



**Board of Trustees of the University of Oregon
Special Meeting
March 26, 27 and 28, 2014**

Wednesday, March 26, 2014

4:30pm-5:30pm University Communications, Ford Alumni Center, Room 403

Thursday, March 27, 2014 – Public Meeting – Giustina Ballroom, Ford Alumni Center

8:30 am (other times approximate)

1.0 Convene

- Call to Order (Chair)
- Roll Call (General Counsel)
- Chair Comments, Discussion of Meeting Agenda (Chair)
- Approval of Minutes from January Board Meeting (Chair) (Action)

2.0 Reports and Public Comment

- President's Report (President)
- Report of President of the University Senate (Margie Paris)
- Report of President of the Associated Students (Sam Dotters-Katz)
- Committee Reports (EAC, ASAC F&F) (Chair Lillis, Chair Wilcox and Chair Kari)
- Provost's report – Mission statement, updates (Provost)
- Public Comment (Chair)

9:00 am

3.0 Foundational Documents—Board Retention and Delegation of Authority

- Recap of Foundational Documents (attached as exhibits to draft minutes) (Chair)
- Delegation of Authority Discussion and Possible Adoption (Chair) (Action)

10:15 am - Break

10:30 am

4.0 Budget Process Overview

- Budget process overview (VPFA and Brad Shelton)
- Updates for budget projections next year (VPFA and Brad Shelton)
- Capital Construction discussion about space planning and campus needs (VPFA)

5.0 Response to Higher Education Coordinating Commission Letter due March 31, 2014

- Discussion about state appropriation financial questions (VPFA, Brad Shelton)
- Discussion about proposed investments to improve achievement compact performance metrics (Provost, VPFA, Brad Shelton)

11:30 pm – Break (Lunch – trustees in three groups to different locations)

1:30 pm – Reconvene

- 6.0 FY15 Mandatory Enrollment Fees (including tuition), Special Fees and Fines
- Introduction and roadmap on mandatory enrollment fee process and upcoming deadlines (President)
 - Overview of mandatory enrollment fee setting process (VPFA, Brad Shelton)
 - Discussion about market and how UO measures against its peers (VPFA, Brad Shelton)
 - Presentation and discussion of proposed mandatory enrollment fees for FY15 (VPFA, Brad Shelton)
 - Discussion about changes made by SB 270 and HB 3120 effective for AY 14-15.

3:00 pm – Break

3:15 pm

- 7.0 FY15 Tuition and Fees, Special Fees and Fines
- Continued discussion on proposed mandatory enrollment fees, including tuition, for FY15 (VPFA, Brad Shelton)
 - Time for public comment

5:00 pm – Recess

6:00 pm – Trustee dinner with students – Lundquist College of Business Lillis Atrium

Friday, March 28, 2014 – Public Meeting – Giustina Ballroom, Ford Alumni Center

8:30 am (other times approximate)

- 8.0 Reconvene
- Roll Call (General Counsel)
- 9.0 Approval of FY15 Mandatory Enrollment Fees, including tuition and authorization of President to submit to OSBHE (Chair) (Action)
- 10.0 Shared Services Update (General Counsel, VPFA)
- Risk Management
 - Retirement Plans; PEBB Contribution
 - Collective bargaining
 - Other
- 11.0 State and Community Relations (Hans Bernard, Associate Vice President for State and Community Affairs)
- February 2014 Legislative Session
 - City of Eugene, Social Host Ordinance
- 12.0 Role of the Higher Education Coordinating Commission—Update (Provost, General Counsel, Hans Bernard)

- 13.0 Trustee Orientation Follow-up
- Points of contact for board questions and inquiries (President)
 - Orientations for Executive Leadership and Academic Leadership Teams

10:30 am – Break

10:45 am

- 14.0 Review and Preview
- Preview of future items for June (Information) (Chair)
 - September Board retreat (Information) (President and Chair)
 - Committee meetings (Information and Charge to Committees and Staff) (Chair and President)

15.0 Other Business

16.0 Adjourn



**The Board of Trustees of the University of Oregon
Special Meeting of the Board**

Ford Alumni Center, Eugene, Oregon
January 23-24, 2014

MINUTES

Board Members	January 23, 2014	January 24, 2014
Connie Ballmer	Present	Present
Peter Bragdon	Present	Present
Rudy Chapa	Present	Present
Andrew Colas	Present	Present
Ann Curry	Absent	Absent
Sam Dotters-Katz	Present	Present
Allyn Ford	Present	Present
Susan Gary	Present	Present
Joseph Gonyea	Present	Present
Michael Gottfredson	Present	Present
Ross Kari	Present	Present
Chuck Lillis	Present	Present
Ginevra Ralph	Present	Present
Mary Wilcox	Present	Present
Kurt Willcox	Present	Present

JANUARY 23, 2014

Call to Order

President Gottfredson called the Board of Trustees of the University of Oregon to order at 8:03am. He provided an overview of the agenda for the board meeting, including consideration and adoption of foundational documents, conversation with the Higher Education Coordinating Commission, discussion of our mission statement, and a presentation on benchmarking.

Reports and Public Comment

President’s Report to the Board

President Gottfredson described his aspirations for the Board, with a call for the Board to commit to a vision and mission for the University as a research university dedicated to the highest quality and access for Oregonians. He urged the board to consider new methods for financing the university, be critical advocates for the UO, and keep strategically focused.

Report of President of the University Senate

Margie Paris, President of the University Senate, presented her report to the Board, which addressed shared governance, shared responsibility for the academic mission, the Committee on Courses, and two policies currently in front of the Senate: Policy on Academic Freedom and Policy on Legal Services. She noted that there are 57 members of the University Senate, including non-faculty as well as faculty.

Report of President of the Associated Students

Sam Dotters-Katz, Trustee and President of the Associated Students of the University of Oregon (ASUO), presented his report to the Board, noting that ASUO is the largest student government organization in the U.S. with a budget of nearly \$14 million. He highlighted the future interactions between the ASUO and the Board with regard to tuition and mandatory fees. Dotters-Katz also discussed the current budget process, finance committees, and launch of a multi-year budget dedicated to prevention of sexual violence. He emphasized the importance of protecting the autonomy and legitimacy of the student government while at the same time holding ASUO accountable for its budget growth and fees.

Public Comment

No public comment was offered.

Transition Roles and Activities

Transition Provisions in Senate Bill 270 and House Bill 3120

Randy Geller, General Counsel, made a presentation on transition provisions in SB 270 and HB 3120, including both broad provisions and specific provisions regarding appropriated funds, rules and policies, bonds, and real property.

Trustee Chuck Lillis asked if the University had been involved with development of the formulas for the distribution of appropriated funds. Jamie Moffitt, Vice-President for Finance and Administration reported that there have been some attempts to work with other universities to come up with an outcome-based funding model. Moffitt also noted the important policy decisions still to be addressed regarding student demographics or extra weight for certain degrees. She commented that it is not yet clear what the procedure will be for submitting proposals to the HECC, and suggested this as a good topic for the discussion with HECC Director Ben Cannon and HECC Chair Tim Nesbitt on January 24.

Geller added that the HECC submits a consolidated budget recommendation to the Governor for all institutions based on what is received from each board, which is then filtered through the HECC model.

Geller addressed additional transition activities and roles of the HECC, including approval of significant changes to academic programs, approval of mission statements adopted by boards, and an annual evaluation of each university with a governing board.

Ongoing Transition Activities

Moffitt presented a report on the transition activities to take place over the next six months, which include governing, coordinating, and administrative functions (some of which will be shared with other universities). Key UO administrative functions to be addressed include Treasury, Internal Audit, and other functions primarily in the finance and administration area. Shared services will include risk

management, insurance, collective bargaining with SEIU through June 30, 2015, and employee benefits, including retirement. Moffitt advised that the University of Oregon has offered to host the administration of the Optional Retirement Plan and Tax Deferred Investment Plan.

Moffitt noted that a committee of the seven public university presidents has been looking at the issues related to shared services. The outcome of that review was a set of basic principles: make shared services voluntary, include an opt-in/opt-out provision, and keep administrative costs to a minimum by having shared services hosted by designated institutions.

Trustee Connie Ballmer asked how much more staff the University will need for this increase in workload. Moffitt replied that our cost analysis last year indicated that an additional 11 FTE would be needed but that we should see cost savings due to a substantial reduction in size of the Chancellor's Office and discontinuation of the assessments charged by the Chancellor's Office.

Role of the Board of Trustees in the Transition Period

Moffitt noted that tuition and mandatory enrollment fees will be on the Board of Trustees' agenda for the March meeting, with discussion of the proposed budget to take place at the June meeting.

Geller noted other important tasks for the Board, including adoption of a policy on delegation.

In response to a question about UO participation in shared services, Moffitt noted that certain shared services are mandated through June 2015 and that the University will need to look at questions about continued participation beyond that date.

