OREGON STATE BOARD OF
HIGHER EDUCATION

Governance & Policy Committee

September 9, 2009
Oregon State Board of Higher Education
Governance & Policy Committee

Wednesday, September 9, 2009
1-3pm
Telephonic Meeting

Meeting Agenda

1. Review of Governing Documents (OAR, IMDs, and Board Policies and Bylaws)
   (Hagemann)

2. Progress on priority topics
   - Review of role of the Executive Committee (Powers)
   - Orientation of new board members (Schueler/Yaden)
   - Campus visitation plan (Schueler/Yaden)
   - Future governance structure of OUS (structural reset) (Yaden)

3. Joint Board of Education Bylaws, Policy #8

4. Governance & Policy Committee Calendar

5. Next meeting

Handouts

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- Reviewing the Executive Committee
- Executive Order 09-13, Governor’s Reset Cabinet
- Press Release, Governor’s Reset Cabinet
September 4, 2009  
From: Rosemary Powers  
To: Governance Committee members OSBHE  
Re: Reviewing the Executive Committee

Assumptions about the collective work of the OSBHE.

To act as a policy board, the way to create unified policies is to do so as a whole body. Despite the delegating authority approved by the legislature in 2009 (SB118)\(^1\) the board should avoid delegating policy decisions to any subcommittee of the board, and to avoid the problem of “a board within the board,” no committee of the board should act in the name of the board in matters of policy. The board should ensure consensus among board members regarding the meaning of “policy decision.”

**Needed:** Clear definition of the meaning of “policy”, including differentiating this from management directives, rules, statutes. Governance and Policy committee should assist the Board in developing the definition.

Assumptions about committees of the OSBHE:

The major board oversight committees (Academic Strategies, Governance and Policy, and Finance and Administration) exist to assist the board by conducting pre-board work. They may conduct business before the board does, but do so at the board level. This means that these are policy committees, not another source of staffing for the system. As policy committees, they will assist the full board by presenting for consideration alternative policy options and their potential consequences, along with necessary background information regarding the options with assistance of staff.

**Needed:** Clearer understanding and appreciation of the work being required of staff to assist in the development of policy positions, and how to ensure that the board committees do not end up micro-managing the system rather than serving as developers and directors of policy. The new committees do not yet have a track record to demonstrate the problem identified above, but we currently have a number of board subcommittees (participation and completion, sustainability, sexual assault oversight), made up of board members, staff and other invited experts and constituents. How do we see these groups balancing policy development (board work) and implementation (staff work)?

Thoughts about the Executive Committee

The policy governance model championed by John Carver counsels against the use of an executive committee, arguing that it risks giving away board or CEO authority, and may indicate that the board is “too awkward to do its job” (due to such issues as size, cost, or poor process). See attached article by John Carver (2000). However, the OSBHE has determined that an Executive Committee is necessary primarily in order to ensure quorum for decisions that may need to be

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\(^1\) Except for the power to prescribe enrollment fees under ORS 351.070 (3)(c) and the power to adopt rules, the State Board of Higher Education may delegate any of the powers, duties or functions of the board to a committee of the board.  
(Passed April 28/June 5, 2009)
made between board meetings. Carver suggests that if an executive committee is deemed necessary, that

...instead of granting a blanket authority to the committee, the board should carefully craft a policy delineating exactly what decisions could be made and within what constraints, ...and (periodically) ...reexamine this emergency delegation to see that the guidelines are still needed and still appropriate (2000, p. 8).

Current Executive Committee description in OSBHE bylaws:

Section 5—Executive Committee, (amended meeting # 797 Nov. 2, 2007)

The Executive Committee shall consist of at least five members including the Board president, vice president, and other committee members elected by the Board to serve as members of the Committee. In such matters as may be specifically referred to it by the Board, the Board president, or the Chancellor, the Executive Committee shall take final action with power to act for the Board. Between Board meetings, the Executive Committee shall act for the Board in minor matters and any matter where a timely response is required prior to the next Board meeting, subject to Board approval at its first subsequent meeting.

Other action: In 2008, the board agreed, but apparently did not change bylaws to reflect, that two of the members of the executive committee would be a student and a faculty member.

