December 10, 2015
University Conference Room 515
ASRC Building
1:00 PM – 5:00 PM

Minutes

Board Members Present: Swati Adarkar, Erica Bestpitch, Gale Castillo, Sho Dozono, Maria Carolina Gonzalez-Prats, Maude Hines, Thomas Imeson, Rick Miller, Lindsay Stewart, Peter Stott, Christine Vernier, Chair Nickerson and Wim Wiewel (ex-officio).

Board Member(s) Not Present: Margaret Kirkpatrick and Irving Levin.

1. Call to Order/Roll/ Declaration of Quorum

Chair Nickerson called the meeting to order at 1:01 pm. Roll was taken, a quorum was present, and the meeting proceeded.

2. Open Comment

The following individuals spoke to the Board for approximately two minutes each:

Melika Belhaj and Tony Funches: Belhaj and Funches expressed hope that the University will prioritize funding for the creation and operation of cultural centers. They also made the following requests: 1) that the University reopen the conversation around campus safety; 2) that faculty respect and honor the diversity of student identities, specifically in regards to gender pronouns, different learning styles, and diverse cultural and spiritual practices; 3) that there be additional student-centered task forces for the campus’ various communities of color; 4) an increase in faculty training for healthier language with respect to students who have disabilities; and 5) that students should not need to choose between grades and cultural traditions.

Samuel J Erbs: Erbs raised various concerns regarding President Wiewel’s salary and various aspects of his employment agreement and compensation.

Ashton Simpson: Simpson expressed unhappiness with President Wiewel.

Olivia Pace: Pace stated she is with the Portland State University Student Union (PSUSU). She acknowledged the letter from President Wiewel and thanked him for agreeing that African American and Asian Pacific Islander cultural centers will be created. Pace shared frustration that these centers had to be demanded. She stated there is a great amount of work done by students, and little change by the administration, and expressed that she feels ignored by the Board. She expressed concerns about the administration’s response following the interruption of new student convocation. She expressed frustration with a
system that doesn’t acknowledge her concerns. Pace hopes these new cultural centers signifies a change in the entire structure of the administration.

**Ladan Abdi:** Abdi thanked the students who spoke at the Speak Out regarding Islamophobia. She discussed her experiences with Islamophobia and racism on campus. She asked the Board to disarm campus police. She believes PSU needs more programs focused on inclusion and on enabling Muslim students to better succeed in higher education.

**Grant Walter:** Walter stated that students are not going to remain complacent. He stated that students do not support tuition hikes that contribute to salaries for University administrators and that they will not stay silent about the arming of campus police.

**Andrea Lemoins:** Lemoins works for Jobs for Justice. She expressed concerns regarding armed campus police. Lemoins expressed solidarity with members of AFSEME, which represents Aramark workers at PSU. She urged the Board to support increased wages for PSU and contract workers to $15 per hour.

**Kimberlee King:** King is a student in PSU’s dance program. She is concerned about rumors that the dance program is to be defunded.

**Will Peterson:** Peterson stated he is with the Portland State University Student Union and Socialist Alternative. Peterson stated that the Open Comment period is one of the only chances students have to interact with the Board. Peterson said that the Board is not doing a good job of representing students.

**Tabitha Alajmi:** Alajmi is an intern working with the Portland State University Food Pantry. In 2013, a survey found that 43% of respondents had experienced food insecurity in the previous 12 months. Each week, hundreds of students use the Pantry. The Pantry is in Room 325 of the Smith Memorial Student Union. Alajmi indicated that this is inadequate space. She asked for support for additional space on campus, an awareness of student food insecurity, and any financial support available.

3. **Opening Comments and Reports**

   a. **Comments from the Associated Students of Portland State University**

Dana Ghazi, President of the Associated Students of Portland State University, spoke to the Board about recent events addressing racism on campus. Two weeks ago, Ghazi issued a statement regarding the structural system of oppression and calling for a student movement, specifically around issues of racial aggression and Islamophobia. Ghazi thanked faculty for their support.

Ghazi is pleased with plans to create cultural centers and gave credit to the students who advocated for the centers. She requested that there also be additional support for international students.

Ghazi stated that the following issues need to be addressed: the cost of health insurance; student fees; food insecurity; homelessness; and campus safety. These issues should be
addressed in an inclusive manner. Ghazi stated that the most important aspect of the strategic plan should be for faculty to mirror the diversity of students.

b. Comments from Presiding Officer of the Portland State University Faculty Senate

Gina Greco, President Officer of the Faculty Senate, addressed the following issues:

**Implementation of the Strategic Plan.** The Faculty Senate held a campus-wide forum and a Senate meeting regarding the strategic plan. Greco noted that the Senate’s suggestions have been incorporated into the plan. The success of the strategic plan will be enhanced if the Faculty Senate remains engaged in its implementation. Greco discussed the importance of academic quality and the need to focus on academic quality in the implementation of the plan. Academic quality is not measured solely by the number of student degrees produced, but by the quality of those degrees. Greco recognizes the challenges associated with measuring academic quality and the reasons for not including Key Performance Indicators in the plan itself, but there needs to be further conversation about such measurements. Greco feels confident that such conversations will happen.

