

**Attendance**

Marcia Aaron	Present	Elisa Hornecker	Present	Andy Storment	Present
Cy Abbot	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	Absent		

**Convening and Approval of Minutes.** The Board of Trustees of the University of Oregon (Board) met on the Eugene campus September 16-17, 2024. Chair Steve Holwerda called the meeting to order at 9:01 a.m. Pacific Time. (All times noted going forward are Pacific Time). The Secretary verified attendance and a quorum. The Board approved the minutes from the June 2024 full Board meeting without amendment, as well as minutes from the June 2024 ASAC, FFC, and EAGC committees. The motion was moved by Trustee Evans Jackman and seconded by Trustee Storment.

**Opening Comments.** Vice Chair Aaron, University of Oregon (UO) President Scholz, and Holwerda gave remarks on the recent passing of the inaugural Board Chair Chuck Lillis. Holwerda introduced the two new student Trustees, Cy Abbott and David Mitrovčan Morgan.

**University Strategic Plan Overview.** UO President Karl Scholz introduced the university’s strategic plan, and highlighted that consistent, enthusiastic, and focused effort will be critical to ensure the plan, Oregon Rising, is successful. Scholz indicated that over the next 20 years the university wants to be among the top public universities in the country, not to seek prestige, but to unlock the university’s full potential for the benefit of the community, state and abroad. Scholz outlined the primary four goals of the plan: creating a flourishing community; enhancing pathways to timely graduation; enhancing career support; and accelerating innovation for societal impact. Scholz indicated there will be further discussion on Goal Four at the December Board meeting. Roughly 1,200 people participated and gave input in the plan’s development and the leadership team worked to narrow down goals and today is the start of the implementation phase of the plan. The plan will be guided by seven shared principles: prioritized work toward the goals; breakdown of silos and aligned efforts; creating accountability to meet goals; acknowledging our people and financial resources; equity minded; data informed decisions; and finding joy in our work. Scholz highlighted that higher education is a mission-driven enterprise and the strategic plan reflects this and what really matters: allowing our people and university to realize breathtaking opportunity and enhancing mission-driven people to realize our dreams.

Trustees discussed that implementation of the plan will be critical and the need for accountability and buy in from the entire university moving forward. Holwerda stated future Board meetings will be structured around the strategic plan and implementation of the four goals. Scholz indicated what is unique to Oregon regarding the plan is how the university is going to execute the plan, and that the flourishing goal, in particular, is unique to Oregon.

- **Creating a Flourishing Campus.** Eric Alexander, Director of ERB Memorial Union; Yvette Assensoh, VP for Equity and Inclusion; Sierra Dawson, Associate Vice President for Faculty &

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Leadership Development; and Mark Schmelz, Chief Human Resources Officer provided an overview of Goal Three of the strategic plan, focused on creating a flourishing campus. The group discussed the need for shared commitments across campus, enhancing the recruitment and retention processes, and how the campus climate survey can be used as a baseline measurement for success. They also discussed the need for departments to establish their own indicators, intentional conversations that engage everyone at the university, creating a welcoming environment, and their intention to use science-based evidence when defining what flourishing means. Trustees engaged in discussion about the need for tangible evidence of plan implementation moving forward.

