MINUTES OF THE REGULAR MEETING OF THE  
STATE BOARD OF HIGHER EDUCATION (#839)  
JUNE 4, 2010

Page

1. Call to Order/Roll Call ............................................................................................................ 17
2. Approval of Minutes .............................................................................................................. 17
3. A Conversation with Senate President, Senator Peter Courtney ........................................ 17
4. Reports ..................................................................................................................................... 18
   a. Chancellor’s Report ........................................................................................................... 18
   b. Interinstitutional Faculty Senate (IFS) President .............................................................. 18
   c. Oregon Student Association (OSA) Chair ........................................................................ 18
5. Discussion Items .................................................................................................................... 18
   a. OUS, 201-2013 Policy Package Preview ........................................................................ 18
   b. OUS, 2011-2013 Capital Budget ...................................................................................... 19
6. Action Items ............................................................................................................................ 19
   a. OUS, Fiscal Year 2010-11 Operating Budget Allocations ................................................. 19
   b. OUS, 2010-11 Proposed Tuition and Fee Rate and Policy Changes,  
      Amendment of OAR 580-040-0040; 2010-11 Academic Year Fee Book ...................... 19
   c. Presidential Contracts ....................................................................................................... 19
   d. Board Elections ................................................................................................................... 19
   e. UO, Approval of License Agreement for (Gift of) an Addition to the Len  
      Casanova Athletic Center and of a Soccer and Lacrosse Complex .................................. 20
7. Public Input ............................................................................................................................. 21
8. Board Comments ................................................................................................................... 21
9. Adjournment .......................................................................................................................... 21
(This page intentionally left blank.)
REGULAR MEETING OF THE
STATE BOARD OF HIGHER EDUCATION (#839)
PORTLAND, OREGON
FRIDAY, JUNE 4, 2010

MINUTES

1. CALL TO ORDER/ROLL CALL

President Kelly called the meeting to order at 9:35 a.m. Board members present included President Kelly and Directors Lynda Ciuffetti, Matt Donegan, Jill Eiland, Hannah Fisher, Allyn Ford, Brian Fox, Dalton Miller-Jones, Rosemary Powers, Preston Pulliams, Kirk Schueler, and David Yaden. Director Jim Francesconi was absent due to a business conflict. Chancellor’s staff present included: Chancellor George Pernsteiner, Ryan Hagemann, Jay Kenton, Bob Simonton, and Susan Weeks.

Others present included: Presidents Mary Cullinan (SOU), Bob Davies (EOU), Richard Lariviere (UO), John Minahan (WOU), Ed Ray (OSU), and Wim Wiewel (PSU); and Provosts Jim Bean (UO), Brad Burda (OIT), and Sabah Randhawa (OSU). State Senator Peter Courtney, Chief of Staff Philip Bentley, and Legislative Director Dana Richardson appeared before the Board.

2. APPROVAL OF MINUTES

President Kelly called discussion and a motion to approve the May 2010 meeting minutes; Director Donegan noted the addition to his name as present at the meeting. With that amendment, Directors Rosemary Powers and Matt Donegan made the motion and second, respectively.

3. A CONVERSATION WITH SENATE PRESIDENT, SENATOR PETER COURTNEY

President Kelly invited Senator Courtney to the table to share a few words with the Board and engage in conversation. Senate President Courtney stands as the most veteran member of the Oregon Legislature, beginning his career in public service in 1974 as a member of the Salem City Council, where he served until 1980. He was elected to the Oregon House of Representatives in 1980 and served seven terms, four as House Minority Leader. He was then elected to the Oregon Senate in 1999 representing Senate District 11, which includes portions of Salem, Gervais, and Woodburn. Senator Courtney is also a long-time instructor and administrator at Western Oregon University.

Senator Courtney explained that this visit with the Board was generated by the Speaker of the House’s and his concerns, given the present economic forecast, with the System’s request for
additional spending limitation. During June, the legislature held an Emergency Board to address the request; subsequently, many additional agencies have submitted similar requests.

Included in the System’s request for greater autonomy (Compact with the State) is the retention of funding reserves by the System rather than the State Treasury. Senator Courtney assured the Board that the legislature supports this proposal; however, he expressed concern with the funding of the Oregon Opportunity Grant and asked that the Board work with the legislature in order to fulfill promises made to students.

4. REPORTS

a. Chancellor’s Report

Chancellor Pernsteiner announced that the Delta Cost Project, a national cost project, published their newest report on the cost per degree for a postsecondary education. He advised that this report, based on 2007-08 statistics, listed Oregon as the most effective provider of quality education in the public postsecondary sector, adding that no one does more with less resources than the OUS institutions.

Four personnel changes have or will be occurring in the Chancellor’s Office: Dr. Larry Galizio has accepted the presidency at Clatsop Community College; Susan Weeks has retired after working in System office for over 30 years and was thanked by the Chancellor and the Board for her service; Dr. Bob Turner will serve as the interim vice chancellor subsequent to Ms. Weeks’ departure and a national search is currently underway to permanently fill the position; and he then announced the hiring of Ms. Hillary Bounds as the new Director of Purchasing and Contract Services.

b. Interinstitutional Faculty Senate (IFS) President

President Kelly called upon Dr. Joel Alexander, who submitted the IFS report and reiterated the support of IFS for the proposed “Considerations for Change,” but emphasized the faculty’s concern with degree integrity (i.e., dual credit, applied baccalaureate).

c. Oregon Student Association (OSA) Chair

Ms. Emma Kallaway presented the OSA report to the Board (a copy of her full report is available in the Board’s Office).

