



Southern Oregon University

Public Meeting Notice

March 19, 2015

TO: Board of Trustees of Southern Oregon University
FROM: Liz Shelby, SOU Chief of Staff
RE: Notice of Regular Meeting

The Southern Oregon University Board of Trustees will hold a regular Board Meeting on the date and at the location set forth below.

Topics of the meeting will include Committee meeting reports, follow-up on adopted by-laws, proposed new Board policies, presentations on the SOU Retrenchment Plan, Higher Education Coordinating Commission proposed funding model, SOU Capital Construction projects, and adoption of the regular board meeting schedule for 2015-16. In addition, the Board of Trustees will consider whether to endorse the proposed SOU student tuition, mandatory fees, and housing fees for FY 2015-16.

The meeting will occur as follows:

Friday, March 27, 2015
12:00pm to 5:00pm (or until business is concluded)
Hannon Library, DeBoer Boardroom, 3rd Floor, Room #303

The Hannon Library is located at 1290 Ashland Street, on the campus of Southern Oregon University. **If special accommodations are required, please contact Jennifer Athanas at (541) 552-6111 at least 72 hours in advance.**

Board of Trustees

1250 Siskiyou Boulevard, Ashland, OR 97520 T (541) 552-6111 sou.edu/governance

**Southern Oregon University Board of Trustees
Regular Meeting**

Friday, March 27, 2015

**DeBoer Boardroom, Hannon Library, 3rd Floor, #303
12:00pm – 5:00pm (or until business is concluded)**

Agenda

Call to Order

Roll Call

Public Comment

Lunch and Up-coming Campus Events

- **Southern Oregon Arts and Research (SOAR)**
- **“Big Idea”**

Consent Agenda

- **Minutes from January 30, 2015 Regular Meeting**

President’s Report

- **Legislative Update**
- **Commencement**

Reports of Board Standing Committees

- **Academic and Student Affairs Committee**
- **Finance and Administration Committee**
- **Executive and Audit Committee**

Education Items

- **Retrenchment Plan Overview and Metrics Report**
- **Higher Education Coordinating Commission Outcomes-Based Funding Model Update**
- **Capital Construction Projects**
 - **Project Prioritization and Funding Process**
 - **Britt Hall**
 - **Biomass Co-generation Boiler Project**

Action Items

- a. **FY 2016 Tuition Rates**
- b. **FY 2016 Mandatory Fees**
- c. **FY 2016 Housing Fees**

Discussion Items

- **By-Laws Follow-up and Policy Statements (Jason Catz to call in)**
 - **By-Laws Follow-up**
 - **Proposed Board Statement on Policies**
 - **Proposed Board Statement on Ethics and Conflict of Interest**
- **FY 2015-16 Regular Board Meeting Schedule**

Adjourn



**Regular Meeting of the SOU Board of Trustees
January 30, 2015 Meeting
DeBoer Boardroom, Hannon Library**

Minutes

Trustees Present: Lyn Hennion, Paul Nicholson, Jeremy Nootenboom, Roy Saigo (ex-officio), Teresa Sayre, April Sevcik, Judy Shih, Dennis Slattery, Joanna Steinman, Bill Thorndike, Steve Vincent

Trustees Not Present: Les AuCoin, Fily Bencomo, Frank Faust (departed just prior to the meeting start), Shea Washington

University Staff Present: Dr. Susan Walsh, Jason Catz, Liz Shelby, Eric Baird, Ryan Brown

Guests: State Board of Higher Education Chair, Dave Yaden (telephone)

Call to Order

President Saigo called the meeting to order at 9:03 am, and asked the Chief of Staff to call the roll. A quorum was present.

Appointment of Interim Board Secretary

President Saigo made the motion to appoint Liz Shelby as interim Board Secretary for this meeting and until the position is filled permanently. Motion seconded by Steve Vincent. Motion carried unanimously.

Appointment of Interim Board Chair

President Saigo made the motion to appoint Bill Thorndike as interim Board Chair for this meeting until officers are elected. Motion seconded by Dennis Slattery. Motion carried unanimously.

State Board of Higher Education Chair, Dave Yaden, joins the meeting by telephone conference.

Adoption of Board Minutes of January 5

Steve Vincent made a motion to adopt the minutes of the Special Board Meeting of January 5 as prepared. Motion seconded by April Sevcik. Motion carried with one abstention from Joanna Steinman.

Public Comments

No public comments.

State Board of Higher Education Chair Report

Dave Yaden, State Board Chair, congratulated SOU on their NAIA Football Championship. He also congratulated President Saigo for the outstanding achievement of exceeding the SOU enrollment projections for Fall 2014.

Chair Yaden provided an overview of the expectations of OUS and the State Board as they wind down. Transition will continue over the next several months. He spoke of the “conditions” that were enshrined in the approval to create the SOU institutional board. Specifically the conditions include clarifying and strengthening the missions of SOU and providing a pathway for long term financial sustainability. A report will be due from SOU by June 30, which will serve as the hand-off document to the Higher Education Coordinating Commission and the report due to them at the end of 2015. Chair Yaden indicated that guidelines have been provided to the university for the report. The State Board is very enthusiastic about the future of SOU and its sustainability. He emphasized staying the course.

A discussion ensued on the regional v. destination mission of SOU. President Saigo commented that we are definitely “regional” by name. He spoke about SOU having a liberal arts foundation, and our professional schools – Business and Education – define us in a larger sense. He prefers the term “regional comprehensive university” to describe us. More important than the terms used to describe SOU is our role in providing access to excellent higher education opportunities to communities in southern Oregon and beyond.

Going forward, Chair Yaden advised the board to pay close attention to the interface with the Higher Education Coordinating Commission (HECC) and the Oregon Education Investment Board (OEIB). He expects the role and status of the HECC will unfold during this legislative session. He encouraged SOU to work collaboratively with other institutions.

President’s Report

President Saigo reported on the many activities he and others have been pursuing to strengthen the University’s partnerships in the community. One example of an important collaboration with community organizations is the Southern Oregon Success initiative. He also identified some of the challenges that we are facing. He is working to change the attitude and spirit of the campus, and indicated that the attitude of the community is just as important as the attitude in the classroom. He is reminding faculty and staff that shared governance means shared responsibility, and that every faculty and staff member has a commitment to make this university and our students a success.

Dr. Saigo reminded the Trustees about their important role in our future. They are setting the direction for SOU and for the future of our valley and our state.

State Board Chair Yaden left the meeting.

Action Items: Discussion and Adoption of SOU Board of Trustees Organizational Documents

By-Laws of Southern Oregon University

Provost Dr. Susan Walsh facilitated the process and discussion of the by-laws. As the Board proceeded article by article through the proposed by-laws, their questions were addressed by General Counsel Jason Catz. A few items were identified for follow-up: Article V, Public Meeting Procedures, #4. Place of Meeting; and Article VI, Officers of the University, #6. Secretary. Board members had several questions on Article X, Indemnity, which will be further reviewed and revised by General Counsel.

A motion was made by April Sevcik and seconded by Lyn Hennion to adopt the By-Laws of Southern Oregon University as revised. Motion carried.

Board Statement on Conduct of Public Meetings

The Board reviewed the proposed statement and had several changes. In particular, they asked that section 5.1, Notices and Minutes, include language that the minutes be watermarked “Draft” when included in the Board packet, and that the minutes include mention of the members not present at the meeting. The board discussed proxy voting. General Counsel will research this issue and bring it back for further Board consideration.

A motion was made by April Sevcik and seconded by Steve Vincent to adopt the Board Statement on Conduct of Public Meetings as revised. Motion carried.

Board Statement on Delegation of Authority

Section 1.5, Business and Administrative Affairs, generated discussion on the dollar amounts to be delegated to administration. Trustees were inclined to have \$500,000 be the maximum delegated to administrators in most instances. Regarding Section 2.4, Committees, Councils, and Advisory Groups, it was mentioned that Faculty Senate would want the assurance of more autonomy than generally stated in this section. The same would hold for Section 2.5, Students.

A motion was made by April Sevcik and seconded by Steve Vincent to adopt the Board Statement on Delegation of Authority as revised. Motion carried.

Board Statement on Board Committees

Board members discussed the scope of authority for each Board Committee. Members also wanted to be sure that language was included in this document that would allow the Chair of the Board to have the authority to appoint ad hoc committees identified by the Board.

