Board members present included: Chair Paul Kelly and Directors Lynda Ciuffetti, Matt Donegan, Jill Eiland, Hannah Fisher, Allyn Ford, Brian Fox, Jim Francesconi (9:45 am), Rosemary Powers, Preston Pulliams, Kirk Schueler, and David Yaden (9:45 am).

Chancellor’s staff present included: Chancellor George Pernsteiner, Bridget Burns, Mike Green, Ryan Hagemann, Jack Isselman, Jay Kenton, Jan Lewis, Di Saunders, Bob Simonton, Marcia Stuart, Charles Triplett, and Denise Yunker. Campus presidents and representatives included: Dr. Bob Davies (EOU), Dr. Chris Maples (OIT), Dr. Ed Ray (OSU), Dr. Wim Wiewel (PSU), Dr. Mary Cullinan (SOU), Dr. Richard Lariviere (UO), and Dr. John Minihan (WOU). Others: Vice presidents and provosts, Dr. David Robinson (OHSU), Emily McLain and Emma Kallaway (OSA), Jeff Johnson (IFS).

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

President Kelly reconvened the Board into session at 9:37 a.m.

He then called on UO President Richard Lariviere, who related that, after consultation with Robin Holmes and the three heads of the ASUO, the UO would like to withdraw its proposal for the EMU until a later date.

2. **REPORTS**

   a. **Board Committees**

Chair Kelly called for reports from the Board committees, noting that committee actions of late and work in progress had been summarized in bullet fashion in the docket.

   i. **Academic Strategies**

      No report was given.
ii. Finance & Administration

Director Kirk Schueler noted that there was also discussion over the work schedule of the committee and an equity purchasing and contracting policy that will come before the Full Board at a later date.

iii. Governance & Policy

No report was given.

b. Chancellor’s Report

Chancellor Pernsteiner thanked Director Brian Fox for his valuable contribution to the Board. He also congratulated the graduates and thanked the faculty and the staff at our seven exemplary universities for their accomplishments in helping these graduates attain the knowledge, skills, and ability to be truly productive citizens of Oregon.

Mr. Jack Isselmann provided an update on the legislative session and noted that, from a policy perspective, “things went well.” On June 2, 2011, Senate Bill 242 was approved by the Ways & Means Subcommittee on Education and unanimously recommended the bill be forwarded to the full Ways & Means Committee for vote and it is anticipated that there will be full support of the bill by the W&M Committee and the full legislature. Appreciation was expressed to the Board, Chancellor, Chancellor’s staff, and Drew Hagedorn (Tonkon Torp) for their valuable assistance in crafting and managing this bill through the subcommittee. SB 5532 budget was also approved; however, it merged with a budget containing holdback provisions (3.5 percent of budget per year) to build a reserve against further recession during the biennium. The capital budget will enter W&M Subcommittee in the near future. Chancellor Pernsteiner noted that SB 425, pertaining to the creation of police forces on campuses rather than public safety officers, is anticipated to be approved. SB 742, tuition equity, is the subject of a discharge petition (under the house rules where 31 members can move the bill out of committee directly to the floor and has five calendar days to be signed), the discharge was submitted on June 2.

c. Interinstitutional Faculty Senate (IFS) President

Dr. Johnson provided the Interinstitutional Faculty Senate report and expressed the faculty’s admiration and support of the Board, Chancellor’s Office staff, and campus administrators for their excellent leadership. Oregon has an exceptional faculty, staff, and students. However, he expressed his concern about the cultural change that is devaluing the need for a well-rounded education, especially postsecondary education.

d. Oregon Student Association (OSA) Chair

Mario Parker-Milligan provided the report, expressing the association’s appreciation to Jan Lewis for the timely notifications concerning public input on tuition and fees. OSA is committed
to reviewing the fee process to ensure future tuition proposals are affordable and sustainable without requiring students to bear the funding shortfalls. President Kelly acknowledged the Board’s support of SB 742, tuition equity.