Recent reorganization: After discussion at the July, 2009 meeting, board members agreed that the Executive Committee would have at least 5 members to include the Board President (currently the chair of the Governance and Policy Committee) and two vice presidents (the chair of Academic Strategies and the chair of Finance and Administration), one student, and one faculty member. This seemed an easy transition to make at the time, since both the chair of Governance and Policy (Paul Kelly) and the chair of Academic Strategies (Jim Francesconi) were already members of the Executive committee and agreed to continue. Tony Van Vliet, the second vice president, agreed to step aside and suggested the chair of Finance and Administration (Kirk Schueler) be the second vice president so that all committee chairs would be represented and the committee would remain at a manageable size for its function.

Needed: If the board wishes to make this a permanent assignment of duties for the chairs of the major committees, and have the bylaws reflect the membership of student/faculty members there is a need for board action.

Discussion of the scope and limitation of the Executive Committee.

In the conversations at recent board meetings, when the need/lack of need for this committee was discussed, some board members expressed concern about the potential for a “board within the board” developing, especially with fewer scheduled board meetings. While current members of the committee indicate that there haven’t been any executive committee meetings called in their experience, the lack of any definition of scope or limitation to the actions of this committee when the full board in not in session remains troubling.
The bylaws above do not really address this problem, stating on the one hand that

1) “In such matters as may be specifically referred to it by the Board, the Board president, or the Chancellor, the Executive Committee shall take final action with power to act for the Board” (a very broad description of authority) and on the other hand that

2) “Between Board meetings, the Executive Committee shall act for the Board in minor matters and any matter where a timely response is required prior to the next Board meeting, subject to Board approval at its first subsequent meeting.” (a more nuanced delegation, that emphasizes minor matters but also provides for major decisions on matters needing timely response).

The policy governance model would argue that the first of these charges gives away too much of the board’s authority. Though it does say “in matters referred to it by the board” (a specific delegation from the whole), it also suggests that the board president or the chancellor could delegate such decision making in areas that are not specified or limited.

Regarding the second charge—the power to act between meetings—it is important to ask whether the board should be making any decisions that are minor? If minor, shouldn’t they already be delegated to the Chancellor? In fact a great deal of authority is currently vested in the Chancellor by the legislature (Oregon Statutes, 2007 Higher Education Generally chapter 351.085) and now the board is empowered (SB 118) to delegate even more if it chooses. Holding the Chancellor accountable is a much more direct and appropriate limitation than having a committee of the board determine what issues are “minor.” If, on the other hand, “minor” means items referring only to board operations—such as where to hold a board event, engaging a specific expert for a board retreat—this could make some sense.

Regarding the second part of the “between meetings” charge, there is more room here for a revision that might provide appropriate limitation, but still permit action when there is a need for a timely response. When this issue was discussed at past board meetings, several members pointed out that anyone who thought a matter should be decided by the full board should have the right to call for such consideration. What process would ensure this opportunity to request full board consideration?

1) A process prior to any decision by the executive committee:
   a. Executive committee member(s) assess the decision as requiring full board, even if there are time constraints, and emergency meeting of the board is called;
   b. All members are contacted prior to any decision, and have the opportunity to weigh in on the issue. This undercuts the role of the executive committee, since its basic purpose is to act when board members are not available as a whole.

2) A process after a decision by the executive committee: This is already available in the current bylaw description, where matters decided by the Executive Committee between meetings are “subject to Board approval at its first subsequent meeting.” We would need to imagine some scenarios to see how this would work. This solution ensures that the status of any executive
decision would be tentative, based on full board approval, and but could undercut the reason for delegating to the executive committee decisions “needing a timely response.”

Still, since this committee has to date almost never met, and we have yet to understand how well it will work for the full board to meet less frequently, I would recommend that we draft a bylaw amendment on the order of the following:

*The Executive Committee shall consist of at least five members including the Board President with the chairs of the major board committees as vice presidents, one student member, and one faculty member. Its role will be to act for the board between meetings on any matter where a timely response is required prior to the next board meeting, subject to Board approval at its first subsequent meeting.*

I have no investment in the statement as presented, but offer it here as an opportunity to clarify the role of this committee.