Regarding the sponsorship of administration of the Optional Retirement Plan (ORP) on behalf of all universities, Trustee Ginevra Ralph inquired about the value of the assets under management in the plans. Moffitt responded that she would be happy to pull those figures (approximately \$1.2 billion). Geller observed that it is more efficient for UO to assume responsibility for the ORP to permit a relatively seamless transition. Geller also noted that the plan sponsor is all that will change; PERS will change only with regard to the identity of the party that transfers funds to PERS from the institutions and the same is true with PEBB. Moffitt indicated that she will need to obtain more information about the investment needed for this transition, noting that the goal is to keep the existing infrastructure and committee structures in place (e.g., existing plan trustees, administrative committee with representation from multiple campuses, Investment Committee that is likewise made up of faculty and staff from multiple campuses, investment advisor, etc.). She emphasized that the goal is not to make changes but to take advantage of economies of scale and efficiencies moving forward.

Finally, Moffitt noted that there is a lot of policy development work to do. Her team is reviewing the approximately 500 policies that the UO currently has in place. These are a combination of OUS OARs, UO OARs, OUS Board Policies, policies from the OUS fiscal policy manual and UO Policies., Some of these will need to be eliminated or modified before July 1, 2014.

2014 Legislative Session

President Gottfredson introduced Hans Bernard, Associate Vice President for State and Community Affairs.

Bernard reported that the Legislature is scheduled to convene on February 3 and is required by law to end on March 8. He referenced the work of the Joint Interim Special Committee on University Governance, which will examine governance opportunities for the four technical and regional universities. Bernard indicated he does not anticipate substantive changes to SB 270 but some technical

changes may be necessary. He emphasized that it is important to keep ever present in the governance conversations.

Foundational Documents

President Gottfredson introduced Marla Rae, President, The Rae Group, as the facilitator for discussion of the foundational documents.

Statement of Governance and Trustee Responsibilities

Marla Rae turned to Trustee Kurt Willcox to discuss his suggested changes to the Statement of Governance and Trustee Responsibilities, page 63 of the board materials.

Willcox noted his concerns about the responsible fiduciary section and the way in which employee, student, and faculty board members may function as members of designated groups.

President Gottfredson commented that while the Board does have members from designated groups, these trustees represent the institution as a whole, not their respective groups. Willcox opined that it would not be desirable to have the designated members unable to talk about the groups with which they are affiliated, especially regarding matters in which those members of the university community have a direct interest. Trustee Allyn Ford expressed his concern about maintaining balance and avoiding micromanagement. After further discussion, it was agreed that the statement would be revised to reflect the importance of all board members bringing their perspectives and information to board discussions. Geller, Willcox, Trustee Susan Gary, and Trustee Peter Bragdon were tasked to revise the language in the draft statement.

Rae noted Trustee Joe Gonyea's proposed changes to the Statement, provided in the supplemental packet, pages 64-65.

Concerns were raised regarding the governor's language on K-12 responsibilities and whether such responsibilities are within the purview of this Board. A suggestion was made for language ensuring that the university meets its obligations regarding the governor's 40-40-20 plan.

Trustee Ralph raised a question about language related to fundraising and suggested that the language should include the word "foundation" to refer to the University of Oregon Foundation. President Gottfredson commented that he was comfortable taking out the language about fundraising but that it was important to retain the separation between the Board of Trustees and the University of Oregon Foundation. Geller noted that it would be rare to have a statement about expected philanthropic contribution in a statement of trustee responsibilities for a public institution.

Marla Rae confirmed the agreed upon changes to the Statement of Governance and Trustee Responsibilities and Geller was tasked with returning to the Board with a revised draft for approval on January 24.

Bylaws

Marla Rae opened the floor to comments on the proposed bylaws.

Trustee Ralph asked why the secretary and treasurer are not identified as officers. Geller responded that the board is to select chair and vice-chair but that the secretary reports to the university president.

Geller explained that this was a policy decision. Trustee Ross Kari added that this model is consistent with that of other organizations.

Willcox raised concerns about language regarding minutes in Article 5 item 6. He suggested that “in lieu of” be omitted and that this section include language about actions taken. Willcox also raised concerns about Article 3 section 7 and inquired where the funding will come from for reimbursements, whether from the institution or department. Geller replied that reimbursements will come from the institution.

Willcox raised concerns about Article 9 section 2, suggesting that the language addressing labor relations was too broad. He also raised concerns about the classified staff trustee having an opportunity to discuss collective bargaining generally, clarifying that such participation would not include action or discussion specific to collective bargaining negotiations. Geller noted that there is a bill being proposed that will address this matter and advised he would redline the language so it was not specific to a bargaining unit.

Geller suggested that the bylaws be approved at the January 23-24 meetings and then the board could commit to revisions at future meetings.

Trustee Bragdon sought clarification on the whether there was an exception for the President with regard to Article 9 item 2. Geller replied that the article does not apply to the President.

ACTION: Upon recommendation of President Gottfredson and the motion made by Trustee Ralph, seconded by Trustee Lillis, the Board voted and approved the Bylaws, attached as Exhibit 1.

Policy on Board Committees

Marla Rae opened the floor for discussion on the proposed policy on board committees, page 73 of the board materials.

Trustee Lillis raised an important philosophical question about whether the Board would want committees making decisions or making recommendations to the Board. Lillis suggested that each committee address whether they should make decisions or recommendations.

Trustee Mary Wilcox suggested that a better understanding of delegated authority would be helpful and looked to Randy Geller and President Gottfredson for guidance. Geller indicated that statute requires that certain actions, such as the approval of tuition and fees and the appointment of the president, have participation of the full board and cannot be delegated. The board also may not wish to delegate other actions not constrained by statute, such as acceptance of the audited financial statement, approval of long-term debt, recommendations to HECC, and approval of the university’s budget. Geller will prepare a document that identifies these various actions with a recommendation regarding their possible delegation. Lillis commented that circulating committee minutes to the full board would be very valuable and that the full board should be aware of when the committee meetings are scheduled.

Geller explained that the language of the policy does provide for notice to every member of the Board. He also noted that public meetings law requires that minutes are taken.

Further discussion affirmed the desire of the board for committee vice chairs, to be appointed by each committee chair. Although initial committee assignments have been made, President Gottfredson noted that the assignments are not set in stone and suggested that changes be directed to the board secretary.

Benchmarking and Planning

Mission of the University of Oregon

President Gottfredson provided an overview of the University's mission, starting from the premise of a passion for quality and a commitment to access. He stressed that the UO must strive to be a *premier, public, residential, research* university, and that each of those four descriptors is essential. It is important, he said, that we benefit from our sense of place – a campus in a community, located in a great Pacific Northwest environment with a focus on concepts like sustainability. Our overriding goal is to enhance the quality of life for the people of Oregon, the nation, and the world. We have faculty and staff dedicated to new discovery and to the dissemination of new knowledge. Our mission rests on two fundamental principles: access and quality.

Gottfredson noted that our mission statement obligates us to many things: to attract and retain the best, be the best in what we do, provide the highest quality educational experience to our students, serve the public interest, and serve Oregon and Oregonians. Research is fundamentally important.

Gottfredson mentioned the capital campaign as part of the University's plan in comparing, identifying and acquiring resources. President Gottfredson concluded by saying that an important task before the Board is to think about the mission statement, create a new one, and present it to the HECC. He emphasized that we do have a current statement approved by the OUS board in 1999.

Scott Coltrane, Interim Senior Vice President and Provost, described how the development of the Academic Plan in 2009 identified new questions that could enter into the new mission conversations.

Board members raised questions about the timing and process for development of a revised mission statement. Board members expressed a desire for a focus on UO's leadership role in the state as a premier research university dedicated to and striving toward excellence.

Trustee Colas suggested that a revised mission statement consolidate the bulleted list into a simpler statement.

University Benchmarking

Brad Shelton, Vice Provost for Budget and Planning, presented a report on the University of Oregon's benchmarking to its public peers within the Association of American Universities (AAU). Shelton's presentation addressed enrollment levels, undergraduate degree completion, doctoral degrees, student-faculty ratios, classroom and office space, research, expenditures, and annual giving. Interim Provost Coltrane noted the resource challenges posed by recent enrollment growth.

Trustee Lillis asked where the University is among public AAU schools in terms of total enrollment and asked if the University is on the small side. Shelton responded that the University is in the bottom 25th percentile. But, he noted, while some believe the University's growth is unprecedented, that is not the case. Other AAU universities are growing just as fast as the University of Oregon and the financial issues the University has are universal.

Lillis suggested looking at the economies of scale and understanding why other institutions think differently about this – i.e., why do our peers choose to be larger? Moffitt described the short term strategy to allow the University to catch up to enrollment growth. While there are scale economies in administrative functions, she noted that facilities are where the difficult questions lie – to invest in more students, we need more facilities. Without state support or significant donor support for facilities, we cannot sustain enrollment growth.

Trustee Ford asked whether online enrollment is factored into our business model. Shelton responded that UO offers a number of online courses but they are mainly taken by students resident in Eugene.

