

**Attendance.**

Marcia Aaron	Present	Elisa Hornecker	Present	Jimmy Murray	Present
Tim Boyle	Present	Ross Kari	Present	Ginevra Ralph	Present
Renee Evans Jackman	Present	Chuck Lillis	Present	Michael Schill	Present
Toya Fick	Present	Julia Lo	Present	Connie Seeley	Present
Steve Holwerda	Present	Ed Madison	Present	Dennis Worden	Present

**Convening and Approval of Minutes.** The Board of Trustees of the University of Oregon (Board) met on the Eugene campus December 1-2, 2021. Chair Chuck Lillis called the meeting to order at 9:06 a.m. Pacific Time. (All times noted going forward are Pacific Time). The secretary verified attendance and a quorum. President Schill shared news that Jessie Minton, university chief information officer has accepted a position at Washington University in St. Louis and that the university would be launching a national search for a replacement.

**Meeting Minutes.** The Board approved the minutes from the September 2021 full board meeting without amendment. Below is a summary of the meeting’s proceedings; a full recording is available upon request.

**ASUO Report.** ASUO President Isaiah Boyd provided an update to the Board on ASUO priorities and activities. Boyd discussed how he is seeing an overwhelming interest from students to get to know the administration, the president and the provost and to focus on rebuilding the campus community with an in-person format. Boyd then discussed issues around campus safety following the safety threat from a few weeks ago. ASUO will be surveying students as to their concerns this winter. Boyd specifically noted the issues of campus lighting. Boyd then reviewed ASUO desires to increase the quality of data on students’ needs. He then discussed ASUO’s interest to work with the Provost’s office on incorporating critical race theory into the curriculum. Trustees engaged in a discussion of issues around lighting, food insecurity, ASUO’s student need grant program, and ASUO’s textbook initiative. Trustee Lo raised the seriousness of issue of student mental health, which is a prominent issue that she is hearing about from students and who noted the need for these issues to be a priority.

**Public Comment.** Following is a list of individuals who spoke and the general topic(s) of their remarks. Full remarks are available on the audio recording.

- *Sam Schwartz (graduate student) - Gaps he sees in graduate student funding.*
- *David Igl (member of the public, remote testimony) – The denaming of Dunn hall.*

**President’s and Provost’s Reports.** Provost Patrick Phillips introduced his new chief of staff, Kassy Fisher. The President described the successful return to primarily in-person activities on campus, crediting the hard work of faculty, staff, and students. Schill noted that for winter term the university will continue to require the same safety protocols that are currently in place, in accordance with Lane County Public Health and the Center for Disease Control. Schill then described the new first-year class of UO students noting that it is the largest, most diverse, and academically qualified class to ever come to the UO. He highlighted the university’s continued focus on helping students graduate on-time and addressing disparities in graduation rates, and he noted that the university will be launching the next phase of initiatives related to student success. He discussed how the university is also launching two searches —one for a new dean of the College of Arts and Sciences and one for the vice president for research and innovation. Schill then described how the provost’s academic initiatives, while not exclusive, are the primary institutional

academic initiatives that the university will be focusing on in the coming years. The initiatives are reflective of what has been learned through the pandemic about the need to be engaged on key problems. Trustees engaged in discussion about the academic qualifications of incoming students, student mental health, graduation rates for students of color, fall COVID numbers, and the long-term impacts of the smaller freshmen class in AY20/21.

**Academic Initiatives.** Provost Phillips provided an overview of his academic initiatives, which are designed to bring together academic strengths across the institution that have the potential to catalyze the university toward greater excellence. He described five initiatives: data science, innovation and entrepreneurship, environment, sport and wellness, and diversity. Key updates include: the data science initiative has established an undergraduate program and is enrolling students with about 80 undergraduate majors, the innovation and entrepreneurship initiative has a new undergraduate certificate, the environment initiative has engaged faculty around nodes, the sport and wellness initiative is finishing a strategic planning process, and the diversity center initiative is engaged in a faculty engagement process. Phillips described the initiatives as a part of cycle of innovation focused on innovation, transformation, discovery, education, and empowerment, aimed at better addressing societies problems.

