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Governance Review of
Oregon's Public
Universities

COMMISSIONED BY

The Oregon Higher Education Coordinating Commission

FOR

The Oregon Senate Education Committee

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Introduction

A review of the governance structure and bylaws of Oregon's seven public universities was commissioned by the Oregon Higher Education Coordinating Commission (HECC) at the request of the Oregon Senate Education Committee. The particular emphasis for the review is on the alignment with best practices, transparency and public access of the universities' governance policies and practices. According to conversations with Senate Education Committee Chair, Senator Michael Dembrow, the Committee is also interested in information about the general state of university governance given that the move to establish the individual boards of trustees is relatively recent. Senate Bill 242, the legislation that created HECC and started the process of considering individual boards for each of the public universities, was passed in 2011. It preserved the Oregon University System for a short time, and the new boards began to be implemented in 2014 and 2015. Therefore, the Committee believes that a progress report would be helpful at this time.

The governance review was undertaken based on an agreement between the universities and Senator Lew Frederick on June 17, 2021 (see Attachment A). The agreement was in lieu of the Senate Education Committee advancing Senate Bill 854 further through the legislative process and included a commitment to engage in this collaborative review.

To accomplish the review specified in the agreement of June 17, 2021, HECC was selected as the organization to commission the governance review. Accordingly, HECC issued an RFP on September 3, 2021. AGB responded on September 14, 2021, and, subsequently, was selected to do the review.

Process for the Review

Guidance and Logistics

The work commenced on October 18, 2021, with a virtual meeting between the consultants and Senator Dembrow, Chair of the Senate Education Committee, and Matt Perreault, Analyst, Oregon Legislative Policy and Research Office, and HECC representatives Executive Director Ben Cannon and Kyle Thomas, Director of Legislative and Policy Affairs. The purpose of the initial meeting was to review the purposes of the project, clarify expectations regarding the nature and scope of the work, and begin discussions about the list of those to be interviewed and the development of guidelines to be used in the interviews.

Matt Perreault was assigned as the official liaison between the Senate Education Committee and the consultants. After the October 18th meeting, the list of those to be interviewed was completed, and the consultants developed and gained approval for a set of interview guidelines that were tailored to various interview groups. Everyone interviewed received some of the same questions, but other questions were designed to align with the groups' different interests regarding governance.

The Oregon Council of Presidents (OCOP) was identified as the organization in the best position to schedule interviews with university presidents, board chairs, and board

secretaries. Dana Richardson and Debora Dupras arranged these interviews on behalf of the Council. Matt Perreault was responsible for scheduling all other interviews.

The consultants also developed a statement to be used in setting up the interviews so that those who were interviewed understood the reasons for the governance review and were clearly informed that the review was being conducted with the specific guidance of the Senate Education Committee. The consultants were seeking the perspectives of different stakeholders about the governance policies and practices of the universities and were interested in impressions of the effectiveness of university governance from the viewpoint of the various stakeholder groups. Interviews were confidential in the sense that the consultants promised that there would be no attributed quotes in the final report. In instances where a specific quote makes a particularly salient point, they are included in this report without attribution.

Bylaw Review

During the October-November timeframe, the consultants completed the review of each university's board bylaws and related board policies. The bylaws and policies were reviewed against a list of established best practices. Bylaws are the foundation for good governance. They provide a framework for the governing board to organize itself and describe the board's responsibilities and structure.

Interviews

Small group and individual interviews were used in this study. Overall, 62 individuals participated in 28 interviews which were conducted virtually and typically lasted about one hour. The following stakeholders were interviewed:

- Members of the Oregon Legislative Assembly
- HECC Executive Director and Board Chair
- Education Policy Advisor, Office of the Governor
- Executive Director, Oregon Student Association
- Student Body Presidents from five universities¹
- Faculty Senate Presidents or Chairs from all universities
- Staff Senate Presidents or Chairs from all universities with a staff organization
- Union Representatives from all unions at all universities
- Presidents from all universities
- Board Chairs from all university boards
- Board Secretaries from all universities

Interviews took place in November and December 2021 except for several with leaders of student government associations which were held over to January 2022 because of scheduling complications related to students' final exams and the holiday break.

¹ Two student groups did not respond to several invitations.

Virtual Listening Sessions and Written Comments

Virtual listening sessions were held for each institution during three-hour time blocks on January 14, 18, and 19, 2022 (a total of 21 hours of listening sessions). Consultants set up times for virtual meetings (also referred to as virtual office hours), and a message from Senator Dembrow was sent to the entire community at each university describing the governance review and inviting anyone who wanted to participate but had not been interviewed, to sign into the virtual meeting and comment.

Those who could not participate or wished to comment another way, were invited to send an email message with their comments directly to the consultants. Across all institutions, 88 individuals chose to sign in and comment during the virtual office hours and an additional 54 submitted written comments. The consultants believe that the goal of providing an inclusive process for collecting information by offering these two additional opportunities for input was achieved based on the combined participation of 142 individuals representing all seven universities.

Inventory of Board Outreach and Engagement Practices

Throughout the interviews, there were many references to practices implemented by the universities and their boards for providing access to the board and for building relationships between board members and various stakeholders. To ensure the availability of a comprehensive list of ways to gain access to the boards, the consultants asked board secretaries to compile a list for each of their institutions. Then, the consultants merged the information into a master list which is provided as an attachment to this report.

Findings

Bylaw Review

The characteristics of effective university board bylaws were used as the criteria for judging the adequacy and appropriateness of each university's bylaws.

According to an authoritative source listed below²:

"Effective bylaws have the following characteristics:

1. Board-focused. The bylaws should be reserved for articulating the board's broad authority, structure, and practices. Other groups, such as the faculty senate, alumni association, and advisory councils, have separate guiding documents that define their responsibilities and relationships to the board; some of these documents may be subject to governing board approval.
2. Clearly and succinctly expressed. Reflecting their legal import, bylaws must be framed with care. Arcane and technical wording can cause confusion. Rather than

² These characteristics and criteria on effective board bylaws are from: "Updating Board Bylaws: A Guide for Colleges and Universities" by Robert M. O'Neil, published by AGB Press, 2012.

