



June 3, 2021

Good afternoon Chair Wagner and members of the Committee:

My name is Sabrina Prud'homme and I am the university board secretary at Southern Oregon University. I appreciate the opportunity to address today about university governance as outlined in the proposed amendment to Senate Bill 854.

My first day of work at SOU was July 1, 2015, the day the transition to independent governing boards for the technical and regional universities like took place. Prior to this, I served in a similar role at the University of Nevada, Las Vegas. Currently, I serve on the advisory council of board professionals with the national Association of Governing Boards for Colleges and Universities (AGB). However, I am most proud that I am an elected director on the Board of Education for the Ashland School district. I hope you can see that I dedicate my professional life and service to Oregonians, upholding effective governance and public ethics, which, like you, I have sworn an oath to uphold. I know my counterparts at the universities, also operate under the highest ethics-- they are not only administrative employees, but we are all officers of our institutions, most holding JD's and PhDs, requiring a strong sense of professional ethics.

I want to share with you today that I take issue with provisions in the proposed bill, but instead of dissecting it piece by piece, I'd like to help you to think about some big-picture considerations of the proposed bill and conditions this bill would create. I'll talk about strategic intent, fiduciary duties, and transparency.

First: University Boards Must be Strategic. These gubernatorial-appointed volunteers spend hundreds of unpaid hours each year to act in the long-term best interests of our universities and the state. Among many other responsibilities, the board secretaries help maintain compliance with laws and policies and act as liaisons between boards and their campus communities--keeping clear the lines between governance and management.

To give you a concrete example of this, over the last year, I served as an equity, diversity, and inclusion (EDI) leader at SOU while jointly serving as the board secretary and a member of the president's executive leadership cabinet. It has been made clear to universities from legislators, from the governor, from our communities, and most importantly, our students, that matters of social justice, racial justice, and EDI must be a top priority on our campuses. Having co-authored SOU's board-approved Cultural Competency Report required by the legislature, **I know how critically important it is for boards to have a professional to help ensure the actions and the will of the board are upheld in the manner in which they are intended.** Trustees are not employees and cannot go around checking to make sure their actions are being enforced -- but board secretaries can. I can float seamlessly between the board, with the trust of students, faculty, and my staff colleagues on campus. I know most of my counterparts at the other six institutions also hold administrative roles that benefit the constituents at

their institutions alike. **Removing this ability to serve our institutions efficiently, and strategically will lead to inefficiencies of human and financial resources (more people, more salaries) as well as impede our boards' abilities to ensure their strategic intent is upheld—which, in both cases, we understand legislators oppose.**

Second: Fiduciaries Must Act to Preserve for the Future. In the American higher education system, governing boards share duties with defined campus constituencies such as faculty, but only university trustees and officers hold fiduciary responsibilities.

The fiduciary duty of care, among other things, requires boards to be responsible for the financial health of the institutions and ensure the institution, as well as its resources, exist in perpetuity for future Oregonians. When programs are eliminated, it's not because they are generating revenue, enjoying high or even moderate enrollment, or meeting the needs of workforce demand—it's quite the opposite. At the same time, governing boards have the obligation to protect the quality of the institution's academic programs and to become appropriately engaged in the oversight thereof. **It is a contradictory proposition to hold boards accountable as fiduciaries, require fiscal efficiencies and academic innovation on the campuses, yet disallow boards from exercising directly an infrequently though sometimes necessary action that may be required under their duties of care.** What this bill proposes as a new requirement for program eliminations--to pursue it thoughtfully requires pre-consultation with university presidents and statewide provosts who manage these affairs, as well as consultation with **the HECC, which already is responsible for reviewing significant program changes and defining in rule, what a significant change is.** These important steps should not be overlooked.

Lastly: Transparency is a Hallmark. The recipe for good governance has many ingredients, but the non-negotiable one that cannot be substituted is transparency--doing the board's business "in the sunshine," in accordance with Oregon's public meetings laws. Promoting transparency and seeking engagement, the boards reserve standing items on their agenda for reports with shared governance partners. The boards traditionally maintain designated time on the agenda for any member of campus or the public to address the boards at their meetings. Additionally, any member of campus or the public also may address the board in writing at meetings or at any time. **If people or organizations choose not to exercise these opportunities for engagement, we should not be in the business of legislating those parties to do so.**

In fact, to this very end, the HECC is required by law to evaluate the universities' compliance with transparency requirements and includes matters of engagement and accountability in these evaluations. Assuming your trust in the state agency charged with university oversight, the HECC has not found the universities to be non-compliant with transparency requirements—a key criterion in the board section of the evaluations. These provisions in the proposed SB 854 are unnecessary.

The SOU Board's work to uphold to the highest degree, their fiduciary duties, along with high campus engagement and a transparent approach to governance garnered the SOU Board of Trustees the national award for excellence in governance--the [2020 John Nason Award for Board Leadership](#) from AGB--which is the same professional organization this

state saw fit to train and orient our boards. I believe all of Oregon's boards share the commitment to excellence and good governance, as members of our boards as well as board secretaries have attended these annual conferences on the state-of-the-art in university governance and bring best practices back to our campuses. Why, just today, the SOU board held [three listening sessions](#) to hear from constituent groups on our campus, with more scheduled next week.

From determining certain agenda items to how the volunteer boards may receive assistance to uphold their public duties, the university-related aims of SB 854 have a micro-managing overtone and are incongruous to the very notion of having independent governing boards. In closing, I believe the legislature got it right the first time when governance structures carefully were studied, codified, and enacted over several years to set our boards and our universities up for success. **I believe it would be damaging to higher ed in this state to abruptly make significant changes without a similar, careful process.**

Thank you for your care and I would be pleased to answer any questions you may have about board governance related to the proposed SB 854.

Thank you.



Sabrina Prud'homme
University Board Secretary