Rosemary Powers
I. Format
   a. Briefing book distributed prior to meetings
   b. Duration – ½ day, 1 day?
   c. Location – Chancellor’s Office
   d. Presentations
      i. Chancellor
      ii. Vice Chancellor for Finance and Administration
      iii. Vice Chancellor for Strategic Programs and Planning
      iv. Board President
   e. Questions and Answers

II. Topics to address (not in order of importance)
   a. OUS history, overview and strategic direction
   b. Campus and System performance and performance measures
   c. Ethics
   d. Finance
      i. Financial overview (sources and uses, trends)
      ii. Financial Statements and Management Reports
      iii. Budget and budget process
   f. Campus overviews
      i. Missions and programs
      ii. Focus and strengths
      iii. Successes
      iv. Issues and problems
      v. Foundations
   g. OUS organizational framework
      i. Chancellor’s office
   h. Board
      i. Structure and operation
      ii. Current issues and objectives
   i. Legislative overview
      i. Process
      ii. Current political climate
JOINT BOARD OF EDUCATION BYLAWS

Oregon State Board of Education/Oregon State Board of Higher Education

1) Statement of Purpose
   These Bylaws are adopted pursuant to ORS 348.890 to provide a procedure for joint meetings of the State Board of Education and the State Board of Higher Education.

2) Call, Time, and Place of Meetings
   The two boards will meet jointly at least three times each legislative biennium. A meeting may be called by the presiding officer of either of the boards on reasonable notice to the other board, at a location to be determined by the presiding officers.

3) Agenda
   a) The business of a joint meeting will be issues on which one or both boards have jurisdiction or in which actions taken by one will affect the other.

   b) The agenda for each meeting will be set jointly by the presiding officers.

   c) Meetings of the Joint Boards will be held in compliance with the open meetings law.

4) Presiding Officer
   The responsibility to preside over Joint Boards meetings will alternate between the presiding officers of the boards. In the absence of the presiding officer, his/her designee will preside.

5) Quorum and Decision
   a) Joint meetings will constitute official meetings of each of the boards.

   b) A quorum for a joint meeting is a quorum of each board.

   c) Action taken in joint session will be binding and deemed official action of each board, but only if such action is approved by a majority of each board present at the meeting.

6) Committees
   a) Each board will select annually three of its members to serve on a Joint Boards Working Group. The Working Group will be responsible for developing the agenda for joint meetings, position papers on issues of concern to the two boards, and related information. The Working Group will be staffed jointly by staff members of the State System of Higher Education, the Department of Community Colleges and Workforce Development,[1] and State Department of Education as the working group deems appropriate.

[1] Suggested addition; must be adopted by State Board of Higher Education
b) Ad hoc committees may be formed and appointments made thereto by the presiding officer of each of the boards. The purpose and all activities of an ad hoc committee will be subject to the approval of the appointive board through periodic reports to the appointive board and a report to the Joint Boards.

7) Minutes
   The presiding officer of each joint meeting will arrange for the taking and preparation of minutes, which will be promptly circulated for approval by each board.

8) Proceedings
   Joint meeting proceedings will be governed by the most recent edition of *Robert's Rules of Order (Revised)*.

9) Adoption, Amendment, and Repeal of Bylaws
   These Bylaws may be adopted, amended, or repealed by concurrence of a lawful majority of each body, acting individually or jointly. No amendment will be contrary to the laws of Oregon or the rules of the bodies.

