



**MINUTES OF THE RETREAT OF THE BOARD OF HIGHER EDUCATION  
JANUARY 6-7, 2005**

**SUNRIVER, OREGON**

**THURSDAY, JANUARY 6, 2005**

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

The Board Retreat was called to order at 5:27 p.m.

**The following Board members were present:** Don Blair, Bridget Burns, Henry Lorenzen, Adriana Mendoza, Tim Nesbitt, Geri Richmond, Gretchen Schuette, Howard Sohn, Tony Van Vliet, and John von Schlegell. Kirby Dyess arrived at 6:35 p.m.

**The following OUS staff members were present:** George Pernsteiner, Ryan Hagemann, David McDonald, Benjamin Rawlins, Di Saunders, Marcia Stuart, and Susan Weeks.

**Others present included:** Rich Novak (Association of Governing Boards), Bob Woodbury (Association of Governing Boards), and Pat Callan (National Center for Public Policy and Higher Education). A member of the press was also present.

Chair Lorenzen open the Board Retreat, commented on the planning process, and turned the floor over to Director von Schlegell to set the stage for the Retreat.

Director von Schlegell welcomed the facilitators and described the agenda and process for the Retreat. He spoke of the Board's generative work and asked Board members to consider a timeframe that would not squelch creativity. He discussed efforts to develop a vision for higher education; the role of Board members, the Chancellor's Office, and the campuses; and the need for a charge for the long-range planning committee.

Rich Novak turned to a discussion of higher education's national context. He stated that he would review some challenges in several states for reference and comparison. Novak discussed several trends, including state budgets, enrollment growth, the issue of whether higher education institutions should be more or less public, and the notion of "negotiated contracts" between states and public higher education institutions. Amid clarification from Board members, Novak noted a bifurcation of public institutions between research/flagship institutions and regional universities and trends relevant to the bifurcation.

Novak reviewed the relevant trends of economic development, accountability, efficiency, completion, redefinition of the social compact, and including explicit expectations of



institutions. Novak also discussed various implications, including the necessity of a Board to maintain policy independence, importance of "Board ownership," understanding a broader agenda that addresses state needs, consistent involvement in the planning process, and keeping agendas simple.

After examining trends and implications, Novak reviewed issues in various states to illustrate various challenges across the country. He noted Colorado's enterprise approach and Kentucky's successful coordination approach. Director Richmond asked if the public in other states expressed support for higher education and mentioned her need to understand climate. Novak also reviewed Michigan's decentralization and the North Dakota Roundtable. Director von Schlegell asked for reactions.

Chair Lorenzen commented on the tremendous authority invested in Oregon's boards. Director Sohn asked what the Board's role was with respect to planning. Director Nesbitt referenced the Oregon Benchmarks and Acting Chancellor Pernsteiner noted Susan Weeks had information on various performance indicators. Director Schuette asked how the Board could use the authority it had to be effective. Director Blair added that he was somewhat uncomfortable with a 20-year plan as the Board was currently considering questions of autonomy and decentralization. Director Blair suggested considering three or four questions regarding governance and the relationship with the state. Director Blair concluded that once the Board identified roles, it could work to implement a governance policy with some clarity. Novak, Bob Woodbury, and several Board members discussed "blue sky" conversations and how best to proceed.

Pernsteiner reiterated the concepts and process behind planning the Retreat. He stressed governance and scope of the planning effort. Director Richmond returned to Director Blair's comments regarding goals and Pernsteiner noted the Board had already enunciated goals in its budget submission. Director Sohn asked if it was necessary to accept assumptions in the status quo. Director von Schlegell stated that he was interested in understanding the pieces each Board member thinks is involved in the planning process.

## **2. ADJOURNMENT**

The session adjourned at 6:55 p.m.

**FRIDAY, JANUARY 7, 2005****1. CALL TO ORDER/ROLL CALL/WELCOME**

The Board Retreat was called to order at 7:57 a.m.

**The following Board members were present:** Don Blair, Bridget Burns, Kirby Dyess, Henry Lorenzen, Adriana Mendoza, Tim Nesbitt, Geri Richmond, Gretchen Schuette, Howard Sohn, Tony Van Vliet, and John von Schlegell.

**The following OUS staff members were present:** George Pernsteiner, Ryan Hagemann, David McDonald, Benjamin Rawlins, Di Saunders, Marcia Stuart, and Susan Weeks.

**Others present included:** Rich Novak (Association of Governing Boards) and Bob Woodbury (Association of Governing Boards). A member of the press was also present.

Bob Woodbury reviewed the possible agenda: (1) brief portrait of Oregon, (2) vision for the future of higher education, (3) implications for roles and responsibilities, and (4) observations and final thoughts. Before moving through the agenda, Susan Weeks offered brief comments on some important trends in Oregon higher education. She reviewed the disparity between "haves" and "have-nots," the impact of the loss of financial resources, particularly on faculty, and participation in the knowledge economy. Director Nesbitt asked questions about total cost and tuition increases and Pernsteiner discussed the proportion of nonresident students. Several Board members commented on the knowledge economy and the number of new jobs that will require a postsecondary education. Pernsteiner outlined conclusions from the presentation and noted the Governor's belief that higher education is a driver for economic development.