A motion was made by April Sevcik and seconded by Steve Vincent to adopt the Board Statement on Board Committees as revised. Motion carried.

Board Statement on the Performance of Official Business

Board members had few questions on this document.

A motion was made by Lyn Hennion and seconded by Dennis Slattery to adopt the Board Statement on the Performance of Official Business as presented. Motion carried.

Resolution on the Responsibilities of Individual Trustees

In discussion of this resolution, Board members talked about adding language pertaining to the attendance at regular board and committee meetings.

A motion was made by Paul Nicholson and seconded by Lyn Hennion to adopt Resolution on the Responsibilities of Individual Trustees. Motion carried.

Elections of Board Chair, Vice Chair

Paul Nicholson nominated Bill Thorndike to serve as Chair of the Board. The motion was seconded by Teresa Sayre. No further nominations came forward. Motion carried to elect Bill Thorndike as Board Chair.

Steve Vincent nominated April Sevcik to serve as Vice Chair of the Board. The motion was seconded by Teresa Sayre. No further nominations came forward. Motion carried to elect April Sevcik as Board Vice Chair.

Board Committee Chair Appointments

Chair Thorndike appointed Paul Nicholson as Chair of the Finance and Administration Committee and Teresa Sayre as Chair of the Academic and Student Affairs Committee.

Executive Session (pursuant to ORS 192,660(2)(d))

No notes or minutes were recorded for this session.

Adjournment

With no further business for this regular meeting, the meeting was adjourned at 3:00pm.

Respectfully submitted,

Liz Shelby
Interim Board Secretary



Tuition and Mandatory Fees

FY16 Staff Recommendations
for inclusion in the FY16 OUS Fee Book



What must be submitted:

- Tuition
 - Tuition Rates
 - Differential Tuition Rates
- Housing / Dining Fee
- Mandatory Fees
 - Student Health Fee
 - Student Incidental Fee
 - Recreation Center Fee
 - Building Fee



Tuition & Fee Setting Process

- Tuition Advisory Council
- Enrollment Council
- University Planning Board
- Budget Committee
- Faculty Senate
- Student Senate/Cabinet
- President's Cabinet

Tuition

Staff Recommends “5%”



Comparison between Oregon Institutions

Institution – Resident Undergraduate Tuition per Student Credit Hour	FY14 (Pre buy-down)	FY15 (Post buy-down)
Eastern Oregon University	136.00	134.00
Southern Oregon University	142.20	140.15
Portland State University	147.00	145.00
Western Oregon University	155.00	153.00
Oregon Tech	157.30	155.00
University of Oregon	184.00	182.00
Oregon State University	191.00	189.00



Impact of tuition increase

Student Category		Current Tuition	Proposed Tuition	Current Annual	Proposed Annual	Total Annual Increase	% Increase
Resident UG	15 credits/term	\$ 140.15	\$ 147.00	\$ 6,306.75	\$ 6,615.00	\$ 308.25	4.89%
Nonresident UG	15 credits/term	441.84	463.00	19,882.80	20,835.00	952.20	4.79%
WUE	15 credits/term	210.23	220.00	9,460.35	9,900.00	439.65	4.65%
Resident Grad	12 credits/term	378.72	397.00	13,633.92	14,292.00	658.08	4.83%
Nonresident Grad	12 credits/term	473.40	497.00	17,042.40	17,892.00	849.60	4.99%

Note:

- For undergraduate students, approximately 15 student credit hours per term are required to maintain “pace” to graduate in 4 years.
- For graduate students, 12 student credit hours is required to maintain “pace” for most graduate programs.



For the Fee Book Submission:

2015-16 AY Tuition & Fees - per term				
<u>Tuition Category</u>	Credit Load	Tuition per term	AY 14-15 \$ Change	AY 14-15 % Change
Undergraduate Resident	15	2,205.00	102.75	4.89%
Undergraduate Non Resident	15	6,945.00	317.40	4.79%
Graduate Resident	12	4,764.00	219.36	4.83%
Graduate Non Resident	12	5,964.00	283.20	4.99%
Summer 2016 tuition and Fees				
<u>Tuition Category</u>	Credit Load	Tuition per term	Summer 15 \$ Change	Summer 15 % Change
Undergraduate Resident	12	1,764.00	82.20	4.89%
Undergraduate Non Resident	12	5,556.00	253.92	4.79%
Graduate Resident	9	3,573.00	164.52	4.83%
Graduate Non Resident	9	4,473.00	212.40	4.99%



For the Fee Book Submission:

Credits	Resident		Non-Resident	
	<i>Undergraduate</i>	<i>Graduate</i>	<i>Undergraduate</i>	<i>Graduate</i>
1	147.00	397.00	463.00	497.00
2	294.00	794.00	926.00	994.00
3	441.00	1,191.00	1,389.00	1,491.00
4	588.00	1,588.00	1,852.00	1,988.00
5	735.00	1,985.00	2,315.00	2,485.00
6	882.00	2,382.00	2,778.00	2,982.00
7	1,029.00	2,779.00	3,241.00	3,479.00
8	1,176.00	3,176.00	3,704.00	3,976.00
9	1,323.00	3,573.00	4,167.00	4,473.00
10	1,470.00	3,970.00	4,630.00	4,970.00
11	1,617.00	4,367.00	5,093.00	5,467.00
12	1,764.00	4,764.00	5,556.00	5,964.00
13	1,911.00	5,161.00	6,019.00	6,461.00
14	2,058.00	5,558.00	6,482.00	6,958.00
15	2,205.00	5,955.00	6,945.00	7,455.00
16	2,352.00	6,352.00	7,408.00	7,952.00
17	2,499.00	6,749.00	7,871.00	8,449.00
18	2,646.00	7,146.00	8,334.00	8,946.00
<i>Each Add'l Credit</i>	<i>147.00</i>	<i>397.00</i>	<i>463.00</i>	<i>497.00</i>

Endnotes:

- (1) Online UG courses tuition is \$212/credit; online graduate level courses tuition \$462/credit. Students will pay fees based on the number of on-campus credit hours.
- (2) A one-time Matriculation Fee of \$300 is assessed to all new and transfer students for admissions, advising, orientation, academic support services, and housing application.



Differential Tuition

Currently

- Honors College
- Masters in Education
- Performing Arts
 - Music
 - Theatre

Proposed

- Performing Arts - \$10/credit
 - Proposal would add:
 - Art/ Art History
 - Creative Writing
 - Emerging Media
 - Dance
 - Shakespeare Studies



For the Fee Book Submission:

Honors College:

Differential Tuition established in FY13
Undergraduate Only
Tuition Rate + \$25/Credit

Performing Arts:

Differential Tuition established in FY13
Tuition Rate + \$10/Credit
Undergraduate Only
Expanded in FY16

Credits	Honors College <i>Undergraduate</i>		Performing Arts <i>Undergraduate</i>	
	Resident	Non-Resident	Resident	Non-Resident
1	172.00	488.00	157.00	473.00
2	344.00	976.00	314.00	946.00
3	516.00	1,464.00	471.00	1,419.00
4	688.00	1,952.00	628.00	1,892.00
5	860.00	2,440.00	785.00	2,365.00
6	1,032.00	2,928.00	942.00	2,838.00
7	1,204.00	3,416.00	1,099.00	3,311.00
8	1,376.00	3,904.00	1,256.00	3,784.00
9	1,548.00	4,392.00	1,413.00	4,257.00
10	1,720.00	4,880.00	1,570.00	4,730.00
11	1,892.00	5,368.00	1,727.00	5,203.00
12	2,064.00	5,856.00	1,884.00	5,676.00
13	2,236.00	6,344.00	2,041.00	6,149.00
14	2,408.00	6,832.00	2,198.00	6,622.00
15	2,580.00	7,320.00	2,355.00	7,095.00
16	2,752.00	7,808.00	2,512.00	7,568.00
17	2,924.00	8,296.00	2,669.00	8,041.00
18	3,096.00	8,784.00	2,826.00	8,514.00
<i>Each Add'l Credit</i>	<i>172.00</i>	<i>488.00</i>	<i>157.00</i>	<i>473.00</i>

Endnotes:

- (1) Online UG courses tuition is \$212/credit; online graduate level courses tuition \$462/credit. Students will pay fees based on the number of on-campus credit hours.
- (2) A one-time Matriculation Fee of \$300 is assessed to all new and transfer students for admissions, advising, orientation, academic support services, and housing application.