Dennis Galvan, vice provost for strategic initiatives provided an overview of his work to help address institutional barriers or complex processes that inhibit the work the initiatives are trying to achieve. Galvan described eleven workgroups that he has convened including but not limited: to joint faculty hiring and review, joint teaching, curricular and degree innovation, student recruitment, experiential learning, innovation and commercialization, and faculty-to-donor translation. He then described several ways in which these work groups are operating to achieve better, more focused, collaboration across campus. Trustees engaged in discussion about community of practices around the initiatives and faculty engagement, the need to focus on areas where the university can really excel, and how individual programs in core education, not necessarily connected to the initiatives, tie into the work of the initiatives

Adell Amos, Director of the Environment Initiative and faculty at the UO Law School provided an overview of the environment initiative. She opened by describing how the world is at a critical moment and needs a focus on problem sets. Part of the work of the initiative is to help organize the universities work around problem sets, not disciplines, as higher ed has historically been organized, and to engage students around this work early. The university has a long history of work in the space of the environment but there is a new focus on transdisciplinary work. Amos described how the initiative has, among other things, gone through a process of campus engagement, identified nodes of focus, developed a strategic plan, is working with development on fundraising opportunities, has appointed two faculty fellows, and is planning a spring convening. Amos described how the initiative is built around several guiding principles: multi-disciplinary, policy relevant and responsive, rooted in issues of equity and environmental justice, responsive to needs of community, tribal nations, and beyond, and tied to direct student outcomes. Trustees engaged in discussion around the development of new knowledge and not just public policy, and the potential for collaboration with other universities.

Shannon Boettcher, Professor of Chemistry and Biochemistry and Director, Oregon Center for Electrochemistry provided an overview of his work on hydrogen fuel and long duration renewable energy storage. He reviewed data on climate change and increased CO2 emissions and described how solar panels are becoming cheaper, but noted the problem that still exists is storage. Part of the solution to climate change is found in hydrogen fuel storage. Boettcher reviewed his research in electrochemistry and the potential for hydrogen to enable long duration energy storage. Boettcher reviewed the Oregon Center for

Electrochemistry and the role it plays in conducting world leading research, creating new technology with industry, and training new scholars and leaders through BS, MS, PhD, and postdoctoral programs, including an accelerated master's program. He shared that his goal is to be the best in the world to teach how batteries work, which attracts some of the best students, which then feeds into their high-quality research. Trustees engaged in discussion about the degree classification from the program, 100% job placement of program graduates, and the value of an accelerated master's program to get students into jobs more quickly.

Alison Kwok, Professor in the College of Design and Director of the NetZED laboratory presented next on her research on building health and energy. Kwok's work is focused on building design and the performance. This includes the design focus of materials that go into buildings to consider the carbon impact of design and building and airflow within buildings. Kwok discussed how her students are taught practical research skills and help give designers the tools to build a netzero building. She then described a collaboration with Professor Kevin Van Den Wymelenberg around the design and use of forest products as a building material. Kwok then reviewed how air flows through classrooms, performing a demonstration with bubbles to display how bubbles flow in the board room. Trustees engaged in discussion on issues including but not limited to financial support for the data science initiative and ongoing financial support for all the initiatives, which are currently funded with philanthropy but will need to find ongoing sources of funding

