Board members present included: Chair Matthew Donegan and Directors Lynda Ciuffetti, Jill Eiland, Orcilia Forbes, Allyn Ford, Farbodd Ganjifard, Paul Kelly, Brittany Kenison, Emily Plec, Kirk Schueler, and David Yaden. Those absent included: Jim Francesconi and Jim Middleton.

Chancellor’s Office staff included: Interim Chancellor Melody Rose, Ryan Hagemann, Marcia Stuart, and Charles Triplett.

1. **CALL THE MEETING TO ORDER**

The chair called the executive session of the Board to order at 8:00 a.m. pursuant to ORS 192.660(2)(f) to discuss records that were exempt by law from public inspection. Pursuant to ORS192.660(4), representatives of the news media were allowed to attend but the Board required that the discussions and any reports received in executive session be undisclosed. Pursuant to ORS 192.660(6), no final actions were taken or final decisions made in the executive session.

2. **DISCUSSION ITEM**

   a. Chancellor’s Official Residence

   This Board discussed the future use and/or disposition of the Chancellor’s official residence. No action was taken.

3. **RECESS INTO PUBLIC MEETING**

   At the conclusion of the briefing, Chair Donegan recessed the Board into the open session at 8:30 a.m. to reconvene at 9:00 a.m.
Board members present included: Chair Matthew Donegan and Directors Lynda Ciuffetti, Jill Eiland, Orcilia Forbes, Allyn Ford, Farbodd Ganjifard, Paul Kelly, Brittany Kenison, Emily Plec, Kirk Schueler, and David Yaden. Those absent included: Jim Francesconi and Jim Middleton.

Chancellor’s Office staff included: Interim Chancellor Melody Rose, Ryan Hagemann, Jay Kenton, Jan Lewis, Marcia Stuart, and Charles Triplett.

Campus staff included: Presidents Mary Cullinan (SOU), Bob Davies (EOU), Mike Gottfredson (UO), Chris Maples (OIT), Mark Weiss (WOU), and Wim Wiewel (PSU); and Professor Jeff Dense (IFS).

4. **CALL THE PUBLIC MEETING TO ORDER/ROLL CALL/WELCOME**

Chair Donegan called the meeting back to order at 9:03 a.m.

5. **REPORTS**

a. **Interim Chancellor’s Report**

The chair turned the floor over to Interim Chancellor Rose. Dr. Rose briefed the Board on Chancellor’s Office and campus preparations for the February 2014 Legislative session. She briefly discussed the Omnibus bill from Senator Hass which serves primarily as technical clean up to SB270, 2013. Senator Hass has asked for OUS input on that bill and Dr. Rose informed members that Ryan Hagemann will be working with the Senator directly on the bill language.

Rose also updated the Board on the efforts of the University Governance Work Group, informing members that the group is on task with the projected timeline of considering institutional board requests for the four TRU campuses in April.

b. **Committee Action Reports**

i. **Academic Strategies**

Director Eiland provided a brief report on the latest Academic Strategies meeting and Interim Vice Chancellor Marrongelle added a brief update.
ii. Finance & Administration

Director Schueler provided update on Finance and Administration Committee. Schueler noted that at its October meeting, the Committee approved the sale of $117 million of Article XI-F(1) bonds for capital expenditures and associated costs of issuance; the committee also received quarterly management, investment, audit and risk management reports. Chair Schueler cited risk management as an example of the efficiencies gained through shared services and that progress toward implementing the shared services enterprise is going well.

iii. Governance & Policy

Director Kelly provided an update on the Committee’s work with the Association of Governing Boards (AGB) with regards to the transitioning of Chancellor’s Office staff positions, noting that AGB will be providing additional input on governance and structure. The Committee is awaiting the report from AGB and will postpone the upcoming meeting until receipt of said report.