END OF POLICY
<table>
<thead>
<tr>
<th>Month</th>
<th>Full Board</th>
<th>Board Finance &amp; Administrative Committee</th>
<th>Board Academic Strategies Committee</th>
<th>Board Governance &amp; Policy Committee</th>
<th>Presidents’ Council</th>
<th>Provosts’ Council</th>
<th>Administrative Council</th>
<th>Research Council</th>
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<tbody>
<tr>
<td>September</td>
<td></td>
<td>9/4, 8:00-10:00 Videoconference *</td>
<td>9/17, 3:30-5:30 PSU</td>
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<td>9/21, 3:00-5:00</td>
<td>9/17, 10:00-3:00 PSU</td>
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<td>9/10, 10:00-12:00 PSU</td>
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<td>10/1, 10:00-1:30 Campus visit &amp; lunch, OIT</td>
<td>10/1, 1:30-3:00 OIT</td>
<td>10/1, 1:30-3:00 OIT</td>
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<td>10/1, 8:30-1:00 OIT</td>
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<td>11/12, 3:30-5:30 PSU</td>
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<td>11/5, 1:00-3:00 PSU</td>
<td>11/12, 10:00-3:00 Provosts Council PSU</td>
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<td>January</td>
<td>1/7, 10:00-6:00 &lt;br&gt;Joint Boards, PSU &lt;br&gt;1/7, 6:00-9:00 &lt;br&gt;Joint Boards social hour &amp; dinner &lt;br&gt;1/8, 10:00-3:00 &lt;br&gt;Board meeting, PSU</td>
<td>1/8, 8:00-10:00 PSU</td>
<td>To be determined</td>
<td>1/7, 8:00-10:00(?) PSU &lt;br&gt;No 2nd meeting</td>
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<td>PSU</td>
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<td>3/4, 1:00-3:00 PSU &lt;br&gt;3/18, 8:30-10:30 Videoconference</td>
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<td>July</td>
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<td>7/8, 1:00-3:00 PSU 7/22, 1:00-3:00 Videoconference</td>
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<td>7/8, 10:00-12:00 PSU</td>
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* F&A Committee Videoconferences are held in the four Chancellor’s Office sites, campus president’s offices, and OSU-Cascades.
Rethinking the Executive Committee, John Carver

Executive Order 9-13, Governor’s Reset Cabinet

Press Release, Governor’s Reset Cabinet
Rethinking the Executive Committee

Many people who are familiar with Policy Governance are aware that John Carver believes that executive committees are widely overused. However, that does not necessarily mean that executive committees are widely overused. Instead, it means that executive committees often are used without careful consideration of their appropriateness. Here John Carver clarifies what is wrong with executive committees, suggests ways to avoid them, and outlines how, if absolutely necessary, they can be used wisely and without undermining the benefits of Policy Governance.

Let me assert a strong proposition: the only excuse for a board to authorize an executive committee to make board decisions between board meetings is if the board is too awkward to do its own job. My implication is, of course, that if the board were to perform its governing job appropriately, there would be no need to establish what is, in effect, a board within the board. But let’s first examine what it means for a board to be “too awkward to do its own job.”

Awkwardness due to size. Large boards have a hard time resolving issues unless stage-managed. Even arranging meeting times so that everyone can attend is difficult, not to mention scheduling special meetings for special circumstances. Large boards, more than small ones, have difficulty grappling with issues and being decisive. If size is the source of awkwardness, I recommend that the board downsize if at all possible. How can it do this? Downsizing won’t always be painless, but enabling real board leadership is worth jumping through some hoops.

My impression is that more and more large boards are finding the courage to reduce their size. If reducing is socially or politically impossible in the short run, try building in a gradual reduction over some more palatable period. For example, resistance to reduction can sometimes be avoided by introducing just enough gradualism so that current board members are not affected.

Awkwardness due to cost. Assembling a nationwide board is an expensive proposition, so organizations conscientiously try to keep costs down by having less frequent board meetings, but at a cheaper, more frequent executive committee meetings. Geography-based awkwardness is hard to cure, though I have encountered organizations in which a number of unnecessary committees were eliminated, making it possible to have, say, four board meetings a year instead of three. At four meetings a year, the awkwardness is reduced sufficiently so that good governance practices enable the board to govern without an executive committee or at least with one empowered only for emergency decisions.

Granting an executive committee the authority of the board comes at some expense.

Awkwardness due to poor process. I won’t spend any time on this one, for you know what I’ll say: the poor process can largely be taken care of by implementing Policy Governance!

Executive Committees—Why Not?

