June 26, 2014
University Place Hotel: Willamette Falls Room
1:00–5:00 PM

Board Members present: Swati Adarkar, Erica Best pictch, Pam Campos-Palma, Gale Castillo, Maude Hines, Tom Imeson (arrived at 1:56 p.m.), Margaret Kirkpatrick, Irving Levin, Fariborz Maseeh (left at 3:30 p.m.), Rick Miller, Pete Nickerson, Christine Vernier and Wim Wiewel.

Board Members not present: Peter Stott and Sho Dozono.

University Staff present included: David Reese, Rachel Martinez, and Annie Kirk.

1. CALL TO ORDER/ROLL/DECLARATION OF QUORUM

Chair Nickerson called the meeting to order at 1:07pm. Attendance was taken, a quorum was present, and the meeting, having been duly convened, was ready to proceed with business.

2. OPENING COMMENTS AND REPORTS

Chair Pete Nickerson reported his attendance at the Association of Governing Boards Annual meeting in Washington DC and asked PSU Board of Trustees to make a financial donation to Portland State University.

Trustee Pamela Campos-Palma announced her acceptance into a New York University graduate program and her resignation as the student representative on the PSU Board of Trustees, effective upon the appointment and confirmation of a successor.

a. Comments from the Presiding Officer of the Faculty Senate

Bob Liebman gave a brief history of shared governance between the PSU administration and the PSU Faculty Senate. Liebman outlined the committee structure of the Faculty Senate and outlines key 2014-15 priorities for the Faculty Senate. Those priorities include: academic program array review; participation in the University strategic plan process; implementing a new post-tenure review process; exploring comparators for academic quality; ensuring that PSU has family-friendly policies; addressing the state of the faculty online report; and being visible to the board of trustees.
b. Comments on behalf of the Associated Students of Portland State University

Eric Noll and Rayleen McMillan introduced themselves as the incoming President and Vice President, respectively, of Associated Students of Portland State University (ASPSU). Noll and McMillan introduced ASPSU cabinet members in attendance and discussed key priorities for the upcoming year: campus safety, campus accessibility and affordability, student spaces, connecting ASPSU with the larger student body, shared governance and the needs of underrepresented communities. They also discussed their intention to work with Governor’s Office and others regarding the appointment of a new student trustee to the Board.

c. Report from the President

President Wiewel shared current enrollment numbers for Summer 2014 and Fall 2014 terms and recapped that Commencement on June 15th honored over 6,000 graduates.

Wiewel gave special recognition to Pam Campos-Palma for winning a 2014 Newman Civic Fellows award and highlighted accomplishments of Academic Affairs and professors over the past year. He also announced new appointments at the university, including: Kevin Reynolds, Interim Vice President of Finance and Administration; Dan Fortmiller, Interim Vice President of Enrollment Management and Student Affairs; Steve Percy, Dean of the College of Urban and Public Affairs; Karen Marrongelle, Interim Dean of the College of Liberal Arts and Sciences; Scott Marshall, Interim Dean of the School of Business Affairs. Wiewel reported on the progress of the Provost Challenge, Research expenditures for the third quarter, and shared how a grant from the US Economic Development Administration will impact PSU. He also shared projection of private funding at year’s end and reported on the merger between the PSU Office of Advancement and the PSU Foundation, the grand opening of the Collaborative Life Sciences Building, the Urban Renewal Area agreement with the City of Portland, and laid out the priorities for the upcoming academic year 2014-15.

Erica Bestpitch raised some questions with regard to Board involvement with exiting employees at a high level. After discussion, Chair Nickerson asked that the topic be included in the Parking Lot to revisit in the future.

3. CONSENT AGENDA

Chair Nickerson submitted the consent agenda for approval. On the agenda was approval of the January 30th Board meeting minutes.

