

Board of Trustees of the University of Oregon
Meeting Summary | September 5-7, 2018

The Board of Trustees of the University of Oregon (Board) met at the Lundquist College of Business’s Naito Building location in Portland on September 5-7, 2018. Below are minutes from the meeting on September 5; an audio recording is maintained on file for September 6-7 and a meeting summary for those days is below.

Convening and Approval of Minutes. Chair Chuck Lillis called the meeting to order at 2:40 p.m. on September 5. Roll was taken and a quorum verified.

Attendance for Wednesday, September 5

Marcia Aaron	Present	Chuck Lillis, Chair	Present
Connie Ballmer	Present	Laura Lee McIntyre	Present
Peter Bragdon	Absent	Jimmy Murray	Present
Andrew Colas	Present	Will Paustian	Present
Ann Curry	Absent	Ginevra Ralph	Present
Allyn Ford	Present	Michael Schill	Present
Joe Gonyea, III	Present	Mary Wilcox	Present
Ross Kari	Present		

Additional Financial Review. President Schill introduced this session of the meeting as a time for the trustees to have an open conversation about the overall financial position of the institution and how key elements factor into this position. “Key elements” are things such as state appropriations, the size of UO’s student population, tuition and fees, labor costs, etc. Vice President for Finance and Administration and Chief Financial Officer Jamie Moffitt provided trustees with a sample scenario including assumed levels of these elements and the resulting financial outcomes for fiscal years (FY) 2019 through 2025. She emphasized that this scenario was one of 27 scenarios that the team modeled and is simply being used as a hypothetical example of how, given various assumptions, the range of potential long term financial outcomes for the institution can be projected. Moffitt emphasized that given that the figures for FY2025 are seven years in the future, it is important to recognize that any projections are range estimates. She also emphasized that the sample scenario contained one set of assumptions, and should not be read or interpreted as an actual or expected scenario. For more information, see Full Board Meeting materials, supplemental information.

Moffitt noted that tuition increases used in the sample scenario are 4.5% per year for resident undergraduates and 3.0% for non-resident undergraduates. Other scenarios analyzed included tuition rates ranging from 3.0% to 4.5% for residents and 2.5% to 3.0% for non-residents. She also noted that the base labor costs in the sample scenario represent current levels, but that cost escalations in future years are due to both future salary increases and estimated growth in faculty and staff positions to support anticipated student body growth. The sample scenario document assumes that the University achieves 100% of expected growth in resident and non-resident domestic student populations, but scales back the growth targets related to international students that were discussed with the board last fall. The full scenario analysis includes projected outcomes for other assumptions regarding enrollment growth.

Trustees asked general questions about the implication on the sample scenario of certain potential cost drivers. This included general education reforms (which were explained as not currently in the model pending finalization), graduate student and employee costs (which are factored in under the context of increasing teaching needs, but are not modeled with any other significant shifts in assumptions about graduate student enrollment), or the increased focus on STEM subjects which may be more expensive to teach. An additional question was asked about the market pressures on non-resident tuition. Moffitt explained that the university is likely near or at market rates for non-resident undergraduate tuition already, and increases to tuition will need to be modest to ensure market competitiveness. There was a discussion about PERS and the impact of planned and likely PERS increases on costs and the financial model. Moffitt explained that the university does not have definitive information from PERS at this time, but the numbers in the scenario planning are realistic. She also explained that the hope is to offset these costs with additional state appropriation to avoid students having to shoulder the burden of these costs.

Moffitt then explained that she created three sets of nine scenarios each (*see full board meeting materials, supplemental information for a copy of each set*). Each set of scenarios is based on different tuition increase assumptions. Within each set of nine scenarios there are three “base case” scenarios, three “upside” scenarios, and three “downside” scenarios. Thus, there are 27 total scenarios meant to illustrate the broad range of possible financial outcomes that the institution and the board could face. Moffitt then walked through each set of scenarios with trustees. Detail for these as presented to the trustees are available in the aforementioned supplemental information.