Clearly, granting an executive committee the authority of the board comes at some expense. Imagine a standard organizational chart with the board on top and a single CEO just below it, followed by a span of managers. An executive committee with power finds itself between the board and the CEO, in effect putting a new box on the chart. The only way to supply the executive committee with authority is to diminish the authority of either the board or the CEO—or both. Authority at this level can come from nowhere else.

When an executive committee acts as a sort of “preboard” board, board members not on the executive committee sometimes lose their sense of vigilance and full participation. Even though the board—the full board—is legally and morally accountable for the organization, board members tend to let the executive committee carry the burden and run the show. Board members often forget that the executive committee works for the board, not the other way around.

When the executive committee is empowered to make board decisions, the idea evolves that the CEO works for the committee, often more clearly than he or she works for the board. A wise CEO can quickly size up who needs to be kept happy. When the committee comes to be seen as supervising the CEO, the danger has clearly set in. In these cases, the simple though crucial line of authority between a board and its CEO has been seriously damaged.

Because an executive committee is smaller and more agile, it tends to get into more issues than the full board can. Consequently, meddling is more likely, with the CEO participating in the dys-function by taking more items to the committee than he or she would take to the board. I have seen cases where the executive committee became the de facto CEO, extensively involved in what would otherwise have been CEO prerogatives.

Considering When to Use an Executive Committee

Let’s assume that a board has struggled with size, cost, and geography and has adopted the Policy Governance model, yet some awkwardness persists, and the board seriously feels the need to consider an executive committee. If the board holds to the principles of Policy Governance, it should make the following considerations in deciding whether and how to empower an executive committee.

The board will first consider whether it has delegated to its CEO all the authority it possibly can, short of jeopardizing (continued on back page)
Executive Committee (continued from page 7)

the board's own accountability for organizational performance and conduct. One way of doing this is to create the ends and executive limitations policies as if there were not going to be an executive committee. This perspective will push rigorous delegation to its limit. When decisions that are considered board decisions must frequently be made between board meetings, it could be a sign that meetings are too infrequent. More often, however, it is a sign that the board has not delegated enough decision-making authority to its CEO. In other words, the need for an executive committee is ordinarily due to insufficient delegation.

The board will examine whether further honing of the governance process is possible so that the board, even under awkward circumstances, can get its job done better. A nationwide board might reconsider that one more board meeting per year—though costly—is worth the cost in terms of the improved governance it offers. Or a board might pull back from optional activities to get its central job done as a full board. For example, instead of using board committees to gather options for impending board decisions, the staff could be given this job (though staff members should not make the board choices). If the board still fears that crucial board decisions might arise between meetings and has determined that these decisions should not fall into the CEO's purview, then an empowered executive committee can be considered. But instead of granting a blanket authority to the committee, the board should carefully craft a policy delineating exactly what decisions could be made and within what constraints. Such a policy would be one of the governance process policies (see the Policy Governance model on page 3).

Periodically, the board will reexamine this emergency delegation to see that the guidelines are still needed and still appropriate. Such system-patching solutions often outline the problems they were intended to solve and so must undergo periodic justification.

Even if no authority for independent action is given, an executive committee can still perform a useful function. For example, it can be commissioned to oversee the board's own process, flow, and balance of work, and perhaps even the level of board member preparedness. These tasks would not produce a board-within-board dynamic, thought they would detract from what would otherwise be delegated to the chairperson. Another nonexecutive function for an executive committee would be to do all preparatory work for board debate on policies in the governance process and board-staff linkage categories. Since executive committees are ordinarily composed of elected officers, overseeing the board's own process would be a natural assignment.

In summary, executive committees are not decreed in the natural order of things—they are entirely optional. Further, giving an executive committee the authority commonly given either the board or the CEO reflects important flaws in the existing governance—or in fact causes them.

Adapted from an article that originally appeared in the July-August 1994 issue of Board Leadership (#14).

Good Board Manners (continued from page 6)

responsibility for ensuring that everyone's views are brought to the table. I want to be on a board on which we are all present to the richness of our collective wisdom and experience, a board on which we are all willing to keep ourselves and each other to what we said or to admit that we are off track and get back on or declare a new track. I want to be a part of a board whose members take responsibility for the whole group's behavior and discipline. I want to sit on a board on which I can make a difference.