- repeating legislative statutes verbatim, bylaws should offer clear and concise language.
3. **Balanced in detail.** Too much detail may prompt the need for frequent revision, while too little detail may invite inconsistent interpretation and action. Brevity and simplicity are desirable unless the result omits critical guidance.
 4. **Appropriately flexible.** While the bylaws should provide for continuity and consistency over time, they should also allow the board enough flexibility to respond to changing circumstances.
 5. **Customized.** Bylaws must take into account federal and state laws (such as a state's non-profit corporation act or requirements for entities that receive government funding), and the latter vary in many ways. Equally important, the bylaws should be adapted to the institution's culture and traditions. While much can be learned from reviewing bylaws of peer institutions, specific provisions need to be applied thoughtfully.
 6. **Streamlined.** Over time, bylaws can become unduly complex. With the best of intentions, boards are prone to adding provisions to the bylaws each time a challenge arises. In the absence of careful pruning and revision, the result can be a morass of excess and sometimes inconsistency.
 7. **Well-organized.** The bylaws provide a roadmap for board operations. They should be well-organized, with a table of contents, articles, and numbered sections. Each paragraph should be numbered so that cross-references are easy to follow."

Bylaws typically include a section on the powers and authority of the board to govern and set institutional policies and a reference to what responsibilities have been delegated to the president by the board. Bylaws also include information about membership on the board such as the number of board members, their terms of service, and how they are selected and appointed. They also include information about resignation and/or removal of board members and guidance about how to fill vacancies.

Other typical components of board bylaws describe board meetings, including the required number of regular meetings, special meetings, how to notice meetings, open meeting requirements, the definition of a quorum, the manner of action, and the use of executive sessions. Board officers, together with information about their election and terms of service, are also included in the bylaws. Some bylaws also include a section on the officers of the university—usually the president, provost (chief academic officer), vice president of finance, and secretary.

Board committees are identified and described in the bylaws. Information about committees includes statements about membership and descriptions about how members are appointed to committees. A statement of purpose (often referred to as the charge or charter) for each committee is provided in the bylaws or in related policy documents. Finally, bylaws include references to the university's conflict of interest policy, indemnification, and the process for

amending the bylaws. All information in the bylaws must be consistent with state and federal laws.

In the judgment of the consultants, all the universities' bylaws meet the criteria described above. Essential information is included, and the details are appropriate to describe the authority and general operating procedures of the boards. For each university, the bylaws, or a specifically linked policy document, includes a clear statement about the powers of the board and a policy about the board's delegation of authority to the president.

Since the boards are relatively new, there is not a long history of amendments to the bylaws, and, therefore, less opportunity for them to become overly complex and cumbersome.

[Discussion of Information from Interviews, Virtual Listening Sessions, and Written Comments](#)

Comments about the Process

The interviews provided a rich source of information for the governance review. Those who were interviewed expressed appreciation for being included in the process, and they appeared to be open, direct, and honest in their responses to the consultants' questions. For example, the consultants heard comments such as, "Since I know this is confidential, let me tell you how I really feel about the effectiveness of the board." Such statements were followed by both positive and negative viewpoints.

Often, individuals who expressed critical comments concluded the interview with a statement about their overall support for the mission of their institution and their general sense that the board was appropriately exercising its responsibilities. One said, "This interview is an opportunity to provide critical comments, and I took advantage of that opportunity, but I am proud of my work and believe in our mission, and I think the board, overall, is doing a good job."

Those involved in the virtual listening sessions also expressed appreciation for the opportunity to participate in the review. While these sessions were organized so that individuals could drop in for the virtual meeting and then drop out after making their comments, many chose to stay in the session and continue to participate in discussions about governance practices. Like the interviews, these were productive sessions in that they provided important perspectives and offered participants opportunities to elaborate on their views about board governance at their universities.

Individuals who chose not to or could not participate in the virtual listening sessions were invited to provide written comments. As noted above, 54 comments were received, and individuals from all seven universities participated. There is a pattern of more participation from those at institutions where there have been recent controversies. For example, participation was high at an institution with a recent vote of no confidence in the president.

In both the listening session and the written comments from individuals at one institution there appeared to be an organized effort to promote a different way of selecting board members which would involve election of trustees by the faculty, staff, and students from the

university. Such a process does not exist anywhere in the nation, and it ignores the fact that trustees individually and collectively represent Oregon's citizens and the public good rather than specific constituencies.

In the execution of their legal fiduciary duties, trustees are obligated to make decisions that are in the best interests of the institution, not specific constituent groups. The fiduciary duty of care requires trustees to make decisions that are in the best interests of protecting and enhancing both the short-term and long-term vitality and sustainability of the institution they serve. Determining what is in the best interests of an institution is left to the sound judgment of the governing board and involves a balancing of interests and priorities consistent with institutional mission and priorities.³

Support for the Individual Boards

The State's decision to dissolve the Oregon University System and the State Board of Higher Education and create individual boards of trustees for each of the seven universities is seen as a positive development. A significant majority of those interviewed provided unqualified support for an individual board that understands and addresses the challenges and opportunities unique to its own university and university community. Some noted the ability of their university to move more quickly under independent governance to devote needed resources to combat the COVID-19 pandemic.

The general conclusion is that the boards are much better in terms of public access and transparency than the prior Board of Higher Education even though there are some criticisms. Many interviews included comments such as this: "The system was removed from the work of the universities. Now, we have regular interactions with faculty, staff, and students. And we have a greater connection to the campus and what matters." Similar statements were made in the listening sessions and written comments.

Most of the criticisms revolved around concerns that the boards focused on the wrong priorities and did not seem to acknowledge and deal with problems that were brought to their attention. Some fear that the move to individual boards will lead to more intense competition among the universities for new programs and limited state resources.

Board Education and Development

The governing boards are relatively new, and it is generally understood that they are still evolving and moving at different paces toward full effectiveness. For example, in the interest of affirming their commitment to best practices and an on-going review of the policy literature about governance, the Portland State University Board recently restructured their committees to include a new Governance Committee which will, among other duties, guide board education.

³ For additional details about the board's fiduciary duties, refer to the "AGB Board of Director's Statement on the Fiduciary Duties of Governing Board Members" issued by AGB in 2015.

