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

MINUTES

Board Members present: Swati Adarkar, Erica Bestpichtch, 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 trustees to consider 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 outlined 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 the 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 discussed the recent commencement ceremony, at which over 6,000 new PSU graduates were honored.

Wiewel gave special recognition to Pam Campos-Palma for winning a 2014 Newman Civic Fellows award and highlighted numerous recent accomplishments of PSU faculty members. 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; and Scott Marshall, Interim Dean of the School of Business Administration. Wiewel reported on the progress of the Provost’s Challenge, discussed research expenditures for the third quarter, and shared the impact of a new grant from the US Economic Development Administration. Wiewel indicated that projections for private funding at year’s end were strong and reported on the merger between the PSU Office of Advancement and the PSU Foundation. Wiewel also discussed the grand opening of the Collaborative Life Sciences Building, which will open to students in the fall, and the ongoing discussions with the city of Portland regarding the Urban Renewal Area.

Erica Bestpitch inquired about the recent departure of vice presidents and turnover at the University and asked about Board involvement with exiting employees. The chairs of relevant committees indicated that they had, or would have, an informal discussion with the departing vice presidents.

3. CONSENT AGENDA

Chair Nickerson submitted the consent agenda for approval. On the agenda was approval of the March 12, 2014 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 that the Executive and Audit Committee did not meet since the last full board meeting. Chair Nickerson asked David Reese to report on the search for a Director of Internal Audit. Reese informed the board that the Internal Auditor position is being created to take the place of the Oregon University System Internal Auditor. A search to fill the position prior to July 1 was conducted, but was not successful. A new search will be conducted promptly. In the meantime, the University’s ethics hotline will be managed by the University’s risk manager and one or more accounting firms will be retained to be available in the event that urgent auditing services are necessary during the vacancy.

b. Academic and Student Affairs Committee

Margaret Kirkpatrick, Chair of the Academic and Student Affairs Committee, shared that the committee had met twice since the last board meeting. The first meeting was largely informational in nature. At the second meeting, the committee approved two resolutions for board consideration, to be considered later in the meeting, regarding (1) reaffirming the University’s mission statement and core themes, as required for accreditation, and (2) the process for approval of new PSU academic programs. The second meeting also included a briefing on the new faculty collective bargaining agreement.

c. Finance and Administration Committee

Rick Miller, Chair of the Finance and Administration Committee, informed the board that Monica Rimai, Vice President of Finance and Administration, and Alan Finn, Associate Vice President of Budget and Finance, would present the details of the committee’s recommended resolution regarding the University budget. Miller shared concerns regarding the budget deficit and the use of operating reserves. He indicated that the committee had reviewed and considered the operating budget carefully and ultimately approved it unanimously for recommendation to the full board.
5. **Action Items**

a. Approval of Resolution concerning University FY14-15 operating budget

Monica Rimai, Vice President of Finance and Administration, introduced Alan Finn, Associate Vice President of Budget and Finance, and Kevin Reynolds, incoming Interim Vice President of Finance and Administration. Rimai detailed the University’s 2013-14 financial performance and the All Funds Budget, which includes the education and general fund, designated operations funds, service center, and auxiliary operations. Overall, PSU is ending the current fiscal year in a stronger financial position than originally forecast, though operating at a loss. The combination of more tuition dollars from out-of-state students, along with salary savings and reduced spending, has helped the fund balance.

Rimai then explained the development of the 2014-2015 budget proposal, which started with the development of a five-year plan. Entering the planning for fiscal year 2015, PSU had a structural deficit of $15 million. Rather than make these reductions across-the-board, the President’s executive committee applied a set of principles that used a “measured and balanced” approach to eliminating the structural deficit while mitigating possible negative impacts on PSU’s core functions. By March of 2014, this balanced approach resulted in the deficit being closed through a combination of tuition rate increases (other than resident undergraduate), enrollment growth and expenditure reductions; while being careful to maintain adequate reserves so we can manage unforeseen events, and take advantage of some new opportunities.

Subsequent to the budget balancing additional costs were incurred as a result of collective bargaining agreements and further refinement of costs associated with operations as an independent University post SB 270. The combined impact of these additional costs total approximately $3 Million for fiscal year 2014-15. These costs will be covered for fiscal year 2013-14 and 2014-15 with the University fund balance, such that the projected ending Education and General Fund balance for fiscal year 2015 is 8.1% of the proposed operating budget. The impacts of these costs on recurring budgets will be addressed on a permanent basis with the development of 2015-17 biennium planning.