iv. University Governance Work Group

Director Donegan stated that the Work Group is on track to have business plans for the Technical and Regional Universities (TRUs) in place and developed. He updated the Board on the four TRU campus’ efforts to develop a hybrid model of governance that includes institutional boards at all four institutions and a commitment to a TRU Presidents’ Council. Donegan noted that the universities are currently researching the financial models that will support the four TRU’s as they develop their hybrid models. He anticipates that everything will stay on track and be ready for the April 4 Board meeting.

v. HECC Transition Work Group

Director Forbes provided an update from the Higher Education Coordinating Commission (HECC) Transition Work Group. Forbes stated that the HECC Transition Work Group has been able to stay on track with expected transition timelines and is working closely with HECC Executive Director, Ben Cannon.

c. Interinstitutional Faculty Senate (IFS) President

Professor Jeff Dense provided an overview of what the Interinstitutional Faculty Senate group aims to accomplish in 2014. The IFS seeks to work with the OUS Board to assist in policy and governance of the TRU campus structures. Dense noted that IFS would like to review the next AGB report and stated that IFS is concerned that the AGB reports received to date have not had much input from faculty members. OUS faculty would appreciate the opportunity to provide comment on future AGB reports.
d. **Oregon Student Association (OSA) Chair**

Eric Noll provided the OSA report and highlights of the report included students’ concerns for budget shortfalls at Southern Oregon, Eastern Oregon, and Portland State and many community colleges; concern that the future completion of 40-40-20 goals are falling far behind projected timelines, thereby eroding the academic quality and student success within institutions of higher education in Oregon. Although many changes are taking place within higher education, affordability has not improved thus far. Students have pledged to continue to work with agencies and boards throughout these transitions to ensure that student needs do not “fall through the cracks.”

6. **Discussion Item**

a. **University Shared Services Transition**

President Davies, co-chair of the University Shared Services Work Group, provided an overview of the final report. Davies praised the collaboration of the campuses to create a framework for such a complex and important scope of work. Davies noted that the report identifies several options of mitigating any deleterious financial effects to the TRU institutions as the transition is effected. The three alternative options include: 1) reallocate the Chancellor’s Office funding; 2) reallocation of existing university appropriations; and 3) request for additional state funding.

Interim Chancellor Rose stated that the timing of the funding conversation is intertwined with the governance discussions. She urged the Board to keep the two topics coupled. Donegan noted the difficulty of evaluating governance models without presupposing funding decisions as a precursor to choosing a governance model. Vice Chancellor Jay Kenton stated that the HECC will determine the funding allocation next year.

7. **Consent Item**

a. **Approval of Minutes (October and November 2013)**

   **ACTION:** With no changes proposed to the minutes, Chair Donegan called for a motion to approve the October and November 2013 minutes; motioned carried.

8. **Action Items**

a. **Chancellor’s Official Residence**

Chair Donegan called upon Mr. Ryan Hagemann, System general counsel, to describe the proposed action. “TreeTops,” the official Eugene residence of the Chancellor, was bequeathed to the System in 1938 for use as the official residence of the Chancellor or the University of Oregon president. Given the changes in governance, it was deemed prudent to review the disposition of the residence. While the Board has significant statutory authority with regard to
its property, with extensive administrative rules implementing that authority, this unique circumstance is not contemplated by OUS property rules. In order to ensure the Board is aware of various avenues in dealing with the property, staff recommend the Board authorize the Chancellor to consider various options and, if necessary under law, bring back an action plan to the Board for future disposition of the property. Mr. Hagemann advised, as public record, that the board had been briefed in executive session on the attorney-client privilege dimensions, which are not part of the public session.

**ACTION:** With no further discussion, Chair Donegan called for a motion to authorize the Interim Chancellor or her designee to consider all options for the future use of TreeTops, identify and take a course of action with regard to TreeTops, consult with Board leadership, negotiate and execute any and all agreements necessary for the future disposition of TreeTops, and, if appropriate and/or required by law, return to the Board with an action plan for its approval. Directors Orcilia Forbes and Jill Eiland made the motion and second, respectively; motioned carried.

