



Board of Trustees of the University of Oregon

March 2-3, 2017

The Board of Trustees of the University of Oregon (Board) met at the Ford Alumni Center on March 2-3, 2017. Below is a summary of Board reports, discussions, and actions. An audio recording is on file.

THURSDAY, MARCH 2, 2017

Convening, Introduction, Approval of Minutes. The meeting was called to order at 1:30 p.m. by Chair Chuck Lillis. Roll call was taken and a quorum verified. The Board approved minutes from its December 2016 meeting.

Public Comment. Following is a list of individuals who spoke and the general topic(s) of their remarks.

- *Michael Dreiling – Professor, president of United Academics: spoke to the need for greater state funding, the impact of university financial decisions on faculty and students, and the change in the structure (location) of the Arts Administration program*
- *Natalie Fisher – undergraduate student, ASUO external vice president: spoke to the impact of tuition increases on students, the impact of cost drivers such as PERS on the university budget, and the work of ASUO to advocate for greater funding in Salem*
- *Imani Dorsey – undergraduate student: spoke to the impact of tuition increases on herself and other students, and to the process for setting tuition*
- *Matthew Osborn-Grosso – undergraduate student: spoke to the impact of tuition increases on students and diversity at the institution*
- *Maria Slade – undergraduate student: spoke to the impact of tuition increases on herself and similarly-situated (economically) students*
- *Manual Mejia Gonzalez – undergraduate student: spoke to issues of diversity and the impact of tuition increases on university diversity; also spoke to his personal experiences on campus*
- *Amy Schenk – undergraduate student, ASUO state affairs commissioner, also representing the Oregon Student Association: spoke to the increasing cost of higher education, including the impact on nontraditional and working students; spoke on behalf of students impacted by an increase to tuition but who could not come to the meeting due to class or work*
- *Charlie Landeros – undergraduate student: spoke to the UO’s reputation and accessibility to people of color and the poor, including those local to Eugene*
- *Blair Barnes – undergraduate student, ASUO senator: spoke to the issue of tuition increases and the overall cost of higher education, and to the impact tuition increases may have on diversity and inclusion at the UO*
- *Bryce Keicher – undergraduate student: spoke to the impact of tuition increases on access for students, and to the need for participatory leadership in decision-making*
- *Zach Malatesta – undergraduate student: spoke to the price of education and the need to look at all possible solutions to balancing a budget before raising tuition*

- *Carolyn Ruiz – undergraduate student: spoke about her family’s decision to move to Mexico and about her gratitude for a scholarship that allows her to be at the UO, which provides opportunity other students do not have*

Reports. The Board received standing reports from the following individuals.

- *ASUO President Quinn Haaga (written report available in board materials posted online)*
- *University Senate President Bill Harbaugh*
- *Senior Vice President and Provost Scott Coltrane*
- *President Michael Schill*
 - *Following President Schill’s report, Trustees Will Paustian and Kurt Willcox made statements regarding the President’s recommendation to not rename Deady Hall.*

AY17-18 Tuition and Fee Proposal. President Schill began the discussion on the tuition and fee proposal by expressing his frustration and disappointment that we are in a position of having to raise tuition by so much. He noted that, unfortunately, in the current circumstances and with current state funding levels, there is no choice. The institution has to maintain and improve its level of academic excellence. Vice President for Finance and Administration and CFO Jamie Moffitt walked trustees through the tuition and fee setting process. In addition, she presented background information relative to the components of tuition, including sources of revenue and the uses of various fees, and historical data regarding tuition and fees during the last ten years. Moffitt also provided trustees with a look at the UO’s position regarding tuition, fees and staffing levels relative to peer institutions, such as the AAU public institutions and public Pac-12 Conference members. Moffitt discussed the current Education and General (E&G) budget, including comparisons on staffing and salary levels relative to peers, and focusing on cost drivers expected to add recurring expenses in FY18. She noted that 80% of the E&G budget is funded through tuition, and that the E&G budget funds the majority of activity in schools and colleges and various administrative units. She also noted that over 80% of the E&G budget is invested in people. Major recurring cost drivers highlighted by Moffitt included faculty and staff compensation increases (including salaries, retirement (PERS), and health benefits (PEBB)) totaling \$19.7M, graduate employee compensation increases totaling \$800K, general institutional expense increases of \$1M, and increases in strategic investments (e.g., tenure track faculty) of \$3.5M. Moffitt noted that the salary increase costs are primarily driven by existing collective bargaining agreements.

After discussing the budget situation heading into FY18, Moffitt walked trustees through President Schill’s proposal for FY18 tuition and fees. Details of the recommendation as outlined by Moffitt are available in the Board meeting materials online (trustees.uoregon.edu/meetings). The proposal included a \$21 per student credit hour (SCH) increase for both residents and non-resident students. This equates to a \$945 per year increase for students taking a full load of courses (45 credits). The decision was made to keep the proposed increase for residents and non-residents at an equal dollar amount given the market pressures facing non-resident tuition levels at the UO. Moffitt also discussed with trustees the proposal to *reduce* the proposed tuition increase prior to the academic year should legislative funding increase by certain amounts over the Governor’s recommended budget released in December 2016. Details for that scaled return are available in the materials.

Moffitt also discussed elements of the tuition proposal relating to the Clark Honors College differential (an increase of \$120 per term), summer school rates (increasing commensurate to academic year increases), a newly-organized Master's in Finance graduate program, and mandatory fees. Details of all proposals as well as the recommended fee levels are available in the board materials. Moffitt also explained that new tuition and fee policy book language changes would remove the obligation for Portland-based students to pay EMU and Rec Center fees. Moffitt discussed the proposal's new technology fee with trustees to ensure they understood the focused use of this fee and how it is similar to the approach used by the majority of AAU public institutions, albeit far less than the average fee charged by those institutions.