Shelton emphasized the importance of UO's nonresident students, noting that we have maintained the same level of resident enrollment while increasing the level of nonresident enrollment. Without the significant nonresident enrollment, UO could not support the enrollment of resident students at current tuition levels.

Trustee Ballmer expressed surprise at the University's low graduation rate compared to the public AAU peers and asked what was the cause. Shelton indicated that it is usually financial on the student's part.

Ford observed that in looking at GPA and SAT scores of the incoming freshman class, the success rate doesn't make sense. Shelton replied that with higher GPA and SAT scores in recent entering classes, we should see a change.

In response to a question from Trustee Ballmer regarding research that goes to product, Kimberly Espy, Vice-President for Research and Innovation and Dean of the Graduate School, explained that UO faculty are very productive in this area and the University ranks very high in translation of research to marketable product, especially in the area of children's learning. Espy noted that the University ranks in the top 20 on return on research through licensing income but the AAU data do not include as metrics research contracts with industry.

Shelton presented data on expenditures per student that show that UO spends half as much money per student as the average of our public AAU peers. If we wanted to move up one place on the list of institutions, we would have to spend an additional \$44.5 million at our current enrollment level – an amount that is about the same as our total current state appropriation.

Colas noted that in comparing expenditures per student with graduation rates, universities in the \$50,000 per student range have the best graduation rates. Shelton agreed, noting that there is a point of diminishing return and that spending more than \$50,000 per student does not necessarily mean a higher graduation rate.

Shelton briefly discussed the achievement compact and the metrics used. Questions were raised regarding achievement compact goals and the rationale behind the achievement compact metrics. Those questions are expected to be addressed in the HECC presentation on January 24.

Academic Plan and Strategic Planning

Interim Provost Coltrane reviewed the status of the current Academic Plan, noting that while the plan addresses enrollment size, it does not address how we accomplish other goals. UO needs to make hard decisions about resources and without the time right now to engage in a full blown strategic plan, we are culling the academic plan to three focused goals for 2014: academic excellence, access and student success, and financial stability. We are asking: What choices do we face? What are we good at? Where can we get better? How can we ensure that we are moving in the right direction?

Board members asked whether the university has selected focused areas for investment and whether high level targets have been established. Coltrane responded that the benchmarking data suggest programs that could be driven into the "excellent" category; working with the deans and the Research office, we have identified 15. Five or six of those rose to the top and are likely to be a focus of the capital campaign. A big issue is not having a sufficient number of tenure-related faculty and the right facilities to support them.

Trustee Lillis suggested creating a matrix of programs that the University can use in determining what will be enhanced or left as is. Lillis opined that the University should not embark on this effort until there is an endowment to support the plans before they are implemented. Coltrane affirmed that the university is taking that approach.

Capital Campaign

Mike Andreasen, Vice-President for University Advancement, presented the current status of the campaign, philanthropy, and phases of the campaign.

Paul Weinhold, President and Chief Executive Officer, University of Oregon Foundation (UOF), briefly described the organization, status, and focus of the UOF.

President Gottfredson noted that our overall goal should be a stretch goal, developed on the basis of our benchmarks. The number should be aggressive – not silly or uncalibrated to our expectations, but an aspirational goal.

Lillis asked what endowment size would put us in the top 20 of public AAU universities. Weinhold responded that the University of Washington is 10th at \$2.2 billion and a rank of 20th would put us at \$1.2 billion. We are currently at roughly \$600 million.

Andreasen described the challenges in engaging enthusiastic alumni and donors. Andreasen also discussed encouraging the various schools to reach out to their alumni and work with prospective donors.

The meeting recessed at 4:54pm

JANUARY 24, 2014

Call to Order

President Gottfredson reconvened the meeting 8:02am. Roll call was taken by Geller.

Presentation on Higher Education Coordinating Commission

Gottfredson introduced Tim Nesbitt, Chair and Ben Cannon, Executive Director of the Higher Education Coordinating Commission (HECC).

Nesbitt described this period as the end of one era and the beginning of another. Nesbitt said that the HECC will be looking to greater achievement through reinvestment, focusing on 40-40-20. He described HECC's role as "steering and cheering."

Cannon traced the history of the 40-40-20 goal. He described the goal as aspirational and among the most aggressive in the U.S. He emphasized that jobs now and in the future will require advanced degrees. He expressed his hope for a system that does better in reaching goals by optimizing resources and creating a climate for greater philanthropic as well as public investment.

Cannon articulated the principles of both institutional autonomy and inter-sector coordination, recognizing the tension that may exist between these two objectives. He described the role of the HECC and the challenges of using the new structure to achieve the goals of 40-40-20.

Nesbitt discussed revenue growth and the challenges that face the state, noting that while past revenue growth was about 6% per year, future growth is anticipated to be 5.5% annually. Nesbitt also commented on the struggles with tuition increases for students and their families, the past work of the Post-Secondary Quality Education Commission, potential efficiencies in obtaining degrees, building HECC's strategic plan, implementing the budget process, and looking at an outcomes-based funding model. He cited his previous work in developing the Shared Responsibility Model aimed at guaranteeing affordable post-secondary education for students.

Nesbitt indicated that the HECC would be looking at approval of mission statements, working with the Provosts' Council regarding changes in academic programs, and developing evaluation criteria in concert with institutional boards. Above all, he said, the HECC will support and encourage the creation of a college going culture.

President Gottfredson asked about the HECC's views about mission differentiation and how it might relates to goals and outcomes. Cannon offered his view that the State Board of Higher Education did not sufficiently lean into this issue and, as a result, the Oregon University System has not leveraged the different strengths of the universities and applied resources to bring those strengths to bear in the most effective way. He expects the HECC to fully engage universities in this conversation and focus on the unique role of each university. Nesbitt noted that it would be wise to take a portfolio approach.

Trustee Mary Wilcox asked that given that such a high percentage of nonresidents continue to live in Oregon, couldn't we assume that the nonresident component is a contributing factor to our 40-40-20 goals? Cannon responded that they do take into account students who didn't receive their K-12 education in Oregon. But, he said, the focus of 40-40-20 has been on the pipeline of Oregon-raised students.

Trustee Ginevra Ralph asked how the HECC will account for the draw of a major research university. Cannon noted that this is a challenge because the agenda of 40-40-20 focuses more on undergraduate education and doesn't speak to graduation education and research. However, he said that the HECC will state clearly its commitment to and support for research because there are important connections between research and education goals. Nesbitt added that the HECC is mindful of the contribution of research to education and the economy.

Trustee Allyn Ford asked about the process and timeline for getting to the outcome based funding model. Nesbitt responded that the HECC hopes to have parameters for budget drafting completed by June 2014. He noted that there will be a question of how funds will flow once the allocations are made and indicated that the HECC will make sure all institutions can provide input.

Cannon hopes to express through the funding allocations the HECC's support for institutions in helping students complete the degree. He proposed a high degree of partnership between the HECC and institutions in implementing this budget model and noted that institutions should have a way to exercise control over what the outcomes are. This speaks to mission differentiation. Not all will achieve success in the same way, he said, and state funding should reflect that.

Nesbitt commented that support for the importance of post-secondary education tends to show up more in career and technical colleges, although recent surveys show greater appreciation for higher education more generally. If we can avoid another major recession and continue the progress on the state budget that was made last session, that should translate into increased budget support for higher education.

Trustee Chuck Lillis asked if the HECC will base both the size of the request for educational funding and the allocation out to institutions on outcomes. Cannon responded that the best argument for greater public support is to illustrate impact, through the display of outcomes.

Lillis asked if allocation based on outcomes would be considered independent of the institution's ability to raise other funds. Cannon replied that institutions should not be penalized for successful philanthropy because that would be counterproductive to the funding allocation method.

Trustee Kurt Willcox asked what role the HECC will play in developing or reviewing Achievement Compacts. Cannon explained that the Achievement Compact represents core goals and measures. He added that the metrics can and probably should change to be in line with the goals of the state and institutions and noted that the HECC has asked institution presidents to suggest needed changes in the Achievement Compacts. Nesbitt noted that the compacts are treated as one-year snap shots and they can be a lot more effective if we take a longer term view.

Trustee Lillis asked if the HECC deals with capital budgets and if so, would capital budget recommendations also be considered independent of the institution's ability to raise other funds? Cannon replied that the HECC has not yet developed principles for dealing with capital budgets but that outside fundraising should promote state investment and have a leveraging effect.

Lillis asked if there was agreement on what the funding measures should be. Cannon responded that the starting point is the compacts, with a focus on completion, progress toward completion, and the commitment to equity and progress for underserved populations.

Willcox asked about student debt issues and assuring affordable access with finances being the biggest deterrent to completion. Nesbitt noted again the Shared Responsibility Model created 10 years ago. Inherent in that model is the principle that the first dollars come from students and families – those with skin in the game – and that only a modest amount of borrowing would be expected.

Vice President Moffitt raised definitional questions regarding 40-40-20 and the importance of people staying in Oregon. She noted that a large portion of Oregon high school graduates will go out of state to go to school, raising questions about what can be done to keep them in Oregon since goals are not reached if they leave the state. Cannon responded that the HECC is working through the definitional issues.