**b. Capital Projects for Consideration in February Legislative Session**

Assistant Vice Chancellor Jan Lewis was called upon to present the item; she noted that the proper sequence of a capital request would be presentation and approval by the Finance & Administration Committee with a “do pass” recommendation to the full Board. However, the Legislative Fiscal Office indicated the Ways & Means Committee’s request for a “preview opportunity” during the ‘January Legislative Days’ (1/15-17). The next scheduled F&A Committee meeting is 1/17 and the following full Board meeting is not scheduled until April. Therefore, staff is recommending Board authority be delegated to the F&A Committee for project approval for items for submittal to the February legislative session. All campuses have agreed that three projects have met the immediate life-safety concerns.

With regard to McNeill Hall on the SOU campus, Director Kenison asked for confirmation that the engineers’ report warned that a heavy snowfall could cause the roof to collapse on the building and then asked why the building was not evacuated. President Cullinan agreed, advising that they were told “we were lucky to get through the last snowfall” and that a heavy rain or seismic event could lead to serious situations. Dr. Rose asked if a request was submitted to the OUS Risk Division for review of the situation; Vice President Morris advised that two engineering reports have been received but that advice was not sought from Risk Management in terms of possible evacuation. The engineering reports advised that corrections must be made without delay. With a heavy snowfall occurring in December, the state of the building walls was monitored daily. Board concerns were expressed with the lack of building evacuation, risk analysis, and perceived lack of concern for physical safety. It was noted that a full demolition and reconstruction of the building for seismic retrofitting was estimated at $22 million rather than the $6 million for deferred maintenance-only. Director Schueler, chair of the F&A Committee, advised that the Committee prioritized the list by level of emerging health and safety issues and will be reevaluating and prioritizing the proposed capital project list.
**ACTION:** With no further discussion, Chair Donegan called for a motion to delegate to the Finance & Administration Committee authority to review capital project requests being proposed for the February 2014 Legislative Session and to approve such requests and any related prioritization for submission to the legislature. Directors Allyn Ford and Orcilia Forbes made the motion and second, respectively; motioned carried.

9. **RECESS INTO EXECUTIVE SESSION**

With no further business proposed, Chair Donegan recessed the meeting into the executive session of the Board at 11:45 a.m.

Oregon State Board of Higher Education

Executive Session
January 10, 2014

Board members present included: Chair Matthew Donegan and Directors Lynda Ciuffetti, Jill Eiland, Orcilia Forbes, Allyn Ford, Farbodd Ganjifard, Paul Kelly, Brittany Kenison, Emily Plec, Kirk Schueler, and David Yaden. Those absent included: Jim Francesconi and Jim Middleton.

Chancellor’s Office staff included: Interim Chancellor Melody Rose, Brian Fox, Ryan Hagemann, Jay Kenton, Jan Lewis, Karen Marrongelle, Marcia Stuart, and Charles Triplett.

Campus staff included: President Bob Davies, Provost Steve Adkison, and Vice President for Finance & Administration Lara Moore (EOU); and President Mary Cullinan, Provost Jim Klein, and Vice President for Finance & Administration Craig Morris (SOU).

10. **RECONVENE**

Chair Donegan reconvened the meeting at 12:15 p.m. pursuant to ORS 192.660(2)(f) to discuss records that were exempt by law from public inspection. Pursuant to ORS192.660(4), representatives of the news media were allowed to attend but the Board required that the discussions and any reports received in executive session be undisclosed. Pursuant to ORS 192.660(6), no final actions were taken or final decisions made in the executive session.

11. **DISCUSSION ITEMS**

a. Eastern Oregon University
b. Southern Oregon University
The senior leadership from EOU and SOU were invited to share internal advisory communications with the Board. No actions were taken.

12. **ADJOURNMENT**

With no further business discussed, Chair Donegan adjourned the executive sessions of the Board at 3:45 p.m.