For the Fee Book Submission:

Masters in Education (MEDU):

Differential Tuition established in FY12 \$300

Graduate Only

Increased in FY13 \$325

Recommending increase for FY16 \$341 (5%)

Credits	Master In Education <i>Graduate</i>	
	Resident	Non-Resident
1	341.00	341.00
2	682.00	682.00
3	1,023.00	1,023.00
4	1,364.00	1,364.00
5	1,705.00	1,705.00
6	2,046.00	2,046.00
7	2,387.00	2,387.00
8	2,728.00	2,728.00
9	3,069.00	3,069.00
10	3,410.00	3,410.00
11	3,751.00	3,751.00
12	4,092.00	4,092.00
13	4,433.00	4,433.00
14	4,774.00	4,774.00
15	5,115.00	5,115.00
16	5,456.00	5,456.00
17	5,797.00	5,797.00
18	6,138.00	6,138.00
<i>Each Add'l Credit</i>	<i>341.00</i>	<i>341.00</i>

Endnotes:

(1) Online UG courses tuition is \$212/credit; online graduate level courses tuition \$462/credit. Students will pay fees based on the number of on-campus credit hours.

(2) A one-time Matriculation Fee of \$300 is assessed to all new and transfer students for admissions, advising, orientation, academic support services, and housing application.



Housing / Dining Fees

<u>Dining Plans</u>	Cost Per Year		Annual	Percent
	2014-15	2015-16	Increase	Increase
Red Plan	\$ 4,995	\$ 5,250	\$ 255	5%
Black Plan	\$ 4,995	\$ 5,250	\$ 255	5%
(S) Plan	\$ 4,230	\$ 4,440	\$ 210	5%
(O) Plan	\$ 4,230	\$ 4,440	\$ 210	5%
(U) Plan	\$ 4,230	\$ 4,440	\$ 210	5%
Madrone Plan	\$ 2,100	\$ 2,400	\$ 300	14%
Madrone Hawk Plan	\$ 2,100	\$ 2,400	\$ 300	14%
<u>Residence Plans</u>				
Shasta - Double	\$ 7,431	\$ 7,655	\$ 224	3%
Shasta - Single	\$ 8,226	\$ 8,805	\$ 579	7%
McLoughlin Double	\$ 7,863	\$ 8,100	\$ 237	3%
McLoughlin Single	\$ 8,595	\$ 9,450	\$ 855	10%
McLoughlin Super Single	\$ 9,180	\$ 10,110	\$ 930	10%
Madrone Single	\$ 9,132	\$ 10,275	\$ 1,143	12%
Greensprings Double	\$ 6,402	\$ 6,855	\$ 453	7%
Greensprings Single (double room as a single)	\$ 8,341	\$ 9,180	\$ 839	10%

[Note: For returning students \(living in the Residence Halls\), their Dining plan will be frozen at the FY15 rate](#)



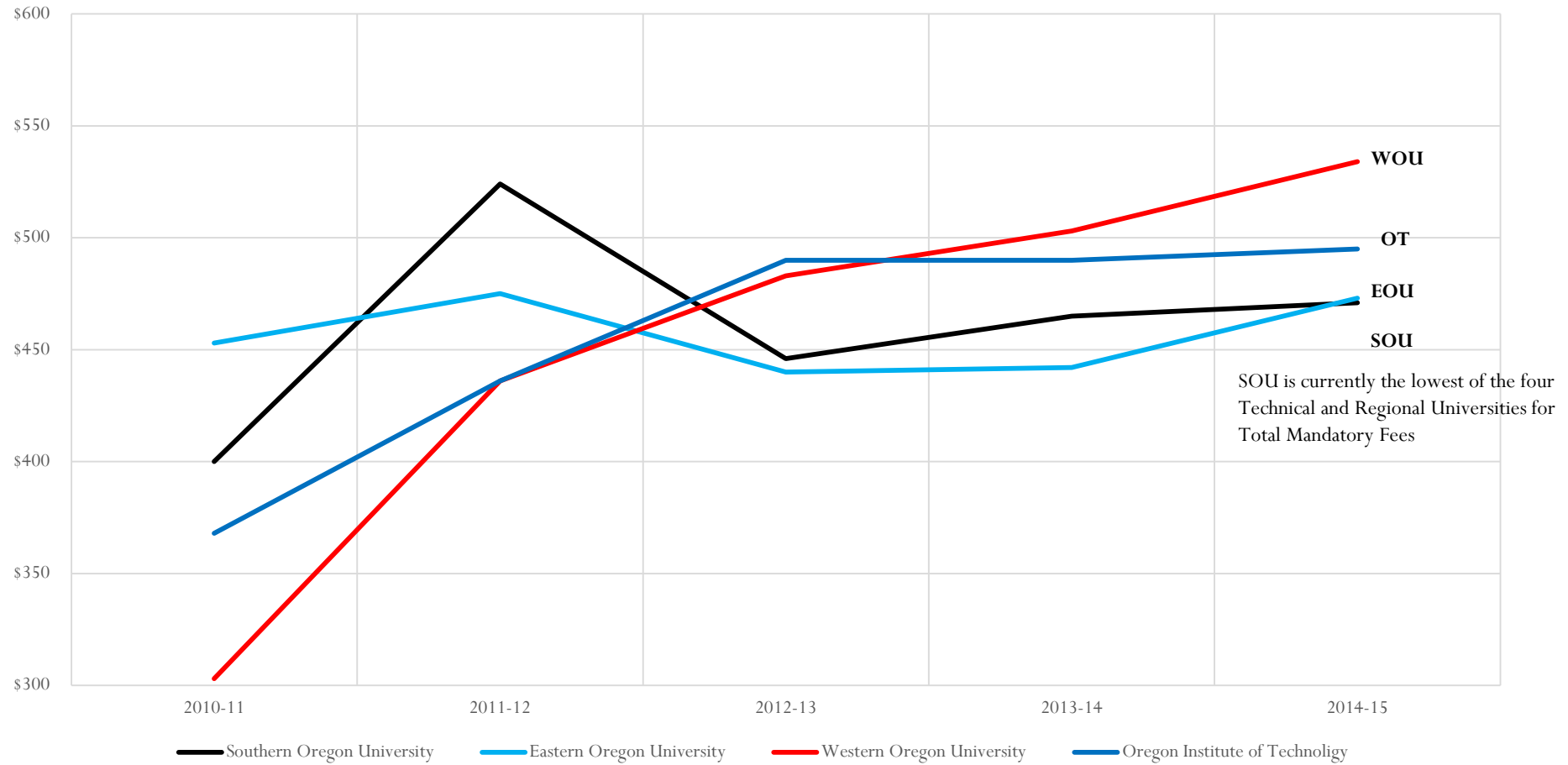
Total Mandatory Fees

Fee	FY15 (Current)	FY15 Annual	FY16 (Proposed)	FY16 Annual	Per Term Increase	Annual Increase
Building Fee	45.00	135.00	45.00	135.00	-	-
Incidental Fee	307.00	921.00	307.00	921.00	-	-
Health Fee	119.00	357.00	123.00	369.00	4.00	12.00
Rec Center Fee	-	-	35.00	105.00	35.00	105.00
Total Fees	471.00	1,413.00	510.00	1,530.00	39.00	117.00