3. **DISCUSSION ITEMS**

   a. **Coalition of Communities of Color**

   Director Francesconi advised that the Academic Strategies Committee has been reviewing the System’s policy on equity and persons of color. In that pursuit, Francesconi met with the Coalition of Communities of Color and subsequently invited Dr. Ann Curry-Stevens and Ms. Nichole Maher to present their findings to the Board.

   Nichole Maher began the presentation by informing the Board that the Coalition of Communities of Color, in partnership with researchers at Portland State University, had spent the last two years documenting racial disparities and released (in May 2010) a comprehensive report on the status of racial disparities in Multnomah County across 27 different systems and institutions. She then turned to Ann Curry-Stevens to present the key findings, focusing on racial and ethnic educational disparities and offering a set of policy recommendations to reduce these disparities (the full report is available on the Coalition’s website at [www.coalitioncommunitiescolor.org](http://www.coalitioncommunitiescolor.org)).

   b. **OUS Action/Work Plan for Equity Initiatives**

   Director Francesconi and Vice Chancellor Sona Andrews presented the item, noting that to enhance diversity opportunities within the OUS, the OSBHE adopted a policy on diversity in March 2009. The OUS Action/Work Plan for equity was developed under the guidance of the Academic Strategies Committee (ASC) with support from the OUS Academic Strategies Division. It was endorsed by the ASC on April 28, 2011 and is now being brought forward for discussion with the full Board. Vice Chancellor Andrews presented the three priorities for this next year: faculty diversity; making sure that it is a topic that is talked about, because it’s how change will be effected; and to include equity and diversity as a criterion of presidential and Chancellor evaluations. Director Francesconi stated that he had a personal preference that two additional priorities be added to the work plan: accountability measurements of diversity and the diversification of the Board and staff.

   Director Pulliams expressed his support of the proposed priorities; Director Powers opined that these priorities of equity and diversity should be reflected on the campuses.

4. **CONSENT ITEMS**

   a. **Authorization for Land Transfer and Easement**
   b. **WOU, Approval of Preamble, Mission Statement, and Core Themes**
   c. **OUS, Mission Alignment/Metrics**
d. OUS and REDCO Site License Agreement

Chair Kelly and Director Francesconi requested that the mission alignment/metrics item be pulled from the consent items and submitted as an action item with further discussion. Director Powers further requested that Western’s mission statement be presented as an action item.

**Action:** Directors Preston and Jill Eiland made the motion and seconded, respectively, to approve the Authorization for Land Transfer and Easement and OUS and REDCO Site License Agreement; motion passed.

5. **Action Items**

a. **WOU, Approval of Preamble, Mission Statement, and Core Themes**

Kent Neely, WOU provost, presented the item, indicating that the change in WOU’s preamble mission and core themes was necessitated by a new Northwest Accreditation Commission change in academic standards. It was discussed at the Provosts’ Council and the Academic Strategies Committee and both bodies recommended approval. He noted that the university held a number of open conversations on campus, involving the campus community and articulated both the desires of the campus and the strengths of the university, highlighting the core themes of effective learning, diversity, and sustainable institution. These have been submitted to Northwest Accreditation Commission following the Academic Strategies Committee approval.

**Action:** Directors Rosemary Powers and Preston Pulliams approved and seconded, respectively; motion passed.

b. **OUS, Second Amendment to the 2008 Restatement of the Optional Retirement Plan**

Vice Chancellor Jay Kenton presented the item, which was to bring OUS ORP policies in alignment with PERS policies that allow an employee to retire, take distributions from the plan, and then be reemployed in a phased retirement. He added that the amendment had been reviewed by a special assistant to the Attorney General designated by DOJ and that the Finance Committee is comfortable recommending it for the Board’s approval.