Another issue for faculty was a desire to disentangle equity and diversity in the plan. Diversity and equity are different values. We need to enhance the number of faculty of color and have the necessary systems to support them. Faculty from underrepresented groups often feel an obligation to do extra mentoring for students and to serve on extra committees to support the needs of their students. This often makes it more difficult for faculty to be successful. Greco wants to ensure that these concerns are taken into account as the University works to enhance diversity—diversity with equity.

Another issue was the relative prioritization of global education in the strategic plan. Faculty Senate is pleased with changes that were made to the plan in this area.

**National conversation of race in terms of academic quality:** Greco shared that the Senate must listen to the issues raised at the Speak Out event and implement changes to the curriculum. There is education to do on campus concerning course offerings and curriculum.

**Food Insecurity:** Greco also discussed food insecurity and the needs of the PSU Food Pantry. Greco noted the lines at the Food Pantry and the needs of students. At the last Senate meeting, Greco challenged all faculty to support the Food Pantry.

c. Report from the President

The president was unable to present his report due to an interruption by the audience.

Several audience members walked in front of the Board table, turned their backs to the Trustees and proceeded to have an ad hoc Open Comment session. At 2:32 pm, the Board determined that it could not conduct business and exited the room.

At 3:30 pm the meeting reconvened by phone. Roll was taken, a quorum was present, and the meeting proceeded telephonically. The meeting was broadcast into the boardroom.
4. Consent Agenda

a. Approval of Minutes from September 10, 2015 Meeting
b. Approval of Minutes from November 21, 2015 Special Meeting

Chair Nickerson asked for a motion to approve the consent agenda with the correction that Lindsay Stewart be noted as present for the November 21 special meeting.

Action: Hines made a motion to approve the consent agenda, with the correction to the minutes from the November 21 meeting. Stott seconded. The motion was adopted unanimously.

5. Reports of Standing Committees of the Board

a. Executive & Audit Committee

Pete Nickerson, Chair of the Executive and Audit Committee reported that the committee met jointly on December 2, 2015 with the Finance and Administration committee and received the University’s draft 2015 Annual Financial Report from CliftonLarsonAllen LLP. All members of the Executive and Audit committee were present. The Financial Report has been shared with all trustees.

b. Academic and Student Affairs Committee

The Academic and Student Affairs Committee did not have any items to report.

c. Finance and Administration Committee

Rick Miller, Chair of the Finance and Administration Committee reported that he would provide a short written summary of the committee’s work. The memo is attached.

6. Action Items

a. Resolution Approving Strategic Plan and Revised University Mission Statement

President Weiwel reminded the Board the strategic plan was discussed at committee meetings in November and by the full Board during its special meeting on November 21. At the November meeting, the Board was engaged in an in-depth discussion of the plan.

ACTION: Chair Nickerson asked for a motion to approve the Resolution Approving Strategic Plan and Revised University Vision and Mission Statements. Stott made the motion. Dozono seconded. Chair Nickerson asked if there were any objections or abstentions to the motion. No objections or abstentions were voiced and the Motion passed unanimously.
b. Resolution Directing Pursuit of College Affordability and Student Success Initiatives

President Wiewel presented a revised Resolution Directing Pursuit of College Affordability and Student Success Initiatives that included the following sentence at the end of item 6: “Prior to making any recommendation that a petition for a ballot measure be filed, the President is to consult with members of this Board and other key stakeholders.”

ACTION: Chair Nickerson asked for a motion to approve the Resolution Directing Pursuit of College Affordability and Student Success Initiatives. Stott made the motion. Castillo seconded.

Discussion: Hines and Gonzales-Prats expressed appreciation for the Board’s attention to the issue of alternative revenue sources.

Chair Nickerson asked for any objections or abstentions to the motion. No objections or abstentions were voiced and the Motion passed unanimously.

c. Resolution Approving and Requesting Issuance of State of Oregon General Obligation Bonds for the Acquisition of the Broadway Housing Property and the Revitalization of Neuberger Hall.

Vice President of Finance and Administration Kevin Reynolds reminded the Board that the University’s Policy on Debt Management requires the Board to approve PSU projects to be included in the State’s bond sales. The 2015-2017 Bond Bill authorized the issuance of State General Obligation bonds for the Broadway Housing Project and for the Neuberger Hall Revitalization Project, which results in the need for formal Board approval of these two projects. Reynolds explained the savings to the University anticipated as a result of the Broadway House refinancing and the acute needs of Neuberger Hall.

ACTION: Chair Nickerson asked for a motion to approve the Resolution Directing Pursuit of College Affordability and Student Success Initiatives. Vernier made the motion and Stewart seconded the motion. A roll vote was taken and the resolution was approved unanimously.