Moffitt raised the issue of a differential tuition proposal from the Lundquist College of Business, which was not included in this year's recommendation. She noted that the Trustees might want to have a philosophical discussion about differential tuition in the coming year, before any specific proposal comes to the Board.

Trustees engaged in discussion around cost saving measures, state funding, the freshmen residency requirement, the scope of budget cuts, the need for increased state investments, and the overall difficulty of this proposal and decision-making process. They also discussed the importance of remembering the focus on academic excellence and the relative investments necessary to keep an eye on that goal.

ACTION: The Board considered a resolution to set tuition and fees for FY18 as recommended by President Schill. The resolution was moved by Kari and seconded by Bragdon. It passed by a vote of 12 to 1, with Trustee Willcox dissenting.

Recess. The meeting was recessed until 10:00 am on March 3, 2017.

FRIDAY, MARCH 3, 2017

Reconvening. The meeting was reconvened at 10:13 am on March 3, 2017. A quorum was verified.

Seconded Motions and Resolutions from Committee. The Board considered two resolutions (presented as seconded motions) recommended for action by the Finance and Facilities Committee.

ACTION: The Board considered a resolution to amend the Delegation of Authority policy as it relates to re-approval of capital projects and budgets. The resolution carried by voice vote without dissent.

ACTION: The Board considered a resolution to authorize up to \$20M in contract commitments and expenses related to the current Knight Campus capital project. The resolution carried by voice vote without dissent.

Federal Affairs. Dennis Galvan, vice provost for International Affairs, spoke with trustees about current issues and trends with respect to the UO's international community. He noted that 40 individuals at the UO come from the seven countries affected by the President's Executive Order, including 39 students and one faculty member. He also updated trustees about a statement issued

by the UO in support of the lawsuit against the first issued Executive Order and provided trustees with a list of top universities that have also done so. Galvan noted that current international applications are down 15% year-over-year, which is within the range of what has been seen at peer schools. Galvan informed trustees that current study abroad applications are up 15%.

Vice President for Research and Innovation David Conover spoke to trustees about current issues and possible changes to federal policy that could impact federally-funded research, including the National Science Foundation, the National Institute of Health, and the Institute of Education Sciences. Conover explained that the Department of Education, which funds IES, is our biggest vulnerability with respect to research dollars given that the Department provides 34% of our federally-funded research portfolio (focused on our strong special education and related programs). He noted that there is a great deal of uncertainty about where funding for federal research may lie as a policy priority for Congress and the Administration. Conover emphasized that funding is not the only issue impacted by federal policy, explaining that a large number of post-docs and research-focused graduate students are international and policy that may reduce—directly or indirectly—these populations would be a “brain drain” at the institution.

Associate Vice President for Federal Affairs Betsy Boyd discussed overarching federal advocacy efforts, both directly by the UO and in coordination with our coalition partners (e.g., AAU, APLU). She walked trustees through the various UO connections in DC, both on Capitol Hill and in the Administration, and Oregon’s relative position in Congress with various leadership and committee positions. Boyd also talked about the Federal FY17 and FY18 budgets. Trustees and the panel discussed questions about research focused on the environment and what we know about new Department of Education leadership.

Energy and Sustainable Materials Cluster of Excellence. Jim Hutchison provided an in-depth look at the Energy and Sustainable Materials Cluster of Excellence, which he leads. Hutchison, a professor of chemistry and biochemistry and the Lokey-Harrington Chair in Chemistry, talked about the research strengths of the cluster—including solar fuels, next generation electronics, and sensors—noting that chemistry and materials are very central to just about every aspect that touches lives. This allows for a naturally interdisciplinary field of study and the cluster has the opportunity to connect more than 15 programs across campus. Hutchison provided an overview of his current staff, recently-hired cluster faculty, and open positions to help round out the team and advance the effort. He noted out faculty areas of focus interplay together, creating a loop between computational materials, devices and fabrication, and new materials discovery. Hutchison also spoke to the goal of leveraging private, foundation, state and federal investment in order to build excellence and gain a competitive advantage for the cluster and related programs. He also focused on our facilities, including CAMCOR. Hutchison also spoke with trustees about the ability of the Knight Campus for Accelerating Scientific Impact (Knight Campus) to boost this particular cluster through greater collaboration and a focus on applied chemistry that is problem-focused and industry-connected. Hutchison talked with trustees about the role of partnering with private organizations for things such as innovation and tech-transfer.

Knight Campus for Accelerating Scientific Impact. Patrick Phillips, acting director for the Knight Campus, provided trustees with an update on planning and execution of the Knight Campus initiative. He first talked about the current capital planning effort, including the engagement of an architect/design firm and a construction management and general contracting firm. Phillips noted

that a major endeavor right now is securing state funding for part of the capital project. He also provided a brief report on site visits he and the design team have completed at other universities over the last month. Property acquisition remains on schedule and the project team is moving forward with design and land preparation. He noted that the current schedule has building construction beginning in 2018. Phillips also discussed external relations for the Knight Campus, including outreach with OHSU as well as business organizations locally and statewide. Phillips walked trustees through current discussions on programming (e.g., graduate internship program, innovation funding program, entrepreneurship program, and a symposia and/or lecture series). An internal advisory board has been appointed and is actively working with Phillips, the Provost, and the President to develop internal governing documents and organizational details. He provided a current timeline for hiring a permanent director, which has a goal of completion by the end of 2017 and onboarding sometime in the first half of calendar year 2018.

Adjournment. The meeting was adjourned at 11:59 am.