5. DISCUSSION ITEMS

a. OUS, 2011-2013 Policy Package Preview

Vice Chancellor Jay Kenton was called upon to lead the policy package preview discussion, along with Presidents Ed Ray (OSU’s proposed forest tax package), Bob Davies (EOU’s proposed
packages), and Wim Wiewel (PSU’s proposed packages). The following policy packages were proposed to the Finance & Administrative Committee as they did not fall under the Academic Strategies purview:

Faculty salary increases ................................Systemwide ........................................................ $7.6 million
Enrollment growth funding .................. Systemwide ........................................................ $74.1 million
Forest Harvest Tax .............................................. OSU ........................................ $0.92 per 1,000 board feet harvested
Regional Services Institution.............. EOU ............................................................. $200,000
Rural Student Access Program............ EOU ............................................................. $300,000
Center for Enterprise Success .............. PSU ............................................................. $1.4 million
Center for Excellence: .................. PSU ............................................................. $1.5 million
Transportation Electrification and Smart Mobility

b. OUS, 2011-2013 Capital Budget

Mr. Bob Simonton, Assistant Vice Chancellor for Capital Programs and Capital Construction and Planning, was called upon to present the item.

6. Action Items

a. OUS, Fiscal Year 2010-11 Operating Budget Allocations

ACTION: Director Ford made the motion and Director Powers seconded; motion passed.

b. OUS, 2010-11 Proposed Tuition and Fee Rate and Policy Changes, Amendment of OAR 580-040-0040; 2010-11 Academic Year Fee Book

ACTION: Following discussion, President Kelly called for a motion to adopt OAR 580-040-0040 as amended. Directors and made the motion and second, respectively. Motion carried.

c. Presidential Contracts

Board Secretary Ryan Hagemann was called upon to present the item.

ACTION: Following discussion, President Kelly called for a motion to approve the presidential reappointments

d. Board Elections

President Kelly called upon Vice Chancellor Kenton to present the item.
ACTION: Following discussion, Motion passed.

e. UO, Approval of License Agreement for (Gift of) an Addition to the Len Casanova Athletic Center and of a Soccer and Lacrosse Complex

President Kelly called upon University of Oregon President, Dr. Richard Lariviere, and Chancellor Pernsteiner to present the item. Dr. Lariviere advised that the proposed agreement pertains to a piece of land adjacent to Autzen Stadium to be leased to a Limited Liability Corporation, upon which a football operations building will be built and then donated back to the University. This facility will be built with the generous donation by Phil and Penny Knight. The proposal will add to the Casanova Center, and impact current parking and soccer fields, but will result in the net addition of 50-75 parking spaces and a new soccer stadium. In comparison to the Jacqua Center construction, that provided approximately 700 construction jobs, this project is projected to provide approximately 1,000 jobs. The lease will terminate at the completion of the project and the gifting of the facilities to the University. The license agreement was reviewed and approved for legal sufficiency by the Attorney General’s office. The following requirements have been agreed upon by the University: prevailing wage be paid, public procurement process be followed for subcontractors, and good faith efforts in the solicitation of MWESB contractor firms and related recordkeeping requirements. No state funding or student tuition and fees will be used in the maintenance of the facilities by the University as athletic funds will cover the additional costs.

In response to a question pertaining to the timing of the Board request, Dr. Lariviere advised that the LLC (Phit) has been patient with the state’s processes but the topic has been in discussion between the LLC and University since February 2010. The project has been the interest of the public but not on the level of the Arena project, given that this project is not located in a residential neighborhood; however, the University has held meetings with various organizations and businesses that may be affected by the construction.

At this point in time, President Kelly called upon Mr. John Williams (United Association of Plumbers and Pipefitters, Local 290) and Mr. Bob Shiprack (executive secretary to the Oregon building trades) to provide their comments. Mr. Williams advised that Local 290 asks that Phit LLC be required to abide by the following: 1) no public money be used to fund the project as Phit LLC used over $330,000 in public funds on the Jacqua project that was approved for the Arena project; 2) subcontractors with histories of wage violations or failing code requirements be banned from bidding; and 3) that Phit be required to build according to LEED silver standard, at a minimum. Mr. Bob Shiprack advised that the building trade unions have been long-time supporters of Oregon higher education and advised he was involved in the development of Senate Bill 271 and the requirements for contractors and subcontractors. He advocated for jobs for out-of-work construction workers and thanked the Board for the collaborative working relationships that the building trade unions have had with OUS. In response to Mr. William’s comments, Chancellor Pernsteiner advised that, as this is not a University project but a Phit LLC
project, the Board cannot impose additional requirements to the lease beyond that already stipulated.

When concern was expressed about the perceived rush to vote, President Lariviere advised that the donor has, with the history of cost overruns on projects funded with monies donated to the University, indicated that the funds would only be gifted to the LLC for the purposes of this project. The donor has stipulated that the project must be approved by the Board at the June 2010 meeting or the gift forfeited.

ACTION: Following public comment, President Kelly made a motion to authorize the University of Oregon to enter into the License Agreement with Phit, LLC, permitting the construction of improvements to real property with a value in excess of $5 million, as described in the lease included within the docket, to include the attachments, with no changes or amendments be made to that agreement unless made in writing to the Chancellor; Director Pulliams seconded the motion. Motion carried. Those voting in favor included: President Kelly and Directors Donegan, Eiland, Ford, Pulliams, and Schueler; those who abstained included: Directors Fisher, Miller-Jones, Powers, and Yaden.

7. **PUBLIC INPUT**

Mr. Mark Eisenfelt provided comment pertaining to ongoing labor negotiations. Several people provided comment pertaining to the proposed development and expansion of riverfront property adjacent to the University of Oregon Riverfront Research Park.

8. **BOARD COMMENTS**

No comments were provided.

9. **ADJOURNMENT**

With no further business, President Kelly adjourned the meeting at 3:34 p.m.