Total Mandatory Fees

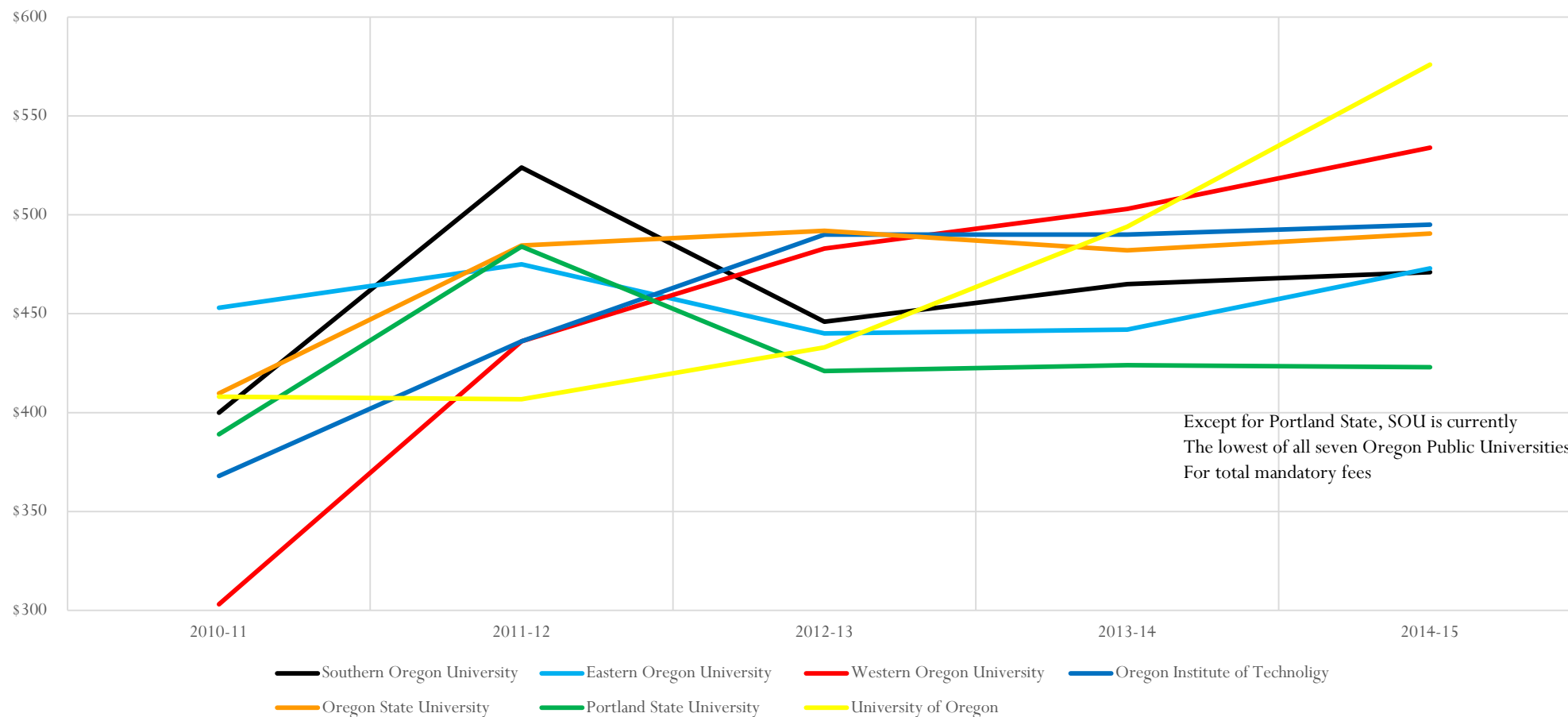
Mandatory Fees - TRUs Only





Total Mandatory Fees

Mandatory Fees - All 7





For the Fee Book Submission:

The mandatory fees included in the following schedule are applicable to all SOU students and should be added to the applicable tuition charges (based on class-level and total credits) to determine total tuition and fees. In addition, institutions may charge additional fees for specific courses (lab fees, etc.) and services (parking, etc.) Contact the campus directly for information regarding any additional fees.

Credits	Building		Incidental		Health Service		Recreation Center		Total Fees	
	<u>Undergraduate</u>	<u>Graduate</u>	<u>Undergraduate</u>	<u>Graduate</u>	<u>Undergraduate</u>	<u>Graduate</u>	<u>Undergraduate</u>	<u>Graduate</u>	<u>Undergraduate</u>	<u>Graduate</u>
1	23.00	23.00	187.00	187.00	-	-	24.00	24.00	234.00	234.00
2	25.00	25.00	202.00	202.00	-	-	25.00	25.00	252.00	252.00
3	27.00	27.00	217.00	217.00	-	-	26.00	26.00	270.00	270.00
4	29.00	29.00	232.00	232.00	123.00	123.00	27.00	27.00	411.00	411.00
5	31.00	31.00	247.00	247.00	123.00	123.00	28.00	28.00	429.00	429.00
6	33.00	33.00	262.00	262.00	123.00	123.00	29.00	29.00	447.00	447.00
7	35.00	35.00	277.00	277.00	123.00	123.00	31.00	31.00	466.00	466.00
8	37.00	37.00	292.00	292.00	123.00	123.00	33.00	33.00	485.00	485.00
9	39.00	39.00	307.00	307.00	123.00	123.00	35.00	35.00	504.00	504.00
10	41.00	41.00	307.00	307.00	123.00	123.00	35.00	35.00	506.00	506.00
11	43.00	43.00	307.00	307.00	123.00	123.00	35.00	35.00	508.00	508.00
12	45.00	45.00	307.00	307.00	123.00	123.00	35.00	35.00	510.00	510.00
12 or more	45.00	45.00	307.00	307.00	123.00	123.00	35.00	35.00	510.00	510.00

Endnote:

(1) Qualified tuition and fees do not include student health insurance fees for Tax Relief Act Reporting



Combined impact

Component of Costs	Current Annual Cost (@ 15 Credits)	Annual Increase	Projected Annual Cost (@ 15 Credits)
Tuition – Resident UG	5,465.85	267.15	5,733.00
Dining (Red or Black) plans	4,995.00	255.00	5,250.00
Residence: Shasta, Double	7,431.00	224.00	7,655.00
Health Fee	357.00	12.00	369.00
Incidental Fee	921.00	-	921.00
Building Fee	135.00	-	135.00
Rec Center Fee	-	105.00	105.00
Total Cost to attend:	19,304.85	863.15	20,168.00
Percent increase:		4.5%	
Percent increase (tuition and Fees only)		5.6%	

Note, for returning students living in Residence Halls: total increase will be \$587.60 and a 3.15% or 5.6% increase

Southern Oregon University

Retrenchment – History & Process



Pre-Retrenchment

▶ **Capacity Study**

- Internal study written (July 2013)

▶ **Program Prioritization**

- Internal process conducted (Oct. 2012 – June 2013)

▶ **Workforce Analysis**

- Research undertaken on faculty release (Aug. 2013)

▶ **Delaware Cost Study**

- Performed for each TRU as commissioned by OUS (Jan. 2014)



Capacity Study

“The university is at a turning point. There is general fatigue with consistent cost cutting and a sincere desire to develop a sustainable fiscal environment that reflects the realities of our declining state support and the limitations to replacing declining state resources with enrollment revenue.” (page 4, SOU Capacity Study – July 2012)

▶ **Analysis focused on:**

- Finances, facilities, enrollment, staffing, and student services

▶ **Process included:**

- A task force of representatives from across campus
- Employee focus groups to assess issues & concerns
- Extensive data collection on all aspects of university operations
- Recommendations based on review of 10 years historical data



Capacity Study (cont.)

▶ Summary of Findings:

- Reduce expenses drastically while considering a different enrollment mix to generate more revenue per student FTE
- Currently enough space exists to accommodate growth
- Curriculum too diverse; not able to maintain current class size ratios
- Unachievable to design services for the academically talented while also providing for extensive tutoring and other academic assistance
- Find a more effective and efficient way to organize academic programs
- Retention and completion need to be addressed immediately
- Create structures that allow staffing commensurate with the needs of our students and community





Program Prioritization

▶ **Objective:**

- Find the proper balance in allocating program resources essential to achieving the mission and strategic goals of the institution

▶ **Guiding principles:**

- Transparent
- Comprehensive
- Consistent
- Inclusive
- Demand-driven
- Data-based

Based on a process of analyzing academic programs as published in “Prioritizing Academic Programs and Services” by Robert C. Dickeson. Jossey-Bass, A Wiley Imprint, 2012.



Program Prioritization (cont.)