Board chairs and presidents understand the need for on-going board education and development in addition to robust orientation for new members, but orientation and continuing board education practices are uneven across the universities. Some have been more systematic about continuing to develop their boards with specific commitments to regular education sessions and board retreats. For example, the Western Oregon University Board and the Oregon State University Board select a theme (for example student success, diversity and inclusion, or applied research) for each meeting. They provide an educational session about that theme and set up opportunities for board members to meet faculty, staff, and students involved with the theme as part of the board meeting.

Given the expressed desire to adopt best practices, boards could be more systematic in their identification and understanding of them. Some effective practices may be found in sharing among the universities, and others are available through established sources such as AGB. The key is to have a process for identification and consideration. For example, for those boards that have implemented a governance committee, part of the committee's purpose is to regularly review best practices and recommend adoption of those considered relevant to the institution. Five of the seven universities have a governance committee or have specific references to work similar to what would be found in a governance committee embedded in the description—the charge—of an executive committee.

Another important role of a governance committee is to oversee regular assessments of board performance. Boards should take time annually to reflect on their effectiveness and to compare their work with established best practices. They should also undertake more comprehensive assessments every three to five years. Information from these assessments must then be used to make necessary changes in board practices. The assessments are not effective if the results are not used to reflect on past performance and consider ways to improve. All seven institutions have a practice of regular board assessment, with the commitment to assessment codified in a board policy or in specific statements about trustee responsibilities.

Understanding the Fundamentals of Governance

Ideas about improvements in board governance were expressed by many of the participants, but a large number of those ideas indicated a lack of understanding of the board's fiduciary duties and essential roles and responsibilities. Many stakeholders did not fully understand what a governing board does, what it is responsible for, and to whom it is accountable. For example, some participants did not understand the concept of delegation of authority from the board to the president, and they seemed to think that any and all problems should be brought directly to the board for the board to solve.

When their needs or demands are perceived as being unmet or dismissed, some stakeholders want to go "up the ladder" from the administration to the board. They also expressed frustration that they did not know where to go next if the board did not appear to deal with

their issue. These comments indicate a lack of understanding of the board's legal obligations under the fiduciary duty of care.

Process for Responding to Constituents

Many of those providing information for the review expressed frustration that there is no feedback when they make comments to the board. They feel that the board is just "checking the box" to have public comment, and that the board does not take their comments seriously. It is usually not appropriate for the board to engage in discussion when the comment is made in the meeting because board members do not have adequate or appropriate background information to engage in intelligent discussion at that time. As one person stated in the interview, "It is key that the 'circle of dialogue' be completed; when someone presents a comment, they should get a response—in the future, not in the moment."

There should be a process for feedback that follows the board meeting. For example, Oregon State University assigns a board staff member to review and provide responses to everyone who makes a public comment. The responses are likely to be highly variable depending on the nature of the topic. For example, the appropriate course of action may be to refer the issue to a particular university office with an expectation the office will manage it. Another response may be that the item is included in a committee agenda at a future meeting. Another example may be that the board chooses to make a public statement about the topic at its next meeting. The responses should be tailored to the specific comments.

Building a Board Culture of Outreach and Engagement

Many stakeholders recognized the need to be educated about the board's fiduciary responsibilities, the concept of board accountability, and what authority a board reserves for itself and what it decides to delegate to the university president. All the universities' bylaws include clear statements about board duties and the delegation of authority.

The information is accessible on each university's website. The challenge is to communicate about these concepts in ways that are valued and embraced by various stakeholder groups. For example, expecting someone to go to a website and find information is different from hosting a town hall meeting about the work of the governing board. A specific outreach activity is more likely to increase understanding and more likely to create a culture that signals the board's interest in transparency and access.

In another example of a culture of outreach, a special communication to the university community about the importance of certain topics on the agenda for the next meeting or the posting of minutes from the prior meeting that calls out significant board actions signals more interest in communicating about the work of the board than simply posting the agendas and minutes. Providing access through the posting is important but taking the extra steps to reinforce messages or alert constituents to forthcoming board discussions is even better.

Regarding a culture of engagement, multiple examples exist at all universities to demonstrate the board's interests in meeting and talking with the university's faculty, staff, students, and community partners. The inventory of outreach and engagement practices, provided in Attachment B to this report, is testimony to the boards' interests in getting involved more deeply and learning at a more detailed level about various university programs and priorities. An example shared during the virtual listening sessions makes this point: the board secretary observed a presentation that he thought would interest trustees and arranged for a meeting with trustees and a group of students that provided board members with an opportunity to have a compelling conversation about food insecurity and homelessness. This experience enhanced the board's understanding of the lived experiences of students in a way that a formal board presentation would not have achieved.

Shared Governance

Shared governance is not well understood by many who participated in the interviews and meetings, and it seems to be practiced in different ways across the seven universities. This is not unique to the Oregon universities. Institutions across the nation are involved in discussions about the meaning and effectiveness of shared governance on their campuses. Each of the Oregon universities has a formal statement about the board's commitment to shared governance.

In some cases, there is confusion about what belongs to formally designated shared governance organizations (such as faculty and/or staff senates, and student government associations) and what should be part of relationships with unions. To be clear, unions play an important role and it is incumbent on university presidents to develop good working relationships with the unions at their universities. However, while unions serve an important purpose, they are not part of the official governance structures and should not expect the same access and privileges as those accorded to formally designated governance organizations.

The various unions have strong interests in working conditions, salaries and benefits, and faculty and staff morale, and their expressed concerns may be reasonable and justified. Best practices dictate that building relationships between the university administration and the unions is delegated to the president, who, in turn, typically delegates to a senior leader in the provost's office (for faculty) and a senior HR leader (for staff). While the board, in its fiduciary role, approves final contracts and holds the president accountable for working to develop relationships with unions, it is not a direct actor in contract negotiations or in administering collective bargaining agreements.