Trustee Susan Gary noted the importance of quality as well as quantity – that the concern should be not only the number of degrees produced but also the quality of education and the student experience. Our research mission also enhances our teaching and the quality of what students' experience. She suggested that we need to think about a way to measure that. Nesbitt noted that the focus on quality and the role of the research university starts with the mission statement, which comes initially from the university board and becomes a part of the portfolio of universities. Cannon suggested that there are advantages in the state staying away from addressing quality issues, recognizing the strong role of regional accreditation in those concerns.

Cannon concluded his remarks by advising the university to engage deeply and collaboratively with other institutions, including community colleges. This is part of the strategy to bring about greater investment from the Legislature. For the Legislature to see greater unity in an era of greater autonomy will be compelling.

President Gottfredson thanked Tim Nesbitt and Ben Cannon for their time and affirmed that the University of Oregon focuses very much on achievement and outcomes. He also offered to help the HECC in whatever way they would find most useful.

Approval of Foundational Documents

Statement of Governance and Trustee Responsibilities

ACTION: Upon recommendation of President Gottfredson and the motion made by Trustee Kari, seconded by Trustee Gonyea, the Board voted and approved the Statement of Governance and Trustee Responsibilities, attached as Exhibit 2.

Policy on Board Committees

Trustee Kari asked about including minutes in section 5.0 Notice of Meeting of Committees.

President Gottfredson affirmed that was appropriate.

Trustee Colas asked about including a vice chair for each committee.

Randy Geller advised doing that as a charter and not in the policy.

ACTION: Upon recommendation of President Gottfredson and the motion made by Trustee Lillis, seconded by Trustee Ralph, the Board voted and approved the Policy on Board Committees, attached as Exhibit 3.

Election of Officers

ACTION: Upon the motion made by Trustee Peter Bragdon, seconded by Trustee Ralph, the Board voted and approved Trustee Chuck Lillis as chair of the Board.

ACTION: Upon the motion made by Trustee Sam Dotters-Katz, seconded by Chair Lillis, the Board voted and approved Trustee Ginevra Ralph as vice-chair of the Board.

President Gottfredson indicated that Trustee Kari has agreed to chair the committee on Finance and Facilities and Trustee Mary Wilcox has agreed to chair the committee on Academic and Student Affairs.

ACTION: Upon recommendation of President Gottfredson, Chair Lillis appointed Trustee Ross Kari as chair of the Finance and Facilities Committee, Trustee Mary Wilcox as chair of the Academic and Student Affairs Committee, and Trustee Allyn Ford to the Executive Committee.

Review and Preview

Chair Lillis asked if there was any other business.

President Gottfredson reported that there will be a longer session in September for a Board retreat.

President Gottfredson also asked the Board to think about the proposed committees and contact Geller about any preferences for the committees.

Trustee Ross Kari discussed a number of items that need to be completed before the March meeting and the need to schedule an interim finance committee meeting to start process of getting up to speed.

President Gottfredson opened the floor to any other business. Randy Geller discussed responding to media inquiries.

Tim Clevenger, Associate Vice-President for Communications, Marketing and Brand Management, noted that he would follow up for one-on-one media coaching with each trustee. President Gottfredson advised that all trustees would have Clevenger's contact information. President Gottfredson thanked his staff.

Chair Lillis asked that the Board think about what they would like to see in terms of regular reports beyond the three already noted, and suggested a regular budget report as a possible addition.

Adjournment

Chair Lillis asked if there was any other business. Hearing none, he adjourned the meeting at 9:57am.

**BYLAWS
OF THE
UNIVERSITY OF OREGON**

**ARTICLE I
Name**

The legal name of this independent public body is the University of Oregon ("University").

**ARTICLE II
Purposes of Organization**

The purposes for which the University is organized are to carry out and exercise the powers, rights, duties and privileges, within and outside this state, that are expressly conferred upon the University, or that are implied by law or are incident to such powers, rights, duties and privileges.

**ARTICLE III
Board of Trustees**

1. Business and Affairs. The University shall be governed and the business and affairs of the University shall be managed by the Board of Trustees of the University of Oregon ("Board"), which may exercise all such powers, rights, duties and privileges as are expressly conferred upon the University, or that are implied by law or are incident to such powers, rights, duties and privileges. The Board may delegate and provide for the further delegation of any and all such powers, rights, duties and privileges subject to limitations expressly set forth in law.

2. Membership. The membership of the Board is established by law. With the exception of the President of the University, the Trustees are appointed by the Governor of the State of Oregon and are subject to confirmation by the Oregon Senate in the manner prescribed by law. To assist the Governor in appointing Trustees, the Board may submit a list of nominees to the Governor for consideration whenever there is a vacancy.

3. Vacancies. A vacancy on the Board shall exist upon the death, resignation, removal or expiration of the term of any Trustee. A Trustee may resign at any time by delivering written notice to the Governor, the Chair of the Board of Trustees, and the President of the University.

4. Removal. The Governor may remove a Trustee other than the President as provided by law. The Board may terminate the status of the President as a Trustee by terminating the President's appointment as President of the University, subject to the rights, if any, of the President under a contract of employment.

5. Board Officers.

a. The Board shall select one of its members as Chair and another as Vice Chair, who shall be the Board Officers. Thereafter, a vacancy in the position of Chair shall be filled by the Vice Chair,

unless the position of Vice Chair is vacant in which case the Board shall appoint the Chair. A vacancy in the position of Vice Chair shall be filled by the Board. The Chair and Vice Chair shall hold office for two years, or until a successor shall have been duly appointed and qualified or until death, resignation, expiration of the appointment as a Trustee, or removal. The Chair and Vice Chair may be appointed to consecutive terms. The Chair and Vice Chair shall not be employees or students of the University and shall not, as Chair and Vice Chair, be authorized to bind the University. The Board may appoint such other Board Officers, including a Second Vice Chair, with such duties as the Board determines necessary or appropriate.

- b. The Chair shall establish the agenda for and preside at all meetings of the Board. The Chair shall perform such other duties as assigned by the Board. In the absence of the Chair or in the event of the Chair's inability to act, the Vice Chair shall perform the duties of the Chair, and when so acting, shall have the powers of and be subject to all the restrictions upon the Chair. The Vice Chair shall perform such other duties as assigned by the Board.
- c. Notwithstanding the appointment of a Chair and Vice Chair, authority is vested in the Board collectively and not in any individual Trustee. Individual trustees do not speak on behalf the University unless authorized to do so by the Board or Chair. The Chair may speak on behalf of the University, unless otherwise determined by the Board.
- d. A Board Officer serves at the pleasure of the Board. A Board Officer may be removed from office by a two-thirds majority vote of Trustees eligible to vote.

6. Compensation; Reimbursement of Expenses. A Trustee performing his or her official duties is not acting as an employee of the University and shall not receive a salary. In accordance with University policy and upon approval by first the Secretary and then the Treasurer of the University, a Trustee may be reimbursed for reasonable expenses incurred in connection with the performance of official duties.

7. Faculty and Non-faculty Staff Trustees. The Faculty Trustee and Non-faculty Staff Trustee are each hereby granted reasonable leave with pay at their regular salaries as employees of the University to attend meetings of the Board and other official Board functions that occur between the hours of 8 a.m. and 5 p.m. Pacific Time Monday through Friday. Nothing in this section 7 shall be deemed to alter the compensation of the faculty member or staff member for the performance of their duties as a University employee.

ARTICLE IV Meetings of the Board

1. Public Meetings. A "Public Meeting" of the Board is the convening of the Board for a purpose for which a quorum is required in order to make a decision or to deliberate toward a decision on any matter. All Public Meetings of the Board shall be conducted in compliance with the Public Meetings Law. Public Meeting does not include any on-site inspection of any project or program or the attendance of Trustees at any international, national, regional, state or local association.

2. Quorum of the Board. Except as otherwise specified herein, a quorum of the Board is required

to conduct Board business. A quorum of the Board shall be a majority of the Trustees in office at the time of the meeting. However, Trustees who have been disqualified from voting on a particular matter shall not be considered to be a Trustee in office for purposes of establishing a quorum in relation to that matter.

3. Manner of Acting.

- a. Except as otherwise specified herein, action upon a matter for which a quorum is required shall be taken upon the approval of a majority of the Trustees present.
- b. All Trustees present must vote affirmatively or negatively on any matter on which a vote is called by the Chair, except that a Trustee may not vote if the Trustee is disqualified from voting under law, these bylaws, or applicable policy. Abstentions may be permitted by the Chair.
- c. The Board may permit any or all Trustees to participate in a meeting by, or conduct the meeting through use of, any means of electronic communication by which all Trustees participating may simultaneously hear each other or otherwise communicate with each other during the meeting. Participation in such a meeting by a Trustee shall constitute such Trustee's presence in person at the meeting.