- **Pathways to Timely Graduation.** Ron Bramhall, Associate Vice Provost for Academic Excellence and Grant Schoonover, Interim Vice Provost for Undergraduate Education & Student Success provided an overview of Goal One of the strategic plan. Bramhall and Schoonover discussed an ongoing focus on challenges such as coordination across all units, affordability/costs associated beyond tuition and fees, and uncovering institutional barriers. Issues discussed included students not understanding the need to sign up for an early orientation so they can enroll in the classes they want and carrying loads of first year students; need for schools and colleges to be accountable to goals; and the substantial amount of work being done regarding curriculum analysis. Bramhall and Schoonover also highlighted the need to mobilize a campaign to increase four-year completions, creating of easy pathways to completing majors, offering the right classes at the right time, financial support and targeting funds where they will make the most impact. Trustees discussed how academic advisors advise students on credit hours, access to information, examining what other universities are experiencing with their graduation rates, and availability of financial support.
- **Enhanced Career Support.** Angela Chong, Vice President for Student Life; Gene Rhee, Executive Director of Industry & Alumni Engagement; and Paul Timmins, Executive Director, University Career Center provided an overview of Goal Two of the strategic plan. The group discussed their focus on career readiness and experiential learning, creating career communities, the need for alignment across campus and industry-informed career guidance and looking at positive outcomes six months after graduation. Trustees engaged in questions regarding personal investment versus value, appreciation for liberal arts and fully-rounded individuals, leveraging the alumni community, and being ready to move from ideas to action.
- **Innovation for Societal Impact.** Bruce Blonigen, Dean, Lundquist College of Business; Bob Guldberg, Vice President and Executive Director, Knight Campus; Chris Long, Provost and Senior Vice President; Laura Lee McIntyre, Dean, College of Education; and Chris Poulsen, Tykeson Dean, College of Arts Sciences provided an overview of Goal Four of the strategic plan. The group discussed their work moving forward will be focused on harnessing university research for transformation in society, and aligning values with implementation around five shared principles: shared responsibility, collaboration, joy, equity and excellence. Trustees engaged in questions regarding the Ballmer Institute's work on child behavioral and mental health, the needs of rural Oregon, human performance and sport, accelerating innovation and scientific impact through the Knight Campus, sustainability, and developing a robust communications strategy.

Holwerda recessed meeting at 11:41AM.

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**Reconvene.** Holwerda called the meeting back to order at 1:06 p.m. and the Secretary verified attendance and a quorum.

Trustee Boyle complimented the president for having a crisp vision for the university and acknowledged his support for the four strategic plan goals. He also indicated the UO's athletic prowess differentiates the UO from other universities and helps raise the UO's visibility.

**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 Four (Q4) for FY 2024. Moffitt indicated that UO's revenues and expenses ended very close to projections from the start of the year.

Fox highlighted key takeaways from Q4 including that: total revenue came in on target without any major surprises in major revenue streams, personnel services costs came in \$4.2 million under projection due to units moving payroll to other fund groups and the GE benefits expense settle-up coming in less than forecast. Other major expenses, such as services and supplies (S&S) and transfers, were in line with Q3 projections, and the final Education and General (E&G) fund balance came in slightly higher than projected. Holwerda asked what caused a roughly 10 percent increase in S&S expenses and could it be attributed mostly to inflation or other factors. Fox responded that various factors affected the increase in addition to inflation, including shifts in expenditure patterns coming out of the pandemic, consulting costs in different units, and growth in global education programs. Moffitt added that some of the cost increases were well beyond inflation, including significant increases to property and liability insurance premiums and information technology contract costs.

Fox walked the Board through a breakdown of the E&G fund Q4 actuals and the FY 2024 E&G year in review. Fox highlighted that average student credit hour carrying loads began the year lower than anticipated but rose higher in Q2 and Q3. There was significant effort to message the importance of students taking at least 15 credit hours per term to remain on track to graduate in four years, which may have contributed to increases in student carrying loads. Fox concluded his report by providing detailed discussion related to personnel services costs. Trustees engaged in discussion of items including but not limited to the costs of employee benefits and their substantial impact on the university's total personnel cost, employee FTE by fund and category, and salary expenditures by major functional areas.

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 due to one-time, nonrecurring 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 and Moffitt indicated year-over-year cash balance increases are starting to decline in FY 2025 due to expenditure of plant funds for the Knight Campus and Portland Campus. Schumacher reviewed the UO's days cash on hand and noted the UO remains well below the average days cash on hand compared to other AAU public institutions. Trustees engaged in discussion of the UO's credit rating and its effect on future debt issuances.