7. Discussion Items

a. Collective Bargaining Update

The scheduled joint presentation involving representatives of AAUP, PSUFA and the Provost’s Office was not provided due to the disruption of the meeting. In lieu of the joint presentation, Chair Nickerson asked David Reese to provide a brief status report regarding collective bargaining. Reese reported that the parties continue to use an interest-based bargaining approach, that several tentative agreements have been reached (including a tentative agreement regarding continuous appointments for non-tenure track faculty), and that the parties expect to continue bargaining through the Winter Term. The current AAUP contract has been extended through February 29, 2016.
b. Northwest Commission on Colleges and Universities: PSU’s 7th Year Accreditation Evaluation

Chair Nickerson asked Provost Andrews to provide an update on the University’s 7th year accreditation. Provost Andrews reported that Trustees Castillo and Miller met with the NWCCU evaluation team during the site visit on October 8. There were two recommendations made by the evaluation team:

1. PSU should include the Management Discussion and Analysis (MD&A) which accompanies the audited financial statements in its accreditation report. PSU has requested that this recommendation be removed because the University has only been operating as an independent institution for one year and therefore did not have a previous MD&A to provide.

2. PSU does not yet regularly and comprehensively assess all undergraduate and graduate programs. The strategic plan will accelerate plans to meet this NWCCU expectation.

The University’s final response is due December 16. On January 6, 2016 the Provost will appear before the Commission.

c. Overview of the Office of Global Diversity and Inclusion

This item was not presented due to the interruption of the meeting.

d. Orientation Session: School of Business Administration

This item was not presented due to the interruption of the meeting.

8. Adjourn

Chair Nickerson adjourned the meeting at 4:05 pm.
To: Chair Nickerson, Board of Trustees

From: Rick Miller, Chair Finance and Administration Committee

Date: December 26, 2015

Re: Committee Report for the December 10, 2015 Meeting Minutes

The following is an update of the University's financial position, and, a review of the finance committee's activities for the last quarter.

1. **FINANCIAL PERFORMANCE (Based on Q1 results)**
   - Budgeted Revenue for fiscal 2016: $544m
   - Projected Revenue for fiscal 2016: $553m

   Primary factors contributing to the $9m improved forecast Include:
   - Enrollment is down, but the student mix is favorable (resident vs non-resident);
   - Additional funds allocated by the legislature;
   - Effects of the recent change in state payment methodology (student success and completion model); and
   - Last year's approved tuition increase.

   Budgeted total expenses for fiscal 2016: $552m. This includes $5m allocated to reserves.
   Projected expenses for fiscal 2016: $557m. This $5m increase includes a $3m increase to reserves, now expected to be $8m.

   Cash flow for fiscal 2016 was budgeted to be essentially break even after adding back $8m for depreciation. Post Q1, cash flow is now projected to be a positive $5m for F2016, after increasing depreciation to $9m. This is an improved outlook of $6m for the fiscal year. Based on current results Kevin predicts no shortfalls in 30 or 60-day liquidity requirements through the end of F2016.

   Kudos to Wim, Kevin, and their teams for a strong first quarter.

2. **REVENUE COST and ATTRIBUTION TOOL (RCAT)**
   The RCAT is a cost accounting tool that indicates where revenue is generated and invested. It is a tool unique to PSU. It is not a measure of good or bad, rather it is a tool to tell us where we generate positive cash flow and where we use cash flow. The following are a few interesting facts:
Cash Generators
General studies +$4m
Liberal Arts and Sciences +$1.2m
Business School +$700k

Cash Users
Engineering ($4.4m)
Urban and Public Affairs ($1.5m)
English as a Second Language ($1.25m)
Education ($1m)

3. CREDIT RATING
Moody’s recently revised our rating from "Negative" to "Stable," with an "Improved outlook." Recognition was given for the increase in state support, improved liquidity, and, our budgeted allocation of over $5m to reserves in F16. Again, congratulations to Wim, Kevin, and their teams.

4. PERS ALERT
The projected future financial impact at PSU due to the recently overturned PERS reform is as follows:

- Increased expense of $6.5m/yr for both F18 and F19;
- $13m/yr for both F20 and F21;
- $19.5m/yr for both F22 and F23

5. CURRENT AREAS OF FOCUS
Reserve Policy:
What are the best methods and tools to define and quantify adequate cash reserves for Portland State? We are studying fund balance, cash balance, primary reserve ratio, and other measures.

Financial reporting/monitoring:
What information does the committee need to gauge PSU’s fiscal health, to monitor financial performance, to be aware of short and long term trends, and to avoid surprises, without over burdening Kevin and the finance team? A subcommittee will be established in January to study this.

6. 2016 COMMITTEE GOALS
A. Receive and review quarterly internally prepared financial statements.
B. Develop and present to the board a list of financial indicators that efficiently track current and trending financial performance.
C. Debate alternative revenue sources for PSU.