

Attendance

Marcia Aaron	Present	Elisa Hornecker	Present	Andy Storment	Present
Cy Abbott	Present	Ed Madison	Present	Amy Tykeson	Present
Tim Boyle	Present	David Mitrovčan Morgan	Present	Jenny Ulum	Present
Renee Evans Jackman	Present	Lillian Moses	Present	Ruby Wool	Present
Toya Fick	Present	Karl Scholz	Present	Dennis Worden	Present
Steve Holwerda	Present	Connie Seeley	Present		

Convening and Approval of Minutes. The Board of Trustees of the University of Oregon (Board) met on the Portland campus December 9-10, 2024. Chair Steve Holwerda called the meeting to order on December 9th at 9:03 a.m. Pacific Time. (All times noted going forward are Pacific Time). Holwerda indicated Trustee Boyle and President Scholz would be arriving later in the day and Trustee Moses would be joining both days of the Board meeting virtually. The Secretary verified attendance and a quorum. The Board approved the minutes from the September 2024 full Board meeting without amendment. The motion was moved by Trustee Tykeson and seconded by Trustee Fick.

Opening Comments. Holwerda highlighted that Board meeting agendas moving forward will be organized around the university’s strategic plan, Oregon Rising.

Provost’s Report. Senior Vice President and University Provost Chris Long welcomed everyone to the Portland campus and described the efforts to implement Oregon Rising and advance the university as a Hispanic Serving Institution. Long specifically highlighted work to encourage students to carry a full-time credit load which data shows improves graduation rates. He also provided an update on labor negotiations Trustees engaged in discussion about the Portland campus and efforts to remove impediments to timely graduation. Holwerda indicated technical difficulties with the meeting live stream, which was remedied and became operational during the Provost’s Report; *the full meeting was video recorded and is posted on the Board’s website*).

Pathways to Timely Graduation & Career Preparation.

- **Report from Academic & Student Affairs Committee (ASAC) Chair.** Trustee Hornecker reported on the ASAC meeting from December 2, which included the ASAC voting unanimously to bring three academic programs forward for full Board approval. Hornecker also indicated the ASAC plans to meet two weeks before each regular Board meeting to allow for thorough analysis of items submitted to the committee and to afford the committee time to work with the university on questions that arise during committee meetings.
- **Program Approval: M.S. in Historic Preservation (Action).** Adrian Parr Zaretsky, Dean, College of Design, presented a proposal to relocate the Master of Science in Historic Preservation program offered through the Department of Architecture in the College of Design to the Eugene campus from the Portland campus effective in the Fall 2025 term. Parr Zaretsky indicated the location change will create more interdisciplinary options, leverage additional faculty in Eugene, lower housing costs for students and lower administrative burden. Trustees engaged in discussion on,

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but not limited to, enrollment demand and career prospects for students in the program and how the university tracks the success of new programs after they receive Board approval.

ACTION: The resolution to approve the M.S. in Historic Preservation location change as a seconded motion from the Academic and Student Affairs Committee was moved by Trustee Stormont and seconded by Trustee Wool. It passed by a voice vote without dissent.

- **Program Approval: B.S. in Materials Science & Technology (Action).** Elliot Berkman, Associate Dean for the Natural Science, College of Arts & Sciences, and Jayson Paulose, Associate Professor, Institute for Fundamental Science, Department of Physics, presented a proposal for a new interdisciplinary applied science program in materials science and technology. Berkman and Paulose indicated the program will be an accessible major with realistic pathways to an industry-relevant degree with built in research-based pedagogy for student retention and success. Trustees engaged in discussion on, but not limited to, the financial sustainability of the program and recent graduation rates of similar programs and how the pandemic affected completion rates.

ACTION: The resolution to approve the B.S. in Materials Science & Technology program as a seconded motion from the Academic and Student Affairs Committee was moved by Trustee Worden and seconded by Trustee Seeley. It passed by a voice vote without dissent.

