Board members present included: Chair David Yaden and Directors Jill Eiland, Orcilia Forbes, James Francesconi, Lisa Graham, Paul Kelly, Brittany Kenison, Jim Middleton (phone-left at 10:50 a.m.), David Nelson, Emily Plec, and Shea Washington (arrived 10:15 a.m.).

Chancellor’s Office staff included: Chancellor Melody Rose, Cathy Dyck, Ryan Hagemann, and Charles Triplett.

Campus staff included: Jay Kenton (EOU-phone), Chris Maples (Oregon Tech), Craig Morris (SOU), Roy Saigo (SOU- 10:00 a.m.), Liz Shelby (SOU).

Others:

1. **Call to Order/Roll Call/Welcome**

   Chair Yaden called the meeting to order at 9:03 a.m. and asked the secretary to take the roll. He welcomed new Board members Lisa Graham, David Nelson, and Shea Washington.

2. **Discussion Items**

   a. **2014-15 Work Prioritization**

   **Docket Item:**

   **OSBHE AND CHANCELLOR’S OFFICE 2014-15 WORK PRIORITIZATION**

   In 2013, the Oregon Legislature adopted Senate Bill 270, a historic piece of legislation that initiated a systemic higher education reform effort by establishing institution governing boards for Oregon State University, Portland State University, and the University of Oregon, and removing them from the Oregon University System on July 1, 2014. The legislation also envisioned a pathway for the remaining OUS Technical and Regional Universities (TRUs): Eastern Oregon University, Oregon Tech, Southern Oregon University and Western Oregon University to transition to institutional governance at a future date. On April 4, 2014, the Oregon State Board of Higher Education (OSBHE) approved this next phase of university governance reform by authorizing institution boards for the remaining four institutions. Institution Boards of Trustees assume governing authority for the TRU campuses on July 1, 2015, effectively ending the OSBHE and the Office of the Chancellor.
2013-14 ACCOMPLISHMENTS

Following the adoption of SB 270 (2013), the Chancellor’s Office quickly began a work prioritization process to support a smooth transition to the state’s new postsecondary structure, while meeting all existing fiduciary responsibilities as a seven-university system for the 2014 fiscal year. The following six bodies of work guided these efforts:

1. **Essential operations and management** – maintain and manage activities that are legally or contractually required under the current system structure through July 1, 2014
2. **University Shared Services Enterprise (USSE)** – support presidents’ Work Group on University Shared Services and Board Governance & Policy Committee
3. **Regional Governance** – provide data and support to the Legislative Special Committee on University Governance and Operations
4. **Institution Boards** – separate and support OSU, PSU and UO as institution boards operationalize on July 1, 2014
5. **Higher Education Coordination Commission (HECC)** – support transition of statewide higher education coordination from OSBHE to HECC
6. **40-40-20** – promote access to an affordable, quality education and increased degree attainment for Oregon students.

Through the collective work of Board, Chancellor’s Office staff and institutional partners, much of this work has successfully concluded or is nearing completion. The USSE was officially signed into existence on June 27, 2014 at 2:02 p.m. A national search for an Executive Director resulted in a successful appointment beginning on May 30, 2014 and 20 Chancellor’s Office employees transitioned to their new host institutions on April 1, 2014. Institution Boards of Trustees for OSU, PSU, and UO are established and meeting regularly as is the HECC. The Chancellor’s Office has completed the transition of statewide policy authority to the HECC thanks in large part to the HECC transition work group, led by Director Orcilia Forbes. Institution Boards and the HECC are poised to assume leadership roles as the State of Oregon moves to complete its higher education reforms. As the OSBHE and Chancellor’s Office enter a final year, the following set of principles guide our work:

1. Manage all activities that are legally or contractually required under a four-university system;
2. Support the successful establishment of institution Boards of Trustees at EOU, OIT, WOU, and SOU;
3. Complete a successful closure of the Office of the Chancellor and sunset the OSBHE, including all necessary records, contracts, inventory, property, and cash management.