Some Resources for Developing Good Board Manners:


Schwarz, R. Ground Rules for Effective Groups. Chapel Hill: Institute of
EXECUTIVE ORDER NO. 09 – 13

GOVERNOR’S RESET CABINET

The current economic crisis has exposed vulnerabilities in the State’s ability to provide the services that Oregonians rely upon every day, from education to human services and public safety. These services are essential to building a strong economy, sustaining healthy communities, and providing safe cities and neighborhoods. Now, faced with an uncertain economic future, our ability to preserve and improve these core functions of government has been severely constrained by decades-old policies and declining resources at the state and federal level.

Under the current structure of state government, in large part because of laws and constitutional amendments approved by the voters in a stronger economy, Oregon cannot sustain the level of services necessary to ensure the education, health, and safety of our citizens. Limitations on collecting local revenues, the escalating burden of federally-mandated responsibilities for human services, and rigid State mandates affecting the sentencing and incarceration of prisoners allow little flexibility to the Governor and the Legislature when developing the State’s budget. Furthermore, State and local governments face declining resources from the federal government as one-time stimulus funds are exhausted and financial support for timber-dependent counties declines. The effects of these policies will continue to hamper the State’s ability to support K-12 education, community colleges, and universities and to protect our most vulnerable citizens.

Over the last six years, we have taken important steps such as reforming the Public Employees Retirement System and establishing a Rainy Day Fund, to establish greater stability for the State and local governments. However, it is time to review Oregon’s delivery of education, human services, and public safety and to restructure State government so that we can provide quality services in a sustainable way. We must reverse the practice of making deep cuts to vital services in each recession, which will hinder our ability to accelerate economic recovery and secure the benefits of economic growth.

In light of the current recession and the prospects of a slow-growth recovery, now is an optimal time to undertake a comprehensive review of State government functions, how we deliver those functions and whether we can make policy changes that create greater stability for, and improve the results we achieve from, our investments in education, human services, and public safety.

To that end, I am creating a cabinet to advise me on options for restructuring State government in order to preserve and improve critical services for Oregonians in the
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context of limited State revenues, restrictive State mandates and both increasing responsibilities and diminishing resources from the federal government. These options shall address:

- The prioritization of core functions, including the consolidation and elimination of boards and commissions; and
- Improving outcomes, controlling costs, and maximizing efficiencies by consolidating service delivery and providing greater flexibility, where needed.

NOW THEREFORE, IT IS HEREBY DIRECTED AND ORDERED:

1. The Governor’s Reset Cabinet (Cabinet) is hereby established to reexamine and prioritize the core functions of State government in Oregon, to advise the Governor on opportunities to create efficiencies, improve outcomes and stabilize existing revenue streams and to provide the basis for a report from the Governor to the citizens of Oregon on options for resetting the priorities and functions of government to better serve the interests and needs of Oregonians.

2. The Cabinet shall consist of seven members, selected by the Governor. The Cabinet will include representatives from the public and private sectors who can provide expertise and innovation in the areas of education, human services, public safety and revenue restructuring. The members shall serve at the pleasure of the Governor.

3. The Cabinet shall oversee and coordinate the work of subcommittees, also selected by the Governor, focused on the policy areas of education, human services and public safety. Each subcommittee will be chaired by a member of the Cabinet.

4. Under the direction of the Cabinet, the subcommittees shall:

   a. Identify and prioritize the core functions of State government in each of the areas of education, health care, and public safety;
   b. Review and recommend the consolidation and elimination of boards and commissions;
   c. Analyze our existing structure for providing services, revenue streams and investments in education, human services, and public safety;
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d. Study, assess, and analyze strategies to increase efficiency, improve outcomes, and stabilize revenue streams for education, human services and public safety;

e. Identify opportunities to consolidate service delivery and provide greater flexibility, where needed; and

f. Develop a plan containing specific recommendations to the Governor to reset State government’s core functions and stabilize its revenue structure.

5. The Cabinet shall provide to the Governor preliminary findings and recommendations relevant to the special session of the 2010 Legislature by February 1, 2010.