- **Program Approval: Education Specialist Degree, School Psychology (Action).** Laura Lee McIntyre, Dean & Castle-McIntosh-Knight Professor, College of Education, and Angie Whalen, Clinical Professor & Associate Dean for Career Instructional & Clinical Faculty Development, College of Education, presented a proposal for a new Education Specialist degree in School Psychology and adding the Portland campus as an additional location for the degree. McIntyre and Whalen described that specialist level training is required by national and state standards for entry-level licensure which the new program will provide. They also discussed how expanding to the Portland campus will strengthen existing synergies with the Ballmer Institute and ability to partner with school districts in the Portland area. Trustees engaged in discussion on, but not limited to, how the Ed.S. degree differs from the currently offered M.S. in School Psychology degree and growth in the Portland area.

ACTION: The resolution to approve the Ed.S. in School Psychology program and additional Portland location as a seconded motion from the Academic and Student Affairs Committee was moved by Trustee Hornecker and seconded by Trustee Madison. It passed by a voice vote without dissent.

Creating a Flourishing Community.

- **Supporting our People: Amendment to Board Bylaws for Student Trustee Compensation (Action).** University Secretary and Advisor to the President Kody Kelleher presented a proposal to amend Board bylaws to allow student trustees to be eligible for a small compensation payment equal to state-set per diem rates for each day the student trustee attends an official Board meeting if the student trustee has an annual income of \$50,000 or less. Kelleher indicated the current rate is \$178 as of October 1, 2024. Trustees indicated this proposal came forward as a means of providing greater access to serving on the Board for lower income individuals. Trustee Ulum indicated the time may come where this stipend may help a non-student Trustee serve on the board and recommended expanding the payment to all Trustees who earn \$50,000 or less instead of only student Trustees. Holwerda directed Kelleher to draft a revised proposal based on this recommendation for the Board to consider on the next day.

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- **Supporting Infrastructure and Meeting the Needs of an Evolving Student Population: Annual Capital Report.** Michael Harwood, Associate Vice President and University Architect presented the university's 10-year capital plan, including an overview of how the university tracks capital project cost escalation and the decision criteria for projects, recently completed and in-construction projects, planned and likely upcoming projects, and potential future projects. Harwood described the actual 2024 deferred maintenance backlog is estimated to be \$428 million and the 2025 backlog is projected to be approximately \$442 million due to additional building systems becoming deferred and escalation impacts. Harwood also highlighted the university's debt burden ratio of 5.6 percent is below the industry's commonly accepted limit of seven percent. Senior Vice President and Chief Financial Officer Jamie Moffitt shared that the university's proposed new Child Behavioral Health Building on the Portland campus is ranked number one on the Higher Education Coordinating Commission's project list, but stressed much work still needs to occur at the Legislature before funding is determined. Trustees engaged in discussion on, but not limited to, upgrades to the university's beach volleyball courts to meet NCAA standards and the work over the last several years to lower the growth curve for deferred maintenance costs.
- **Supporting Infrastructure and Meeting the Needs of an Evolving Student Population: Tuition Setting Preparatory Discussion.** Jamie Moffitt, Senior Vice President and Chief Financial Officer, and Angela Chong, Vice President for Student Life, provided an update on the Tuition and Fee Advisory Board's (TFAB) work to develop recommendations for the university president. TFAB consists of 21 official members, including students, faculty and staff, holds in-person meetings that are open to the public, and develops recommendations on various administratively controlled mandatory fees and tuition rates that inform the university president's ultimate tuition and fees proposal to the Board at the Board's March meeting. Moffitt discussed the major FY 2026 E&G fund cost drivers which are projected to result in a cumulative recurring \$28 million cost increase. Moffitt specifically highlighted that mandatory state retirement (PERS) costs charged to the E&G fund are projected to increase \$7.6 million annually. Trustees engaged in discussion on, but not limited to, the importance of enrollment growth in order to cover growing costs, price elasticity in the higher education market, and enrollment target setting.
- **Enhancing Business Operations: Internal Audit Charter (Action) and FY 2025-2026 Audit Plan.** Anta Coulibaly, Chief Internal Auditor, presented proposed amendments to the university's Internal Audit Charter, which was last amended in 2019, and presented the FY 2025-2026 Office of Internal Audit Workplan. Coulibaly highlighted changes to the charter to codify the Board's responsibilities in relation to the internal audit function and additional description of the Chief Auditor's responsibilities to ensure alignment with current practices. Coulibaly indicated a risk assessment identified 23 areas of concern and the proposed workplan addresses 17 of those areas (six areas were excluded due to limited resources, active risk management, or upcoming management actions). Trustee Worden requested a small amendment be made to the proposed charter changes clarifying the Office of Internal Audit is not specifically responsible for *ensuring* corrective action occurs when a recommendation is made, but rather university leadership is responsible for implementing corrective action. Trustee Stormont asked if there is potential for student internships in the Office of Internal Audit and Coulibaly indicated there likely will be opportunities in the future. Trustees engaged in additional discussions on, but not limited to, staffing needs for internal audit functions and working with outside consultants.

