

This document shows a clean version of the proposed Resolution and Board Statements sent by Ryan Hagemann on February 10, 2015, including all of the changes proposed by Chris Burford, John Knutson-Martin, and DeAnna Timmerman.

**Board Resolution Number 1
Shared Governance at Eastern Oregon University**

The Board of Trustees (“Board”) concludes as follows:

1. Recitals.

- a. The establishment of a separate, institutional governing board for Eastern Oregon University (“University” or “EOU”) is a profound opportunity for the success of students.
- b. The authority of the Board and President may be informed and improved by the purposeful engagement with the University’s stakeholders—including its faculty, staff, and students.
- c. The concept of shared governance in an academic environment is expected and appreciated.
- d. The Board is much closer to the affairs of the University than previous governing boards.
- e. A statement affirming the principles of shared governance is a critical step in the success of the University, building trust among University stakeholders and demonstrating a commitment to open deliberation and decision-making.

2. Principles and Values.

The Board is committed to shared governance in the academic environment and embraces the following principles and values to guide the effective and efficient governance and administration of the University:

- a. Frank communication
- b. Open deliberation and decision-making
- c. Consistent reflection upon the University’s mission statement and strategic plan.
- d. Recognition by all University stakeholders of roles and their responsibilities in the efficient governance and administration of the University.
- e. Mutual trust and respect among all University stakeholders.

3. Definition.

Shared governance is defined as appropriately shared responsibility and cooperative action among the Board, President, administrators, faculty, staff and students and, as applicable, their duly-

constituted representative bodies, intended to foster constructive and collaborative thought and action within the institutional structure in service of the University's mission.

4. Roles, Responsibilities and Representation.

a. Board

The Board is vested with the ultimate authority to manage the affairs of the University under Oregon law and applicable Board Statements and actions, including, the Board Statement on Delegation of Authority. The Board should receive and consider input and advice from University stakeholders, as articulated in this resolution, either through the President or directly to the Board through processes and channels established by the Board.

The Board, in its Bylaws and Board Statement on Committees, authorizes the creation of ad hoc committees to address specific topics from time to time. As appropriate, duly-elected or appointed representatives of the University Council, Faculty Senate, and/or Associated Students of Eastern Oregon University (ASEOU) will be asked to participate in these ad hoc committees to provide their expertise and perspective.

b. President, Officers, and Administrators

The President, as the University's chief executive officer and president of the faculty, is responsible for directing the affairs of the University, provided the President's actions are consistent with law and Statements and actions of the Board, including the Board Statement on Delegation of Authority. The President, officers, and administrators have as a primary responsibility the duty to promote collaboration and to encourage faculty and staff in the performance of their duties related to teaching, learning, student and institutional support, professional development, scholarly work and research, and community service.

The President has primary responsibility for communicating with and making recommendations to the Board. The Board expects the President, as appropriate, to provide meaningful opportunity for duly-elected or appointed representatives of the University Council, Faculty Senate, and/or ASEOU, to offer input and advice on the President's recommendations. This includes, but is not limited to the President's recommendations concerning the University's budget, tuition and fee schedule, strategic plan, and mission statement.

The President also has primary authority for the approval of University policies that define the expectations or requirements for University units and functions, as outlined in the Board Statement on Policies. The Board expects duly-elected or appointed representatives of University Council, Faculty Senate, and ASEOU to propose and offer input and advice on University policy.

c. Constitution

The President, University Council and Faculty Senate are authorized to formulate a statement of internal governance expressed as a constitution. This constitution will be ratified as the official statement of internal governance for the University by the relevant institutional bodies and the

President. All statements of internal governance will be consistent with State of Oregon governing statutes and Board actions.

d. University Council

University Council is the internal representative body of the full university community. The Board reaffirms the University Council's role in the development and approval of University-wide policies, consistent with Oregon law and the Board Statement on Delegation of Authority. This includes, but is not limited to, responsibility, in conjunction with the President, to accept, consider, and act upon recommendations from standing committees of the University in areas of (i) diversity, (ii) budget and long range planning, (iii) student activities, (iv) intercollegiate athletics, and (v) financial aid policies. The President is authorized to veto any decision of the University Council. Such vetoes will be communicated to the University Council when they occur.

