1. Call to Order/Roll Call/Welcome


Chancellor’s Office staff present included: Chancellor George Pernsteiner, Mike Green, Ryan Hagemann, Jay Kenton, Brian Meara, and Susan Weeks. Others present included presidents Bob Davies (EOU), Richard Lariviere (UO), Chris Maples (OIT), John Minahan (WOU), Ed Ray, (OSU), and Wim Wiewel (PSU); Provosts Jim Klein (SOU) and Bob Vieira (OHSU) were also present.

Chair Kelly called the meeting to order at 10:31 a.m. He thanked everyone who helped with the Tri-Board conference on college learning and Oregon’s future that took place the day before.

2. Reports

a. Chancellor’s Report

Chair Kelly called upon Chancellor George Pernsteiner for the Chancellor’s report. Chancellor Pernsteiner called on Neil Bryant to present the legislative report. He spoke about the campus safety work group that is being run through the Senate Judiciary Committee. He discussed ballot measure 66 and 67, noting that it will be a very close election. He added that the upcoming February session will be over quickly if the measures pass.

Chancellor Pernsteiner then turned to UO president Richard Lariviere, who announced that the UO had formally accepted the gift, from Phil and Penny Knight, of the John E. Jacqua Academic Center for student athletes on the UO campus.

b. Interinstitutional Faculty Senate (IFS) President

Chair Kelly called upon Dr. Joel Alexander for the IFS report. Professor Alexander spoke about the stresses in today’s life, both in academe and elsewhere.
c. **Oregon Student Association (OSA) Chair**

Chair Kelly called upon Emma Kallaway for her report from the OSA. Ms. Kallaway spoke about the voter registration guide that OSA just completed, the upcoming legislative session, and the bond amendments.

3. **Action Items**

a. **Tuition and Fee Recommendations, Residence Hall and Food Service Charges, and Amendment to OAR 580-040-0035, 2010 Summer Session Fee Book.**

Chair Kelly called upon Vice Chancellor Jay Kenton and Assistant Vice Chancellor Brian Meara to present the item. Mr. Meara noted that each institution had prepared tuition and fee recommendations based on a number of internal and external factors including both operational and policy level decisions. The proposed rates are determined by each campus with the participation of students and Staff Advisory Committees. The Chancellor’s Office had also held public hearings providing an opportunity for students to comment.

Chair Kelly called for a motion to approve the proposed 2010 summer session tuition and fee recommendations and amendment to the summer session fee book. Directors Powers and Pulliams moved and seconded, respectively. Motion passed.

b. **Amendment of OAR 580-040-0040, Approval of the 2009-10 Academic Year Fee Book as a Permanent Rule.**

Ryan Hagemann presented the item, noting it was procedural in nature.

Chair Kelly called for a motion to approve the adoption as a permanent rule of OAR 580-040-0040 and the approval of the OUS tuition and fee rates as set forth in the 2009-10 Academic Year Fee Book (approved on July 10, 2009). Directors Powers and Pulliams moved and seconded, respectively. Motion passed.

c. **Update on Board’s Oversight Committee on Sexual Assault and Approval of the Sexual Misconduct Policy**

Henry Lorenzen updated the Board on the Committee noting that the Committee had determined that the elements of a good sexual assault program include prevention, education, reporting, counseling and treatment. He pointed out that some things need strengthening: investigation, adjudication, and disposition. A fundamental need was the need for a uniform definition of sexual assault that applied to all the campuses.

Following discussion, Chair Kelly called for a motion to approve the proposed Sexual Misconduct Policy. Directors Van Vliet moved acceptance of the policy on sexual misconduct to be used in the draft administrative rules. Director Miller-Jones seconded. Motion passed.
Chair Kelly then called for a motion to approve the Chancellor’s Office beginning the administrative rule making process that would adopt, as an administrative rule, a uniform definition of sexual misconduct. Directors Van Vliet and Miller-Jones moved and seconded. Motion passed.

Chair Kelly directed the Chancellor’s Office to create a task force to address some of the remaining issues having to do with sexual misconduct.

d. Approval of Proposed Board Policy on Policies and Internal Management Directives

Ryan Hagemann presented the item. He noted that this item was the start to a cleanup of all OUS policy documents: Board policies, internal management directives, administrative rules, and the fiscal policy manual, HR policies, etc.

Chair Kelly called for a motion to approve the proposed policy on policies and IMDs. Directors Powers and Pulliams moved and seconded, respectively. Motion passed.

Further discussion was held regarding the elimination of the Board’s Executive Committee, clarification on Board executive sessions, and adding Board Standing Committees.

Chair Kelly called for a motion to approve the by-laws as revised in the docket. Directors Van Vliet and Powers moved and seconded, respectively. Motion passed, with Director Francesconi voting in opposition.

e. 2009-2010 Enrollment Settle Up and Retention Incentives

Director Kirk Schueler, chair of the Board’s Finance and Administration Committee, provided background on this item that was presented to Committee that morning.