ACTION: The resolution to approve the Internal Audit Charter, with changes outlined during the meeting, was moved by Trustee Tykeson and seconded by Trustee Worden. It passed by a voice vote without dissent.

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ACTION: The resolution to approve the FY 2025-2026 Internal Audit Workplan was moved by Trustee Worden and seconded by Trustee Aaron. It passed by a voice vote without dissent.

- **Enhancing Business Operations: Data Centers Security Assessment Findings.** Steven Tapp and Jeff Harrison, Deloitte & Touche, and Anta Coulibaly, Chief Internal Auditor, presented the findings of Deloitte's recent audit of access and environmental controls of university data centers. The audit resulted in various recommendations relating to user access, access revocations and physical security, all of which university management concurred with and is working to implement the relevant policies and procedures.

Holwerda recessed the meeting at 11:36 a.m. and stated the Board would enter executive session at 11:45 a.m. to review confidential records related to data centers security and university risk.

Executive Session Regarding Data Centers Security and University Risk.

The Board of Trustees met in executive session pursuant to ORS 192.660(2)(0)(p) for purposes of considering matters relating to safety and cybersecurity threats. This session was closed to members of the public.

Reconvene. Holwerda called the meeting back to order at 1:04 p.m. and the Secretary verified attendance and a quorum.

Financial Foundation for the UO.

- **Quarterly Financial and Treasury Reports.** Jamie Moffitt, Senior Vice President for Finance and Administration and Brian Fox, Associate Vice President for Budget, Financial Analysis, and Data Analytics, began by reviewing key financial metrics for Quarter One (Q1) for FY 2025. Moffitt began by indicating the university's overall expenses are outpacing revenues for the year by just over \$2 million. Fox presented several Q1 key takeaways including a slight increase of \$1.2 million in forecasted state funding, projected tuition and fee revenue down \$10 million from initial projections in June 2024 but \$3.8 million up from the September 2024 long-term projections due to higher-than-expected average credit loads. Fox indicated personnel services forecasted costs increased \$11.4 million due to greater than anticipated faculty hiring, tenure track faculty funding shifts, the final officers of administration salary package, and low staff vacancy rates. Due to these forecast changes, Fox indicated the Q1 projection shows an estimated annual shortfall of \$2.3 million, compared to an initial \$15.1 million gain from June 2024. Trustees engaged in questions on, but not limited to, academic advising affecting student credit loads, how hiring practices interact with projected budgets, and that the \$2.3 million projected shortfall will be affected by the resolution of ongoing labor negotiations. Trustee Storment indicated there seems to be a trend that expenses are continually outpacing revenue growth and suggested the Board at some point should have a discussion regarding the long-term sustainability of the university's financial position. Moffitt also added this trend is particularly affected by substantial cost increases from state mandated benefits programs.
- Fox presented a metric in focus, state funding in Oregon, highlighting the state of Oregon invests 63 percent of the national average in its public four-year universities per-student, the university receives approximately 37 percent of the AAU average state appropriations per-student, the university receives the lowest amount of per-resident student funding within the state compared to all other Oregon public institutions, and that state funding at the UO comprises the lowest

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proportion of the E&G budget (15 percent) when compared to all other public institutions in Oregon. Trustees engaged in questions on, but not limited to, the university's relatively low staffing levels compared to other AAU institutions, and the state of Oregon providing some of the lowest levels of state funding while also having some of the most expensive state mandated benefits programs.