ACTION: Christine Vernier moved to approve consent agenda. Swati Adarkar seconded the motion. The motion passed unanimously.
4. REPORTS OF STANDING COMMITTEES OF THE BOARD (10 MINUTES)

Chairs of the Board of Trustees’ standing committees reported on the work of their committees since the last board meeting in March.

a. Executive and Audit Committee

Chair Nickerson reported the Executive and Audit Committee did not meet since the last full board meeting, but shared that some informal discussions happened with regard to the Internal Auditor position to be filled. Chair Nickerson asked Dave Reese to report on the search. Dave Reese informed the board that the Internal Auditor position is being created to take the place of the Oregon University System Internal Auditor. As of June 30th the OUS internal audit function ceases to exist and each of the universities with a new governing board is expected to take on their own internal audit function. A search was conducted and after finalists were identified, Chair Nickerson was included in the interview process. The candidate selected for the position withdrew his intent after he accepted the offer and other candidates were notified. After some informal discussions, the Executive and Audit Committee decided to take a new approach to fulfill the legal requirements of an internal audit function after an unsuccessful search. An ethics hotline will be created and managed by Brian Roy, University Risk Manager, who will work closely with the OUS contractor to ensure a smooth transition. Portland State University will engage a fraud and audit firm on retainer in the event their services will be needed and a new search will begin immediately.

b. Academic and Student Affairs Committee

c. Finance and Administration Committee

5 items – monica will go into detail – operating budget – voted unanimously to approve budget being presented today. Stared with $15M budget shortfall, $22M or 8% operating reserve. Acknowledge the time of the committee put into the budget. Risks associated with FY14/15 budget in enrollment and shared services. Shift in how university pays for shared services. OUS gone, services move to PSU and was underbudgeted item. Start monitoring performance late in the fall. PBB fist time univ has used system – introduces improved fiscal responsibility for financial performance and decisions. Cap budget – HECC asked for long and short term capital budget, $400M (divided into Critical, High-priority but not critical, everything else) $162M for critical - $93 state and G & Q bonds, $53 in F Bonds, $13M out of the university budget. Important to evaluating and look for increase revenue options to fix any future problems. Thanks and kudos to Monica.
5 minute break at 2:17pm

2:24 resume

5. Action Items

a. Approval of Resolution concerning University FY14-15 operating budget (45 minutes)

The Finance and Administration Committee has approved a resolution approving the University’s FY 14-15 operating budget. Vice President Monica Rimai and Interim Vice President Kevin Reynolds will present the resolution to the Board.

Focus now on operating budget Monica encourages BOT to look at living document on FADM website if they want more info on PBB> Beginning with last year slide 1 numbers are likely to change a bit as the end of the FY gets closer. If E&G budget is doing well, the university is doing well. Service departments are dept that charge other departments for services, and operate without tuition or general funds.

We did much better than originally forecasted, even if it’s still a loss. Mix of students was higher portion of out of state so rev was higher, units did not fill vacancies, so salary savings (usually means higher expenses elsewhere), service centers higher on negative, equipment replacement.

Dev of FY 14-15 budget proposal: started planning on July 2nd 2013 with development of the 5-year plan. MR encouraged good time to start planning for FY 16 budget is in October of 2014. Gave a $15M financial impact was divided out between departments, then it was looked out to reduce those expenses. Long list was narrowed down to top 7 ideas represented on slide 10. Online courses fees to maintain. Unclass/Unrep pay plan, update revenue forecast, athletic efficiencies, eliminate debt placeholder, hold inflation flat, allowed them to find $7.5M and left $8.2M to divided that out to different units. Enrollment revenue is hard to project, within 2 – 5%, that’s a success. Need contingency plan for one-time cash if OAA does not meet enrollment to give them a year to figure out adjustments. FY15 balanced, but with inflation, benefits continue to pull future budget into deficit. New plan makes following assumptions: no growth in

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enrollment, no growth in funding, a 3% tuition increase and a 3% inflation increase.

PN: questions on resolution. Clarified all funds budget – yes this is the budget for all fund types for the university. FM: how practical to have a budget balance mandate for the university? If you are w/i 2-3% of budget you are doing pretty well. PN: Does anyone have experience approving a deficit budget? WW: Yes, RM: Not comfortable, but it shows universities effort to fill budget. WW: History, E&G reserve used to be at 20% but caused so many political issues, so PSU spent it down and state mandated between 5 – 10% in reserves.