▶ Rating the Programs:

- **1st Quintile: Enhance** - Investment in the program should be a priority to strengthen the academic performance of the university
- **2nd Quintile: Maintain & Possibly Enhance** - Continue support of the program at or above its current resource allocation
- **3rd Quintile: Maintain** - Continue support of the program at or near its current resource allocation since it is central to the academic performance of the university
- **4th Quintile: Review** - Program contributes to the academic quality of the university but curricular reorganization/resource reduction is required for long-term viability
- **5th Quintile: Restructure** - Restructure, consolidate, or eliminate the program to permit the redistribution of resources to other targeted programs





Workforce Analysis & Delaware Study

▶ **Workforce Analysis:**

- Data gathered enumerating all courses & their enrollments with comparisons made to faculty work load expectations/contracts
- Unaccounted faculty release was identified and underscored the need for systematic tracking of faculty loading

▶ **Delaware Study:**

- Quantified both low enrollment and average course sizing
- Significant excess capacity determined within departments
- Large WUE population possibly at the expense of full paying non-residents
- Decreasing total enrollment with a stabilized growth of California market
- \$6.86m in non-course related activities identified

(corroborated results from the Workforce Analysis)





Other Changes

▶ **Reorganization of Academic Departments:**

- Replaced the College of Arts & Sciences, School of Education, and the School of Business with 7 academic divisions of more equal size
- Eliminated 3 Deans and reduced department chair release by replacing them with 7 Directors and 1 Assoc. VP for Curricular Management
- Departments were recombined into the 7 division structure allowing for better managerial oversight as well as staff reductions
- Projected savings from the reorganization estimated at \$1.08M

▶ **Creation of an SOU Service Center:**

- Staff members from academic and academic support areas moved to a Service Center model to provide consolidated support for all the business operations of the university





Retrenchment, the Process

▶ **Factors Leading to Retrenchment:**

- Recommendations from Capacity Study, Program Prioritization, Workforce Analysis, & the Delaware Study
- Enrollment declines of 4.9%, 3.9%, and 2.6% projected for 2014-15
- New OUS policy to record liability of uncollected student AR (\$2M transfer)
- Continual decrease in annual state appropriations
- Fund balance drops below 5% at the end of the biennium

▶ **Savings Identified to Build the Fund Balance:**

- Academic reorganization
- Create a Service Center
- Bookstore outsourced to Barnes & Noble
- Housing's fund balance transfers to E&G
- Reduced faculty positions



Retrenchment, the Process (cont.)

- ▶ **President announces the need for “Retrenchment”** – Nov. 2013

- ▶ **Process defined by article 11 of the faculty union’s CBA:**
 - Declaration to enter retrenchment
 - 15 days for 1st comment period
 - Develop a provisional retrenchment plan
 - Release the provisional plan
 - 20 days for 2nd comment period
(esp. to include input from affected programs)
 - Release a final retrenchment plan - March 2014





Retrenchment, the Metrics

- ▶ **Financials:** Build the fund balance and ensure financial viability
- ▶ **Enrollment:** Strengthen the application funnel and grow overall enrollment
- ▶ **Retention:** Improve the 1st to 2nd year and 1st to 3rd year retention rates
- ▶ **Course Sizing:** Increase average class size and reduce low enrolled courses
- ▶ **Faculty Loading:** Manage efficiencies and accountability of faculty assignments



Retrenchment Metric

- **Financials:** Savings tracked against the budget pro-forma and reported via quarterly management reports showing a current status of the fund balance.

report excerpt:

Amounts are year to date (YTD) and presented in \$000s										
SOU Financial Related Retrenchment Metrics					Targets are in shaded cells					
Financial Ratios & Cost Savings	Actual FY12	Actual FY13	Actual FY14	Target FY15	Actual FY15			Target FY16	Target FY17	
Budgeted Operating Funds - Ending Fund Balance as % of Revenue	8.20%	2.10%	3.50%	7.60%				7.80%	10.20%	
Contribution Ratios:										
Self Generated Revenues	61%	57%	54%	52%				54%	56%	
State Appropriations	15%	15%	15%	19%				18%	19%	
Nonoperating Revenue	17%	17%	17%	18%				19%	20%	
(Contribution to) Use of Fund Balance	7%	11%	14%	11%				9%	5%	
Total Adjusted Expenses	100%	100%	100%	100%				100%	100%	
Primary Reserve Ratio	18.09%	13.21%	7.94%	> 5%-7%				> 5%-7%	10.54%	
Current Ratio	1.2:1	1.4:1	1.1:1	>= 2:1				>= 2:1	1.1:1	
Debt Burden Ratio	4.41%	2.63%	2.51%	< 7%				< 7%	3.71%	
One-time Savings				647				300	300	
Permanent Savings				2,002				1,658	950	
Net Realized Savings from Retirements				-				316	316	
Quarterly Management Report - Budgeted Operating Funds	Actual FY14 Q1	Actual FY14 Q2	Actual FY14 Q3	Actual FY14 Q4	Target FY15 Q1	Actual FY15 Q1	Target FY15 Q2	Actual FY15 Q2	Target FY15 Q3	Target FY15 Q4
Revenue	17,677	30,486	45,828	50,048	16,280	19,117	29,372	33,360	41,959	49,364
Payroll (including OPE)	(7,345)	(19,640)	(31,691)	(43,948)	(7,346)	(7,257)	(19,325)	(19,174)	(31,304)	(43,283)
S&S and Capital Outlay	(1,723)	(3,129)	(4,967)	(7,229)	(1,987)	(1,880)	(3,975)	(3,374)	(5,962)	(5,962)
Net Transfers	(7)	(42)	861	1,855	67	(97)	135	(319)	202	2,699
Net Increase (Decrease)	8,602	7,675	10,031	726	7,014	9,883	6,207	10,493	4,896	2,818
Ending Fund Balance	9,621	8,694	11,050	1,745	8,758	11,627	7,952	12,238	6,641	4,563

Retrenchment Metric

- **Enrollment:** Reporting headcounts, FTE, application funnel data, headcount to FTE ratios all by student mix of resident, non-resident, undergrads, grads, freshmen, transfers, etc.

report excerpt:

SOE Enrollment Related Retrenchment Metrics	Academic Year 2015						Academic Year 2016						Academic Year 2017					
	Target Fall 14	Actual Fall 14	Target Winter 15	Actual Winter 15	Target Spring 15	Actual Spring 15	Target Fall 15	Actual Fall 15	Target Winter 16	Actual Winter 16	Target Spring 16	Actual Spring 16	Target Fall 16	Actual Fall 16	Target Winter 17	Actual Winter 17	Target Spring 17	Actual Spring 17
Enrollment Figures																		
FTE Enrollment Total	4262	4356	4046		3679		4214		4001		3639		4222		4009		3646	
Undergraduates Total	3942	3987	3711		3336		3898		3670		3300		3906		3678		3307	
Residents	2667	2626	2519		2220		2637		2491		2196		2642		2496		2200	
Non-Residents	343	334	316		271		339		313		268		340		314		269	
Non-Residents paying WUE Rates	933	1028	876		845		922		866		836		924		868		838	
Graduates Total	320	369	335		343		316		331		339		316		331		339	
Residents	230	260	231		241		227		228		238		227		228		238	
Non-Residents	90	108	104		102		89		103		101		89		103		101	
Enrollment Funnel		Target Fall 14		Actual Fall 14		Target Fall 15		Actual Fall 15		Target Fall 16		Actual Fall 16						
All Applicants		3588		3961		3638		3718		2860		2860						
Admits		2760		3105		2799		1321		1321		1321						
Enrolled		1220		1438		1265		46.19%		46.19%		46.19%						
Enrolled/Admitted Ratio		44.20%		46.31%		45.19%												
Headcount to FTE ratio (admitted students)	Target Fall 14	Actual Fall 14	Target Winter 15	Actual Winter 15	Target Spring 15	Actual Spring 15	Target Fall 15	Actual Fall 15	Target Winter 16	Actual Winter 16	Target Spring 16	Actual Spring 16	Target Fall 16	Actual Fall 16	Target Winter 17	Actual Winter 17	Target Spring 17	Actual Spring 17
Undergraduate	1.20	1.17	1.21	1.22	1.18	1.19	1.20	1.16	1.17	1.18								
Graduate	1.45	1.40	1.51	1.45	1.44	1.50	1.44	1.43	1.49	1.43								

Retrenchment Metric

- **Retention:** Cohorts to include admitted undergrad students and tracking first to second year and first to third year, while looking at both new freshmen classes, new transfers classes, and total Oregon residents.

report excerpt:

