



Refresher on the Fundamentals of Board Governance

Oregon State University
Board of Trustees
October 16, 2015

Fiduciary Duties of Trustees

- **Duty of Care**
 - Exercise due diligence, care and skill in determining actions in the best interests of the university
 - Regularly attend, prepare and participate
 - Fiduciary responsibility for the assets, finances, and investments, as well as the quality of the academic, research and outreach programs
- **Duty of Loyalty**
 - Act in good faith with the best interests of the university in mind
 - Further the university's goals and not the trustee's personal or business interests
- **Duty of Obedience**
 - Ensure the university's resources are dedicated to the fulfillment of its mission
 - Ensure university complies with applicable laws and ethical obligations

Responsibilities of Individual Trustees

- Safeguard the University's assets and foster its capacity to serve others
- Speak candidly, foster openness and trust, respect the opinions of others
- Remember that the Board Chair speaks for the Board and the President speaks for the University
- Avoid personal agenda
- Support the President while exercising critical judgment
- Distinguish between management & governance issues
- Avoid even the perception of conflict of interest

Delegation of Authority

- Effective July 1, 2014
- Board to review annually
- Delegates authority to President for all activities that further the operation of the University
- Certain activities reserved to the Board such as:
 - Presidential hiring, compensation, evaluation
 - Changes to bylaws, mission of university
 - Issuance of bonds
 - Adoption of budget & determination of tuition and fees

Ethics & Conflicts of Interests

- Board Policies
 - Trustee Code of Ethics
 - Trustee Conflicts of Interest & Recusal
- Oregon Ethics Law
 - Use of Office
 - Gifts
 - Conflicts of Interest
 - Campaigning and Lobbying
 - Statement of Economic Interest

Use of Office

- May not use your position to obtain financial benefit or avoid financial detriment
- Prohibition applies to you, as well as your relatives and members of your households

Gifts

- May not accept gifts from any source with an economic interest, distinct from that of general public, in any matter subject to decision by the Board
- “Gift” = anything of economic value provided without consideration of equal value which is not provided to others who are not public officials on the same terms.
- Prohibition extends to relatives/household members

Gifts, continued

- Exceptions include, but not limited to:
 - Gifts with aggregate value of less than \$50 per year from one source
 - Gifts from relatives/household members
 - Gifts in usual/customary practice of your business and n/a to OSU/Board
 - Entertainment incidental to main purpose of event
 - Entertainment where you are acting in official capacity and representing OSU for ceremonial purpose
 - Cost of admission/food/beverage when you are representing OSU at reception/meal/meeting
 - Payment of reasonable expenses by another public body or non-profit if you are scheduled to make a speech or officially represent OSU

Conflicts of Interest

- “Conflict of Interest” – Participation in official action that *could* or *would* result in financial benefit or detriment to you, your relative or a business with which either is associated.
- Two types of conflicts:
 - Potential conflicts (“could”) – Must announce and may participate
 - Actual conflicts (“would”) – Must announce and refrain/recuse

Annual Verified Statement of Economic Interest

- Must be filed with the Oregon Government Ethics Commission each April 15
- Each Trustee's personal responsibility

Campaigning and Lobbying

- Campaigning
 - You may not, in your OSU capacity, promote or oppose election petitions, candidates, political committee or ballot measures.
 - You may do so only in your personal capacity
- Lobbying
 - You may engage in discussions and actions to influence legislators and other state actors to advocate for policy or legal agendas to benefit OSU's interests.
 - OSU must register any public officials acting on its behalf who spend either 24 hours or \$100 in one calendar quarter on lobbying activities (e.g., attempting to influence legislative actions)

Public Records Law

- Purpose – confers the right for any person to inspect any nonexempt public record of a public body in Oregon
- “Public record” includes:
 - Any writing (including email), stored on any medium that contains information relating to the conduct of the public’s business
 - That is owned, used or retained by a public body
- Exemptions from disclosure may apply

Public Meetings Law

- Meetings of governing bodies at which decisions about the public's business are made or deliberated must be open to the public.
- If there is a quorum, the gathering is subject to the Public Meetings law.
- Must provide notice of meetings and opportunity for the public to attend.

Public Meetings Law, continued

- Executive sessions are not open to the public (but media can attend)
 - Executive sessions still must be announced, they may be convened only for certain matters and there must be no final decisions made
 - Civil penalties against public officials for violations – advice of counsel *is* a defense, unlike most ethical violations

Questions?

