Minutes

Committee members present included: Chair Kirk Schueler and Directors Directors Lynda Ciuffetti, Allyn Ford, and Brian Fox. Other Board members present included Directors Hannah Fisher, Paul Kelly, Rosemary Powers, and David Yaden.

Chancellor’s staff present included: Chancellor George Pernsteiner, Sona Andrews, Michael Green, Ryan Hagemann, Jay Kenton, Jan Lewis, Bob Simonton, Patricia Snopkowski, Marcia Stuart, Charles Triplett, Bob Turner, and Denise Yunker.

Others present included Presidents Bob Davies (EOU), Richard Lariviere (UO), John Minahan (WOU), and Ed Ray (OSU). Provosts Steve Adkison (EOU), Kent Neely (WOU), and Sabah Randhawa (OSU); Vice Presidents Frances Dyke (UO), Darlene Morgan (EOU), Craig Morris (SOU), Mark Weiss (WOU), and Mary Ann Zemke (OIT); and Bill McGee (DAS BAM) were also present.

1. **CALL TO ORDER/ROLL CALL/WELCOME**

Chair Schueler called the meeting to order at 8:00 a.m.

2. **ACTION ITEMS**

   a. **Approval of Minutes (May 2011)**

Chair Schueler asked for a motion to approve the May 2011 minutes of the Finance and Administration committee.

   **Action:** Directors Allyn Ford and Lynda Ciuffetti made the motion and seconded; motion passed.
b. OUS and REDCO Site License Agreement

Chair Schueler called upon Vice Chancellor for Capital Programs, Bob Simonton, to present the item. Simonton gave a brief outline of the project, noting that it was the vision of Governor Kulongoski to find a way to power all state government by renewable power. As a result, Simonton put together five renewable power demonstration projects that included geothermal wave, biofuel, wind and solar. The solar project, however, did not receive any state funding. He continued, “the project before you is in two phases. This will be the largest solar project in the state of Oregon, and the largest university-based solar project in the country. The proposal would put solar arrays at three of our campuses in the first phase, this year—at Oregon State, OIT, and Eastern. And then the second phase, we would follow up with the remaining campuses with some roof mount projects. We’re asking for you to approve a site license to allow REDCO—who is proposing this project—access to those three campuses.” He pointed out that it will be entirely an Oregon-based project, partnering with Solar World out of Beaverton, PV Powered out of Bend, and the labor to install this would be through Oregon Electric, which is another Oregon company, and the racking systems will all be manufactured in Oregon. They will also include student internships.

Chair Schueler called for a motion to authorize the Chancellor, or his designee, to execute a site license agreement to REDCO for the three parcels of land and, upon approval of each of the universities and DOJ legal sufficiency review. This item will be forwarded to the full Board for approval.

**Action:** Directors Lynda Ciuffetti and Brian Fox made the motion and seconded to approve and to recommend to the full Board for approval of the site lease, respectively; motion passed.

3. **Discussion Item**

c. OUS, Equity Purchasing and Contracting Policy and Procedures

Chair Schueler called upon Hillary Bounds, OUS Director of Contracting and Purchasing to present the agenda item.

Ms. Bounds gave a brief overview of the policy, noting that the goal was to be flexible to meet the different needs of the campuses. An annual report would be done. Vice Chancellor for Finance and Administration, Jay Kenton, pointed out that this would be brought to the full Board for adoption next month.

In reply to a question from Chair Schueler regarding who had reviewed the policy, Ms. Bounds answered that it had gone to the contracting and purchasing staffs at the campuses and that it had been previewed in the Vice Presidents Council and the Presidents Council. She observed that there had been some concern about the resources that it’s going to require and what
performance measures are going to be looked at. Discussion followed concerning best practices and benchmarking.

d. 2011-12 Proposed Work Plan

Vice Chancellor Jay Kenton and Assistant Vice Chancellor for Budget Operation, Jan Lewis, presented the item. Dr. Kenton explained that the proposed work plan would be for June 2011 through June 2012 and is segregated by major themes, priorities, and activities for the year and a month-by-month schedule of discussion topics. He went on to list several areas where the plan would be helpful to the Board and the finance and budget office, especially with the passage of SB 242. Board discussion followed regarding concerns around timelines and staffing.

e. Proposed Approach to 2011-2013 Budget Allocation and the Fiscal Year 2011-12 Operating Budget Allocations

Vice Chancellor Kenton spoke to the proposed approach to the 2011-2013 budget allocation and 2011-12 operating budget allocations. He indicated that the proposed allocation of the 2011-2013 General Fund budget to the seven campuses, the Statewide Public Services, and the Chancellor’s Office will be in accordance with legislative directives, Board policies, and agreed upon principles and processes. He added, “We want to focus on access and affordability and that we’ll continue to use the RAM model, although it will necessitate changes to comport with some of the Governor’s expectation. That we acknowledge our campus differences, different missions, different activities of the campuses that need to be acknowledged.”

Discussion followed regarding the RAM. Vice Chancellor Kenton related that campuses treat the RAM differently. Some actually use it to guide how they distribute resources within the campus, while others use it as a way of acquiring resources and have a totally disconnected and different process for allocating resources within the institution. He continued by stating that there may need to be a wholesale change from the RAM. “I heard from multiple campuses if there is a wholesale change in the allocation or distribution of resources, we may need to consider some allowance for transition.”

4. **Walk-on Action Item**

a. OUS, Second Amendment to the 2008 Restatement of the Operational Retirement Plan

Vice Chancellor Kenton introduced the item regarding an amendment to an optional retirement plan. A discrepancy was uncovered between how the optional retirement plan works compared to how the PERS plan works. This amendment is intended to bring those two plans more into alignment. Denise Yunker continued by explaining that the amendment does three things: align the expectations that retirees have in terms of the contributions that they don’t get post-retirement, the distributions that they can receive once they retire, and how they can be reemployed, if they decide to do that after they retire. She shared, “What we’ve done is we’ve created the amendments so that they conform with the IRS regulations and the key piece
here is that someone has to be at normal retirement date to receive a distribution and that had been missing from the plan documents. And we also made it very clear that people who accept early retirement incentive programs, or tenure relinquishment, are eligible to take distributions from their retirement accounts in the ORT while they’re working in post-retirement appointments that are pretty typical of tenure relinquishment in particular.”

Chair Schueler called for a motion to approve the adoption of the second amendment to the 2008 restatement of the Oregon University Optional Retirement Plan. It will be forwarded to the full Board today.

**Action:** Directors Brian Fox and Lynda Ciuffetti made the motion and seconded, respectively; Motion passed.

5. **Adjournment**

With no further business proposed, Chair Schueler adjourned the meeting at 9:22 a.m.