In order to set forth its internal processes for participating in shared governance, the University Council is authorized, consistent with law and the Statements and actions of the Board, to formulate a statement of internal governance expressed as bylaws. The University Council bylaws must be consistent with applicable law and the Statements and actions of the Board.

e. Faculty Senate

The Board reaffirms the faculty's central role in the development and stewardship of the University's academic mission, consistent with Oregon law and the Board Statement on Delegation of Authority. This includes, but is not limited to, responsibility, in conjunction with the President and the Provost, for (i) academic standards relating to admission to study at the University, (ii) curriculum, curricular materials, methods of instruction, grading, credits, and academic standards of the University, (iii) standards of student competence in a discipline, and (iv) developing faculty evaluation and tenure and promotion policies. The Board also expects that the faculty will have substantial participation and input into the development of new academic degree programs and significant changes to academic degree programs before they reach the Board for consideration and approval and, as appropriate, transmission to the Higher Education Coordinating Commission for approval.

The Board recognizes the Faculty Senate as the internal representative body of the faculty. In order to set forth its internal processes for participating in shared governance, the Faculty Senate is authorized, consistent with law and the Statements and actions of the Board, to formulate a statement of internal governance expressed as Faculty Senate bylaws. These bylaws must be consistent with applicable law and the Statements and actions of the Board and are subject to approval by the President in his or her role as president of the faculty. The President presides over the faculty and is authorized to veto any decision of the Faculty Senate. Such vetoes will be communicated to the Faculty Senate when they occur. Notwithstanding the President's statutory role as the president of the faculty, the Faculty Senate Bylaws may provide for a member of the faculty to serve as the Faculty Senate's president. The Faculty Senate Bylaws are subject to approval by the Board after notice to and consultation with the President and the Faculty Senate.

f. Associated Students of Eastern Oregon University

The Board recognizes the ASEOU as the student government for the University. In order to set forth its internal processes for participating in shared governance, the ASEOU is authorized, consistent

with law and the Statements and actions of the Board, to formulate a statement of internal governance expressed as a constitution or in another appropriate format. The statement of internal governance must be consistent with applicable law and the Statements and actions of the Board.

5. Communication.

a. The Board will, consistent with its Board Statement on the Conduct of Public Meetings, reserve specific time for one duly-elected representative from each of the University Council, Faculty Senate, and ASEOU to address the Board on any matter of concern facing the faculty, staff, or students respectively.

b. As appropriate, the Board will include duly-elected representatives of the University Council, Faculty Senate, and/or ASEOU in any work retreat by the Board.

c. The Board expects the University's President to meet with the duly-elected chair or president of the University Council, Faculty Senate, and ASEOU regularly, but preferably at least monthly, to ensure open communication and prompt discussion and consideration of matters of concern.

6. Performance Evaluation.

In evaluating the job performance of the President, the Board will consider the President's commitment to shared governance as described in this Board resolution and seek and obtain the input from the duly-elected members of the Faculty Senate, University Council, and ASEOU.

Board Statement Number 4 Statement on Policies

1.0 Preamble

Consistent with authority of the Board to manage the affairs of the University and, in recognition of its fiduciary obligations, the Board identifies the following categories of authority and the principles and processes governing the development of statements of authority, including bylaws, committee charters, board statements, board resolutions, university policies, university procedures, handbooks, and manuals.

2.0 Categories of Authority

2.1 Bylaws. Board Bylaws outline the essential elements necessary for the Board's constitution and operation, including, but not limited to Board officers, meeting agendas, and certain legal obligations.

2.2 Committee Charters. Committee charters identify the duties and scope of authority for the Board's committees, both standing and ad hoc and must be consistent with the Board's Bylaws, Board Statement on Committees, and other Board actions. These charters may only be promulgated, amended, or repealed by a majority vote of the Board. Board committees, from time to time, may suggest changes to the committee charters for Board action.