**Recess/Reconvening.** The board recessed for lunch at 11:32 a.m. and reconvened at 1:34 p.m.

**Quarterly Finance and Treasury Reports; Long-Term Financial Projections.** Jamie Moffitt, vice president for finance and administration and CFO, provided an update on the quarterly financial projections for the Education and General (E&G) fund for the first quarter (Q1) of fiscal year 2021-22 (FY2022). She described how projected tuition and fee revenue is up due to strong first year and transfer student enrollment and the very limited number of students who were disenrolled from the university for not following COVID-19 protocols. Moffitt reiterated that the small first year class from fall 2020 will continue to negatively impact the university's E&G fund budget for the next three years. She also noted that projected expenses have increased in service and supplies and net transfers. Moffitt explained that the updated projections show an estimated FY22 E&G fund shortfall of \$3.6M, which compares to an initial projected shortfall of \$3.8M (prior to the application of HEERF lost revenue funds). Moffitt walked through the ways federal Higher Education Emergency Relief Funds (HEERF) have been used to address increased costs due to COVID-19, including covering lost revenue due to reduced enrollment and providing additional financial support for students. Approximately \$18.8M will be pulled over from HEERF funds to cover these E&G fund costs in the current fiscal year. Moffitt emphasized that HEERF funds are one-time funds that cannot be used to cover recurring expenses and are subject to strict federal guidelines on the specific costs that they can cover. Moffitt then reviewed the quarterly dashboard, describing key revenue and expense areas and discussing differences compared to prior projections. She noted that, overall, the university is in a similar financial position to last quarter's assessment. Trustees engaged in conversation on issues including but not limited to the difference in financial impact for resident and non-resident students, differences in tuition between different graduate degree programs, and the adjustments in HECC projections on an annual basis.

Jeff Schumacher, director of treasury operations, provided an overview of the quarterly treasury report. Schumacher walked through cash and investment balances, noting average balances in the first quarter, excluding bond proceeds and the payroll tax deferral, were \$387M— approximately \$33M more than the same quarter in FY2021. This difference was primarily due to timing issues related to student

accounts receivable balances and unrealized investment gains. Schumacher walked through cash and investment balances by investment tier. He noted that the portfolio has maintained consistent liquidity. Schumacher then reviewed debt service and capital lease payments, noting that the university's debt portfolio sits at just below \$900M. Schumacher next turned to the annual report on treasury policy and procedures. He began by reviewing changes to the treasury procedures, which are provided in a redline copy in the board materials. Schumacher described how treasury operations will be moving from a target allocation based on a percentage of the total portfolio to one based on liquidity as measured by days cash on hand. Moffitt provided an overview of treasury governance. Schumacher then provided an annual update on university treasury operations, describing investment performance in relation to benchmarks and investment and debt risk profiles. He specifically noted that investments have outperformed benchmarks, realized income has declined, unrealized income has increased, and that the overall credit and liquidity risk of the investment portfolio is low. Next, Schumacher reviewed the university's debt characteristics, including the latest bond issuance and ratings. He walked through current debt ratings, noting Moody's has reaffirmed Aa2/negative and S&P reaffirmed UO's rating at AA- while increasing UO's outlook from negative to stable. He called specific attention to the university's debt to revenue ratio, which is high and should be monitored. Schumacher finished by reviewing interest rates including rising tax-exempt interest rates, low short-term rates which the federal reserve may begin to raise in 2022, and the Moody's and S&P ratings for the higher education sector. Trustees engaged in discussion on issues including but not limited to yield by tier, treasury governance, the makeup of the tiered funds and investment strategy, explanation for the university's debt rating, and university debt ratio in comparison to other public universities.

#### **Fiscal Year 2021 audited Financial Statements**

Kelly Wolf, associate vice president for business affairs and controller, reviewed the FY2021 audited financial statements noting a clean audit report, implementation of GASB 84, and comparison of FY2021 and FY2020. GASB 84 fully incorporates agency funds into both the operating statements and new sets of fiduciary statements. Overall revenues (excluding extraordinary Capital Gifts and Grants in FY2020) decreased by \$10.2M, operating expenses decreased by \$8.6M, and total net position (including all GASB reporting adjustments) decreased by \$3.0M. Wolf reviewed specific areas of increase and decrease, the university's four-year revenue and expense trends, the university's net position, and university financial ratios. Trustees engaged in discussion around factors affecting the university's reserve ratios.

#### **Fiscal Year 2021 External Audit**

Scott Simpson, audit partner with Moss Adams responsible for the university's external audit, reviewed the FY2021 annual audit opinion, which was unmodified (clean) and that the financial statements were materially accurate and in line with federal accounting standards. He described the contents of other reports provided by the auditor. This included the Generally Accepted Government Reporting Standards (GAGS) report on any significant deficiencies or material weaknesses on internal controls (none found), compliance audit report, which is currently focused on five programs related to student financial aid this year (not finalized but there are no findings), and internal control related matters and significant deficiencies (none found). Simpson noted university financial controls, centered around the university's finance team, are very solid. He then reviewed other required communications to the board of trustees including auditor's responsibility vs. management's responsibility, planned scope and timing of the audit (issued November 4<sup>th</sup>), significant accounting policies and estimates, significant financial statement disclosures, significant difficulties encountered during the audit (none), corrected or uncorrected misstatements (none), disagreements with management (none), internal control matters and other significant findings or issues (none), and fraud (none). Simpson described communications and interactions with the board chair and other trustees, as well as key administrators, to keep them informed