The National Landscape in Higher Education and Effects of the Pandemic

Understanding the current national context for higher education is relevant for this review, and for understanding why stakeholders believe access to the board is so important. Many of those interviewed noted that concerns about faculty and staff morale have been exacerbated by the COVID pandemic. They noted that the pandemic has interfered with many effective

informal opportunities to build board-constituent relationships. They also regarded the pandemic as a reason for people feeling very stressed and why they felt the stakes are so high about the governing board's understanding of their issues. This is a national phenomenon across nearly every single college and university in the country. There is also a strong sense that significant change is coming for higher education because of enrollment and funding uncertainties, and a fear of the unknown ramifications of these uncertainties has added to the overall sense of anxiety. Again, this is not unique to Oregon; it is playing out nationally.

The Value of Debate

Some of those interviewed mentioned tensions they felt they observed in board meetings, and they almost always described these as problems. When such tensions are displayed, they are not necessarily a sign of dysfunction. Rather, they are likely part of the normal process of expressing different viewpoints or gaining different perspectives in order to reach better solutions. This is not to say that tensions are always productive; in some cases, they can be a sign of deeper issues.

On the other hand, some participants who had observed board meetings mentioned the lack of any expressions of different opinions and concluded that the trustees were agreeing to whatever was put before them. This is rarely the case since most board actions are a product of significant discussion over the course of several meetings, occurring especially within the board's committees.

Effective boards engage in robust debate and see it as a healthy way to surface multiple perspectives which allow them to reach the best possible decisions. The key is for all board members to be supportive of their collective decisions once votes have been taken. Airing differences in public meetings can easily be misinterpreted as negative, but often it is evidence that the fiduciary duty of care is working.

Leadership Matters

Some of those who participated in interviews and meetings or provided written comments shared their perspectives about what they saw as problems at their university. One said, "We are dealing with personality issues." In situations where there are actual or perceived problems, the issue may not be the governance structure, but the people who are implementing it. These problems may have more to do with leadership than with the structures and policies of the institution. For example, shared governance practices may be ignored, individuals may not be exercising good judgment or demonstrating respect and commitments to transparency and access. These might be real issues and should be acknowledged as such. But changing the governance structure—be it modifying the board's composition or requiring certain board actions to be vetted by some centralized authority—will not fix them. Even the best structures can be undermined with poor leadership.

Board Composition

As the consultants gathered information from many sources, they heard suggestions about how the composition of the boards might be changed to better represent the university's stakeholders and align better with the institutions' missions.

In those universities with extensive graduate and research programs, the graduate students expressed a desire to be represented on the board, perhaps by alternating with the undergraduate student representative or by adding another board member from the graduate student population. Rather than altering the composition of the boards, there are other ways of ensuring that the voice of graduate students is included such as regularly scheduled presentations on the board agenda.

Another suggestion involved the staff position. In some institutions, it is reported this is always a classified staff member, in other institutions it is reported that this is rarely a classified staff member, and in others, the position alternates between a classified and a non-classified staff member. Some attention to the original intent of the statute would be helpful, and ways to regularize the way this position is used should be determined.

The consultants also heard several suggestions about the value of including some board members with some educational experiences, preferably higher education experience. Other suggestions were to include individuals from the community where the university is located. This occurs for some universities, but not all. These suggestions have merit and should be considered.

Board Member Selection

Many of those participating in this review expressed a lack of understanding and/or a concern about the process of selecting board members. Practices vary across the institutions in terms of the process for recommending at-large public members as well as securing recommendations for the representatives of the faculty, staff and student body who serve on the boards. Generally, transparency about the processes is lacking. All understand that the Governor appoints the board members, but many believe that the presidents control who comes to the attention of the Governor. Information gathered in the interviews suggests that this is not the case, but there are significant perceptions that "presidents choose their board members."

Oregon is one of only three states that provides for a faculty member, a staff member, and a student to serve as members on its university governing boards. In law, faculty and staff can be appointed as voting or non-voting members, but it is the consultants' understanding that all recent appointments for the three positions serve as full-fledged voting members. The consensus among those participating in this review is that the full board values the perspectives of these individuals and respects their contributions. There were, however, some who described them as having marginalized voices.

The board members who are internal to the institution are in a challenging position because, while they come from the faculty, the staff, or the student body, they do not technically represent them in the sense that they are bound to vote as their constituencies might expect of them. Instead, they are full fiduciaries with the same legal responsibilities as all board members. They bring important insights to the board based on their roles as faculty members, staff members, and students just as the external members bring important insights from their backgrounds and professional work, but they are perceived by the various constituent groups at the universities as representing those respective groups. The tensions this creates could be ameliorated somewhat if the broader university community had a better understanding of the roles and responsibilities of boards and board members.

Higher Education Coordinating Commission, Council of Presidents and Statewide Responsibilities

There are several concerns among governing board leaders, presidents, and many stakeholder groups surrounding the role and responsibilities of HECC. Although some would like HECC to assert a stronger role in state higher education policy, there is an overall concern about its effectiveness, confusion about the extent of its authority, different opinions about how it should involve stakeholders, questions about its commitment as an advocate for higher education, and unease about its relationships to the boards of trustees and whether its policy decisions are beginning to infringe on board governance.

HECC appears to be proud of its mission, vision and values and transparent about its statutory authority and its several mandated responsibilities, as evidenced on its extensive website. Nevertheless, no matter how precisely written its enabling statute may be regarding where its authority begins and ends, increasing disharmony appears to be occurring between HECC and the universities. As one institutional leader said, "HECC sees us as just another stakeholder group rather than partners. We were happy to provide feedback on the Strategic Roadmap, but it would have been better to have our input at the beginning of the planning process given our extensive experience as the actual providers of education."

On the other hand, it is not clear that institutional leaders acknowledge the universities' (and their boards') recognition of statewide, public interest responsibilities. The Council of Presidents and its affiliated subgroups of institutional officers appear to provide an excellent vehicle for the universities to demonstrate their commitment to resolving issues among the seven universities, as well as for pursuing collaborative activities and statewide opportunities beyond the university sector. The extent to which such opportunities have been considered by the Council—separately or under the auspices of HECC—is not clear. There are some examples where the universities have collaborated through OCOP (health care for part-time faculty), but many more opportunities likely exist.

Board Committee Opportunities

Board committees represent an excellent means to engage more stakeholders in the governance process. But unfortunately, board committees are being underutilized, resulting

in missed opportunities for faculty, staff, and students to gain more access to, and have an impact on, the work of boards.