Much of the work identified in the following “essential activities” lists below is staff responsibilities. As the Chancellor’s Office continues to experience attrition throughout the 2014-15 fiscal year, the OSBHE and Chancellor’s Office leadership will have to carefully monitor and prioritize fiduciary and statutory obligations centrally while facilitating the transition of administrative responsibilities to the TRU institutions.
2014-15 ESSENTIAL ACTIVITIES
OREGON STATE BOARD OF HIGHER EDUCATION ESSENTIAL ACTIVITIES

BOARD MEETINGS
• Convene a minimum of four meetings: October, January, April, June
  o Approve 2014-15 operating budget allocations as directed by the HECC
  o Establish tuition and fees for 2015-16 for the four TRUs
  o Approve academic programs and forward them to the HECC for final approval
  o Administer residency rules and approve admissions policies for the four TRUs
  o Complete and submit Achievement Compacts on behalf of the four TRUs to the Oregon Education Investment Board (OEIB)
  o Approve Resolution for sale of bonds for TRUs

CAMPUS SUPPORT
• Conduct Presidential search(s) at WOU and EOU
• Support interim-president(s)
• Oversee EOU and SOU mission evaluations and monitor retrenchment activities per “conditions” adopted on May 16, 2014
• Advise institution Boards of Trustees as necessary or requested
• Engage the Association of Governing Boards (AGB) to work with Campus Administration on Board transition

CHANCELLOR’S OFFICE ESSENTIAL ACTIVITIES
OFFICE OF THE CHANCELLOR
• Conduct presidential search(s)
• Conduct presidential evaluations
• Provide Chancellor’s transition/succession plan
• Work with internal and external stakeholders, and outside expertise, as needed, to facilitate closure of the Chancellor’s Office
• Consult with Secretary of State to transition Chancellor’s Office records, as required by law
• Convene strategic planning retreat with senior staff, TRU senior staff, and the Association of Governing Boards (AGB) to construct a best practices transition work plan
• Consult and support OSBHE and TRU institutions, as necessary and able, in the 2015 Legislative Session, including monitoring legislative changes to ORS Chapters 351 and 352

ACADEMIC STRATEGIES
• Provide Institutional Research support and training to TRU institutions
• Facilitate Achievement Compact development and reporting for TRU institutions
• Monitor and support program approval and academic policy reporting for Board
• Records management

FINANCE & ADMINISTRATION
• Manage operating budget for Chancellor’s Office
• Provide business service support for Chancellor’s Office
• Provide/coordinate data to support legislative budget requests for TRUs to the extent possible with existing staff resources
• Coordinate and present tuition and fees request to OSBHE
• Manage inventory and all property and cash balance dispositions
• Revise rules and policies to accommodate reduced staffing levels and shifting responsibilities
• Participate in shared services as needed
• Present Consolidated Financial Statements and audit results to the Board for 2013-14
• Convene Admin Council for TRU institutions
• Records management

OSBHE’S OFFICE
• Provide Board orientation and support to new members
• Facilitate quarterly meeting preparation and support
• Respond to Chancellor’s Office public records requests
• Prepare Board records for permanent storage as required by law

LEGAL SERVICES
• Serve as General Counsel to OSBHE, Chancellor, and TRU institutions until transition or legal services are delegated to the institutions
• Advise on policy and OAR transition to TRUs
• Manage contract transition to minimize risk to OUS and TRUs
• Advise on record retention and management
• Advise on inventory management and property disposition
• Monitor and transition outstanding litigation in which a TRU institution or Chancellor’s Office is a party
• Convene and train, as necessary or required, legal counsel hired by TRU institutions during transition
• To extent required by law or contract, participate in third step grievance hearings per the SEIU-OUS collective bargaining agreement

GOVERNMENT RELATIONS
• Support/advise OSBHE and TRU institutions, as necessary and able, in the 2015 Legislative Session, including monitoring legislative changes to ORS Chapters 351 and 352

COMMUNICATIONS
• Respond to OSBHE or Chancellor’s Office media inquiries
• Issue press releases as needed to summarize OSBHE meetings, Board and staff transitions/appointments, president search(s), 2014 enrollment announcement, and other areas
• Support leadership transitions at TRU campuses
• Advise on campus communications as necessary
• Manage OUS website updates until closure, including archiving

INTERNAL AUDIT
• Provide independent and objective assurance and consulting to Board
• Coordinate any audit report activities necessary and advisable for the closure of the Chancellor’s Office and sunset of the OSBHE
ACTIVITIES THAT TRANSFER TO TRUs ON JULY 1, 2014 OR ARE DISCONTINUED

- Legislative advocacy, bill tracking, fiscal impact statements
- Contracting services/retainer agreements
- Student support services
- Capital construction services/analysis
- Communications and public affairs
- Coordination with other entities

Board Discussion:

Chair Yaden called on Chancellor Melody Rose to present the item on 2014-15 work prioritization. Chancellor Rose thanked senior staff for their hard work producing this document and noted that it was focused on supporting the Board but at the same time, recognizing that the Chancellor’s Office ability to support the Board had been restricted because of internal staffing issues. The other significant responsibility was to work with the four remaining campuses in the System, where there are two interim presidents and one president who has declared his intent to retire. She continued, “We have some of the traditional activities of the Chancellor’s Office around finance and administration, legal services, contracts that will need to be revisited, revised, and revamped for the new governance structure. I did have many conversations with presidents about the transition of responsibility on communications and have initiated a new contract with Pyramid Communications should there be a communications need here in the Chancellor’s Office but much of the communications responsibility will now redound to the campuses.” Chancellor Rose shared with the Board that she had ongoing conversations with the four TRUs about government relations responsibility shifting to them climate and expectations because of HECC’s new role.