- Jeff Schumacher, Director of Treasury Operations, provided the quarterly treasury update by reviewing the university's cash and investment balances. Schumacher indicated cash balances have increased over a five-year period due to several one-time, nonrecurring events, such as Higher Education Emergency Relief Funds, cost reduction efforts during the pandemic, an unprecedented level of open positions, and dollars set aside for capital projects. Schumacher noted that increased investment income has recently contributed to higher cash and investment balances. Schumacher indicated the university's cash and investment balances are up roughly \$48 million from the same fiscal period last year, but that figure is down from the \$85 million reported at the September Board meeting. Schumacher indicated this is largely due to increased operating expenses and the spending down of plant fund balances.
- **Annual Treasury Report.** Jeff Schumacher, Director of treasury Operations, presented an annual update of treasury operations, highlighting that FY 2024 investment returns were strong for the year compared to industry benchmarks, particularly when looking at returns on a longer-term basis. Schumacher indicated the university's overall credit risk; liquidity risk and interest rate risk all remain low. Schumacher noted that despite improving balance sheet metrics, the university continues to place near the bottom of our peer group for university-only cash and investment ratios. Trustees engaged in discussion on, but not limited to, how the universities credit ratings compare to other universities, the likelihood of issuing new debt for the East Campus Housing project, and external factors affecting interest rates.
- **Thermal Systems Project Update.** Jamie Moffitt, Senior Vice President for Finance and Administration and Chief Financial Officer, Brian Fox, Associate Vice President for Budget, Financial Analysis, and Data Analytics, and Steve Mital, Director, Sustainability and Utilities & Energy, provided an update on recent work related to the thermal systems project since it was last presented to the Board in March 2024. Trustee Boyle indicated he would abstain from any discussion on this topic. Mital provided an overview of additional analysis completed by the university and subcontractors on the electrode steam boiler, noting that it would be the fastest and simplest change, but that electricity is a much higher cost energy source for heating, electrode boilers are legacy technology, and refined estimates anticipate that the cost of installing the boiler would be \$17.5 million and require significant sub-station infrastructure investment in the mid 2030's at an estimated additional cost of \$27-\$32 million. Fox described the ongoing recurring costs of transitioning to the boiler would be between \$3.5-\$5.4 million annually. Trustees engaged in discussion on, but not limited to, federal policies affecting natural gas prices, transitioning to the boiler resulting in a negative net run rate based on current long-term financial projections, and that given the university's challenging current financial position, adding the boiler would either negatively impact students, existing faculty, staff and services, or the limited funds available for strategic investments.
- **FY 2024 Audited Financial Statements.** Jamie Moffitt, Senior Vice President for Finance and Administration and Chief Financial Officer, and Kelly Wolf, Associate Vice President for Business Affairs and Controller, presented the university's FY 2024 audited financial statements that contain a comprehensive look at all university funds. Wolf indicated no findings or management-

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letter comments from the auditors resulting in a clean audit. Wolf reported overall revenues increased \$133.3 million year-over-year but noted this includes all funds including restricted funds such as grants and gifts. Overall operating expenses increased \$156.4 million year-over-year, with compensation and benefits as the largest increase category. Trustees engaged in questions on, but not limited to, auxiliary enterprises, various financial ratios, and upcoming potential GASB changes.

- **FY 2024 External Audit Report.** Matt Parsons, Partner at Moss Adams LLP. Parsons indicated clean results, including several areas of success such as financial reporting, IT controls and evaluation, governance and capital asset activity. Parsons also discussed the top risks for universities in 2024, including data security, enrollment, recruitment and hiring and operational pressures.