SOU Enrollment Related Retrenchment Metrics	Academic Year 2015						Academic Year 2016						Academic Year 2017					
	Target Fall 13 to Fall 14			Actual Fall 13 to Fall 14			Target Fall 14 to Fall 15			Actual Fall 14 to Fall 15			Target Fall 15 to Fall 16			Actual Fall 15 to Fall 16		
Retention - All admitted UGs Fall to next Fall	77.0%			77.1% (3323/4312)			78.0%			78.0%			79.0%			80.0%		
All Undergrads	77.0%			77.1% (3323/4312)			78.0%			78.0%			79.0%			80.0%		
All First-time Full-time Freshmen	78.0%			77.98% (1569/2012)			79.0%			79.0%			80.0%			80.0%		
All Undergrad Transfers	77.5%			76.0% (1369/1801)			78.5%			78.5%			79.5%			79.5%		
All Oregon Residents	76.0%			75.1% (2112/2814)			77.0%			77.0%			78.0%			78.0%		
Retention - All newly admitted UGs Fall to next Fall	Target Cohort 2013 Fall 13 to Fall 14			Actual Cohort 2013 Fall 13 to Fall 14			Target Cohort 2014 Fall 14 to Fall 15			Actual Cohort 2014 Fall 14 to Fall 15			Target Cohort 2015 Fall 15 to Fall 16			Actual Cohort 2015 Fall 15 to Fall 16		
New Undergrads	70.0%			72.7% (822/1130)			71.0%			71.0%			72.0%			72.0%		
New First-time Full-time Freshmen	68.0%			73.8% (439/595)			69.0%			69.0%			70.0%			70.0%		
New Undergrad Transfers	73.0%			72.8% (364/500)			74.0%			74.0%			75.0%			75.0%		
New Oregon Residents	70.0%			73.8% (522/707)			71.0%			71.0%			72.0%			72.0%		
Retention - All newly admitted UGs Fall to third Fall	Target Cohort 2012 Fall 12 to Fall 13 to Fall 14			Actual Cohort 2012 Fall 12 to Fall 13 to Fall 14			Target Cohort 2013 Fall 13 to Fall 14 to Fall 15			Actual Cohort 2013 Fall 13 to Fall 14 to Fall 15			Target Cohort 2014 Fall 14 to Fall 15 to Fall 16			Actual Cohort 2014 Fall 14 to Fall 15 to Fall 16		
New Undergrads	57.00%			56.8% (668/1176)			57.50%			57.50%			58.00%			58.00%		
New First-time Full-time Freshmen	67.00%			53.8% (344/639)			67.50%			67.50%			68.00%			68.00%		
New Undergrad Transfers	62.00%			61.5% (299/486)			62.50%			62.50%			63.00%			63.00%		
New Oregon Residents	56.00%			55.3% (412/745)			56.50%			56.50%			57.00%			57.00%		
Headcount to FTE ratio (admitted students)	Target Fall 14	Actual Fall 14	Target Winter 15	Actual Winter 15	Target Spring 15	Actual Spring 15	Target Fall 15	Actual Fall 15	Target Winter 16	Actual Winter 16	Target Spring 16	Actual Spring 16	Target Fall 16	Actual Fall 16	Target Winter 17	Actual Winter 17	Target Spring 17	Actual Spring 17
Undergraduate	1.20	1.17	1.21		1.22		1.18		1.19		1.20		1.16		1.17		1.18	
Graduate	1.45	1.40	1.51		1.45		1.44		1.50		1.44		1.43		1.49		1.43	

Retrenchment Metric

- **Faculty Loading:** Loading report tracks positions, contracts, FTE, and ELU's by activity types and pay categories and was implemented and verified for 2014-15.

report excerpt:

Div	Dept	Program	SOU ID	FTE	Faculty Type	ELU Basis	ELU	Term	Type	Workload (ELU)	Notes	Pay Code
SS	CCJ	CCJ	940236377	1.00	Professorial	36	36	Fall 14	Teaching (with standard loading)	4	CCJ231	CRM001
SS	CCJ	CCJ	940236377	1.00	Professorial	36	36	Fall 14	Teaching (with standard loading)	4	CCJ361	CRM001
SS	CCJ	CCJ	940236377	1.00	Professorial	36	36	Fall 14	Program Chair	4	Criminology & Criminal Justice	CRM001
SS	CCJ	CCJ	940236377	1.00	Professorial	36	36	Winter 15	Teaching (with standard loading)	4	CCJ361	CRM002
SS	CCJ	CCJ	940236377	1.00	Professorial	36	36	Winter 15	Teaching (with standard loading)	2	CCJ/HST399	CRM002
SS	CCJ	CCJ	940236377	1.00	Professorial	36	36	Winter 15	Overload Paid	-2	CCJ/HST399	CRM002
SS	CCJ	CCJ	940236377	1.00	Professorial	36	36	Winter 15	Teaching (with standard loading)	4	CCJ430	CRM002
SS	CCJ	CCJ	940236377	1.00	Professorial	36	36	Winter 15	Program Chair	4	Criminology & Criminal Justice	CRM001
SS	CCJ	CCJ	940236377	1.00	Professorial	36	36	Spring 15	Teaching (with standard loading)	4	CCJ361	CRM001
SS	CCJ	CCJ	940236377	1.00	Professorial	36	36	Spring 15	Teaching (with standard loading)	4	CCJ430	CRM002
SS	CCJ	CCJ	940236377	1.00	Professorial	36	36	Spring 15	Scholarly Activity	4	Research	CRM002
SS	CCJ	CCJ	940236377	1.00	Professorial	36	36	Spring 15	Program Chair	4	Criminology & Criminal Justice	CRM001
SS	CCJ	CCJ	940236377	1.00	Professorial	36	36	Spring 15	Bank Deposit	-4		CRM002
Total										36		

PRELIMINARY Funding Level Comparisons - Updated with 1/14/15 Co-Chairs' Budget Framework

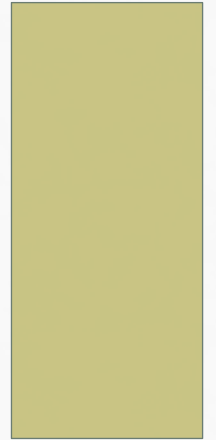
Appropriation Category (General Fund and Lottery Funds)	2013-15		2015-17 Proposals				Public University Presidents - Consensus Funding Level
	Original Appropriation (SB 5515)	Legislatively Approved Budget (LAB) as of April 2014 *	HECC Agency Request Budget (ARB)	Governor's Recommended Budget (GRB)	CO-CHAIRS' ESTIMATED AMOUNTS		
					Changes from GRB	Co-Chairs' Budget Framework	
Public University Support Fund (PUSF)	\$ 646,608,631	\$ 480,545,512	\$ 532,244,762	\$ 527,202,630			\$ 650,255,918
2013-15 Tuition Buy Down and Continuation (a)	-	40,000,000	61,755,238	61,755,238			61,755,238
Total Public University Support Fund	646,608,631	520,545,512	594,000,000	588,957,868	46,042,132 (1)	635,000,000 (2)	712,011,156
State Programs	8,460,165	11,280,651	10,596,516	10,597,135	-	10,597,135 (3)	13,000,000
ETIC	37,280,000	14,225,106	24,451,274	24,451,274	-	24,451,274 (b)	29,988,844 (b)
"Education & General" Subtotal	692,348,796	546,051,269	629,047,790	624,006,277	46,042,132	670,048,409 (c)	755,000,000 (c)
Statewide Public Services	110,208,278	101,155,580	104,493,713	104,493,713	-	104,493,713 (4)	125,000,000
Sports Lottery (d)	12,683,423	8,000,000	11,397,647	-	8,000,000	8,000,000 (5)	11,397,647
Debt Service (General Fund and Lottery)	52,678,582	114,736,795	162,033,060	161,369,516	-	161,369,516 (6)	162,033,060
Grand Total	\$ 867,919,079	\$ 769,943,644	\$ 906,972,210	\$ 889,869,506	\$ 54,042,132	\$ 943,911,638	\$ 1,053,430,707

* 2013-15 LAB does not include subsequent one-time appropriations received through May and September Emergency Board actions
(a) Tuition Buy Downs were implemented in phases in 2013-15; continuation in 2015-17 is at full biennial amount
(b) Amount in consensus funding considered to be ETIC related is calculated as original ETIC appropriation for 2013-15 plus general inflation factor of 3.3%.
(c) Funding level referenced in Joint universities presidents' letter to HECC
(d) In addition to total cap of \$8M for 2013-15, OSU and UO were limited to \$1M each for the biennium; The HECC ARB and President Consensus funding levels restored Sports Lottery to the statutory 1% of lottery revenues but the GRB eliminated Sports Lottery and transferred funding to the Oregon Opportunity Grant
(e) Inflation adjusted to 2008 using the Higher Education Price Index (HEPI)

Co-Chairs' Budget Framework Notes:
1) Some portion, amount not identified or available, of the increase to the Public University Support Fund represents "funding required to pay the costs of Shared Services."
2) Amount for PUSF is explicitly stated, although rounded to millions; if additional resources become available, an additional \$15M for the PUSF is one of the co-chairs' priority enhancements.
3) State Programs amount is not explicitly stated, but assumed to be a GRB level because the framework "maintains current program levels."
4) Statewide Public Services amount is not explicitly stated, but assumed to be a GRB level because the framework "maintains current program levels."
5) Sports Lottery amount is not explicitly stated, but assumed to be at 2013-15 levels (with caps for OSU and UO continued) because the framework "continues... the funding, adjusted in a similar manner as in our current budget, to sustain athletics programs at each of our universities."
6) The framework includes resources "to meet anticipated debt service needs for state-issued debt for projects at ... Public Universities."