**Strategic Fiscal Stewardship.** Jamie Moffitt, Senior Vice President for Finance and Administration and CFO presented various efforts across campus to save money and generate revenue, both recurring and on a one-time basis. Moffitt covered specific actions regarding strategic purchasing and rebate programs, utilities and energy consumption, human resources, information services, and risk management. Moffitt also indicated units often enact cost-efficiency measures out of necessity to operate within their budgets.

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**Long-Term Financial Projections.** Jamie Moffitt, Senior Vice President for Finance and Administration and CFO and Brian Fox, Associate Vice President for Budget, Financial Analysis, and Data Analytics, provided an overview of the long-term E&G fund financial projections using multiple financial scenarios to illustrate their impact on the institution. Moffitt noted the purpose of the analysis is to show the range of E&G fund budget scenarios the university could be facing over the next five years given various assumptions related to tuition rates, state appropriation levels, enrollment, and inflation. Fox and Moffitt began by describing the UO's current financial position and highlighted the need for enrollment growth, in particular nonresident enrollment, to generate enough revenue to cover growing expenses. Net tuition revenue from resident students, along with state appropriations, result in a roughly \$8,000 shortfall per student compared to the university's average cost to educate students on a per-student basis. Based on the need to attract more nonresident students, Fox described that \$16 million in remissions were authorized for FY 2025 and the university entered into a new partnership with Kaplan International to drive international enrollment. UO applications appeared on track to hit enrollment targets until March 2024. By fall 2024, however, the university was projecting to miss the nonresident enrollment target by approximately 475 students. It is unclear how much of this issue is due to the U.S. Department of Education's botched FAFSA rollout versus general market competitiveness. Moffitt shared that despite the missed nonresident student target, the institution should have enough E&G fund revenue to cover expenses in FY 2025 due to the fact that the bulk of the smaller, outgoing "COVID class" graduated during the prior academic year and is being replaced by a larger class cohort. However, the impact of the missed fall 2024 nonresident student targets will be evident in future years as expenses are projected to be greater than revenue in most scenarios.

Moffitt described the parameters of three different sets of scenarios, each with six different cases, for the long-term financial projections. Many of the cases result in significant negative run rates in the UO's E&G fund. Among other key assumptions, the model assumes that labor expenses are projected based on existing contracts or historical trends, and without including any funding for the thermal task force heating recommendations or any new investments related to the institution's strategic priorities. Moffitt highlighted that even the base case scenario turns to a negative run rate in FY 2027 due to increased benefits costs and graduation of a large number of nonresident students. This would require the university to take action in order to prevent a negative run rate of roughly \$8 million per year in FY 2029.

Trustees engaged in discussion of items including but not limited to the failed FAFSA rollout, the need for nonresident enrollment growth and growing expenses. Holwerda indicated the Board would revisit the long-term financial projects during the Board meeting the next day.

**Capital Project Approvals (Action). Romania Lease.** Michael Harwood, Associate Vice President and University Architect and Darin Dehle, Director of Design and Construction, joined the table to present two capital projects for Board approval. Harwood introduced the first project as a ground lease agreement for the proposed development of the Romania lot and indicated this was the third time the Board has discussed this project due to changes in interest rates and development options. Harwood described the selected development partner and details of the term sheet for the proposed lease agreement, including prevailing wages, historical preservation, development of a hotel, residential apartments at differing affordability levels, retail spaces, and parking to support all uses. The proposed lease term would be 55 years with two 10-year renewals, providing a source of income to the university. Trustees discussed if the proposed resolution in the Board meeting materials allowed university leadership enough flexibility to negotiate the best terms, and indicated the term sheet was mistakenly omitted from Board materials. Kevin Reed, UO General Counsel, indicated Trustees could table the item until they had an opportunity to

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review the term sheet. Holwerda tabled the item for the day and directed Trustees to the review the term sheet before reconvening tomorrow.