4. Quorum not Required. A majority of the voting Trustees present at a meeting that is subject to the quorum requirements of this Article, although less than a quorum, may:

- a. Adjourn the meeting from time to time to a different time or place before the date of the next regular meeting without further notice of any adjournment. At such adjourned meeting at which a quorum is present, any business may be transacted that might have been transacted at the meeting originally held.
- b. Set a time for adjournment.
- c. Call a recess.
- d. Take any measure necessary or appropriate to assemble a quorum.

5. Waiver of Notice by Trustee. A Trustee's attendance at or participation in a meeting waives any required notice of the meeting to the Trustee unless the Trustee at the beginning of the meeting objects to the holding of the meeting or the transaction of business at the meeting and does not subsequently vote for or assent to action taken at the meeting. A Trustee may at any time waive any notice required by law or these Bylaws, with a writing signed by the Trustee and specifying the meeting for which notice is waived. Any such waiver of notice shall be filed with the minutes of the meeting for which notice is waived.

6. Parliamentary Rules. Procedural disputes shall be resolved by reference to Robert's Rules of Order, Newly Revised, 11th Edition, as interpreted by the Chair.

ARTICLE V
Public Meeting Procedures

- 1. Regular Meetings.** Regular Public Meetings of the Board shall be held at least once quarterly on such dates and at such times as specified by the Chair, and on such additional dates and at such times as specified by the Chair or in writing signed by a majority of the Trustees then in office.
- 2. Special Meetings.** Special Public Meetings of the Board may be called at any time by the Chair and must be called by the Chair within twenty-four (24) hours after the Chair's receipt of a written request for a special Public Meeting signed by a majority of the Trustees then in office and specifying the purpose of the meeting. Signatures may be electronic and in counterparts.
- 3. Emergency Meetings.** Emergency Public Meetings of the Board may be called at any time by the Chair in instances of an actual emergency and must be called by the Chair within twenty-four (24) hours after the Chair's receipt of a written request for such a meeting signed by a majority of the Trustees then in office, identifying the actual emergency and specifying the purpose of the meeting. Signatures may be electronic and in counterparts. Minutes of emergency Public Meetings shall describe the emergency justifying the emergency Public Meeting.
- 4. Place of Meetings.** All regular Public Meetings and special Public Meetings of the Board shall be held at a location owned, controlled, leased, or licensed by the University. Emergency Public Meetings necessitating immediate action may be held at other locations.
- 5. Notice of Meetings.**

 - a. Notice of all regular Public Meetings shall be given in a manner reasonably calculated to give interested persons actual notice of the time and place of the meeting and principal subjects anticipated to be considered at the meeting. Notice of special Public Meetings shall be given to the news media which have requested notice and to the general public at least 24 hours prior to the hour of the meeting. Notice of an emergency Public Meeting shall be such as is appropriate to the circumstance.
 - b. Notice of a regular or special Public Meeting must be given to each Trustee at least 48 hours prior to the hour of the meeting. Notice to each Trustee of an emergency Public Meeting shall be such as is appropriate to the circumstance. Notice of all such meetings may be given to Trustees orally either in person or by telephone or may be delivered in writing, either personally, by mail, by electronic mail, or by facsimile transmission. If mailed other than by electronic mail, notice shall be deemed to be given three (3) days after deposit in the United States mail addressed to the Trustee at the Trustee's address on file with the Secretary for the purpose of receiving Board correspondence, with postage prepaid. If notice is sent by electronic mail or facsimile transmission, notice shall be deemed given immediately if the electronic mail notice is sent to the Trustee's University of Oregon electronic mail address or, as applicable, the Trustee's facsimile on file with the Secretary for the purpose of receiving such correspondence. Notice by all other means shall be deemed to be given when received by the Trustee.

6. Minutes of Meetings. The Board shall provide for the taking of written minutes of all Public Meetings, which minutes shall give a true reflection of the matters discussed and actions taken at the Public Meetings and the views of the participants. In addition to written minutes, the Board may provide for an audio recording of a Public Meeting.

ARTICLE VI Officers of the University

1. Officers. The officers of the University shall be a President, Treasurer, General Counsel, Secretary and such other officers as may be deemed necessary by the President to conduct University business. The officers shall have such authority and perform such duties as set forth in the law and these Bylaws and as may be prescribed by the Board or President.

2. President. The Board shall appoint a President. The President of the University is the President of the Faculty. The President is also the executive and governing officer of the University, except as otherwise provided by statute or action of the Board. Subject to the supervision of the Board, the President of the University has authority to direct the affairs of the University. The President shall, from time to time, report to the Board all significant matters within the President's knowledge related to affairs of the University. The President shall perform such other duties as assigned by the Board. The President may appoint other officers and employees of the University, who shall have such powers and duties as may be prescribed by the President.

3. Treasurer. The President shall appoint a chief financial officer, who shall be the Treasurer. Subject to the supervision of the Board and applicable law, the Treasurer of the University shall properly account for all monies collected, received and expended by the University and all real and personal property of the University. The Treasurer will keep and maintain, or cause to be kept and maintained, adequate and correct records of the assets, liabilities, and business transactions of the University. The Treasurer will disburse the funds of the University as may be provided for by the Board, may settle and pay all claims against the University, and will render to the President or the Board, upon request, an account of the financial condition of the University.

4. General Counsel. The President shall appoint a General Counsel. The General Counsel to the University is the chief legal officer of the University and represents and advises the University, including the Board, officers, and employees, in all matters related to the affairs of the University. The General Counsel is authorized to accept legal process on behalf of the University.

5. Secretary. The President shall appoint the Secretary. The Secretary shall be responsible for the giving of required notices of meetings of the Board and the preparation of the minutes.

ARTICLE VII Board Committees

Subject to the requirements of applicable law, the Board may establish such committees as it deems appropriate or necessary from time to time and shall define the duties and reporting requirements of such committees and the membership of the committees.

ARTICLE IX
Conflicts of Interest

- 1. In General.** Subject to the requirements of law and of this Article IX, the Board may take any action involving either a potential conflict of interest or an actual conflict of interest (as defined in ORS Chapter 244). Prior to taking any action in an official capacity on any matter involving a potential conflict of interest or an actual conflict of interest for a Trustee, the Trustee shall publicly announce the nature of the potential or actual conflict of interest. Any Trustee having an actual conflict of interest in a transaction with the University shall in addition (i) refrain from participating in any discussion or debate on the issue out of which the conflict arises, and (ii) refrain from voting on the issue, unless the Trustee's vote is necessary for Board action on the issue and is otherwise not prohibited by ORS Chapter 244.
- 2. Labor Negotiations.** The faculty and nonfaculty staff members of the governing board may not participate in any discussions or action by the board or attend any executive session of the board involving collective bargaining issues that affect faculty or nonfaculty staff at the university.
- 3. Other.** The Board may adopt such other policies and standards pertaining to conflict of interest and ethics as the Board determines to be appropriate.

ARTICLE X
Indemnity

- 1. Indemnification and Defense in General.**

 - a. The University shall defend and indemnify any Trustee or Officer ("Party") against any Claim, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of official duties. The University shall not provide indemnification and defense in case of malfeasance in office or willful or wanton neglect of duty. The University may cease to provide indemnification or defense upon a determination by the University, in its sole discretion, that an act or omission may constitute criminal conduct.
 - b. The University may choose to defend a Party under a reservation of rights. Any Party to whom the University is providing a defense shall cooperate fully with the University in the defense of such Claim. If the University determines, in its sole discretion, that such Party has not so cooperated or has otherwise acted to prejudice the defense of the Claim, the University may at any time terminate its defense and indemnity or proceed under a reservation of rights.
- 2. Legal Expenses when Claim is by a Governmental Entity or Professional Licensing Authority.**

 - a. Expenses incurred by a Party in the defense of a civil Claim by a governmental entity or a professional licensing authority may be advanced or reimbursed by the University if the University, in its sole discretion, determines that the civil Claim arose out of the Party's performance of official duties. Such advancement or reimbursement constitutes part of the Party's official compensation package for purposes of ORS Chapter 244. The University may decline to reimburse a Party for any expenses incurred prior to the University's written

commitment to provide reimbursement.

- b. Expenses shall be paid by the University in advance of the final disposition of a civil Claim described in this section 2 at the written request of the Party if:
 - (1) The University determines, in its sole discretion, that the conduct of such Party was in good faith, and the Party reasonably believed that such conduct was in the best interests of, or not opposed to the best interests of, the University.
 - (2) The Party furnishes the University a written undertaking to repay such advance to the extent it is ultimately determined by the University, in its sole discretion, that such Party is not entitled to be indemnified by the University under this Article or under any other indemnification rights granted by the University to such Party.

Such advances shall be made without regard to the person's ability to repay such advances.