There is less formality, and there are more opportunities to dig deeper into key issues in committee meetings than there are in full board meetings. There are also many ways to involve those who are not voting board members. They could be invited as regular members of the committee, without a vote, because of their expertise on committee topics. They could also be invited occasionally because of their expertise on the specific topic under discussion.

Committee meetings are open public meetings, but they do not appear to be used effectively in communicating and involving faculty, staff, and students about the important work of the board. These stakeholder groups would get a better sense of how various issues are debated and might come to a better understanding that boards are asking challenging questions, and not doing whatever the administration requests, if they attended or participated in committee meetings.

Board Secretaries⁴

Senate Bill 854 raised the question as to whether it is detrimental to Oregon's universities for the board secretaries to be members of the university administrative staff. It is a best practice for board secretaries (often called board professionals) to be members of the university's administrative staff. They should work in partnership with the president and the board and serve as the primary liaison, planner, and staffer to the governing board. In earlier decades, most nonprofit boards filled this role with a member of the board. With increased scale and scope of responsibilities, the board secretary position changed to a professional staff member rather than a volunteer member of the board.

Core responsibilities of the board secretary are to plan and execute the business of the board with duties such as setting agendas, preparing recommendations, organizing meeting logistics, staffing committee meetings, planning engagements with the university community, and preparing ceremonial resolutions. They also promulgate and record board actions by preparing minutes and managing storage and retrieval systems for board documents and actions.

The board secretary is the central actor in providing information to the board and the primary point of contact for board members seeking additional information and for members of the university community seeking information or participation from the board. Much of the work is behind-the-scenes and requires deep knowledge of governance and of the programs and policies of the university.

A governing board is an independent body that must be viewed, and viewed by itself, as an entity separate from the university administration for all the reasons inherent in autonomous

⁴ More detailed information about the role of the board professional and best practices regarding how board professionals support the governing board can be found in: "*The Role of the Board Professional*" by Charlene K. Reed, in the *AGB Board Essentials Series*, published by AGB Press in 2017.

board governance, for the division of policy from administration, and to hold those accountable for the day-to-day running of the institution. This, however, does not imply that those who work for the board and the president—particularly the secretary to the board or the university legal counsel—are conflicted. Their responsibility is first and foremost to the board as the legal embodiment of the university.

Costs of Decentralization

While not mentioned often, there were concerns expressed about the costs of dissolving the Oregon University System and transferring significant responsibilities to the institutions. This decentralization does not appear to have created issues for the larger institutions, but, in some ways, it has burdened the smaller institutions with the need to employ additional administrators to do what used to be done for them by the system. There is a shared services organization (the University Shared Services Enterprise) that includes all seven universities, and which appears to provide important functions for common back-office operations. Nevertheless, further exploration, especially by the smaller universities, of the value of developing additional shared services would be productive.

Inventory of Board Outreach and Engagement Practices

Throughout the process of gathering information, there were multiple references to ways that boards provide access and work to build relationships between the board and various stakeholders. Attachment B is a merged list of all such activities across all seven institutions. All the universities have implemented a significant number of these activities, and, with this master list in hand, the consultants are confident that they will consider and add new approaches as they learn about what their colleagues are doing.

Funding for Higher Education in Oregon

Statements about the history and status of funding for higher education in Oregon were mentioned often in the interviews and referenced occasionally in the virtual meetings and emailed comments. There was a general sense that funding issues are at the center of some of the concerns expressed. In other words, it may be inadequate funding as much as governance that is driving some perceptions about board effectiveness. As one interviewee put it: “A lack of resources is Oregon’s biggest problem.”

Some facts⁵ worthy of consideration in this regard are:

- General operating appropriations for higher education in Oregon have decreased 13.6% per FTE from \$8,567 in 2001 to \$7,404 in 2020.
- Oregon ranks 40th nationally for appropriations per FTE for all public four-year universities; the national average is \$8,636 and the Oregon average is \$5,582.
- Tuition revenue exceeds taxpayer support in Oregon. Oregon higher education received \$1.2 billion in state and local appropriations, and \$1.3 billion in tuition revenue.

⁵ These financial figures are from *State Higher Education Finance FY 2020*, issued by the State Higher Education Executive Officers Association.

- Oregon had an above the national average student share of institutional revenues in 2020. Oregon's two-year student share was 22%; the state's four-year student share was 70%.

Recommendations

For Governing Boards and Universities

The following policies and practices are recommended for all seven Oregon university governing boards. They are offered to enable the boards to become increasingly effective in serving all the stakeholders of the universities, especially their students and the citizens of Oregon. Several of these recommendations are already embedded in board bylaws and in the regular practices of the governing boards. Some are more recent or still emerging policies and practices. Others were suggested during the interviews and in the virtual listening sessions conducted by the consultants, some were provided in the written comments, and still others are derived from the principles of trusteeship and best practices developed by AGB over the past several decades. The recommendations are numbered for ease of reference; they are not in priority order.

1. One of the primary goals of each board should be deliberate efforts to build a positive board culture that sustains itself as members rotate off the board and new members join. If not already in existence, each board should create a Governance Committee or add governance responsibilities to the charge of an existing committee. The Governance Committee should be constantly scanning for best practices and should oversee regular board assessments.
2. Each university should develop enhanced institutional orientation for new board members and create more opportunities for continuing board education for longer-serving members. Opportunities to meet with members of the general student body in addition to meeting with student government leaders is one way to enhance orientation. Another would be to schedule a session with union representatives in the spirit of a “getting to know you” meeting, but which would not deal with negotiating or contract issues. As part of the on-boarding process for new members, a senior member of the board should be assigned as a mentor for a specified period—perhaps the first year.
3. Each board should make a regular practice of scheduling “learning sessions” as part of the board meeting agenda. These sessions are opportunities for the board to become more deeply informed about issues of strategic importance to the board, the university, and the faculty, staff, and students. The sessions should be designed for more extensive dialogue and understanding and would not be accompanied by any formal action items. Tours, meetings, and other campus experiences that provide for informal interaction around the topics of the learning sessions should be included as part of the meeting.