**Capital Project Approvals (Action). Kalapuya Ilihi (KI) Structural Repair Project.** Michael Harwood, Associate Vice President and University Architect and Darin Dehle, Director of Design and Construction, presented a proposal to continue structural repairs of the KI residence hall that total \$16.43 million. Harwood indicated the university is currently engaged in litigation over portions of the project, and Reed indicated he previously sent the Board a confidential memo outlining the litigation status. Trustees engaged in discussion regarding how projects are evaluated moving forward to ensure similar issues are not encountered again, including examining required insurance levels. Holwerda indicated a resolution was included in Board materials to authorize university leadership to move forward with the project.

*ACTION: The resolution to approve the Kalapuya Ilihi Structural Repair Project was moved by Trustee Boyle and seconded by Trustee Stormont. It passed by a voice vote without dissent.*

Holwerda announced the UO Demonstration Education and Safety Team presentation would be tabled due to time constraints and indicated there would be a presentation at a future Board meeting.

Holwerda recessed the meeting at 3:00 p.m. and stated the Board would enter executive session at 3:10 p.m. for the annual performance review of President Scholz.

### **Executive Session Regarding Annual Presidential Review.**

The Board of Trustees met in executive session pursuant to ORS 192.610(2)(i) for purposes of reviewing and evaluation the performance of the university president. This session was closed to members of the public.

**Reconvene.** Holwerda called the meeting back to order at 3:49 p.m. and the Secretary verified attendance and a quorum.

**Board Chair's Report – Presidential Review.** Holwerda gave an overview of the Board's annual presidential review process and indicated the Board is proud and delighted to have hired Scholz. Holwerda discussed the various stakeholders who provided input in the annual review and indicated the process moving forward each year will follow this year's process, including a review in executive session.

**Board Self-Evaluation.** Holwerda described the Board's annual self-evaluation process that was completed to maintain effective management and operations and to ensure the Board is positioned to fulfill its fiduciary responsibility. All Trustees completed a self-evaluation of the Board, including focused responses on quality of Board meetings, campus engagement, and other topics. Holwerda indicated two common themes emerged from the survey: 1) Trustees want a strategic plan established (which Holwerda highlighted was timely given the morning was spent covering the new strategic plan); and 2) greater engagement during Board meetings. Holwerda expressed that the day's Board meeting was very refreshing given the amount of substantive discussion and hopes that will be the standard moving forward. Holwerda indicated the public would have the opportunity to provide comment during the public comment period on the next day.

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**Trustee Appointments and Needs Assessment.** Holwerda indicated there are Board vacancies upcoming and meetings would take place to gauge interest of those Trustees available for reappointment. Trustees were also solicited for input on what characteristics are needed from potential future Board members. Holwerda described that Board members indicated several characteristics are desired, including experience as a fiduciary on a Board of directors and management-level experience at large and complex organizations. Holwerda indicated the public would have the opportunity to provide public comment during the public comment period on the next day.

**Chief Internal Auditor Introduction.** Anta Coulibaly, Chief Auditor, was introduced by Holwerda as the new Chief Auditor for the UO. Coulibaly discussed her intentions for the internal audit office moving forward, and Boyle commented on the importance of internal audit functions at the university.

**Quarterly Audit Report.** Jeff Harrison and Steven Tapp, Deloitte & Touche, presented quarterly audit findings to the Board. Harrison provided their findings on three internal audits, including athletics revenue contract payments, conflict of interest/commitment processes, and Clery Act compliance. Harrison indicated findings from a fourth internal audit focused on UO data centers security would be presented at a future Board meeting. Harrison and Tapp indicated university management was cooperative during the audits, and they encountered no hindrances during the course of their work. Several policy changes were recommended and were indicated to come before the UO Policy Advisory Council at a future meeting. Trustees engaged in discussion on but not limited to, how university management worked with the auditors, the processes included in complying with the Clery Act, and the policy review process.