Trustees discussed the implications of a reduction in state appropriations, which is not an anticipated situation but could result if there is a recession or downturn in the state economy. Moffitt and Brad Shelton, executive vice provost for academic operations, discussed the last time the state encountered a recession ten years ago and the relative impact to budgets during that time. There was discussion about recent administrative budget cuts implemented by President Schill. Other issues that were raised included whether there is a scenario showing any support from the Educational and General (E&G) fund to Athletics (there is no plan to provide such subsidization), the need to advocate for increased state funding, the relative impact of slight changes in labor costs (as a percent), and the impact of state-mandated costs such as health benefits (PEBB) and PERS.

Finally, trustees raised, but then set aside until the Finance and Facilities Committee meeting, issues around the varying allocations between public universities in Oregon through the Public University Support Fund (PUSF).

Presidential Evaluation (Executive Session). The Board went into executive session for purposes of conducting an evaluation of the chief executive officer, as allowed by ORS 192.660(2)(i). President Schill offered a few reflections on the past year and how grateful he is for the opportunity to work at the UO, then departed the meeting. Chair Lillis provided an overview of the process used to conduct the evaluation, which follows the outline in the board-adopted practice for presidential evaluations. He noted that while a large number of individuals share information, one area for improvement in soliciting feedback for future years is student input. Lillis reported that overall the feedback received was very encouraging and optimistic, and that the evaluation he conducted with Vice Chair Ginevra Ralph was very positive. Trustees discussed the president’s growth over his three years in the position and thanked the Chair and Vice Chair for their time on this evaluation. They also discussed his leadership style and the stability that he brings at to the institution.

The meeting was recessed at 5:03 p.m.

Reconvene and verification of quorum. The meeting was reconvened at 3:10 p.m. on September 6 by Chair Lillis. A quorum was verified. The below information is a summary of proceedings rather than full minutes; an audio recording is maintained on file.

Approval of Minutes. The Board approved the minutes from its June 2018 meeting without amendment.

Attendance for Thursday, September 6

Marcia Aaron	Absent	Chuck Lillis, Chair	Present
Connie Ballmer	Present	Laura Lee McIntyre	Present
Peter Bragdon	Absent	Jimmy Murray	Present
Andrew Colas	Present	Will Paustian	Present
Ann Curry	Present	Ginevra Ralph	Present
Allyn Ford	Present	Michael Schill	Present
Joe Gonyea, III	Present	Mary Wilcox	Present
Ross Kari	Present		

Freedom of Expression. President Schill provided an overview of the national landscape during the 2017-18 academic year (AY) that led to the establishment of the Presidential Freedom of Expression (FOE) Series. Juan-Carlos Molleda, dean of the School of Journalism and Communication and co-chair of the FOE Series, provided an overview of the formation of the series, the selection of event participants, and the underlying goal of the series and its components. Trustees and Molleda engaged in discussion about lessons learned and how those lessons can be shared with students who may not have participated in various forums (e.g., new students). They also discussed issues around safety and security relative to free speech issues, including space management, costs of security, advance planning, and how to manage requests from various speakers known to entice response and perhaps protest. They also discussed how issues of free speech are balanced inside the classroom, particularly as it relates to training students to be critical thinkers and other components articulated in the UO Mission Statement. President Schill noted that this issue is not unique to the UO, but is something affecting universities across the country.

The meeting was recessed at 3:57 p.m.

THE MEETING WAS RECESSED UNTIL 9:00 A.M. FRIDAY, SEPTEMBER 7

Attendance for Friday, September 7

Marcia Aaron	Present	Chuck Lillis, Chair	Present
Connie Ballmer	Present	Laura Lee McIntyre	Present
Peter Bragdon	Present	Jimmy Murray	Present
Andrew Colas	Present	Will Paustian	Present
Ann Curry	Present	Ginevra Ralph	Present
Allyn Ford	Present	Michael Schill	Present
Joe Gonyea, III	Present	Mary Wilcox	Present
Ross Kari	Present		

Reconvene and verification of quorum. The meeting was reconvened at 9:00 a.m. on September 7 by Chair Lillis. A quorum was verified. The below information is a summary of proceedings rather than full minutes; an audio recording is maintained on file.

Public Comment. There was no public comment provided.