Woodbury asked Board members to share what each would be most proud of in ten years. Director Blair stated some sort of measure of Oregon's intellectual capital. Director Burns noted accessible institutions. Director Nesbitt reiterated Director Burns' comments and added increased expectations from students. Director Richmond offered Oregon's higher education System as an example of how to be lean, mean, effective, smart and strategic. Director Dyess shared economic development from the spires of excellence in the higher education System. Director Sohn noted the research and development strengths of all the institutions. Director Mendoza echoed Director Dyess' comments and added the importance of changing the mentality in rural areas. Director Van Vliet stated stable funding for higher education. Director Schuette shared the inspiration and aspiration for people to be successful. Director von Schlegell observed smart oversight capacity. Pernsteiner added the concept of "good enough was no longer good enough." Chair Lorenzen offered national recognition of excellence in several identified programs.

As Woodbury attempted to summarize the comments, Director Blair suggested getting individual Board member comments on each of the statements. Woodbury noted the

effort to sharpen the vision. Director Sohn echoed Director Blair's comments and observed the importance of placing excellent institutions in perspective. Several Board members made comments about excellence and Director Nesbitt concluded the necessity of creating an aura of excitement. Director Richmond stressed the importance of being able to visualize life with higher education. Several Board members returned to the concept of "two Oregons" and Chair Lorenzen asked how a Board could create demand for higher education.

Woodbury paused to evaluate progress and commented that there seemed to be a shared sense of aspirations. Director Blair suggested using the raw material to develop quantifiable goals and strategic priorities. Woodbury responded that it might be helpful to take the list of comments and aspirations and develop themes. He offered (1) developing new and shared expectations for Oregonians, (2) developing a successful economy and society, and (3) developing focused and recognized excellence. During the break, Pernsteiner organized the previous aspirations into four themes: (1) develop new, shared expectations for every Oregonian, (2) develop focused and recognized excellence, (3) develop a successful society and economy, and (4) develop a bold, innovative, entrepreneurial, and accessible System that inspires.

Director Blair returned to his previous comments and suggested, amid the effort of laying out the strategic plan, to determine some of the broad action steps that might be necessary. He offered creating an education ethic and developing a stable financial platform as examples. Board members developed the following list: (1) create a viable, stable financial system; (2) create an education ethic; (3) choose and invest in specific initiatives; (4) develop a plan for information technology to further educational and efficiency goals; (5) focus on student-centered goals; (6) clarify institutional missions; (7) identify areas of excellence and build on them; (8) create a fertile and nurturing environment for research and development; (9) provide for institutional autonomy, but strengthen accountability; (10) create a seamless education system to enhance accountability; (11) create a broader higher education constituency; (12) build a sustainable, predictable, and transparent tuition policy; and (13) rethink academic delivery to assure credibility with public and policymakers. After discussion on how to move forward with these suggestions, Woodbury explored implications for the Board regarding responsibilities and the planning process.

Woodbury reviewed efforts boards can take to add value to their missions, including the standard fiduciary responsibilities, strategic duties, and generative efforts. He continued with discussion of determining the expectations of the Chancellor, presidents, and the Board. Director Richmond suggested looking to the four thematic areas and asking questions of role and governance under each. Pernsteiner used examples of financial reporting and presidential evaluation to discuss Board roles and responsibilities. He suggested a conversation regarding what the Board does, what the Chancellor does, and what the campuses do. Director Blair clarified the roles might be divided as "central versus institution" and within "central" resides the Board and the Chancellor. Director von Schlegell suggested discussing Director Blair's framework.

Director Blair reiterated the framework of central versus institution and offered that one of the questions is how to deploy System goals to the institutions. Director von Schlegell added that it might be helpful to determine what the Board does and does not receive. The example of presidential evaluations was used to explore possible relationships among the Board, Chancellor, and campuses. Woodbury observed the uniqueness of institutions of higher education regarding governance structures and Board members commented on the observation. Board members explored scope of authority with regard to their statutory charge. Board members developed a list of possible areas of responsibility for the central System: (1) System goals and strategic plan, including institutional goals; (2) institutional strategic plans, goals, and missions; (3) performance management; (4) external relations with the Governor, legislature, and the public; (5) human resources; (6) policy framework for various fiduciary responsibilities; and (7) allocate resources. Director Schuette commented that it was important to determine what to delegate and what to keep. Director von Schlegell asked if the first juncture was to determine if the Board would like a CEO model or a staff model. Board members discussed the implications of reporting structures among the Board, Chancellor, and campuses extensively. Woodbury turned to developing a charge for the long-range planning committee and Director von Schlegell added that the Board needed a governance committee. Chair Lorenzen suggested carving time for planning questions at each Board meeting. Board members discussed possible membership on the long-range planning committee. Chair Lorenzen suggested tasking the executive committee with governance.

## 2. ADJOURNMENT

The session adjourned at 1:31 p.m.

Henry C. Lorenzen  
President of the Board

Ryan J. Hagemann  
Secretary of the Board