on any issues if there were any to arise. Simpson finished by noting the student financial aid team at the university is best in class, and that other university team members are excellent partners in the audit process. Trustees noted the valued service provided by the auditor and engaged in discussion on issues including but not limited to audit operations and the rotation of staff on the external auditing team.

**Annual UO Foundation Report**

Paul Weinhold, president of the UO Foundation provided the annual report on Foundation operations and investments. The Foundation receives and manages donations to support the university. Weinhold first provided an overview of the assets under management by the foundation (\$2.6B), which include investments in cash (2.2B), pledges (\$300M), and other assets (\$100M). He noted that a portion of the cash investments accrue interest that is used to provide support to university advancement operations. He then spoke to the foundation’s annual investment returns noting that like many universities, returns were very strong for FY21, specifically 1 year return (28.6%), 3 year return (11%), 5 year return (10.2%), and 10 year return (9.1%). Weinhold provided an update on the management of the foundation endowment and the transfer of endowment management from internal foundation staff to Jasper Ridge Partners, which manages \$33B in assets for select endowments, foundations, families, pension, and sovereign wealth funds. He concluded by highlighting two issues relating to the foundation budget, the first being the reduction of the administrative fee from 1.00% to 0.75% and the second being the approximately \$2M in personnel cost savings related to the transition to outsourced investment management. Trustees engaged in discussion on topics including but not limited to the ability to compare endowments between published numbers for other higher ed institutions, the opportunity for funds managed by the Foundation to be used for more flexible purposes, opportunities to redesignate the use of funds that have been committed by donors, and the administrative reductions at the Foundation.

**Recess/Reconvening.** The meeting was recessed at 3:40 p.m. The meeting reconvened at 9:34 a.m. on December 2. Attendance and a quorum were verified.

**December 2 Attendance.**

Marcia Aaron	Present	Elisa Hornecker	Present	Jimmy Murray	Present
Tim Boyle	Present	Ross Kari	Present	Ginevra Ralph	Present
Renee Evans Jackman	Present	Chuck Lillis	Present	Michael Schill	Present
Toya Fick	Present	Julia Lo	Present	Connie Seeley	Present
Steve Holwerda	Present	Ed Madison	Present	Dennis Worden	Present

**Graduate Studies**

Krista Chronister, vice provost for graduate studies and Professor of Counseling Psychology, provided an overview of graduate studies at the university. She described three key roles of graduate students: serving as bridges to the community, advancing the research mission of the university, and leading the translation of research to solve community problems. She described how there are currently 3,694 graduate students at the university including, 37% PhD students, 45% master students, 14% law students, and 4% non-degree seeking students completing graduate coursework. Chronister emphasized that to expand the university’s profile it will need to grow graduate education over the next five years. She reviewed the profile of the university’s graduate students and described how targeted initiatives have helped increase the diversity of the university’s graduate students, particularly increasing the number of women in the biological and natural sciences. Chronister then overviewed financial support for graduate students, reporting that 86% of all PhD students are provided tuition remission, medical benefits, and employment with monthly stipend. Additional support is provided

through division awards, foundation awards, fellowships, and grants. She then highlighted several of the university's most outstanding graduate students, noting the university's goal of recruiting top talent. Chronister then described the third goal of graduate studies to foster leaders in the translation of science to address social problems and prepare students for careers that align with public and industry needs. She articulated her focus on three strategic pathways: increasing educational access, preparing students for diverse career pathways, and increasing interdisciplinary excellence, each with specific measures. Trustees engaged in discussion on international student enrollment and recruitment and reduction of barriers for international student enrollment, what programs are desired by graduate students, how to target programs for growth and what defines excellence in those programs, support for individual program recruitment, the impact of extending graduate student funding, the cost of the graduate student benefits, the need to be data driven in the university's approach to graduate education, pathways to careers, process barriers to creative programming, high priority programs for investment in graduate programs and target recruitment as well as the number of online programs, and targets for growth in graduate programs.