2.3 Board Statements and Resolutions. Board Statements are broad, strategic statements communicating the Board's expectations. As opposed to University Policies or Procedures, which could communicate delegated, operational or transactional authority or procedures, Board Statements communicate the fundamental strategic, fiduciary, and structural expectations of the Board. While the Board's committees and the President play a role in the development and recommendation of Board Statements, such Statements may only be promulgated, amended or repealed by a majority vote of the Board. Pursuant to ORS 352.107, the Board may authorize a Board Statement to have the force of law. Board Resolutions are also reserved for broad, strategic statements, but may be used in specific circumstances, including statements that need to be reaffirmed periodically by the Board or for actions authorizing the sale of bonds. Board Statements and Resolutions must be consistent with the Board's Bylaws and federal and state law.

2.4 University Policies. University Policies describe the exercise of authority delegated to the President by the Board. University Policies typically communicate broad, strategic initiatives and expectations regarding the University's affairs. University Policies must be consistent with Board Statements and Resolutions and federal and state law. In any event where a University Policy is inconsistent with a Board Statement or Resolution, the Board Statement or Resolution shall prevail.

2.5 University Procedures. University Procedures, which likely work in concert with one or more University Policies, communicate the day-to-day steps or processes necessary for the effective and efficient accomplishment of University Policies. University Procedures must be consistent with Board Statements and Resolutions, University Policies, and other actions, as well as federal and state law. Where a University Procedure is inconsistent with a Board Statement, Resolution, University Policy or other Board action the Board Statement, Resolution, Policy, or action prevails.

2.6 Handbooks and Manuals. Handbooks and Manuals exist throughout the University and typically communicate desktop procedures or expectations for a University department, unit, or functional area. Handbooks and Manuals must be consistent with Board Statements, Resolutions, and other actions, and University Policies and Procedures. Where a Handbook or Manual is inconsistent with a Board Statement, Resolution, or action, or University Policy or Procedure, the Statement, Resolution, action, Policy, or Procedure will prevail.

3.0 [Reserved for future section on “Procedures for Proposing, Reviewing, Revising and Promulgating Policies”]

4.0 Format

4.1 All categories of authority will be presented substantially in the same format. The official copy of the authority will be found on the Board’s website and the University’s policy website, with an official paper in the Board’s office.

4.2 Technical changes to the organizational system, titles of authorities, indexing of authorities, or any other administrative change necessary to maintain an accessible and efficient policy function that does not conflict with this Board Statement may be accomplished after notice to the Board Chair.

Board Statement Number 5
Statement on Ethics and Conflict of Interest

1.0 Purposes of Board Statement

The University Board of Trustees is committed to the ethical exercise of its authority and discharge of its fiduciary duties, both for the University community and the State of Oregon. While this Board Statement does not contain an exhaustive discussion of Trustee ethics and conflict of interests, the purposes of this Statement are to: (a) generally inform the Board of Trustees about the ethical duties of a Trustee; and (b) generally inform the Board of Trustees about the Oregon Government Ethics Law and other laws that address conflicts of interest. Each individual Trustee is personally responsible for complying with the law applicable to ethical conduct and conflict of interest.

The University shall cause the Trustees to be informed on an annual basis (more often if the law changes) about applicable state and federal law regarding ethics and conflicts of interest so as to maximize the ability of the Trustees generally and each Trustee specifically to avoid ethical breaches and unwise or impermissible conflicts of interest.

2.0 General Ethical Duties of a Trustee

2.1 Trustees are volunteers and serve without salary. Service as a Trustee is a public trust. A Trustee is expected to perform his or her duties faithfully and efficiently.

2.2 A Trustee is a fiduciary. A Trustee has duties to the institution and its beneficiaries that few if any employees, students, and volunteers have. Trustees bring to their task varied backgrounds and expertise, but they are expected to put aside parochial interests, keeping the welfare of the entire institution, not just a particular constituency, at all times paramount. Trustees must also recognize that parochial interests and the welfare of a particular constituency could be irreconcilable with the welfare of the entire institution generally. Acting upon parochial interests or for the welfare of a particular constituency could impede the Trustee's ability to discharge his or her fiduciary duty to the entire institution.