Board Secretary Triplett presented the updated Board meeting calendar and reminded the Board that because committees had been suspended, many items that traditionally went through the committee process would now go to the full Board. He then noted the next meetings: October 10 at OIT, January 9 at WOU, April 10 at SOU, and June 5 at EOU.

Chair Yaden then turned to the campus support section of the work plan. He highlighted the EOU and SOU mission evaluations and the monitoring of retrenchment activities, quoting the conditions that were adopted and approved by the Board on May 16, “the intent of the identified conditions and processes to work in collaborative partnership with the State Board of Higher Education, Higher Education Coordinating Commission, governor’s office and the Institutions. Collaboration intended to resolve current challenges and remove additional conditions not required at other public universities so that the schools can flourish under their own Institutional Governing Boards. The State Board and Chancellor’s Office from now through June 30 will work with the schools administrations and in consultation with appointed but not serving Institutional Board Trustees as possible to clarify and strengthen their mission to develop strategies to foster a competitive niche within the institution’s mission and to provide a pathway toward long-term financial viability.” Board discussion followed.

b. Board Committees

Chair Yaden commented on the Board committees, noting that the Board had decided to leave the committees in place but have them non-operable. Director Paul Kelly would remain as Chair of the
Governance and Policy Committee; Director Jim Middleton would remain as Chair of the Academic Strategies Committee; and Director Orcilia Forbes would step in as Chair of the Finance Committee.

c. Presidential Searches

Chair Yaden called upon Chancellor Rose to present the item. Chancellor Rose highlighted several items concerning the ongoing searches, reporting that Director Francesconi will chair the WOU search and Director Nelson will chair the EOU search and that now work will begin to appoint people to the respective search committees. She reminded the Board that Roy Saigo had agreed to a two year commitment at SOU. She then shared that Roy Koch, former provost at PSU, will support the EOU and WOU searches as the Chancellor Offices liaison.

3. Action Items

a. Chancellor’s Transition

Chair Yaden presented the item on the transition of leadership in the Chancellor’s Office and noted that the item was on the agenda because Chancellor Rose will be moving on to the presidency at Marylhurst University on August 16. Chancellor Rose stated that due to many of the changes in the Chancellor’s Office, the role of the Chancellor is greatly changed and no longer fully reflects the historic role of that office. After consultation with General Counsel Hagemann, and noting that statue requires the existence and naming of a Chancellor, a title of acting Chancellor and Chief Financial Officer was created. Mr. Hagemann proposed a rules change to broaden the definition of acting Chancellor in order to fully accommodate the current situation. Chancellor Rose then nominated Cathy Dyck to be Acting Chancellor and Chief Financial Officer of the System.

Board discussion followed concerning clarification of the combination of roles of Acting Chancellor and Chief Financial Officer of the System. Chancellor Rose noted that currently the president’s report through to the Chancellor as liaison and a representative of the Board. It is now more appropriate for the Board to take a more direct role in supervising the presidents.

Chair Yaden called for a motion to appoint Cathy Dyck as acting Chancellor and Chief Financial Officer from August 16, 2014 through June 30, 2015 at an annual salary rate of $250,000 and an annual car allowance of $10,000 and delegate Board Chair David Yaden or his designee the authority to negotiate and execute an employment agreement consistent with this motion. Directors Kenison and Kelly moved and seconded, respectively. Motion passed.

Cathy Dyck thanked the Chancellor and the Board for allowing her the opportunity to work in the position. She commented, “There is no doubt this will be a year of continuing challenges and change but I’m confident with the Board leadership as I look around and the folks on the phone too, that this is the place and with these amazing and talented staff that we have, remaining in the Chancellor’s Office and also when needed outside consultation and help, that we’ll be able to accomplish all that we set out to do this year.”

Chancellor Rose thanked everyone for the opportunity to serve as Chancellor.
4. Adjournment

With no further business, Chair Yaden adjourned the meeting at 11:00 am