Raising Oregon’s Visibility and Perception. Ken Goldstein, Senior Vice President for Survey Research and Institutional Policy, Association of American Universities, and Carol Keese, Vice President for University Communications and Chief Marketing Officer, presented survey results and findings from a recent analysis of how Oregonians view and perceive higher education and the University of Oregon. Goldstein reported there is currently a challenging national backdrop for higher education, and that nationally survey results indicate people believe the most important roles for universities are to prepare students for future careers and to be as affordable for students as possible. Trustees engaged in discussion on, but not limited to, concern over survey results demonstrating Oregonians do not perceive the University of Oregon as being affordable even though the university provides significant amounts of financial aid and provides low-cost programs such as the Pathways Program. Keese described changing the perception of the university is an opportunity the institution is prepared to address, including by embracing the university’s distinctly Oregon roots, history of innovation, entrepreneurship, and bold thinking, developing compelling content and delivering at scale, effectively pitching scholarship to regional and national media, and leveraging the university joining the Big Ten.

Holwerda adjourned the meeting for the day at 4:51 p.m.

Reconvene. Holwerda called the meeting back to order on Tuesday, December 10th, 2024, at 9:05 a.m. and the Secretary verified attendance and a quorum.

Officers of Administration (OA) Council. Jon Ambrose, OA Council, discussed how to better help OA staff in the merit compensation process, the OA Council’s work to increase professional development opportunities, and listening sessions conducted on Flourishing across campus, including planning for a Spring symposium.

United Academics (UA). Juan Eduardo Wolf, Vice President for Diversity and Equity for UA, and Edward Davis, Associate Professor and Chair of Organizing Members for UA. Wolf described that open bargaining is now in mediation and indicated the university administration has not met their expectations during the bargaining process. Wolf indicated the board should consider its fiduciary responsibility when approving the university budget and offered to work with the board in approaching the legislature for increased state funding. Davis indicated the university is facing the real threat of a faculty strike and stated faculty are redirecting time from scholarship and teaching toward bargaining.

Public Comment:

- *Jack Dodson – student, thermal transition, conflict in the Middle East*
- *Declan Zupo – student, thermal transition, conflict in the Middle East*

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- *Jason Sydes – faculty, conflict in the Middle East*
- *Teddy Coates – student, student code of conduct*
- *Bella Esbeck – student, student life, conflict in the Middle East, thermal transition*
- *Ari Rubenstein – student, thermal transition*
- *Sophia Dornberg – student, student code of conduct, conflict in the Middle East*
- *Ian Finn – student, conflict in the Middle East, student code of conduct*
- *David Igl – community member, past renaming of Dunn Hall*
- *Salem Younes – student, conflict in the Middle East, student code of conduct*
- *Robin Bailey – student, bargaining, student code of conduct*
- *Corrin Beaver – student, student code of conduct*
- *Celeste Grffith – former student, conflict in the Middle East*
- *Thomas Linares – student, conflict in the Middle East, student code of conduct*

Associated Students of the University of Oregon (ASUO). Mariam Hassan, ASUO President updated the board on ASUO work with various meetings and events with student groups on campus, increasing communication and support for students at the Portland Campus, work with the Association of Big Ten Student Governments, lobbying efforts at the state and federal levels for increased funding, food insecurity, and other student issues.

University Senate. Dyana Mason, UO Senate Vice President, provided Trustees an update on UO Senate actions. Mason highlighted building a stronger connection with the Portland campus, a successful Fall term, upholding shared governance, aligning efforts around Oregon Rising, vetting of new academic programs, and other Senate topics.

President’s Report. Scholz provided an update on the search for a new Vice President of Enrollment Management (VP EM); reiterated the university’s commitment to free speech; detailed various incidents on campus since the last Board meeting, including a recent matter involving an employee social media post; and highlighted student outreach efforts, the Oregon Business Leadership Summit, partnerships with Oregon State University, and continued efforts to advance Oregon Rising. Trustees engaged in discussion on, but not limited to, the university’s current financial position and missing Fall nonresident enrollment targets, rising state mandated benefits costs, financial planning moving forward, and the VP EM search timeline.

Board Chair’s Report.