3. **Legal Representation.** The General Counsel shall have the exclusive authority to select counsel and to defend against any Claim. The General Counsel will consult with the Party regarding any term of a settlement agreement that affects the legal rights of the Party.
4. **Definition.** The term "Claim" means any threatened, pending, or completed investigation, action, suit, or proceeding brought by a party other than the University.
5. **Non-Exclusivity and Continuity of Rights.** This Article: (i) shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, agreement, general or specific action of the University or otherwise, both as to action in the official capacity of the person indemnified and as to action in another capacity while holding office, (ii) shall continue as to a person who has ceased to be a Party, (iii) shall inure to the benefit of the heirs, executors, and administrators of such person.
6. **Amendments.** Any repeal of this Article shall only be prospective and no repeal or modification hereof shall adversely affect the rights under this Article in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any Claim or complaint.

ARTICLE XI Miscellaneous Provisions

1. **Principal Office.** The principal office of the University is located at the Office of the President, University of Oregon, Eugene, Oregon 97403.
2. **Severability.** Any determination that any provision of these Bylaws is for any reason inapplicable, invalid, illegal, or otherwise ineffective shall not affect or invalidate any other provision of these Bylaws. The headings in these Bylaws are provided for convenience and shall not be considered in the interpretation or construction of these Bylaws.

APPROVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF OREGON JANUARY 23, 2014

3. Authority. Because the Board is the final University authority, these bylaws and Board policies and standards have precedence over other policies and standards of the University and its constituent parts. Any policies and standards adopted by the University and its constituent parts shall be consistent with these Bylaws.

4. Amendment of Bylaws. These Bylaws may be altered, amended, restated or repealed and new bylaws may be adopted by the Board at any regular or special Public Meeting.

UNIVERSITY OF OREGON
Statement of Governance and Trustee Responsibilities

The Board of Trustees develops and advances the University of Oregon's mission and goals. It ensures that the institution is well managed, provides for adequate resources, and maintains good relations with all constituencies, on campus and across the state and globe. It appoints and evaluates the President, approves and monitors the implementation of institutional strategy and policies, provides transparency and accountability, ensures that the University meets its obligations as part of Oregon's education system and preserves the autonomy of the institution.

The Board is responsible for seeing that each Trustee carries out his or her responsibilities as specified herein. Each Trustee assigns a high priority to a stewardship role with a commitment to the strengths, traditions and values of the institution and pledges to fulfill the following responsibilities:

Act as a responsible fiduciary

- Act in the best overall interest of the University of Oregon and the State of Oregon as a whole.
- Make service to the University a high personal priority: participate constructively and consistently in the work of the Board and its committees and working groups; accept and discharge leadership positions and other assignments; work on behalf of the University between Board meetings; and attend functions and events to which Trustees are invited.
- Prepare for meetings by reading the agenda and supporting material and by keeping informed about the University and trends and issues in higher education.
- Participate in rational, informed deliberations by considering reliable information, thinking critically, asking good questions and respecting diverse points of view, in order to reach decisions on the merits that are in the best interests of the institution.
- Use your own judgment in voting versus following the lead of others.
- Participate in self-evaluations and evaluations of Trustee performance.

Advance the mission of the University of Oregon

- Represent the University positively in words and deeds, particularly and proactively to University constituents.
- Be committed to serving the University and the State as a whole rather than any part or any personal or political cause. The faculty, nonfaculty staff and student trustees should inform the Board about the interests and concerns of faculty, nonfaculty staff and students as they relate to Board business.
- Help the University secure the financial, human and other resources necessary for the institution to achieve its mission.

Uphold the integrity of the Board

- Speak for the Board only when authorized to do so by the Board Chair or University President.
- Refrain from directing the President or staff and from requesting special considerations or favors. The President reports to the Board as a whole.
- Avoid conflicts of interest or the appearance thereof, in accordance with the Board's policies on conflict of interest.

APPROVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF OREGON JANUARY 24, 2014

- Adhere to the highest standards of personal and professional behavior and discretion so as to reflect favorably on the University.

Adopted by the Board of Trustees, January 24, 2014

**Board of Trustees of the University of Oregon
Policy on Board Committees**

1.0 Executive and Audit Committee

1.1 There shall be a five-member Executive and Audit Committee (EAC) of the Board of Trustees, which shall sit as the Executive Committee of the Board and the Audit Committee of the Board. The Chair and Vice Chair of the Board and the chairs of the Academic and Student Affairs Committee and the Finance and Facilities Committee shall each be an ex officio voting member of the EAC, and the Chair of the Board shall select the fifth voting member. The Chair of the Board shall be the chair of the committee. During the absence or incapacity of the Chair, the Vice Chair shall be the chair. During the absence or incapacity of the Chair and the Vice Chair, the chair of the Finance and Facilities Committee shall be the chair.

1.2 When sitting as the Executive Committee, the EAC shall represent and may act for the Board, except as prohibited by applicable law or policy. The committee should generally endeavor to refer matters to the Board, but it is expected that the committee will act for the Board when the committee determines it to be necessary or appropriate. The committee shall submit reports on its actions to the Board.

1.3 When sitting as the Audit Committee, the EAC may consider matters pertaining to audits, compliance and risk management. Matters that may be brought before the committee include, but are not limited to, the following examples:

1.3.1 Audits and Internal Controls—matters relating to external and internal auditors, audit plans and reports, and internal controls.

1.3.2 Compliance—matters relating to compliance with legal and regulatory requirements.

1.3.3 Risk Management—matters relating to risk management, insurance, and risk transfer devices.

All matters considered pursuant to this section 1.3 by the EAC sitting as the Audit Committee that require action by the Board shall be referred to the Board as a seconded motion unless authority to act on behalf of the Board has been delegated expressly to the EAC. Subsequent to the transaction of any business under such express delegated authority, the committee shall render a report on the business to the Board.

Any of the examples of matters brought before the EAC sitting as the Audit Committee pursuant to this section 1.3 may be directed to any other committee or the Board for consideration.

2.0 Academic and Student Affairs Committee

2.1 There shall be a seven-member Academic and Student Affairs Committee (ASAC). At the Board's second regular meeting of each even-numbered calendar year or such other time as determined by the Board, the Board Chair shall appoint the chairperson and other members of the ASAC. The Chair and

Vice Chair of the Board shall not be appointed to the ASAC but may act as alternates, including voting, in the event of the absence of any committee member at any regular, special or emergency meeting.

2.2 All matters considered by the ASAC that require action by the Board shall be referred, as appropriate, to the Board or the Executive Committee for action as a seconded motion unless authority to act on behalf of the Board has been delegated expressly to the ASAC. Subsequent to the transaction of any business under express delegated authority, the ASAC shall render a report on the business to the Board.

2.3 The ASAC may consider matters pertaining to the teaching, research, and public service programs of the University and to its faculty, staff, and students. Matters that may be brought before the Committee include, but are not limited to, the following examples:

2.3.1 Faculty and Staff Affairs—matters relating to the faculty and the professional and classified staff, including their status and responsibilities, discipline and welfare.

2.3.2 Educational Policy—matters relating to educational policy, including admissions requirements, instruction, curriculum, degrees, research, educational technology, distance learning, public services activities, and the establishment and disestablishment of educational and research organizational units.

2.3.3 Student Welfare—matters relating to the general welfare of students, including housing and food services, health services and health insurance, safety, extracurricular activities, sports programs, and policies governing student discipline and student organizations.

Any of the above enumerated examples of matters brought before the ASAC may be directed to any other committee or the Board for consideration.

3.0 Finance and Facilities Committee

3.1 There shall be a seven-member Finance and Facilities Committee (FFC). At the Board's second regular meeting of each even-numbered calendar year or such other time as determined by the Board, the Board Chair shall appoint the chairperson and other members of the FFC. The Chair and Vice Chair of the Board shall not be appointed to the FFC but may act as alternates, including voting, in the event of the absence of any committee member at any regular, special or emergency meeting.

3.2 All matters considered by the FFC that require action by the Board shall be referred, as appropriate, to the Board or the Executive Committee for action as a seconded motion unless authority to act on behalf of the Board has been delegated expressly to the FFC. Subsequent to the transaction of any business under express delegated authority, the FFC shall render a report on the business to the Board.

3.3 The FFC may consider matters pertaining to the financial, capital, and other assets of the University. Matters that may be brought before the Committee include, but are not limited to, the following examples:

3.3.1 Budget—matters relating to the University's operating and capital budgets and requests for appropriation of state funds.

3.3.2 Investments and Finances—matters relating to the University's investments, finances, financial accounts, and debt finance.

3.3.3 Tuition and Fees—matters relating to tuition and mandatory enrollment fees.

3.3.4 Real Property—matters related to the acquisition, management, development and disposal of real property.

3.3.5 Personal Property—matters related to the acquisition, management, development and disposal of personal property, tangible and intangible.

Any of the above enumerated examples of matters brought before the FFC may be directed to any other committee or the Board for consideration.

4.0 Special Committees

Special committees may be established and appointed by the Chair of the Board with the concurrence of the Executive Committee or the Board, and with such membership, powers and duties as the Executive Committee or the Board may determine.