Adjournment. The meeting was adjourned for the day at 4:14 p.m.

**Reconvene.** Holwerda called the meeting back to order on Tuesday, September 17, 2024, at 9:01 a.m. and the Secretary verified attendance and a quorum.

**Officers of Administration (OA) Council.** Lara Fernandez, Executive Director for the Student Academy to Inspire Learning and Vice-Chair of the OA Council. Fernandez outlined the mission of the OA Council as advocating for the needs of constituents, including promoting and facilitating communication, identifying and addressing pertinent issues, sharing information, enhancing professional identity, and creating opportunities for collegiality. Fernandez also laid out goals for OA's over the next year, including compensation, professional development, and flourishing.

**Service Employees International Union (SEIU).** Johnny Earl, Chair of the SEIU Higher Education Bargaining Team, and Darrin Wilson, Teamsters Union, presented on behalf of the Teamsters Union locals 324 and 206 regarding labor negotiations at Bigfoot Beverages. Earl expressed that Bigfoot Beverages' contract with union employees recently ended and current bargaining is focused on pension plan issues.

**United Academics (UA).** Juan Eduardo Wolf, Associate Professor, Ethnomusicology and Mike Urbancic, UA president, described their roles at the UO and discussed the return of faculty members to campus. Urbancic described that UA aims to enhance the quality of faculty work life and student education through negotiating terms and conditions of employment, which is currently in the bargaining process, and invited Trustees to join the next bargaining session. Urbancic continued that there are overlapping interests but little progress is being made over salary adjustments and expressed faculty workloads have increased while employee purchasing power has decreased due to inflation. Urbancic also stated UA's salary increase proposals were calibrated to their particular needs, called for the state to increase funding to the UO to bolster salaries, and suggested the UO's move to the Big Ten should enhance UO academics in

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addition to athletics. Wolf added that, like Urbancic, he serves many different roles for the UO, but was present specifically as Vice President of diversity and inclusion for UA. Wolf shared that recruiting of diverse faculty has increased, as has student diversity enrollment, but retaining diverse faculty has become more difficult due to salaries not keeping up. Holwerda expressed that Trustees do not get involved with bargaining, that is delegated to the university president, but the Board does approve the budget, so it pays close attention and cares about faculty salaries.

### **Public Comment:**

- *Jack Dodson – student, student conduct code violations, divestment*
- *David Igl – community member, past renaming of Dunn Hall*
- *Jason Sydes – faculty, conflict in the Middle East, divestment*

**Associated Students of the University of Oregon (ASUO).** Mariam Hassan, ASUO president introduced herself as the newly elected ASUO president and provided her quarterly report to the Board. Hassan shared that her campaign was focused on student engagement and building a quality foundation before undertaking large initiatives. Hassan also described the creation of a new department of basic needs in ASUO, due to housing and food needs for UO students, recent meetings with the City of Eugene, and an elections reform package due to the prior election having too short of a timeline and harassment. Hassan stated she was personally harassed during the election and her administration aims to prevent any harassment during the elections process moving forward. Hassan also expressed ASUO's desire to include the Portland Campus further, make sure the UO's cultural centers are funded properly, announced an upcoming trip to D.C. with other Big Ten student organizations, and highlighted other ASUO work.

**University Senate.** Alison Schmitke, UO Senate President, Dyana Mason, UO Senate Vice President, and Sandy Weintraub, UO Senate Secretary provided Trustees an update on UO Senate actions. This included beginning the school year with a senate orientation and laying out the Senate's yearly goals. These include strategic focus on being a partner in shared governance, promoting engagement and inclusive dialogue, and advancing the academic mission of the UO. Schmitke expressed desire for a swift resolution to ongoing bargaining with UA.