4. Each university should conduct periodic education programs for faculty, staff, and student groups on the fiduciary duties and fundamental roles and responsibilities of its governing board. This should include information about what is included in the board bylaws and policies. It should also include discussion about what belongs to the board, what belongs to the university administration (because of delegated authority), and what belongs to the various shared governance groups. The shared governance responsibilities for all parties (board, president, administration, and faculty, staff, and student governance groups) should be addressed. Participation by board members in these programs would enhance the experience for the stakeholders.
5. Boards should signal openness and respect for the voices of internal stakeholders (faculty, staff, and students). This could be accomplished in a variety of ways: scheduled formal engagements during board meetings; scheduled informal time such as coffee hours and lunches; and invitations to faculty, staff, and students to serve on board committees or institutional task forces when their participation would be beneficial. The inventory provided as Attachment B provides numerous examples of such opportunities for genuine engagement.
6. Governing boards should have opportunities to learn about and gain understanding of statewide higher education policy and take ownership of statewide needs and priorities in the context of their institution's mission and strategic planning.
7. Boards should be systematic about assessing their governance practices and their progress on implementing best practices. An annual board self-assessment should be conducted to determine commitment to best practices and alignment between university priorities and board practices. AGB has free guidance and templates for these types of assessments. Equally important to the assessment process, is a board discussion of the results in a retreat setting where weaknesses are identified and action plans to correct them are developed.
8. Boards should develop systematic processes for responding to comments provided in the public comment portion of the board agenda. Feedback should assign any resolution to the appropriate university office rather than reinforce the misplaced idea that all problems should be resolved by the board. The board needs to know about issues and communicate interest, but it should also work to build an understanding that the day-to-day work of the institution has been delegated to the president and his or her administration.

9. The board chairs of the university governing boards should meet regularly throughout the year. This could occur under the auspices of the Council of Presidents (perhaps twice a year) and also during an annual statewide trusteeship program (recommended below). It is clear that presidents, board secretaries, and other university officers benefit from meetings including all seven universities, and the same opportunity should be available to board chairs.
10. Universities should review the Inventory of Board Outreach and Engagement Practices provided in this report and implement any ideas that supplement and expand their existing practices for building relationships between the board members and members of the university community.
11. Evidence suggests that recently created presidential search committees at Western Oregon, Southern Oregon, and Oregon State Universities have been broad-based. Going forward, all university governing boards should ensure that such committees include members of the faculty, nonfaculty staff, and the enrolled student body, as was prescribed in S.B. 854. Doing so may help preclude the high profile, failed searches that dominated the news and which still resonate with many on the affected campuses.
12. Board policies and processes that advance names to the Governor for the public at-large positions on the board should be explicit and transparent. Matrices or other similar means should be employed to identify skill sets, relevant experiences, prior relationships to the institution, under-represented groups, etc., that the board deems necessary to sustain its effectiveness. Likewise, policies and processes that advance names to the Governor for the faculty, staff, and student positions should be explicit and transparent, including the specific roles of the constituent governance groups in providing names to the board for these three positions. Policies and processes should include needed clarity on the designated staff position to address the issue of balancing or alternating classified and non-classified staff nominations; clarity for those universities with significant numbers of graduate students for considering names of graduate students for the designated student position; and clarity for those universities with teaching and non-teaching faculty to address the issue of balancing or alternating nominations for the designated faculty position.

For State Government and State Higher Education Leaders

1. The Governor's Office should ensure that board selection criteria are transparent and publicly available for all board positions across all institutions, including the faculty, staff, and student positions. Board matrices that document the range of skill sets currently on a board and those that are needed for future members should be a welcome part of the selection process. Gender, racial and ethnic diversity, and geographical and economic diversity should be a stated goal for the board of each university.
2. Oregon's elected leaders should seriously consider creating a non-partisan trustee selection screening committee. This would sustain the quality of appointments to the university boards of trustees, ensure board diversity, and ensure that statewide politics do not intrude on the process in future years. Such a committee, receiving and reviewing all suggested nominations and employing merit criteria prior to recommending candidates to the Governor, could be created by executive order but is best created permanently in state statute.
3. With or without a trustee selection screening committee, there is a need for publicly stated confirmation criteria to use in the Senate confirmation process. These confirmation criteria should be created by the Senate Education Committee.
4. A statewide orientation and education program should be conducted annually under the auspices of the Governor's Office. In addition to the Governor, members of the Legislature should be invited panelists and outside experts on trusteeship and governance should be included. The State should consider if participation should be mandatory for new board appointees. Sitting board members could be required to attend, if not annually, then once in a two- or three-year period. This annual convening could also include sessions on statewide challenges, opportunities, and significant policy issues on which the higher education community could provide valuable perspectives. As one participant put it, "Information and dialogue are our friends."
5. The HECC executive director and senior staff and chair of the commission should seek enhanced opportunities to meet regularly and informally with the university presidents and the boards of trustees. The purposes of such meetings should be an open exchange of ideas among leaders and ways to seek clarity on any impending HECC initiative, study, or statewide plans and goals.

6. HECC's responsibility as a convener of leaders and experts to devise solutions to the state's educational challenges, such as efforts on Oregon's educational attainment goals, cannot be underestimated or dismissed. The necessity to overcome barriers facing today's students requires HECC's collaborative, systemic approach that spans the State's higher education's sectors. But as a strategy for tackling future critical issues, HECC might consider the advantages of having a college or university assume or be assigned as the lead institution, with HECC becoming an equal partner with the participating colleges and universities. Likewise, the Legislature should not overburden HECC with new mandated studies or activities. It's admirable that HECC has the Legislature's confidence, but the Council of Presidents or an ad hoc group of university and community college leaders (including board members) could assume responsibility for specific assignments and would likely welcome the opportunity to demonstrate leadership on postsecondary issues of key statewide significance.
7. Before HECC crafts its next statewide strategic plan, it should review its planning process to see what improvements can be made. Greater university buy-in at the beginning stages of the process might be attainable by being more attentive to the views and opinions of governing board and executive leaders, with special attention to the potential contributions from institutions of varied institutional missions, which include research and service as well as teaching. HECC also needs to ask to what extent the goals of its statewide plan inform institutional strategic planning, such that the universities seek to align elements of their own plans with it and thus contribute to the plan's statewide goals.