### **Annual Enrollment and Financial Aid Report**

Roger Thompson, vice president for student services and enrollment management, reviewed data on Fall 2021 undergraduate student enrollment, comparing fall 2021 data with data from the previous four years. Thompson specifically highlighted this year's fall class as the largest freshman class on record (4,617) with an unexpected increase in transfers this year (1,070), despite the overall trend which had seen a decline in transfer students in recent years. Thompson attributes most of the overall downward trend in transfer students to conditions impacting community college enrollment, which has been experiencing a decline in enrollment (Thompson noted a 27% decline between 2017 and 2021). Thompson also highlighted the average GPA for incoming students in fall of 2021 as having increased significantly, up to 3.73 from 3.68 in fall of 2020. He described that the university has seen an increase in out-of-state students coming from Texas. Thompson reviewed the racial and ethnic diversity of the fall 2021 class (36%) and the intentionality of recruitment efforts to increase the diversity of student enrollment. Trustees engaged in conversation on items including but not limited to removing the SAT and ACT test requirement for enrollment, tools used for student recruitment and the return to normal in-person recruitment efforts, GPA and its relation to acceptance, number of students who were not admitted, the impact of academic residential communities on recruitment, the number of students graduating from Oregon high schools, the number of in-state vs. out-of-state students, and the factors that contribute to students not choosing the UO.

Jim Brooks, associate vice president and director of financial aid and scholarships provided an overview of financial support provided to students. Brooks described the breakdown in federal aid (approximately \$175M) which includes loans (approximately \$150M), work study (approximately \$2M) and various grants (approximately \$23M). He described how federal resources are supplemented with state and institutional grants. Brooks reviewed how institutional aid has been adjusted to be more strategic and focused with the allocation of institutional dollars, which has also increased from \$33M in 2016-2017 to over \$53M in 2020-2021. This aid includes merit and need based scholarships, unfunded mandates, international and graduate student remissions, and the diversity excellence scholarships. Brooks concluded with a review of Higher Education Emergency Relief Funds (HEERF). The university received approximately \$37M in HEERF funding for students, of which almost \$21M has been awarded to approximately 12,756 students with an average award size of \$1,645. Trustees engaged discussion on the types of institutional aid including merit and need based scholarship and tuition remissions.

### **Tuition Setting Overview**

Moffitt, co-chair of the Tuition and Fee Advisory Board (TFAB), provided an overview of the tuition and fee setting process that is underway and will result in a recommendation to the president regarding tuition and fee rates for the 2022-2023 academic year (AY23) . Moffitt described how the process has changed with the recently adopted (2020) guaranteed tuition program, meaning that AY22 *undergraduate* tuition and administratively-controlled mandatory fee rates are already set for any returning students, so the TFAB process this year is focused on graduate tuition rates, undergraduate tuition and administratively-controlled mandatory fee rates for the new cohort of undergraduate students arriving during AY23 , and various other fees which do not come to the Board for approval, such as housing or course fees. Moffitt reviewed in detail the TFAB process including TFAB membership, the process timeline, and opportunities for engagement of interested parties. She reviewed the materials covered in the four training meetings that occurred during fall term to help committee members understand the budget and context they are operating within. Moffitt then described the cost drivers that should be considered during the tuition setting process this year. These included increases to faculty, staff, and GE salary and benefits costs, medical costs, institutional expenses, strategic investments, and the increase in the minimum wage. Moffitt projects E&G fund costs increases for FY2023 of approximately \$19M/year. Trustees engaged in discussion about the HECC's involvement in the university's tuition setting process, how the guaranteed tuition model is impacted by inflation, and the impact of fixed personnel costs in relation to the guaranteed tuitions model