HECC 10-Year "Stair Step" to 40-40-20: Under Development

OUTCOMES-BASED FUNDING MODEL



STATE FUNDING: E&G

- 2007-09 ... \$692M
- 2013-15 ... \$546M
- HECC ... \$629M
- GRB ... \$624M
- Co-Chairs ... \$670M
- Presidents ... \$755M

OUTCOMES

- UG Residents Degrees
- Lower Weighting for Graduate Degrees
- “Bonuses” for:
 - Pell Eligible
 - First Generation
 - Minorities
 - Veterans
 - STEM Degrees
 - Bilingual Education Degrees
 - Health Degrees

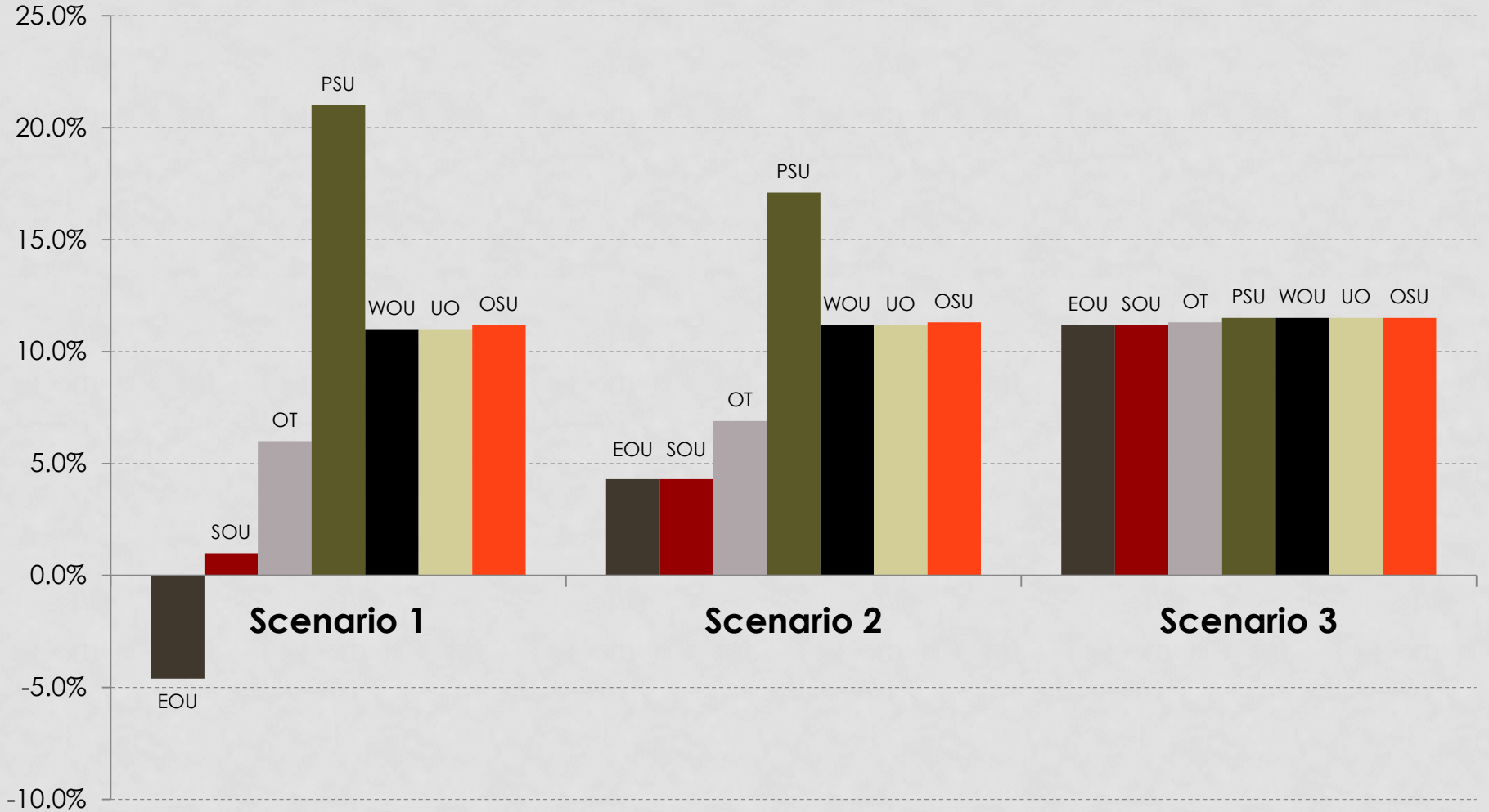
% FY 16 FUNDING INCREASE OR DECREASE

	Scenario 1	Scenario 2	Scenario 3
EOU	-4.6%	4.3%	11.2%
SOU	1.0%	4.3%	11.2%
OT	6.0%	6.9%	11.3%
PSU	21.0%	17.1%	11.5%
WOU	11.7%	11.7%	11.5%
UO	11.0%	11.2%	11.5%
OSU	11.2%	11.3%	11.5%

- Scenario 1 No stop loss or stop gain
- Scenario 2 3% stop loss and 17.1% stop gain
- Scenario 3 3% stop loss and 11.5% stop gain

Assumes Co-chair's budget and without shared services funding

% FY 16 Funding Increase or Decrease



Co-Chairs Proposed Budget

	<u>Current Year</u>	<u>Retrench Plan</u>	<u>Model Raw (1%)</u>	<u>Model 4.5%</u>	<u>Model 11.2%</u>
Enrollment/Model	15,200	14,624	17,171	17,745	18,902
Incentive	197				
One-time	500				
	15,897	14,624	17,171	17,745	18,902
Shared Services	1,089		1,682	1,682	1,682
Total	16,986	14,624	18,853	19,427	20,584
Stop Loss			0.0%	3.0%	3.0%
Stop Gain			0.0%	17.1%	11.5%

SOU Cogeneration Project

Information Sheet

Southern Oregon University is considering replacing the aging natural gas boiler system that heats campus buildings with a biomass cogeneration plant. The biomass facility would use forestry byproducts as a fuel source and produce both heat and electricity.

Background

SOU is currently heated by a natural gas fired boiler system. Two of the boilers are reaching the end of their useful life and need to be replaced to meet the increasing demand for campus heating.

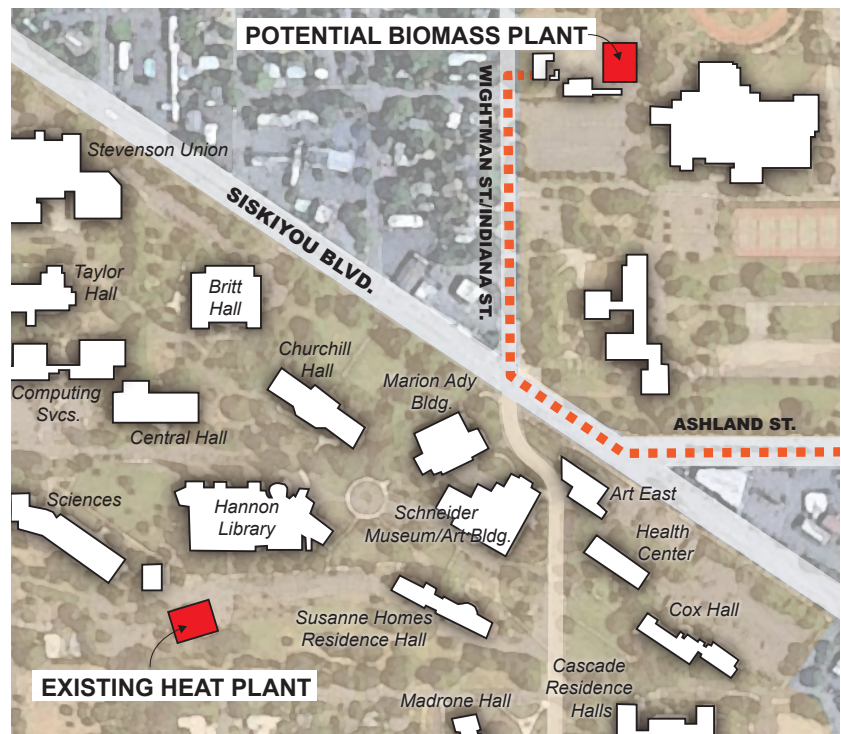
In 2011 and 2013, SOU commissioned three different studies to explore options for replacing the outdated boilers. These studies considered five alternatives, including two cogeneration options – one fueled by natural gas and the other by biomass. Cogeneration produces steam for heating campus buildings and generates electricity that can be sold back into the power grid.