**Provost's Report.** Chris Long introduced himself as the recently hired new Provost for the UO. Long described how special university commencement was and that it affirmed his decision to join the UO. Long described his intention to utilize a values-enacted approach in his work as Provost, and described how recent retreats lead to highlighting the values of courage to act, intentionality, shared responsibility and partnership, candor, joy, equity, and stewardship. Long announced the hiring of 170 new tenure track and career faculty, highlighted the work of the Portland Campus and the Big Ten Academic Alliance. Long then discussed the work being done to implement the agreement negotiated last Spring with the UO Palestine Coalition to end the encampment. This included meeting with relevant stakeholders to discuss values and concerns moving into the Fall term, and working with UO Student Life on student code of conduct violations. Angela Chong, vice president for student life, joined the table to further discuss the definitions in the student conduct code and expressed violations are always examined in light of the specific circumstances of each case.

**President's Report.** Scholz introduced several new members of the university leadership team, including Provost Chris Long, VP for Student Life Angela Chong, University Secretary and Advisor to the President Kody Kelleher, Chief Auditor Anta Coulibaly, and thanked Jim Brooks for agreeing to serve as interim

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Vice President for Student Services and Enrollment Management. Scholz highlighted recent events, including hosting the National Science Foundation Director, the inaugural Global Sport University Network Summit, and the fall meeting of the Native American Advisory Council. Scholz continued by highlighting the work at the Portland Campus, the success of university athletics and in particular women's cross country and volleyball, and the UO's commitment to protecting free speech. Scholz concluded his remarks by describing plans moving forward to implement the university's strategic plan, and announced the launching of Oregon News, a weekly publication covering major stories at the UO. Oregon News will reach 250,000 people in the Oregon Ducks community and is the first significant step to connect with Ducks across the country. Trustees engaged in questions regarding student code of conduct issues, examination of university free speech policies, increasing communications through Oregon News, and the desire to further discuss resources and implementation plans regarding the strategic plan.

**Board Chair's Report.** Holwerda indicated the Board would reconsider the Romania lease and the long-term financial projections.

**Capital Project Approvals (Action). Romania Lease.** Michael Harwood, Associate Vice President and University Architect joined the table to discuss the terms sheet of the Romania ground lease. Trustees engaged in discussion with Harwood on the process to select the developer and it being a national competitive process.

Holwerda read a motion authorizing university leadership to proceed with the Romania lot ground lease with the developer Project^.

*ACTION: The resolution to approve the Romania Lot Ground Lease was moved by Trustee Ulum and seconded by Trustee Hornecker. It passed by a voice vote without dissent. Trustee Boyle abstained.*

**Long-Term Financial Projections (revisited).** Jamie Moffitt, Senior Vice President for Finance and Administration and CFO, gave a refresher on the slides presented the previous day. Moffitt specifically highlighted the base case scenario in which expense growth outpaces revenue growth resulting in a negative \$8.1 million net run rate in FY 2029. Moffitt responded to questions from Trustees and shared that if the university did not increase tuition at all the institution's financial condition would deteriorate significantly due to expenses continuing to grow while revenue would be relatively stagnant. Holwerda indicated it would be worthwhile to examine what is happening with enrollment at other Big Ten universities. Scholz added the university is constrained with how much it can raise nonresident tuition due to its current rate being high relative to peers and other institutions, such as some of the old PAC 12 institutions, discounting nonresident tuition at significant levels. Trustees engaged in discussion on other topics including but not limited to international enrollment, growing expenses, tuition remissions, state funding, nonresident enrollment goals, student carrying loads, retention rates, and enrollment trends at other institutions.

**University Accreditation.** Ron Bramhall, Associate Vice President for Academic Affairs, provided an update to the Board on the university's accreditation cycle and an upcoming site visit by accreditors. Bramhall discussed the various standards included in the accreditation report and the significance of Oregon Rising to the review. Trustees engaged in questions regarding the seven-year accreditation cycle and what to expect during the peer reviewer site visit.



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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 11:32 a.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.