5.0 Notice of Meetings of Committees

Meetings of committees of the Board shall be held at such times and places as may be fixed by each committee or its chairperson. The Secretary of the University shall give each member of the Board notice of committee meetings in sufficient time and manner to allow attendance at the meetings. Notice of meetings that are subject to the Oregon Public Meetings Law shall be given in accordance with the Public Meetings Law. The committee shall provide for the taking of written minutes of all Public Meetings, which minutes shall give a true reflection of the matters discussed and actions taken at the Public Meetings and the comments of the participants. In addition to written minutes, the committee may provide for an audio recording of a Public Meeting.

6.0 Quorums

A majority of the members of a committee shall be necessary to constitute a quorum. The faculty and nonfaculty staff members of a committee may not participate in any discussions or action by the committee or attend any executive session of the committee involving collective bargaining issues that affect faculty or nonfaculty staff at the university.

DRAFT FOR DISCUSSION AND POSSIBLE ADOPTION

Board of Trustees of the University of Oregon Policy on Retention and Delegation of Authority

Preamble

The Board of Trustees shall establish the governance model of the University of Oregon while respecting the historic philosophy of shared governance.

1.0 Authority of the Board of Trustees; Appointment of the President of the University

1.1 Board Authority. The Board of Trustees is the final University authority and has full control of the University and its property of various kinds. The Board may take any and all Board actions as it determines necessary or appropriate. Board actions have precedence over other policies, standards, directives and other actions of the University and its constituent parts. Any policies, standards, directives and other actions of the University and its constituent parts shall be consistent with Board actions. The Board may review and intervene in any and all aspects of the University; modify any policy, standard, or directive; amend or rescind any existing policy, standard or directive; and enact and issue such policies, standards and directives as it deems proper for the University. The Board shall adopt a mission statement for the University in consultation with the faculty, students and staff members.

1.2 Appointment of the President of the University. In consultation with the Governor, or the Governor's designee, the Board shall appoint and employ a President of the University. The President reports exclusively to the Board, and the Board supervises the President. The Board shall prescribe the President's compensation and terms and conditions of employment and is responsible for the reappointment or removal of the President. The President shall perform such duties as are assigned by the Board. Except as otherwise provided by law or Board action, the President is the executive and governing officer of the University. The President shall, from time to time, report to the Board all significant matters within the President's knowledge related to the affairs of the University.

1.3 University Budget. The Board shall adopt the budget of the University.

1.4 Tuition and Fees. The Board shall determine tuition and mandatory enrollment fees (including incidental fees) for students who are enrolled in a degree program. The President determines all other fees, fines and charges, after providing notice to the Board.

1.5 Student Conduct. The Board has the authority to establish written standards of student conduct.

1.6 Employees and Volunteers.

1.6.1 The Board has the ultimate authority to appoint and employ any instructional, research, administrative, professional, trade, occupational and other personnel as are necessary or appropriate and establish their compensation and other terms and conditions of employment. The Board also has the ultimate authority to appoint volunteers as necessary or appropriate and establish the terms and conditions of the activities of such appointed volunteers. The Board has delegated the authority described in this subsection as set forth in Board actions.

DRAFT FOR DISCUSSION AND POSSIBLE ADOPTION

1 1.6.2 The Board has the authority to establish written codes of conduct for instructional,
2 research, administrative, professional, trade, occupational and other personnel,
3 including volunteers.
4

5 1.7 Business and Administrative Affairs. The Board retains authority for the following:
6

7 1.7.1 The approval of the naming of University buildings or outdoor areas in recognition of
8 individuals or organizations.

9 1.7.2 The approval of the execution of instruments relating to real property where the
10 anticipated cost or value to the University exceeds \$5,000,000.

11 1.7.3 The approval of the appointment of external auditors.

12 1.7.4 The approval of a capital project budget that is anticipated to exceed \$5,000,000,
13 including for architects, construction managers, engineers and other professional
14 consultants; and approval of any increase to a capital project budget that causes the
15 total of all increases to the capital project budget to exceed \$5,000,000.

16 1.7.5 The approval of the execution of instruments relating to any borrowing or debt finance
17 transactions which are or may be in excess of \$5,000,000, singularly or in the aggregate.

18 1.7.6 The approval of the execution of instruments relating to any shares, stock or other
19 equity or interests in or obligations of any entity other than the University in excess of
20 \$5,000,000, unless the shares, stock or other equity or interests in or obligations of the
21 entity are publicly traded or provided through the State Treasurer, University of Oregon
22 Foundation or a brokerage firm, investment bank, depository or other licensed firm.

23 1.7.7 Consent to the encumbrance of University real property by the State of Oregon.

24 1.7.8 The approval of the execution of any other instruments, including but not limited to
25 instruments related to the acquisition, disposal or provision of goods and services,
26 where the anticipated cost or value to the University exceeds \$5,000,000; and approval
27 of any increase or decrease in cost or value that causes the total of all increases or
28 decreases in cost or value to exceed \$5,000,000. When the ultimate aggregate cost to
29 the University is not known in advance for instruments relating to the acquisition,
30 disposal or provision of goods or services on a continuing or intermittent basis (e.g.
31 rental, service, or supply contracts), the amounts set forth in this paragraph shall be
32 calculated on an annual basis.

33 1.7.9 The approval of the execution of any instrument that the President, Treasurer, Chair of
34 the Board of Trustees, or a majority of the Trustees deems appropriate for consideration
35 by the Board or a Board committee, so long as the instrument has not been executed.
36

37 1.8 Academic Programs; Degrees; Admissions.
38

39 1.8.1 The Board has the ultimate authority to establish, eliminate, control or substantially
40 reorganize academic programs and units of operation. Any significant change in the
41 University's academic programs as defined by the Higher Education Coordinating
42 Commission must be approved by the Board prior to submission to the Commission.
43

44 1.8.2 The Board confers academic degrees, certificates and other forms of recognition upon
45 the recommendation of the faculty. Such academic degrees, certificates and other forms
46 of recognition are granted in the name of the Board of Trustees of the University of
47 Oregon and are executed by the Board Chair and the University President. The Board

DRAFT FOR DISCUSSION AND POSSIBLE ADOPTION

1 reserves the right to review and approve the granting of any degree, certificate or
2 recognition. The Board shall have the exclusive authority to approve honorary degrees.

3
4 1.8.3 The Board has the ultimate authority to establish standards, qualifications, policies and
5 practices relating to admission to study at the University and the curriculum, grading,
6 credits, scholarships, and academic standards of the University. Except as set forth in
7 law or Board action, the Board has delegated to the faculty (the "president and
8 professors") the immediate government and discipline of the university and the
9 students therein and the authority to prescribe the course of study to be pursued in the
10 University and the textbooks to be used.

11
12 1.9 Gifts. The Board retains authority for the acceptance of the following gifts:

13
14 1.9.1 Gifts that create obligations on the part of the University for which there is no
15 established funding source.

16 1.9.2 Gifts with a value exceeding \$5,000,000 which involve: (1) Construction of facilities not
17 previously approved; or (2) Non-traditional investment assets (such as real estate, debt
18 instruments, closely held stock, partnership interests, permanent insurance policies,
19 royalties, copyrights, licenses, and other illiquid assets); provided that gifts described in
20 this subsection with a value between \$1,000,000 and \$5,000,000 will be reported to the
21 Board of Trustees quarterly.

22 1.9.3 A gift requiring naming of a University building or outdoor area.

23 1.9.4 Any other gift that the President, Treasurer, or a majority of the Board of Trustees
24 deems appropriate for Board consideration.

25 1.9.5 Current gifts of non-traditional investment assets, charitable lead trusts where the
26 University is to act as trustee, bargain sale gifts of property, and partial interest gifts.

27 1.9.6 Deferred gifts, if the University is to act as trustee or custodian of the deferred gift.

28 1.9.7 Gifts of real estate, interests in real estate, or gifts of debt instruments secured by real
29 estate from other than the University of Oregon Foundation. The Treasurer shall
30 determine in each such case, including when the gift is from the University of Oregon
31 Foundation, whether a hazardous waste inquiry or other due diligence is required, and
32 the scope and extent of such inquiry. The President and the Treasurer, in consultation
33 with the Vice President for Advancement, shall establish further policies and procedures
34 regarding evaluation of gifts of real estate, as may be necessary or desirable from time
35 to time.

36
37 1.10 Gifts to the University of Oregon Foundation. Gifts to the University of Oregon Foundation shall
38 be accepted by the University of Oregon Foundation in accordance with then-current agreements
39 between the University and the Foundation (as may be amended from time to time).

40 **2.0 Policies, Standards and Directives**

41
42
43 2.1 Governing Documents. The University shall have the following governing documents:

44
45 2.1.1 Bylaws of the University of Oregon, policies, standards, directives and other actions
46 approved by the Board of Trustees or a committee of the Board as appropriate ("Board
47 actions").

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1 2.1.2 Policies, standards and directives approved by the President of the University regarding
2 matters within the authority of the President ("Presidential actions").