- **Trustee Compensation - Revisited (Action).** Holwerda indicated the Board would reconsider the discussion from the previous day on Trustee compensation. A revised copy of the Board bylaws amendment was circulated that allows all Trustees who earn \$50,000 or less to be eligible for compensation payment equal to the amount authorized for other Oregon board and commission members in statute for each day or portion of a day the Trustee participates in an official Board meeting, unless otherwise prohibited by state law.

ACTION: The resolution to approve eligible trustee compensation as presented on December 10th, was moved by Trustee Seeley, seconded by Trustee Worden, and passed on a voice vote without dissent. Trustee Abbott and Trustee Wool abstained.

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- Holwerda announced that Trustee Fick will not seek reappointment when her term concludes at the end of the fiscal year. Holwerda indicated the Board will be recruiting individuals to recommend to the Governor to fill the seat.

Financial Foundation for the UO.

- **2024 Enrollment & Recruitment Update.** Jim Brooks, Interim Vice President for Student Services and Enrollment Management, and Erin Hays, Associate Vice President & Director of Admissions, provided a report detailing various enrollment trends, including first year application growth, class size, recruitment by residency, racial and ethnic diversity, comparisons to other state universities, regional recruitment, and comparisons to institutions from other states. Trustees engaged in discussion on, but not limited to, what admissions is like from the student perspective, demographic and college going rate impact to future enrollment scenarios, which programs have the most student demand, international recruitment and other topics.
- **UO Foundation Report.** Paul Weinhold, President and CEO, University of Oregon Foundation, updated the Board on the Foundation's annual performance. Weinhold reported total assets as of June 30, 2024, totaled \$2.9 billion, including long-term investments, short-term investments, pledges, and real estate and other assets. Trustees engaged in discussion on, but not limited to, how assets are managed by Jasper Ridge Partners and Foundation endowment investment returns.

Accelerating the University of Oregon's Impact on the World.

- **Introduction to Key Performance Indicators (KPIs).** Chris Long, Senior Vice President and University Provost, presented on the KPIs that have been identified for measuring the fourth pillar of Oregon Rising, Accelerating the University of Oregon's Impact on the World. Long outlined the four signature areas of the fourth pillar and described the work completed across campus to develop the current KPIs.
- **Research Expenditures.** AR Razdan, Vice President, Research and Innovation, and Laura Lee McIntyre, Dean, College of Education, discussed the KPI of research expenditures, including all expenditures for R&D activities from current operating funds that are separately accounted for at the university. Several success stories were shared, including recent wins for NIH grants, the Convergence to Accelerate Research on Biological Sequestration, and the Cascadia Region earthquake Science Center. Various strategies to accelerate research growth were reported to include expanding human and infrastructure capacity, diversifying institutional funding, and accelerating grant submissions. McIntyre updated the board on the Ballmer Center's work, including a Center for Parenting and Opioids, youth suicide prevention, family check-ups and inclusive skill-building learning.
- **Honors, Awards, Publications and Citations.** Chris Poulsen, Tykeson Dean, College of Arts and Sciences, described how honors, awards, publications and citations serve as measures of excellence in quality, productivity, and impact, academic reputation builders, and benchmarks for national and international institutional rankings. Several recent successes were discussed.
- **Societal Impact.** Bruce Blonigen, Edward Maletis Dean, Lundquist College of Business, and Bob Guldberg, Vice President and Robert & Leona DeArmond executive Director, Phil and Penny Knight Campus for accelerating Scientific Impact, discussed the university's aspirations to contribute beyond traditional measures of research success to better the community and society.

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Holwerda thanked everyone for the work to put the Board meeting together and stated the public portion of the meeting would conclude and the Board would meet in executive session to discuss collective bargaining.

Adjournment. The meeting was adjourned at 12:53 p.m.

Executive Session Regarding Collective Bargaining. Mark Schmelz, Vice President and Chief Human Resource Officer and Chris Meade, Director of Employee and Labor Relations.

The Board of Trustees met in executive session pursuant to ORS 192.660(2)(d) for purposes of conducting deliberations regarding labor relations. This session was closed to members of the public and the media.