Vice Chancellor Kenton shared that the 2009-10 enrollment settle-up and distribution of retention incentives were based on projected 2009-10 enrollment based on the fall term 4th week enrollments and fall 2008 to fall 2009 retention information. He continued by noting that with projected enrollment growth anticipated to be greater than originally budgeted in both 2009-10 and 2010-11, approximately $6 million of the remaining $10 million reserve will be needed to fund 2010-11 projected fundable enrollments and another $2 million will be needed to fund enrollment growth from 2002-03 to 2010-11 at the 57 percent rate. The remainder of approximately $2 million is expected to be available for 2010-11 retention incentives.

After discussion, Chair Kelly called for a motion to accept the Finance and Administration Committee’s recommendation to approve the 2009-2010 enrollment settle up and retention incentives, numbers as they lay out in the docket. Directors Miller-Jones and Francesconi moved and seconded, respectively. Motion passed.
4. **Discussion Items**

   a. **Budget Reduction**

   Chancellor Pernsteiner began the discussion by noting that OUS is faced with having to provide to the Legislative Fiscal Office a 5% plan and a 10% reduction plan. He shared, “We are not faced with that because they want to cut our budget but because they fear that the legislature will have little choice but to make budget reductions. Part of what our job is to convey to the legislature, to the governor, and the people of Oregon what the effects of those cuts would be. Part of our job is also to manage this enterprise, to achieve its goals, in light of whatever those fiscal realities are. So what you will see today in the proposal which we are bringing to you has many elements. It has elements of how we will get through the next 18 months. It has elements too of what kind of effect that will have on Oregon and Oregonians. We are long past the time in which we can say, we can just absorb cuts without any obvious effect. The effects will be obvious but we will do everything we can to ensure that students are served and served well throughout the remainder of this biennium.”

   Vice Chancellor Kenton provided an overview of the reductions. Chancellor Pernsteiner concluded by stating that no campus will increase tuition in the current year beyond where it is now and that the expectation is that there will probably be more students in the fall of 2010 than in the fall of 2009. He continued, “Taking a look at the 5% level, you can see that in order to mostly get through the current year and still serve all the students we have, we are disproportionately pulling out of savings accounts, essentially the fund balances so most of that $13 million you see at the 5% level, in terms of deploying fund balances is in fact targeted for the current year.”

   Chair Kelly called for a motion to adopt the budget reduction plan as the Board’s plan and to direct the Chancellor to update the information provided to LFO consistent with the plan. Directors Donegan and Fox made the motion and seconded, respectively. Motion passed; Directors Francesconi and Van Vliet abstained.

   b. **Proposed Constitutional Amendment /Revision**

   Vice Chancellor Kenton invited Cynthia Burns from the Department of Justice to speak on the item. Ms. Burns spoke briefly about the history and evolution of the item. Article 11F was adopted in 1950, Article 11G was adopted in 1964. As a result, the recommendation is for four changes to bring these articles up to date and clarify language. She identified the first change is to insert a verb in Article 11G. The second change, impacting Article 11F and 11G, is to broaden the language so that instead of reading that projects have to be for higher education, it says it’s for the benefit of higher education. The third change would be made only to Article 11F and it would clarify that the revenues that can be used to make the self-supporting determination that’s necessary for those bonds. Those bonds are sold on a basis that the project would support the debt service and a general fund allocation wouldn’t be needed to pay the debt service. The final change would be to Article 11G where it would broaden the mix of revenues that can be used to support 11F bonds.
5. **Report Items**

   a. *Academic Strategies Committee*

   Director Francesconi gave a brief report of the Committee, observing that, “Everybody’s acutely aware of the lack of resources to execute new strategies as well as the appropriate role of the Board and not micromanaging or putting more burdens on the institutions. On the other hand, there is the issue of quality and other issues.” The Committee has divided the actions up into those that are policy oriented versus new resources. The teacher education initiative will be fleshed out in March and then in May and June, the Committee will consider the budget ramifications and then present it to the full Board.

   b. *Finance and Administration*

   Director Schueler noted that, in addition to the five approvals we gave for the construction foundation or acquisition for Capital Projects, the Committee also reviewed and approved the 2009 annual financial report, the 2009 internal audit report and the 2010 internal audit plan.

   c. *Governance and Policy Committee*

   Chair Kelly commented that the Committee is working the question of restructuring and developing the new compact with the state.

6. **Board Comments**

   Director Van Vliet pointed out that this was his last Board meeting and observed that working on the Board had been a tremendous experience.

7. **Public Input**

   There was no public input.

8. **Adjournment**

   There being no further business before the Board, the meeting was adjourned at 3:26 p.m.