3 2.1.3 A constitution as described in this policy.
4

5 2.2 Force of Law; Emergency and Temporary Actions. Board actions shall have the force of law to
6 the extent set forth therein. Emergency and temporary Presidential actions may have the force of law to
7 the extent set forth therein. Any Board action or Presidential action that is intended to have the force of
8 law must include an opportunity for appeal.
9

10 2.3 Enforcement. Any Board action or Presidential action may be enforced by the University through
11 internal procedures and in any court of competent jurisdiction. All Board actions and Presidential actions
12 are binding on University employees, students, volunteers, contractors and members of the public,
13 except as set forth therein.
14

15 2.4 Public Notice. Except for emergency and temporary Board actions and Presidential actions, all
16 Board actions and Presidential actions shall be approved in a manner reasonably calculated to provide
17 public notice of the proposed and final approval.
18

19 2.5 Posting. After approval, emergency and temporary Board actions and Presidential actions shall
20 be posted on the University website in a manner reasonably calculated to provide public notice of the
21 approval.
22

23 **3.0 Authority of the President of the University** 24

25 3.1 Executive and Governing Officer; Delegation. The President of the University is the executive
26 and governing officer of the University, except as otherwise provided by statute or Board actions.
27 Subject to the supervision of the Board and Board action, the President shall direct the affairs of the
28 University. The authorities and responsibilities of the President of the University include, but are not
29 limited to, the authorities and responsibilities set forth in and modified by section 1.0 and this section
30 3.0, and the President may delegate any authorities and responsibilities, except as provided by Board
31 actions. Any delegation must be consistent with Board actions. The President remains responsible for
32 the proper functioning of the University, notwithstanding any delegation by him or her.
33

34 3.2 Policies, Standards and Directives; Consultation. The President of the University shall formulate,
35 prescribe and issue Presidential actions regarding matters within the authority of the President when
36 the Board or the President deems it necessary or appropriate. Any Presidential actions are subordinate
37 to and must be consistent with Board actions. In carrying out these duties, the President should consult
38 with the faculty, other employees, and students as deemed appropriate by the President, but it is not
39 intended that consultation shall remove from the President the authority and the responsibility vested
40 in the President by law and Board actions.
41

42 3.3 Emergency and Temporary Actions; Technical Corrections. The President of the University shall
43 establish emergency and temporary policies, standards and directives when the Board or the President
44 deems it necessary or appropriate. Such policies, standards and directives may have the scope and force
45 of Board actions and must be reported to the Board expeditiously. Pursuant to expedited procedures,
46 the President of the University may amend Board actions and Presidential actions in order to correct
47 typographical errors, make address or formatting changes, or clarify language without changing their
48 effect. Such amendments must be reported to the Board quarterly. The President may make expedited

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1 repeals of Board actions and Presidential actions, provided that expedited repeals of Board actions are
2 contemporaneously reported to the Board and ratified at the next Board meeting.

3
4 3.4 Committees, Councils and Advisory Groups. The President of the University shall establish and
5 define the charge of any and all University committees, councils, and advisory groups. The
6 establishment and charge of any and all University committees, councils and advisory groups shall be
7 consistent with law and Board actions. The recommendations and reports of all committees, councils
8 and advisory groups shall be made to the President.

9
10
11 3.5 Students. Subject to Board action, the President of the University shall act for the Board of
12 Trustees in relation to all matters pertaining to students, the student body and other matters incident
13 thereto.

14
15 3.6. University Personnel.

16
17 3.6.1 The President of the University shall act for the Board of Trustees regarding all
18 personnel and employment matters, including labor relations and approval of collective
19 bargaining agreements. Subject to Board action, the President has the exclusive
20 authority to and shall establish necessary or appropriate written policies, standards and
21 directives covering all employees not represented by a collective bargaining
22 organization and necessary or appropriate written policies, standards and directives
23 covering employees represented by a collective bargaining organization, subject to any
24 legal obligation to negotiate the terms and conditions of such policies, standards and
25 directives with the exclusive representative of the relevant bargaining unit.

26
27 3.6.2 The President may appoint any instructional, research, administrative, professional,
28 trade, occupational and other personnel as are necessary or appropriate and establish
29 their compensation and other terms and conditions of employment.

30
31 3.6.3 The President may appoint volunteers as necessary or appropriate and establish the
32 terms and conditions of the activities of such appointed volunteers.

33
34 3.7 Research Grants and Contracts. The President of the University shall act for the Board of
35 Trustees regarding grants and contracts for research, development, service, and training. However, a
36 quarterly report to the Board is required for each initial contract or grant award that exceeds
37 \$5,000,000, and when any increase or decrease to a contract or grant award causes the total of all
38 increases or decreases to the contract or grant award to exceed \$5,000,000.

39
40 3.8 Execution and Administration of University Affairs. Except as provided by Board action, the
41 President of the University shall act for the Board regarding the execution and administration of
42 instruments and the affairs of the University. Notwithstanding the dollar limits specified in section 1.0
43 above, the President shall act for the Board of Trustees regarding the execution and administration of all
44 instruments, business affairs, and operations relating to:

45
46 3.8.1 Acquisition of electricity, natural gas, sewer, water, and all other utility services;

47 3.8.2 Subcontracts for collaborative research entered into in furtherance of sponsored
48 research programs.

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- 1 3.8.3 The acquisition of goods and services made by participating in contracts entered into by
2 group purchasing organizations or pursuant to collaborative purchasing initiatives with
3 public or non-profit entities.
- 4 3.8.4 The acquisition of fixtures, equipment and furnishings that are included in capital
5 project budgets that have been authorized by the Board of Trustees.
- 6 3.8.5 The acquisition of goods and services for sponsored research programs when the source
7 of the goods or services is directed by the sponsor, or the sponsor retains title to the
8 goods acquired.
- 9 3.8.6 The settlement of claims or lawsuits brought against the University.
- 10 3.8.7 The acquisition of insurance or self-insurance.
- 11 3.8.8 Leases and licenses of real property and modifications thereto of up to 20 years.
- 12 3.8.9 Deferred gift assets.
- 13 3.8.10 Real property acquired through gift or devise from the University of Oregon Foundation;
- 14 3.8.10 The protection of the University's interests, property and operations in an emergency.
- 15 3.8.12 Actions and execution of documents necessary to establish legal entities, controlled by
16 the University, through which the University may conduct business;
- 17 3.8.13 Selection of depositories and investments.
- 18 3.8.14 The execution of instruments or the conduct of business affairs where approval by the
19 Board or a Board committee is impractical due to time or other constraints. The
20 President shall submit a report of any actions taken pursuant to this delegation to the
21 Board of Trustees or its Executive Committee on or before the next regularly scheduled
22 meeting.
- 23
- 24 3.9 Legal Action. The President of the University shall act for the Board of Trustees regarding all
25 legal action necessary or appropriate to protect the interests of the University. However, no litigation
26 shall be instituted against a public entity or official or in exercise of the power of eminent domain
27 without approval by the Board of Trustees. The Board Chair may authorize the institution of other
28 litigation.
- 29
- 30 3.10 Gifts. Subject to Board action, the President of the University shall act for the Board of Trustees
31 regarding all current and deferred gifts to the University, including gifts to establish quasi-endowed or
32 permanently endowed funds. Notwithstanding any delegation by the President, a gift with unusual
33 terms or conditions affecting an academic program shall be accepted only with the concurrence of the
34 President to the proposed terms or conditions. The proceeds of any gift, devise, bequest, or contribution
35 received by the University shall be administered in accordance with the intention of the donor and any
36 directions of the Board of Trustees in accepting the gift. Wherever possible, the University of Oregon
37 Foundation shall manage gifts. The President of the University is authorized to act for the Board of
38 Trustees regarding the disposition of gifts.
- 39
- 40 3.11 Fees, Fines and Charges. Subject to Board action, the President of the University shall establish
41 fees, fines, and charges. The President shall enforce the collection of tuition, mandatory enrollment
42 fees, other fees, fines, charges, and all other amounts due to the University.
- 43
- 44 **4.0 The Faculty**
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- 46 4.1 Role of the Faculty. Except as set forth in law or Board action, the faculty has:
- 47
- 48 4.1.1 The immediate government and discipline of the university and the students therein.

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4.1.2 The authority to prescribe the course of study to be pursued in the University and the textbooks to be used.

4.2 The President and the Professors. The President and the professors constitute the faculty. The President of the University is the president of the faculty.

4.3 Higher Education Coordinating Commission. Any significant change in the University’s academic programs as defined by the Higher Education Coordinating Commission must be approved by the Board prior to submission to the Commission.

4.4 Faculty Constitution. The faculty has adopted a constitution, which is subject to ratification by the President and approval by the Board of Trustees. A constitution, and any amendments to it, must be consistent with law and Board actions.

4.5 Modification. The faculty constitution is subject to modification by the Board of Trustees in consultation with the President and the professors.

5.0 Channel of Authority

The faculty and officers and employees of the University shall, through appropriate channels, be responsible to the President of the University and through the President to the Board of Trustees, except that the Treasurer, General Counsel and Secretary are responsible to the Board in relation to the business of the Board.