Conclusion

As noted in this report, there is strong agreement among university leaders, faculty and staff that the State made the correct decision when the Oregon University System was discontinued, and governance authority was transferred to institutional boards of trustees. In doing so, Oregon joined seventeen other states with similar university-based governance structures.

The seven boards are still relatively new, and they are developing on different schedules. It is not surprising that they are all not evolving at the same pace. The boards of the largest universities have more experience with governance due to their histories but also, in part, due to the fact that they were established earlier in the transition from a state system to individual boards. By all accounts, the appointments to the boards have been first-rate. As Oregon becomes ever more wedded to the concept of local, institutional governance it is vitally important that the quality of the boards continue. More than one interviewee stated that if the boards' authority is diminished in any substantive way, it will become much harder to find quality candidates willing to serve. At all institutions, a positive board culture is evident, and boards are working hard to improve and sustain their culture as new members join the boards and retiring members rotate off.

The consultants acknowledge the several critical observations and opinions expressed by individuals in the interviews, written comments, and virtual office hours. Some individuals are dismayed over the residual effects of recent retrenchment and others are angry over a perceived lack of board transparency. Others feel they have limited access to the board and are concerned that their voices are not heard by the board or the administration, or if heard, not taken seriously. Many of these individuals were supportive of the governance changes contained in S.B. 854. Whether this is accurate or not, one faculty member stated, "The board has a sense of stewardship but not a sense of partnership." Stewardship is an essential part of the board's fiduciary duties but building a sense of collaboration and partnership on behalf of the institution's mission and priorities enhances the stewardship.

Senate Bill 854 caught the attention of the governing boards, presidents and other administrators of the seven universities and as a result, it is apparent that improved and regularized practices are occurring, and that further improvements and adoption of best practices will be made in the future. As is made clear in this report, shared governance is not well understood by many of those interviewed. Although there can be overlap in areas such as morale and working conditions, confusion exists about what properly belongs to shared governance organizations and what belongs in the category of union members' concerns. In part, this is likely due to the recent unionization of campus faculties at some of the universities. Nevertheless, going forward, it will be particularly important that the voices of faculty, staff and students are heard, respected and acknowledged, be those voices from shared governance organizations or from union members. Several issues that students and employees wish to bring before the board are honest concerns, ideas, and suggestions about the health or future of the university and bear listening to.

Boards need space to discuss, debate, and disagree, collect input and examine data, make and learn from mistakes, and self-evaluate their performance in order to make course corrections. The consultants are confident that the performance of all seven boards will improve as a result of the discussions, actions, and self-reflections prompted by the introduction of S.B. 854 and from the observations and recommendations of this report.

Attachment A



June 17, 2021

Dear Senator Frederick:

The volunteer trustees at Oregon's public universities are committed to effective, transparent governance. Each of the public universities' Boards of Trustees has adopted a set of practices and bylaws to optimally meet their legal responsibilities as fiduciaries. The procedures are specific to each board and aligned to the unique needs of the institution they serve. They are not static. Boards across the state are regularly engaged in self-examination and seek to adopt policies informed by the best practices advanced by national experts and the expectations of their university and community.

The boards and institutions welcome opportunities to collaborate with the legislature on best practices over the coming months. In lieu of the passage of SB 854, and in anticipation of future collaborative work, the leadership of each of the boards commits to continuing or implementing the following actions effective immediately and pending the outcome of the interim study:

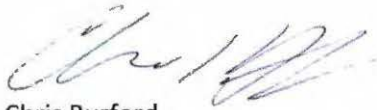
- Setting aside specific time at all regularly scheduled meetings of the full Board of Trustees for live comments, either in person or remote, depending on the structure of the meeting;
- Allowing a representative from official student, faculty and non-faculty governance organizations to provide comment or report to the full board at regular board meetings.
- Allowing a representative from official campus labor organizations to provide comment or report to the full board at regular board meetings upon request.
- Inclusion of at least one member of each of the faculty, the non-faculty staff, and the student body on presidential search committees.
- Providing all trustees with institutional e-mail addresses and posting them to the universities' websites immediately.
- Engaging in a collaborative review of best practices for institutional boards related to transparency and access, including review of the provisions in SB 854. The review will include institutional representatives, faculty/staff representatives, Higher Education Coordinating Commission designee(s), student representatives, and legislative designees and be completed no later than January, 2022.

Thank you for your commitment to Oregon's public universities.

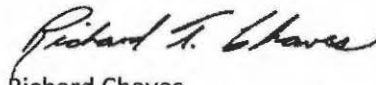
Sincerely,

June 17, 2021

Page 2



Chris Burford
Board Secretary
Eastern Oregon University



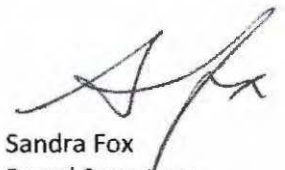
Richard Chaves
Board Chair
Eastern Oregon University



Cindy Starke
Board Secretary
Portland State University



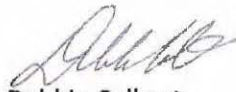
Gregory Hinckley
Board Chair
Portland State University



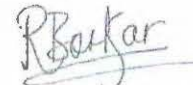
Sandra Fox
Board Secretary
Oregon Institute of Technology



Jessica Gomez
Board Chair
Oregon Institute of Technology



Debbie Colbert
Board Secretary
Oregon State University



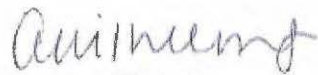
Rani Borkar
Board Chair
Oregon State University



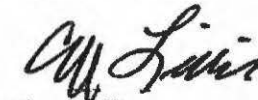
Sabrina Prudhomme
Board Secretary
Southern Oregon University



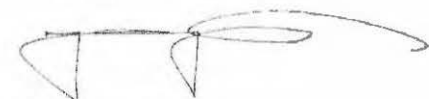
Paul Nicholson
Board Chair
Southern Oregon University



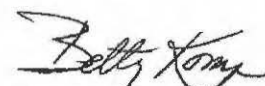
Angela Wilhelms
Board Secretary
University of Oregon