PN: look to Kevin and Alan to keep board informed of unusual trends or new information with regard to budget.

b. Approval of Resolution concerning reaffirmation of University mission and accreditation core themes (20 minutes) .................................................................................................................. 3
   The Academic and Student Affairs Committee has approved a resolution reaffirming the University’s mission and core themes. Provost Sona Andrews will present the resolution to the Board.
   Mission has been in place for many years, BOT may want to revise. Accrediting body requires between 3 and 5 core themes – each objective has indicators. PN: asking bot to reaffirm mission and 4 core themes. SA: into year 4 of accreditation cycle, which goes every 7 years. Current mission and themes were approved in former structure, looking or board to approve already in place.

c. Approval of Resolution regarding delegation of authority for program approval (30 minutes) ............................................................................................................................... 4
   The Academic and Student Affairs Committee has approved a resolution delegating authority to approve new bachelor’s, master’s and doctoral degrees to the Academic and Student Affairs Committee. Provost Sona Andrews will present the resolution to the Board.

Asking to approve the process for program approval: Bachelors, masters, doctoral. Curriculum (new) identified at department level, goes to school/college curriculum committee, then to Dean, then to series of committees depending on what level, then goes to faculty senate, then goes to provost, then Provost council, then OUS. walked through steps 1 -7 , graduate programs need
additional step with external review. Proposed to take out OUS piece and add PSU A&SA BOT committee and HECC.

PN: Can the board change if they want to in the future if they approve this now?
DR: Yes, can change.

d. Approval of Resolution approving amendments to President’s contract (15 minutes)

Chair Peter Nickerson will discuss proposed revisions to President Wim Wiewel’s employment agreement.

Resolution is to move the structure of the pres contract to reflect new governance model of PSU. No change to length or pay. Amend timing of notice for search if needed? Contract is through June 30, 2016. Meeting between pres & chair 6 mo in advance of contract end to notify intent by pres to renew or change (formal notice) and informal notice would be before, and interim will be put in place. EB: self evaluation or evaluation, how does it happen? PN: evaluation process is on agenda for exec and audit committee. Currently going with OUS requirement this year, then e&a will come up with policy.

e. Approval of Policy regarding relationship with Portland State University Foundation (20 minutes)

General Counsel David Reese will discuss a proposed Board policy regarding the relationship between the University and the PSU Foundation.

Policy that reaffirms policy of foundation and relationships with PSU, redirects relationship to reflect new governance structure.

WW: kudos to FA and her staff and foundation board during transition.
3:57 break

4:02 resume

6. **DISCUSSION ITEMS**

   **a. School of Social Work (30 minutes)**
   Dean Laura Nissen will provide an introduction to the
   School of Social Work.

New Dean, Dr. Laura Nissen School of Social Work. Faculty member for 15 years, 
native Indianan, Denver Colorado, National initiative of youth substance abuse. 
Next chapter of SSW, just passed 50th anniversary. Laidout the fundamentals of 
Social Work Practice as complex social issues, professional approach, and 
community partnerships. The only public school of social work in Oregon. 4 
academic programs. Human service settings include a large variety of settings 
that contribute to the health and well-being of the state. CV: online MSW, do 
you have positive response? LN: yes, starting pilot of 38 in pilot program. PSU 
ranked in top 30 SSW schools in US, social work is fastest growing profession in 
us. Where social workers are involved health goes up, cost goes down. Distance 
cohorts include ________. MK: are there other trends that will impact the need 
for social workers

7. **PUBLIC COMMENT (30 MINUTES)**

GALEN RUSSELL – ASPSU SELF INTRODUCTION AND PRIORITIES FOR LOBBY FOR LGBTQ – TO COLLECT DATA – CCULTURAL COMPETENCIES AND POLICIES ACROSS THE NATION.

STEFANIE BROCKETT – SSW MSW GRADUATE, TALK TO BOT ABOUT STUDENT FOOD INSECURITY. ADDRESS CHANGES TO ENSURE STUDENTS GET PROPER FOOD AND NUTRITION. BRINGING ISSUE TO LARGER AUDIENCE. CV: ASKED TO KEEP THEM INFORMED SO THEY CAN GO TO LEGISLATURE AS WELL. SNAP AND FOOD PANTRY ACCESS.

PUBLIC COMMENT SECTION CLOSED.
PN: ANY OTHER COMMENT? IL: GET AN ADVANCEMENT DASHBOARD OF HOW PRIVATE FUNDING IS GOING. FA WILL PROVIDE.

REMINDERS FROM PN: NEXT BOARD MEETING, SBAD HONORING VERNIERS AND EARL CHILES, LEONE PANETTA.

QUESTIONAIRES STILL NEED TO GET TO DAVID REESE.

8. ADJOURN