Minutes

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

Chair Schueler called the meeting to order at 8:00 a.m. Committee members present included: Chair Kirk Schueler, Matt Donegan (departed at 8:50 a.m.), Brian Fox, and Tony Van Vliet. Other Board members present: Paul Kelly and Dalton Miller-Jones.

Chancellor’s staff present included: Chancellor George Pernsteiner, Doug Botkin, Neil Bryant, Ryan Hagemann, Jay Kenton, Brian Meara, and Patricia Snopkowski.

Institution presidents present included: Bob Davies (EOU), Chris Maples (OIT), John Minahan (WOU), and Ed Ray (OSU); Vice presidents present included: Frances Dyke (UO), Mark McCambridge (OSU), Craig Morris (SOU), and Darin Silbernagel (WOU).

2. **ACTION ITEMS**

a. **OUS, Managerial Reporting – Quarterly Management Report**

Chair Schueler called upon Associate Vice Chancellor and Controller Mike Green to present the management report for the fiscal year ended June 30, 2009. During the report, Chair Schueler asked whether OSU has created capacity to meet the influx of enrollment; President Ray noted that two years prior there was a backlog in core classes, therefore, they hired additional faculty to meet the need and will contribute to meeting the proposed increase in enrollment.

Director Van Vliet made the motion to approve the report, Director Fox seconded. Those in favor: Fox, Schueler, and Van Vliet; those voting opposed: none. Motion passed.


Chair Schueler called upon Associate Vice Chancellor and Controller Mike Green to present the report on investments. Green noted that the System experienced significant loss during FY 2009 due to market conditions.

Following the presentation and discussion, Director Van Vliet moved to accept the investment report; Director Fox seconded. Those in favor: Fox, Schueler, and Van Vliet; those opposed, none. Motion passed.
c. **OUS, Internal Audit Division Charter**

Chair Schueler called upon Director Patricia Snopkowski to provide the proposed Internal Audit Division charter as presented in the docket. Following the presentation and discussion, Director Van Vliet made the motion to approve the proposed charter, Director Fox seconded. Those in favor: Fox, Schueler, and Van Vliet; those opposed, none. Motion passed.

d. **Approval of the Approach to 2009-2011 Budget Allocation and the Proposed 2009-10 Annual Operating Budget Allocations**

Chair Schueler called for Vice Chancellor Kenton to present the budget 2009-2011 budget allocation. Dr. Kenton explained to the Committee the guiding principles for the budget process that were established in prior biennia and also provided information concerning the use of the Resource Allocation Model for allocating and setting-up funding. Chair Schueler asked, in the settle-up, are campuses required to return the funding that is above their enrollment; Kenton affirmed that fact.

Dr. Kenton advised that, under the targeted funding, the regional university funding was not reduced by the legislature as it was felt that any reduction of funding would leave the campuses too vulnerable. However, engineering, research, and institutional line-items were reduced from 1 to 10 percent, as determined by the legislature Budget Note. The Chancellor’s Office was mandated by the legislature to be reduced by 25 percent. Chair Schueler requested clarification on the renormalization of the RAM.

Director Fox expressed concern about guiding principle #9 and the impact that it has made on the development of each annual budget. Kenton agreed but explained the manner in which the principle was applied. Fox additionally expressed concern for PSU’s level of funding.

Director Van Vliet made the motion to recommend that the 2009-2011 budget be moved to the full Board at the full Board in October. Those voting in favor of the motion: Directors Donegan, Schueler, and Van Vliet; Director Fox opposed the motion. Motion passed.

3. **ADJOURNMENT**

Prior to adjournment, Director Van Vliet called upon Mr. Neil Bryant for an update on the legislature ballot measures. Bryant noted that signatures are being gathered in support of placing the ballot measures on the November ballot but will be met with much opposition. Dr. Kenton advised that collective bargaining will be continuing this afternoon with SEIU at Western; he noted that he is hopeful that an agreement will be accomplished at the meeting.

Chair Schueler adjourned the meeting at 9:30 p.m.