Standing Reports. The Board received standing reports from the following individuals. Full reports are available in the audio recording and written reports are provided in the meeting materials.

- *ASUO President Maria Gallegos*
- *University Senate President Bill Harbaugh*

President's Report. The president provided an update to the Board about recent matters at the institution. He discussed PathwayOregon and efforts to improve access to higher education for Oregonian and the launch of a 10-year anniversary communications plan around the program. He also provided some updates on student success initiatives, including advising, informational resources, and increased scholarships. He thanked Andrew Marcus for his service as dean of the College of Arts and Sciences. President Schill thanked the Board for the opportunity to serve as the UO's president, thanked them for the confidence they placed in him by proposing a new contract, and announced that he would donate his performance bonus to a scholarship fund for low-income students in honor of his late mother.

Academic Programs in Focus: Carnegie Global Oregon and the Prison Education Program. Shaul Cohen, professor of Geography, spoke to the Board about two programs he runs at the UO. He began with Carnegie Global Oregon (CGO), which engages undergraduate students in conversations, thought-experiments, and leadership development focused on ethical challenges that emerge in various spheres. He talked about the program's student portfolio, examples of robust and extraordinary conversations available to student participants, community-based engagement such as mentorship and volunteerism, and the program's breadth of topics. Cohen also provided an overview of the Prison Education Program (PEP) which has a number of component parts. Most notably is the Inside-Out program that brings UO undergraduate students ("outside" students) into the prison to engage directly with incarcerated students ("inside" students). He discussed some of the success stories of the PEP as it relates to incarcerated student success, bachelor's degrees awarded to inside students, and the performance and development of undergraduate students exposed to these issues and experiences. He noted that both programs have grown organically and now involve many faculty members, student interns, and disciplines, but that have any consistent administrative structures or funding. He shared stories of alumni from CGO and PEP, and examples of what they have done since graduating from the UO. Trustees engaged in questions and answers with Cohen about program funding and resources, location, student recruitment, connections to the Clark Honors College, and tools such as online education.

UO Portland Strategic Plan. Jane Gordon, vice provost for UO Portland, provided an update on the UO Portland strategic plan and the progress made toward that plan since the trustees' last Portland meeting (December 2016). She highlighted progress on events and social programming, new student-facing staff, and some administrative and logistical matters. Gordon also highlighted a few academic programs that have recently taken greater root in Portland. She then touched on some of the Portland-area enrollment strategies, government relations tactics, and alumni and development activities. Gordon provided an overview of the key goals for the coming year, including items such as increasing Portland-centric fundraising and outreach, expanding academic programming, solidifying incubator support for a Eugene-Portland shuttle, and expanded internship opportunities.

Presidential Evaluation and Contract. Chair Lillis introduced a resolution before the Board that would (1) authorize a new employment agreement with President Schill (details are in the published materials) and (2) provide a one-time performance bonus for President Schill based on his first three years of service as

president. Lillis provided a brief overview of the president's recent performance evaluation and how that led to his decision to recommend a new contract that maintains competitive compensation, recognizes performance through an incentive structure, and resets the term for a new five years. Lillis also noted that peer institutions were evaluated and national trends in presidential compensation were analyzed when putting together the proposed agreement, and then walked through key components.

ACTION: The resolution was moved by Ginevra Ralph and seconded by Ross Kari. The resolution passed unanimously (14-0).

Honorary Degree. President Schill introduced a resolution which would grant Philip H. Knight an Honorary Degree upon approval. He recapped many of Knight's extraordinary business achievements and philanthropy, noting that not just the UO but the whole of the State of Oregon has and continues to benefit from his generosity. He also highlighted Knight's higher education philanthropy in particular to Stanford University, OHSU, and the UO. He thanked Penny Knight for her role in this philanthropy as well, recognizing that the Knights are a team. Schill thanked the University Senate and members of the Honorary Degree committee for the work on revitalizing this process and establishing the pool from which he can draw recommendations.

ACTION: The resolution was moved by Joe Gonyea, III, and seconded by Laura Lee McIntyre. The resolution passed by voice vote without dissent.

Adjournment. The meeting adjourned at 11:58 a.m.