Chuck Lillis
Board Chair
University of Oregon



Ryan Hagemann
Board Secretary
Western Oregon University



Hon. Betty Komp
Board Chair
Western Oregon University

Attachment B

Inventory of Board Outreach and Engagement Practices

Associated with Regular Board Meetings

- Public notice, together with the agenda and meeting materials is posted on the board website, and an email notice with links to the agenda and meeting materials is sent to the university community.
- Standing agenda items include:
 1. Public Comments (comments are accepted in a designated part of the agenda early in the day and throughout the meeting in response to specific agenda items).
 2. Shared Governance Leader Reports (written reports are invited from the shared governance leaders and included in the meeting materials; shared governance leaders have time on the agenda to address the board, and trustees are invited to ask questions or provide comments about the shared governance reports. Shared governance leaders include faculty senate, staff senate and student government).
- A press release is sent to local media advising them of the meeting and the major topics.
- All board meetings are livestreamed.
- Board meetings provide opportunities, in addition to the meeting itself, to engage with members of the campus community through targeted tours, hands-on demonstrations, and experiential learning with groups and academic programs as a way to share the details of their work.
- Receptions and dinners for trustees, faculty, staff, and students are held when board members are on campus for meetings.
- The spring board meeting is scheduled at the same time as an annual Spring Symposium where students present their capstone work, so trustees can engage directly with students and faculty.
- The Board Office co-hosts, with different colleges, dinners, and related events with faculty and students around topical themes related to research, teaching, and engagement.
- Board meetings provide informal opportunities for board members to interact with students, staff, and faculty members including:
 1. Student lunches or breakfasts in which an invitation is sent to the entire campus community; space is limited so attendees are selected on a first come, first served basis.
 2. Faculty lunches or breakfasts in which an invitation is sent to the entire faculty; space is limited so attendees are selected on a first come, first served basis.
- A representative of HECC is invited to each board meeting.

- Occasionally, political leaders are invited to present to the board and engage in dialogue with them.
- Upon request, the labor organizations can address the board.
- A coffee “meet and greet” opportunity is provided prior to each meeting with opportunities for interested parties to interact directly with board members.

Associated with Regular Committee Meetings

- Public comment (both written and oral) is invited.
- A notice with links to the agendas and meeting materials is sent to the university community.

Associated with Board Retreats

- Retreats are held in locations throughout the State in order to engage with local leaders, learn about local concerns, and engage in dialogue about how the university can best serve the region.
- A community reception is held with invitations sent to alumni, donors, and key business, political and education leaders. A press release is sent to the general public inviting their attendance.
- Tours of local businesses and educational facilities are scheduled.
- Meeting agendas include panel discussions with local leaders.
- Shared governance leaders are invited to attend the full retreat, including meals and associated activities.
- Deans of the colleges are invited to attend the full retreat, including meals and associated activities.
- Public comment is invited as a specific agenda item.
- Remote and in-person attendance by the general public is invited.
- A press release is sent to local media advising of the meeting and the major topics.

Other

- Ad hoc listening sessions are conducted by the board periodically; small groups of campus trustees hold open forum listening sessions for students, faculty, and staff.
- Student, staff, and faculty trustees hold office hours on a regular basis to provide opportunities for the campus community to engage with them. Individuals are invited to sign up and the board secretary's office facilitates these meetings with trustees.
- The board secretary regularly schedules one-to-one meetings with campus trustees upon request.
- Special events are scheduled for student engagement, such as coffee hours and dinners with student government leaders.
- Trustees engage in TRU Lobby Day and also have other engagement with the Legislature around specific issues.
- Trustees participate in Convocation for the opening of the academic year and in Commencement.
- Trustees are invited and participate in campus events such as groundbreaking ceremonies and ribbon-cutting ceremonies for new buildings. They participate in programs and social activities associated with these events.
- Trustees are invited and attend athletics events.
- The Board website contains a great deal of public information about the board, the individual trustees, and the work of the board, including agendas and materials from all board and committee meetings.
- Board members' emails are publicly accessible.
- An email address for the board has been established for comments to come directly to the full board. Messages are considered at a weekly board leadership call.
- Input is required from university stakeholders, including but not limited to shared governance bodies, for comprehensive (as opposed to annual) presidential performance evaluations.
- Trustees hosted listening sessions with campus constituents to seek feedback about the qualities the next president should possess, what opportunities and challenges they might face, and what priorities the next president should focus on.

Carol A. Cartwright is President Emeritus of Kent State University and Bowling Green State University and a Senior Fellow and Senior Consultant with the Association of Governing Boards of Universities and Colleges. A highly respected voice in higher education, her career has been distinguished by innovative teaching, pioneering research, and national leadership. Dr. Cartwright was president of Bowling Green State University from 2008 to 2011. Her retirement in 2011 marked a 45-year career in higher education. From 1991 to 2006, she served as president of Kent State University, a role which earned her the distinction of the first female president of a state college or university in Ohio. Prior to Kent State, she was vice chancellor for academic affairs at the University of California-Davis, and dean for undergraduate programs and vice provost of The Pennsylvania State University. She was a faculty member at Penn State from 1967 to 1988 and led a variety of research projects and authored numerous books, professional publications, and technical reports. Dr. Cartwright served higher education as a board member for several national higher education associations and as a long-time member of the Knight Commission on Intercollegiate Athletics. She is a trustee and chair of the Governance Committee of Heidelberg University in Tiffin, Ohio.

Richard Novak is a senior fellow and consultant with the Association of Governing Boards of Universities and Colleges helping to advance the association's interests and member needs in state and federal education policy and board education. He concluded his 21-years as a full-time AGB staff member serving as the Senior Vice President for Programs and Research and of the Ingram Center for Public Trusteeship and Governance. As such, Rich directed or co-directed studies in several states, led several initiatives on the effectiveness of public college and university governing boards, advocated for the reform of public board member selection practices, and oversaw the association's programs and research for both public and private members. He has led or co-led several dozen board workshops, statewide board education programs, leadership institutes, and consulting assignments in public governance. Prior to AGB, he was on the staff of the American Association of State Colleges and Universities.