**Recess/Reconvening.** The board recessed for lunch at 11:35 a.m. and reconvened at 1:31 p.m.

### **Enterprise Risk Management Overview**

Andre Le Duc, chief resilience officer and associate vice president for safety and risk services, provided an overview of the university's enterprise risk management and organizational resilience tools which are supported by the Strategic Enterprise Risk Management and Compliance Committee (SERMC). Le Duc described how SERMC is advisory to the president and is charged with three tasks: 1) developing tools and processes to actively identify, evaluate, and manage university risks, 2) ensuring that systems and processes are in place to provide accountability for compliance with the university's legal and policy obligations, and 3) encouraging communication, problem-solving, and collaboration across divisions, units, and departments. He then reviewed the university risk exposure matrix designed to help provide focus on exposures that could significantly impact the university's core missions and strategic objectives. Le Duc then reviewed the process that is utilized to move from assessment to action and specific examples of the way the process has been utilized to make process improvements that enhance the university's strategic risk management.

### **Annual Capital Planning and Forecast**

Mike Harwood, associate vice president for campus planning and facilities management, provided a detailed review of the capital planning process, including the project dashboard, project escalation (costs over time), capital plan criteria, and capital plan category descriptions. Harwood walked through the project dashboard with a detailed discussion of the factors identified in the dashboard that allow the university to track capital projects, as well as the dashboard used for project escalation tracking. Harwood described that a capital plan must support the university mission, institutional priorities, and research focus and be informed by building condition assessments, infrastructure assessment and space need analysis. He reviewed recently completed projects including Unthank Hall, University Health and Counseling addition, and the Tykeson lawn. Harwood provided an overview of projects currently in process, that are planned, or potential future projects. Harwood described capital project types which include academic projects, housing projects, and other projects, providing examples of each type of project. Moffitt noted that the state provides considerable funding for projects, but the state is very

focused on deferred maintenance projects. Harwood walked through the process to assess deferred maintenance of university facilities. He described that over the last 10 years the university has spent over \$1B on capital construction spending, excluding externally funded projects like Hayward field. He described major funding sources for current projects which include gifts and grants, state paid bonds, revenue bonds, and cash. Trustees engaged in discussion on issues including but not limited to the LEED status of the building projects, policies related to accessibility such as hearing loops to address auditory accessibility, and specific PHIT projects that are excluded from the overall calculation of capital construction costs

Steve Mital, director of the office of sustainability, provided an overview of university sustainability efforts. He described the STARS framework used to monitor sustainability performance, which assesses academics, engagement, operations, and planning and administration. Mital reviewed national STARS ranking, noting the university has achieved gold status. He described how this work is supported by the university's sustainability dashboard. Mital then reviewed the university's climate action plan that runs from 2019 – 2024. He described specific actions in the plan including establishing an advisory group, and conducting an annual inventory of emissions. Trustees engaged in conversations about how information on the university's sustainability efforts are used to help in the recruitment of students and the role of natural gas to heat campus

#### **Program Approval**

Randy Kamphaus, dean, college of education, Wendy Machalicek, associate professor, special education and clinical sciences, and Lillian Duran, associate dean of academic affairs, presented to the board an overview of the proposal for a new online Master's Program in Science of Applied Behavioral Analysis. Phillips provided his endorsement of the program noting the high quality of scholarship and teaching in the College of Education. Kamphaus described how the college collaborated with the provost's office and Carol Gering in UO online to build the program. Duran described how the new program sits within the college's program in special education where faculty are grounded in behavioral psychology and positive behavioral supports, which aligns with strong demand and need not just locally, but nationally. Machalicek walked through the content of the degree and the work that graduates of the program will be trained to do. She noted that applied behavior analysts are typically associated with autism spectrum disorder and work in settings outside of the k-12 systems in home and other settings. She also noted students will be recruited heavily from undergraduate and other related professional arenas. Trustees engaged in conversation on supervision necessary for the degree, the cost of this program relative to other comparable licensure programs, demand for the program given professional burnout, the number of participants in the Portland State certificate program, and the financial model associated with the program.

*ACTION: The resolution to approve new Master of Science in Applied Behavioral Analysis was moved by Trustee Holwerda and seconded by Trustee Ralph. It passed by a voice vote without dissent.*

**Adjournment.** The meeting was adjourned at 3:10 p.m.