2.3 The fiduciary duties of a Trustee include the duties of care, loyalty and obedience.

2.3.1 Duty of Care. A Trustee must act in good faith, using a degree of diligence, care, and skill that prudent persons would use under similar circumstances and must act in a manner that he or she reasonably believes to be in the institution's best interests. In discharging his or her duties, a Trustee is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by or under the direction of: (a) One or more officers of the institution whom the Trustee reasonably believes to be reliable and competent in the matters presented; (b) Legal counsel, public accountants or other persons retained by the institution to speak to matters that the Trustee reasonably believes are within the person's professional or expert competence; (c) A committee of the Board of which the Trustee is not a member, as to matters within its jurisdiction, if the Trustee reasonably believes the committee merits confidence. A Trustee fails to act in good faith if the Trustee has personal knowledge concerning the matter in question that makes reliance unwarranted, even if such reliance would otherwise be permitted by this subsection.

2.3.2 Duty of Loyalty. A Trustee must act in good faith and in a manner that is reasonably believed to be within the scope of the public purposes of the institution rather than in the Trustee's own interests or the interests of another organization or constituency. A Trustee must be loyal to the institution and not use his or her position of authority to obtain, whether directly or indirectly, a benefit for him or herself, his or her relatives or family, or for another organization in which the Trustee has an interest. The duty of loyalty considers both financial interests held by a Trustee and positions a Trustee has with other organizations. A Trustee must maintain independence from stakeholders external to the Board in the conduct of oversight and policy responsibilities.

2.3.3 Duty of Obedience. A Trustee must: (a) ensure that the institution operates in furtherance of its stated purpose; (b) ensure compliance; and (c) ensure effective internal controls.

3.0 Definitions

3.1 The following definitions apply to this Board Statement:

3.1.1. Potential conflict of interest means any action or any decision or recommendation by a person acting in a capacity as a public official, the effect of which could be to the private pecuniary benefit or detriment of the person or the person's relative, or a business with which the person or the person's relative is associated, *unless* the pecuniary benefit or detriment arises out of the following:

- a. An interest or membership in a particular business, industry, occupation or other class required by law as a prerequisite to the holding by the person of the office or position.
- b. Any action in the person's official capacity which would affect to the same degree a class consisting of all inhabitants of the state, or a smaller class consisting of an industry, occupation or other group including one of which or in which the person, or the person's relative or business with which the person or the person's relative is associated, is a member or is engaged.
- c. Membership in or membership on the board of directors of a nonprofit corporation that is tax-exempt under section 501(c) of the Internal Revenue Code

3.1.2. Actual conflict of interest means any action or any decision or recommendation by a person acting in a capacity as a public official, the effect of which would be to the private pecuniary benefit or detriment of the person or the person's relative or any business with which the person or a relative of the person is associated unless the pecuniary benefit or detriment arises out of circumstances described in the definition of potential conflict of interest.

3.1.3. Relative means:

- a. The spouse, parent, stepparent, child, sibling, stepsibling, son-in-law, or daughter-in-law of the Trustee.
- b. The parent, stepparent, child, sibling, stepsibling, son-in-law, or daughter-in-law of the spouse of the Trustee.

- c. Any individual for whom the Trustee has a legal support obligation; or
- d. Any individual for whom the Trustee provides benefits arising from the Trustee's public service or from whom the Trustee receives benefits arising from that individual's employment.

4.0 Overview of the Oregon Government Ethics Law

4.1 In General. ORS Chapter 244 sets forth the minimum standards for ethical conduct of Oregon public officials. Each member of the Board of Trustees is an Oregon public official. The Oregon Government Ethics Commission has issued administrative rules, publications, and advisory and staff opinions interpreting certain provisions of ORS Chapter 244.