6. The Cabinet shall submit to the Governor a final written report of findings and recommendations by June 30, 2010, as the basis for a report from the Governor to the citizens of Oregon and to inform the Governor’s Recommended Budget for the 2011-2013 biennium.

7. If the Cabinet requires the assistance of any other executive branch agency of the State not named in this order, then such agency shall provide that assistance to the Cabinet upon request.

8. The members of the Cabinet shall not be entitled to the reimbursement of expenses or to the per diem provided in ORS 292.495(2).

9. This Order will expire on December 31, 2010.

Done at Salem, Oregon, this 3rd day of September, 2009.

[Signature]
Theodore R. Kulongoski
GOVERNOR

ATTEST:

[Signature]
Kate Brown
SECRETARY OF STATE
NEWS RELEASE
FOR IMMEDIATE RELEASE
September 3, 2009

Contact:
Anna Richter Taylor, 503-378-6169
Rem Nivens, 503-378-6496
Jillian Schoene, 503-378-5040

Governor Kulongoski Creates Cabinet to Restructure State Government

Governor Ted Kulongoski signed Executive Order 09-13 creating the Governor’s Reset Cabinet, which will develop options for restructuring state government in order to preserve and improve critical services for Oregonians.

The Executive Order follows an announcement the Governor made last May in which he stated his intention to assemble a cabinet to examine the structure of state government in the context of limited state revenues, restrictive state mandates and diminishing resources from the federal government.

“The current economic crisis has exposed vulnerabilities in the state’s ability to provide the services that Oregonians rely upon everyday, from education to human services and public safety,” the Governor said. “Our world has changed. We can’t count on external forces to solve our problems. Even as our economy recovers, we will find ourselves in a tightening vise between mandated spending and limited revenues.”

The Cabinet consists of seven members, selected by the Governor, representing both the public and private sectors to reexamine and prioritize the core functions of state government in Oregon, to advise the Governor on opportunities to create efficiencies, improve outcomes and stabilize existing revenue streams and to provide the basis for a report from the Governor to the citizens of Oregon on options for resetting the priorities and functions of government to better serve the interests and needs of the public.

The options shall address:

- The prioritization of core functions, including the consolidation and elimination of boards and commissions; and
- Improving outcomes, controlling costs, and maximizing efficiencies by consolidating service delivery and providing greater flexibility, where needed.

The Governor’s executive order points to reform of the Public Employee Retirement System and establishment of a General Fund Rainy Day Fund as two important policies enacted over the last six years to create to create greater stability for state and local
governments, but that it is time to take a comprehensive review of rigid state and federal mandates, including the sentencing and incarceration of prisoners, limitations on collecting local revenues and the escalating burden of federally-mandated responsibilities for human services.

“Under the current structure we will continue to face tough trade-offs between budgets of necessity and budgets of choice, between building new prisons or improving our classrooms,” the Governor continued. “If we don’t change how we deliver these vital services, education will be squeezed, and improvements in student outcomes will be harder to achieve. We must find a new and better ways to serve the citizens of Oregon.”

The Cabinet will oversee and coordinate the work of subcommittees, also selected by the Governor, focused on the policy areas of education, human services and public safety. Each subcommittee will be chaired by a member of the Cabinet.

The Cabinet will provide to the Governor preliminary findings and recommendations relevant to the 2010 special session of the Legislature by February 1, 2010.

The Cabinet will submit to the Governor a final written report of findings and recommendations by June 30, 2010, which will serve as the basis for a report from the Governor to the citizens of Oregon and also inform the Governor’s Recommended Budget for the 2011-2013 biennium.

The members of the Cabinet include:

Bruce Goldberg, Director of the Oregon Department of Human Services
Max Williams, Director of the Oregon Department of Corrections
Lane Shetterly, Attorney, Irick, Shetterly & Ozias
Dave Yaden, Member of the Higher Education Board
Cory Streisinger, Director of the Oregon Department of Consumer and Business Services
Doug Stamm, Executive Director of the Meyer Memorial Trust
Jim Sager, Assistant Superintendent, Northwest Regional Education Service District

For the text of the executive order, click here.

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