

The Board of Trustees of the University of Oregon (Board) met at the UO's White Stag Building in Portland, Oregon on December 1-2, 2016. Below is a summary of Board reports, discussions, and actions. An audio recording is maintained on file.

THURSDAY, DECEMBER 1, 2016

Convening, Introduction, Approval of Minutes. The meeting was called to order at 1:50 p.m. by Chair Chuck Lillis. All members were present and a quorum verified. The Board approved minutes from its September 2016 meeting.

Public Comment. Following is a list of individuals who spoke and the general topic(s) of their remarks.

- *Paul Ward – Graduate Student: spoke to energy commissioning and recommissioning of UO buildings*
- *GZ “Charlie” Brown – Professor: spoke to environmental sustainability with regard to Knight Campus development*
- *Jen Perren – Staff (Housing): spoke to IT reorganization and infrastructure strategic planning and project*
- *Greg Bryant – Faculty: spoke to IT reorganization and infrastructure strategic planning and project*
- *Dan Cates – Business Owner, Community Member: spoke about impact on his business given the location for the Knight Campus*
- *Barb Goodwin – Property Owner: spoke about impact of Knight Campus location due to property ownership*
- *Tiara Darnell – Graduate Student: spoke to issues of race and her experience as a Portland-based student*
- *Angela Rico – Law Student: spoke to issues of race, particularly an incident involving a Law School professor*

Reports. The Board received standing reports from the following individuals. Reports are available in the board materials.

- *ASUO President Quinn Haaga*
- *University Senate President Bill Harbaugh*
- *Senior Vice President and Provost Scott Coltrane*
- *President Michael Schill*

AY2016-17 Student and Scholarship/Waiver Statistics. Roger Thompson, vice president for student services and enrollment management, and Jim Brooks, assistant vice president, provided trustees with an in-depth look at the financial assistance provided to UO students through institutional scholarships, waivers and tuition remissions. They spoke specifically about PathwayOregon, the institution's primary need-based program; and Summit and Apex

scholarships, the institution's merit-based programs. Brooks and Thompson showed total institutional aid expenditures, and discussed various categories within these numbers, including unfunded mandates, scholarships, Pathway, graduate school remissions, international remissions, the Diversity Excellence Scholarship, and other need- and merit-based scholarships. Thompson noted that unfunded state requirements total approximately three-quarters of a million dollars annually. They also addressed key challenges relating to costs, aid for middle-income students, competition and industry discount rates, and program benchmarking.

Classroom Scheduling. Coltrane and Sue Eveland, the university registrar, provided an overview to trustees regarding classroom scheduling and utilization. This presentation was in response to questions posed by the Board in 2014-15 to understand efficiencies in space utilization and possible requirements for additional space. Coltrane noted that the UO has more strictly enforced policies and practices around space utilization and planning, which included more tightly controlling the monitoring and enforcement of classroom assignment protocols and rules. There is a more centralized focus on ensuring departmental-controlled classrooms are used more widely, and that spaces are shared across departments more effectively. A new software package will better allow space management and classroom usage analysis (while also helping with new program development). Coltrane and Moffitt clarified that overall there is a need for more classroom space both to meet current needs and anticipated growth. Tykeson Hall and the new proposed Classroom Building should provide the needed classroom seats.

Agora Journalism Center. Regina Lawrence, director of Portland programs for the School of Journalism and Communication, and Andrew DeVigal, chair in Journalism Innovation and Civic Engagement, provided the Board an overview of one of UO's stellar Portland programs – the Agora Journalism Center (Center). The Center is focused on addressing issues relating to the growing need for journalism the public can trust, including a framework that uses engagement between communities and journalism and, specifically, how communities can come together to produce and share innovations around communication and civic engagement. The Center is funded through grants and private philanthropy. Trustees engaged in discussion with Lawrence and DeVigal about the change in journalism and media trends in younger populations.

Sports Product Management. Roger Best, professor emeritus, and Damian Vaughn, assistant clinical professor of product management, spoke to the Board about one of the newest degree programs at the UO – the master's degree in Sports Product Management. Best and Vaughn spoke about the first two cohorts through the program, highlighting their diversity in personal and professional experiences. They also spoke about industry partnerships, domestic and international; the quality of teaching and faculty; the review of courses and curriculum; and success with industry engagement through workshops, the advisory board, and various panels. One of the program's students brought prototypes from a few of the student groups for the Board to see.

Recess. The meeting was recessed until 9:00 am on December 2, 2016.

FRIDAY, DECEMBER 2, 2016

Reconvening. Chair Lillis reconvened the meeting at 9:00 a.m. on Friday, December 2. All trustees were in attendance.

UO Portland Vision Statement. Vice Provost for UO Portland Jane Gordon provided trustees with an update on UO Portland strategic planning efforts and timelines. She presented the recently-drafted UO Portland vision statement, noting that its development was a team effort between various academic departments and other administrative partners. The “Bridges to Excellence” document will be the base for the overarching UO Portland strategic plan, which Gordon notes is a priority for calendar year 2017.

Seconded Motions and Resolutions from Committee.

The Board considered one resolution recommended for action by the Executive and Audit Committee relating to the selection of Chuck Lillis as chair for an additional term and Ginevra Ralph as Vice Chair for an additional term.

ACTION: The resolution was moved by Peter Bragdon and seconded by Ann Curry. It carried by voice vote without dissent.

The Board considered two resolutions forwarded to the Board as seconded motions from the Finance and Facilities Committee on December 1, 2016.