4.2 Subjects Covered. ORS Chapter 244 addresses, among other things:

1. Gifts
2. Use or attempted use of an official position to obtain financial gain
3. Honoraria
4. Annual statement of economic interest
5. Lobbying
6. Conflicts of interest, whether actual or potential
7. Nepotism
8. Travel paid by third parties
9. Attendance at events
10. Entertainment
11. Food and beverages
12. Compensation packages
13. Reimbursement of expenses
14. Use of certain confidential information for personal gain

4.3 Relatives. In addition to a Trustee, the Oregon Government Ethics Law may apply to some relatives or members of the household of the Trustee and to certain businesses with which the Trustee or a relative of the Trustee is associated.

4.4 Gifts.

4.4.1 During a calendar year, a Trustee or a relative may not solicit or receive, directly or indirectly, any gift or gifts with an aggregate value in excess of \$50 from any single source that could reasonably be known to have a legislative or administrative interest. During a calendar year, a person who has a legislative or administrative interest may not offer to the Trustee or a relative or member of the household of the Trustee any gift or gifts with an aggregate value in excess of \$50.

4.4.2 "Legislative or administrative interest" means an economic interest, distinct from that of the general public, in any matter subject to the decision or vote of the Trustee acting in the Trustee's capacity as a Trustee.

4.4.3 There are numerous exceptions to the definition of “gift,” the most germane of which are the following:

- a. Gifts from relatives or members of the household of the Trustee.
- b. An unsolicited token or award of appreciation in the form of a plaque, trophy, desk item, wall memento or similar item, with a resale value reasonably expected to be less than \$25.
- c. Informational or program material, publications or subscriptions related to the Trustee's performance of official duties.
- d. Admission provided to or the cost of food or beverage consumed by a Trustee, or a member of the household or staff of the Trustee when accompanying the Trustee, at a reception, meal or meeting held by an organization when the Trustee represents the university.
- e. Expenses provided by one public official to another public official for travel inside the state to or from an event that bears a relationship to the receiving public official's office and at which the official participates in an official capacity.
- f. Food or beverage consumed by a Trustee at a reception where the food or beverage is provided as an incidental part of the reception and no cost is placed on the food or beverage.
- g. Entertainment provided to a Trustee or a relative or member of the household of the Trustee that is incidental to the main purpose of another event.
- h. Entertainment provided to a Trustee or a relative or member of the household of the Trustee where the Trustee is acting in an official capacity while representing the university for a ceremonial purpose.
- i. Anything of economic value offered to or solicited or received by a Trustee, or a relative or member of the household of the Trustee:
 - (A) As part of the usual and customary practice of the person's private business, or the person's employment or position as a volunteer with a private business, corporation, partnership, proprietorship, firm, enterprise, franchise, association, organization, not-for-profit corporation or other legal entity operated for economic value; and
 - (B) That bears no relationship to the Trustee's holding of, or candidacy for, a position on the Board of Trustees or another public office.

4.5 Use of Position for Personal Gain. Trustees may not use or attempt to use their official position to obtain a financial benefit for themselves, relatives, or businesses they are associated with, through opportunities that would not otherwise be available but for the office held.

4.6 Annual Reporting of Economic Interests. On or before April 15 of each year, a Trustee must file with the Oregon Government Ethics Commission a verified statement of economic interest. The University is charged with ensuring that each Trustee receives the proper form from the Commission.

4.7 Use of Certain Confidential Information for Personal Gain. Trustees may have access to or manage information that is confidential and not available to members of the general public. The Oregon Government Ethics Law prohibits Trustees from attempting to use confidential information gained because of the position held or by carrying out assigned duties to further the Trustee's personal gain. The law also prohibits a former Trustee from attempting to use confidential information for personal gain if that confidential information was obtained while holding the position as a Trustee, from which access to the confidential information was obtained.

4.8 ORS 351.067 addresses the process by which the Board of Trustees may permit certain compensation or reimbursement of expenses that would otherwise be prohibited by ORS Chapter 244.