**Action:** Directors Lynda Ciuffetti and Rosemary Powers made the motion and seconded, respectively; motion passed.

c. **OUS, 2011-12 Proposed Tuition and Fee Rate and Policy Changes, Amendment of OAR 580-040-0040; 2011-12 Academic Year Fee Book**
Vice Chancellor Jay Kenton and Assistant Vice Chancellor for Budget Operations Jan Lewis presented the fee book proposal. Ms. Lewis summarized the proposed tuition and fee rate and policy changes, noting that the rates that the campuses are proposing pertain to tuition, residence halls, the food service, and the mandatory enrollment fees—building fees, incidental fees, health service, recreation center, as well as inter-collegiate fees. She reported that the incidental fees were all proposed in conjunction with student incidental fee committees on the campuses and can cover student union operations, athletics, cultural activities, student government, student clubs, and activities. They fluctuate based on the campuses—the services they provide and the wishes of those committees. Dr. Kenton reminded the Board that the UO Student Union fee of $18 and Recreation Center Expansion fee of $12 were withdrawn.

Chancellor Pernsteiner noted that discussion had been taking place about a new tuition-setting process in the future and several campuses began those committees in this year for the fees being discussed. He observed that for the Board’s background, it would be useful to have one of those campuses make a kind of presentation looking at what the Board might anticipate next year from all of them. He turned to PSU President Wiewel for that presentation.

President Wiewel spoke briefly about how PSU we went about the process, stating, “the process starts with the question of what does it take to deliver the quality education that students need and expect. Then, unfortunately, the question of what is going to be the cut? We look at what other cost increases are there that will happen, or that are likely to happen. And then we look at the variety of sources. How much of that need can be covered from a reasonable tuition increase?” He then invited Katie Markey, outgoing President of the Associated Students of Portland State University to make brief comments.

Markey discussed the process at PSU from a student perspective, observing that there were six students on the tuition-setting committee. She stated, “Through this process, students and faculty alike were given information on projected enrollment numbers, funding and comparison information for our peer institutions, and projected funding levels from the state. This information, along with the three month timeline, allowed for student committee members to gather input from their peers and bring forward questions and concerns. There’s a general understanding that there’s a need for this increase to maintain the current level of the quality of education that Portland State currently offers.”

6. **Public Input**

Ben Eckstein, student body president at the UO, spoke in opposition to the proposed new fees for the EMU student rec center projects. He observed that he had only found out that morning that the fees would be withdrawn, but related that any fee presented to the Board “should be the result of thorough and extensive consultation with students and a commitment to transparency at every level.”
Mario Parker-Milligan, board chair for the Oregon Student Association, voiced the hope that this will be the end of the 9% increases for tuition and would like to help OUS get more student input with the tuition review committees.

Manny Garcia, a freshman at the UO, spoke about the rising cost of tuition and his fear that many of his fellow students will be priced out of the opportunity to pursue a higher education.

Chair Kelly thanked the students for their input. After further discussion by the Board, he called for a motion to approve the permanent OAR 580-040-0040, the Academic Year Fee Book amended by reference as a permanent rule, all prior adoptions of academic year fee documents are hereby repealed except as to rights and obligations previously acquired or incurred there under, with removal of the two UO proposed fee for EMU/SRC , as presented in the docket materials. The Chancellor or designated staff is permitted to make revisions as needed to comport with any subsequent legislative actions and is authorized to make minor adjustments to the final document, if necessary.

**Action:** Directors Kirk Schueler and Lynda Ciuffetti made the motion and seconded, respectively; motion passed. Director Hannah Fisher abstained.

7. **BOARD COMMENTS**

There were no further Board comments.

8. **ADJOURN INTO EXECUTIVE SESSION**

Chair Kelly announced that the agenda item on Board elections would be deferred to a special Board meeting at a later date.

With no further business being proposed, the meeting was recessed at 1:00 pm to reconvene into Executive Session at 1:30 pm.