ACTION: The Board considered a resolution to authorize the use of eminent domain for property related to the Knight Campus. It carried by voice vote without dissent.

ACTION: The Board considered a resolution to authorize the use of derivatives for certain investments. It carried by voice vote without dissent.

The Board also considered a resolution brought by Vice President and General Counsel Kevin Reed. Reed explained that the resolution approves a settlement agreement regarding Global Scholars Hall (GSH) construction issues and authorizes the university to engage in repairs, funded by that agreement, to the GSH. Reed thanked Doug Park and Missy Matella for their work on this issue over multiple years. He explained that it was brought to the board later than normal packet materials due to the timing of the settlement, which was agreed to just two days prior to the meeting.

ACTION: The Board considered the resolution. It was moved by Ross Kari and Seconded by Allyn Ford. It carried by voice vote without dissent.

Capital Planning. Harwood walked trustees through a detailed look at long term capital planning, including current projects as well as anticipated needs and planned projects. He reviewed projects in the following categories: research, academic, housing, athletics, and student services and

centers. Harwood noted that the goal of the annual long term capital plan is to present a list of planned projects to the Board on an annual basis for its review and understanding. This list would help guide more detailed planning by the administration and anticipated individual project approvals coming to the Board. Harwood also addressed needs relative to surge space during construction projects. Moffitt addressed current debt burden statistics for the university, articulating total debt obligations broken out by category. Harwood walked through key infrastructure investment needs, including the tunnel system. Trustees asked questions related to legacy issues (i.e., asbestos, ADA), natural gas usage, the integration of Portland facilities in planning, the coastal campus, the Romania property, energy efficiency and sustainability, and project specification and vendor selection processes.

Financial Overview and Cost Drivers. Moffitt provided trustees with an in-depth look at the current, high-level financial position of the institution, including key cost drivers for the E&G fund heading into planning for FY17-18. The discussion focused in part on the increasing dependence on nonresident tuition compared to resident tuition and state appropriations. When discussing cost drivers, Moffitt clarified that while her presentation largely focused on the “E&G” fund, the same cost increases impact auxiliary funds as well as other funds (e.g., gifts, grants, fees); operations run with these funds will have to bear similar cost increases. Cost drivers discussed included salary and wages, insurance benefits (PEBB), retirement benefits (PERS), institutional expenses (e.g., rent, debt on academic buildings, utilities) and planned strategic investments (i.e., IT, new faculty). The trustees discussed the impact of certain statutory and regulatory requirements on costs, such as the requirement to stay in PEBB, increased requirements around Title IX, etc. Moffitt and President Schill also talked about the funding levels for higher education operating costs (Public University Support Fund, or PUSF) recommended by the Governor in her budget proposal released on December 1. That recommendation included a flat PUSF funding level, which equates to an approximate cut of 3.8% for FY18 in year-over-year funding from the state based on current funding formulas. Moffitt explained the funding formula and principles currently used by the Higher Education Coordinating Commission (HECC) in distributing the PUSF among Oregon’s public universities. Trustees, President Schill, and Moffitt all expressed concern over what these costs and the current state budget proposals mean for tuition, particularly resident tuition.

State Affairs. Hans Bernard, assistant vice president for state affairs, and Libby Batlan, senior director for state affairs, provided trustees with a more in-depth look at the Governor’s Recommended Budget (GRB), particularly as it relates to capital budgeting. Bernard explained that the GRB included \$44 million in recommended funding for the UO’s proposed classroom building and \$34 million in recommended funding for the proposed first phase of the Knight Campus construction. He clarified that the \$34 million recommendation came with a recommendation of full funding of the \$100 million request for the Knight Campus project over the course of three biennia (one-third in each). Bernard thanked Batlan for her work to ensure that a ballot measure clarifying universities’ ability to invest in equities made the 2016 ballot. (The measure subsequently passed.) Bernard and Batlan provided trustees with a written memo articulating policy-based priorities for the 2017 legislative session. Bragdon articulated some optimism about the upcoming session, noting that there might be good opportunities to find budget relief. Trustee Will Paustian relayed conversations he has had with student government leadership about state advocacy.

Knight Campus for Accelerating Scientific Impact. Patrick Phillips, acting director for the Knight Campus, provided trustees with an update on initial planning and execution of the Knight Campus initiative. He reminded trustees what went into the idea – including leveraging independence and bold visions from leadership and faculty – and explained that the intent is to fund the initiative without impact to E&G funds. He noted that the initiative includes a ten-year implementation, ultimately leading to 30 scientific research teams, an accelerated impact cycle for scientific discovery and innovation, 550 students (graduate and undergraduate) engaged in research, a 30% increase in annual sponsored research activity, and three new facilities on Franklin Boulevard. Phillips recapped for trustees the economic impact of this project as estimated by an independent, third-party firm. This impact includes more than \$40 million in sustained direct and local expenditures on an annual basis, which in turns support nearly \$80 million in statewide output and approximately 750 permanent jobs. This is on top of economic impact generated through construction. President Schill and Phillips noted that this impact does not include the more speculative but highly positive impact that will stem from spinoff companies, possible licensing, and general new ventures. Phillips also articulated progress toward design and construction of the facilities, noting that the plan is to hire an architect in the near future and break ground next fall, and the status of the search for a permanent director, noting that the position is expected to officially post soon after the New Year. He spoke to the issue of collaborative partnerships through the Knight Campus, particularly with other high-research institutions such as OHSU.

Adjournment. The meeting was adjourned at 12:18 p.m.