5.0 Conflicts of Interest.

5.1 Generally. Not all conflicts of interest are wrong or unacceptable. Although some categories of conflicts may be prohibited by law, or the law may require that they be disclosed and managed in a particular way, in many cases management of conflicts of interest is not primarily a question of law but of ethics. In some circumstances, conflicts may be inevitable, and the question for a Trustee may be how to manage the conflict. Some considerations can be identified that tend to signal that a conflict should be prohibited or carefully managed. Often this would be the case where, for example, an individual's outside activities or relationships or the institution's own interests entail the actuality or appearance that the quality or objectivity of a Trustee's judgment could be impaired; or that a Trustee is placing personal interest before the institutional interest; or that institutional resources or assets apparently are being used for private gain; or that an individual is receiving something of value from a business where the business would appear to benefit from the individual's decision on behalf of the institution; or that an individual is pursuing an economic opportunity identified in the course of institutional service, where the opportunity is not widely available.

5.2 State law.

5.2.1 The Oregon Government Ethics Law addresses the existence, disclosure, and disposition of certain potential and actual conflicts of interest. The standards set forth in the law attempt to balance the need to avoid conflicts of interest with the need for the services of knowledgeable, experienced public officials. Compliance with state law is required but may be insufficient. Some considerations can be identified that tend to signal that a conflict should be forbidden or carefully managed. Often this would be the case where, for example:

- a. A Trustee's outside activities or relationships or an institution's own interests entail the actuality or appearance that the quality or objectivity of judgment could be impaired
- b. A Trustee is placing personal interest before the institutional interest
- c. Institutional resources or assets apparently are being used for private gain
- d. A Trustee is receiving something of value from a business where the business would appear to benefit from the Trustee's intervention or decision
- e. A Trustee is pursuing an economic opportunity identified in the course of institutional service, where the opportunity is not widely available

5.2.2 ORS 352.076 addresses a conflict of interest inherent in the positions of the faculty trustee and the non-faculty staff trustee. The conflict may be financial or non-financial. The faculty and non-faculty staff trustees (a) may not participate in any discussions or action by the board involving collective bargaining issues that affect faculty or non-faculty staff at the university, and (b) may not attend any executive session of the board involving collective bargaining issues that affect faculty or non-faculty staff at the university. This prohibition may include collective bargaining issues that affect any collective bargaining organization, unit or agreement, not merely a collective bargaining organization or unit that represents the faculty or non-faculty staff trustee or a collective bargaining agreement to which the organization or unit is a party.

5.2.3 Declaration of Potential and Actual Conflicts of Interest under Oregon Law. When met with a potential or an actual conflict of interest, a Trustee is strongly urged:

- a. Potential: Announce publicly the nature of the *potential* conflict prior to taking any action thereon in the capacity of a Trustee; or
- b. Actual: When met with an *actual* conflict of interest, announce publicly the nature of the actual conflict and refrain from participating in any discussion or debate on the issue out of which the actual conflict arises or from voting on the issue.

5.3 Federal law. Federal laws and regulations mandate conflict-of-interest-related requirements in certain areas applicable to universities—such as lobbying of certain federal officials and the receipt of federal funds for financial aid, construction, research and grants and contracts. Trustees should be aware that their activities and interests may be in conflict with the interests and activities of the institution under federally-funded programs and may implicate the government relations activities of the institution.

5.4 Non-financial Interests. The Board of Trustees does not confine its concerns about conflict of interest to financial conflicts but extends its concerns to all kinds of interests that (a) may lead a Trustee to pursue a policy or practice or take a position that is incompatible with the Trustee's fiduciary duties to the institution, or (b) may entail steps by the Trustee to achieve personal gain, or gain for family, friends or associates, by use of the Trustee's role at the institution.

5.5 Trustees should disclose promptly all actual or potential conflicts of interest related to the institution as the conflicts become known to them. To facilitate Trustees' identification of such conflicts, the University is directed to inform the Trustees on an annual basis of applicable state and federal law regarding conflicts of interest so as to maximize the potential for awareness of possible conflicts.

6.0 Compliance

6.1 When a Trustee gives notice of an actual or potential conflict of interest, the Secretary shall record the actual or potential conflict in the official records of the public body.

6.2 Federal law and state law supersede anything in this Statement that is inconsistent or in conflict with such law.