**ACTION:** Christine Vernier moved to approve the resolution concerning the fiscal year 2014-2015 budget as presented by the Finance and Administration Committee. Maude Hines seconded the motion. The motion passed unanimously.
b. Approval of Resolution concerning reaffirmation of University mission and accreditation core themes

Sona Andrews, Provost and Vice President of Academic Affairs, discussed PSU’s current mission statement, which has been in place since 1997, and core themes, which have been in place since 2012. Under the Northwest Commission on Colleges and Universities (NWCCU)’s Accreditation Handbook Standard One, institutions are required to articulate their mission statements and core themes and receive their governing board’s approval. As defined by NWCCU, the mission addresses institutional purpose and the core themes comprise essential elements of that mission. To remain in compliance with NWCCU, both the mission and core themes must be endorsed by an institution’s governing body. The Academic and Student Affairs Committee has approved and recommends a resolution reaffirming the University’s mission statement and core themes, in order to remain in compliance with NWCCU accreditation standards.

ACTION: Gale Castillo made a motion to approve the resolution reaffirming PSU’s mission and accreditation Core Themes. Maude Hines seconded the motion. The motion passed unanimously.

c. Approval of Resolution regarding delegation of authority for program approval

Provost Andrews discussed the process for approval of new academic programs at PSU.

Curriculum and program review and approval on campus is a basic function of “shared governance” in which faculty and administration share responsibility. Each program proposal undergoes a number of review steps before the Faculty Senate seeks program approval from the provost. In addition, approval of the Higher Education Coordinating Commissions is necessary for significant changes to the academic program of the university and for the establishment of new degrees.

Prior to July 1, 2013, governing board authority to approve new academic programs was delegated by the State Board of Higher Education to that board’s Academic Strategies Committee. In order to maintain that general structure, and to avoid overburdening the full Board’s docket with program approval matters, it is recommended that this Board similarly delegate program approval authority to the Academic and Student Affairs Committee.

The Academic and Student Affairs Committee has approved a resolution delegating authority to approve new bachelor’s, master’s and doctoral degrees to the Committee.
ACTION: Pam Campos-Palma made a motion to approve the resolution delegating program approval to the Academic and Student Affairs Committee. Christine Vernier seconded the motion. The motion passed unanimously.

d. Approval of Resolution approving amendments to President’s contract

Chair Nickerson introduced the need for the Board to approve an amendment to the President’s contract. The current contract, entered into with the State Board of Higher Education, does not include compensation provisions for the second or third years of the contract and includes terms regarding the Chancellor and Oregon University System which are inappropriate post-July 1. David Reese, General Counsel and Secretary to the Board, reviewed the proposed contact revisions with the Board in detail. The proposed amendments do not change the President’s compensation. Reese also discussed the President’s deferred compensation, which is provided through a plan available to presidents throughout the Oregon University System. That plan is being transferred to the University of Oregon for administration post-July 1.

ACTION: Irving Levin made a motion to approve the proposed amendments to President Wim Wiewel’s employment agreement and to authorize the Vice President of Finance and Administration to enter into such plan documents as may be necessary to effectuate the deferred compensation provisions of the agreement and to participate in the Oregon Public Universities Supplemental Retirement Plan administered by the University of Oregon. Margaret Kirkpatrick seconded the motion. The motion passed unanimously.

e. Approval of Policy regarding relationship with Portland State University Foundation

General Counsel and Board Secretary David Reese discussed the proposed new board policy regarding the relationship between the University and the Portland State University Foundation (PSUF). Currently, that relationship is governed by administrative rules of the Oregon University System. The impending merger of University Advancement and the Foundation and the replacement of the State Board of Higher Education with this Board warrant a new, PSU-specific policy regarding this critical relationship with our foundation partners.

Chair Nickerson proposed that the Board approve a proposed resolution: (1) reaffirming the recognition of PSUF as the official institutional foundation, (2) approving the proposed policy regarding the relationship with the Portland State University Foundation, and (3) replacing Oregon Administrative Rules 580-046-0005 through 580-046-0045.

ACTION: Christine Vernier made a motion to approve the resolution regarding the relationship with the Portland State University Foundation. Maude Hines seconded the motion. The motion passed unanimously.
6. **DISCUSSION ITEMS**

   a. Introduction to the School of Social Work

Dr. Laura Nissen, the new dean of the School of Social Work, introduced herself and provided a detailed introduction to the School and its programs, faculty and community partnerships.

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

Galen Russell, a member of the Oregon Student Equal Rights Alliance, addressed the Board regarding the need for legislation regarding the collection of data regarding LGBTQ students and to promote cultural competencies and polices in Oregon and across the nation.

Stefanie Brocket addressed the Board regarding food insecurity among students, the ASPSU food pantry, and the need to better assure that students receive appropriate food and nutrition. The Board asked to be kept informed about this issue and efforts to combat food insecurity among students.

8. **ADJOURN**