

Respectfully submitted,

Debbie Colbert
Board Secretary