The studies found that a biomass-fueled cogeneration option would be more efficient and economical than the current system, as well as make a significant step towards SOU's carbon reduction targets. Biomass fuel typically comes from forestry byproducts, such as tree tops, limbs, and small non-merchantable logs left over from timber harvesting and from forest restoration; wood mill residues; wood mill residues; and clean urban wood waste.

SOU is interested in hearing community input on biomass cogeneration. Based on the study results, SOU feels that replacing the outdated boilers with a new biomass-fueled cogeneration facility is a win-win proposal for our campus, community and environment. However, we want to hear from the community before making a final decision.

The information provided in this fact sheet is intended to help you think about your preferences as you provide input. More information is available on the project website:

www.SOUcogeneration.org.

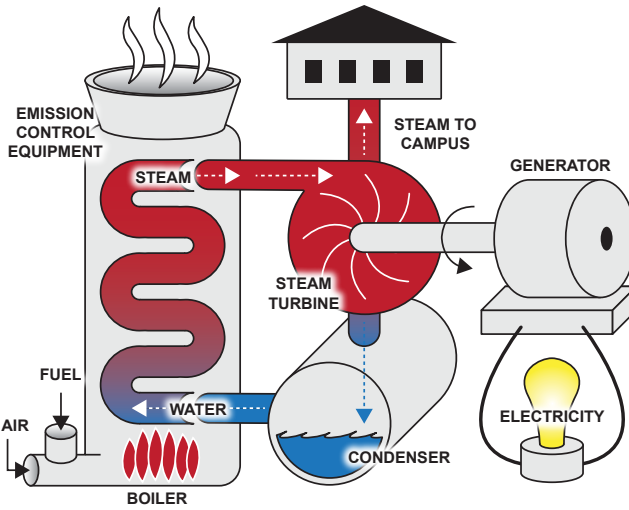


This campus map shows the location of the existing heating plant. A new biomass facility would be located adjacent to McNeal Hall at the maintenance yard. Proposed truck access routes to the biomass facility are shown in orange.

Understanding Cogeneration

Cogeneration systems burn fuel to create steam which provides heat for campus buildings and turns a turbine to generate electricity. The electricity can be sold back into the power grid to help offset the cost of the new facility, including installation, operations and maintenance.

Heating and electricity requirements for the SOU campus are expected to increase over time. Fuel costs are also expected to rise. Replacing the current boiler system with an efficient biomass cogeneration facility that produces both heat and electricity makes sense both financially and because it helps the University achieve its sustainability goals.



This diagram shows how a cogeneration system would create steam and electricity.

The Benefits of Biomass

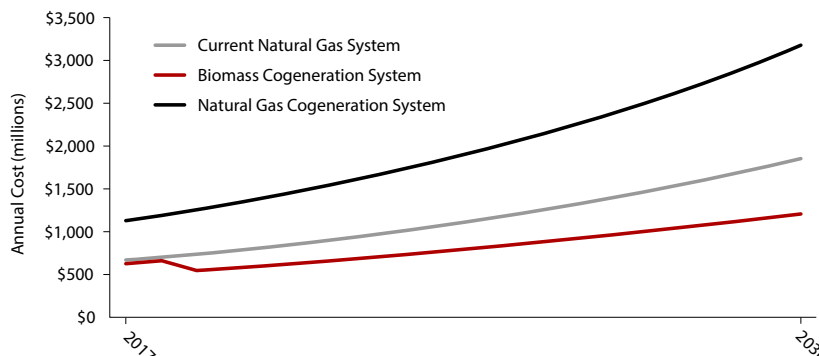
The recommendation provided to the university by experts in the field and by the commissioned reports is to build a biomass cogeneration facility. This is in large part because of the sustainability benefits it offers. Burning woody biomass in efficient boiler systems creates energy while helping to prevent air pollution that would otherwise come from burning slash piles, prescribed burning, and catastrophic wildfires. It also supports the local economy by providing a market for typically unused byproducts of current forestry practices. A biomass cogeneration plant would support SOU's leadership in integrating the principles of environmental, social and economic sustainability into campus planning and operations and help meet the goal of reducing campus-wide dependence on fossil fuels and greenhouse gas emissions to 10% below 1990 levels by 2020 and achieving complete carbon neutrality by 2050.

Biomass also seems a good fit because of the financial benefits – the fuel is cheaper than natural gas, which results in lower operating costs, and more alternative funding sources would be available to cover the capital cost.

Alternative Approach: Updating the Current Facility

If the biomass cogeneration option does not move forward, the two outdated boilers will be replaced in the next several years with new gas-fired cogeneration units. This option would be more expensive in the long term than a biomass facility, mainly due to the rising price of natural gas, but it would have fewer impacts to campus. The table on the next page compares pros and cons of the two approaches.

The graph shows that biomass has an increasing annual net cost benefit over continuing with a natural gas system.



CAPITAL COSTS

GRANTS, INCENTIVES AND FINANCING

FUEL CONSIDERATIONS

AIR QUALITY CONSIDERATIONS

IMPACTS TO CAMPUS AND THE COMMUNITY

STAFFING AND PERMITTING

WORKING TOWARDS CARBON NEUTRALITY

Biomass Cogeneration Facility

Natural Gas Cogeneration Facility

The total capital cost for a biomass system is estimated to be \$12.2 million, but that amount would be offset by various grants and tax credits available to biomass projects in Oregon, which could make the net capital cost \$7 million. Thus, nearly 42 percent of the total capital cost would potentially be offset. Electricity produced from the system could be sold back to the power grid. A biomass system would also earn Renewable Energy Credits that can be sold.

The capital cost for replacing the two outdated boilers with gas cogeneration would be \$8.5 million. Electricity produced from the system could be sold back to the power grid.

SOU has submitted a \$12 million funding request to the Oregon Legislature. State and federal agencies are highly interested in the use of biomass as an alternative fuel source and have grant funds to invest.

Funding for this option would also come from the Oregon Legislature. It is unlikely that grants and incentives will be available for an upgrade to the current plant.

Biomass fuels are a renewable resource and available within a 30-mile radius of campus. Buying woody biomass supports the local economy and forest industry. Biomass utilizes timber byproducts, which reduces waste, improves forest health and reduces risk of catastrophic wildfire. There is currently no demand for timber slash, so the fuel cost is expected to be driven largely by production and transportation costs, and rise roughly at the rate of inflation (3 percent annually).

Natural gas is more expensive than biomass on a \$ per BTU basis. The cost of natural gas in 2017 is projected to be \$6.65 per million BTUs, about 3 times the cost of biomass. As a fossil fuel, natural gas is a non-renewable resource. Supply and demand for natural gas are volatile. When gas is unavailable, diesel would be used as a backup.

Burning woody biomass in efficient boiler systems produces far less air pollution than burning slash piles, prescribed burning or catastrophic wildfires. Boiler systems also produce far fewer emissions than typical residential wood stoves per ton of fuel. Compared with natural gas, biomass boilers create more particulate matter, but at levels that satisfy EPA emission requirements. Biomass also produces more carbon monoxide (CO), nitrogen oxides (NOx), sulfur dioxide (SO₂), and volatile organic compounds (VOCs) than natural gas, but at levels well below EPA standards.

Natural gas is one of the cleanest burning fossil fuels; however it is still a significant source of carbon emissions. Burning natural gas emits carbon monoxide (CO), nitrogen oxides (NOx), sulfur dioxide (SO₂), and volatile organic compounds (VOCs) – but in smaller quantities than biomass.

Biomass systems are larger and require space for fuel storage, so a new facility would be built at the location of the current maintenance yard, just northwest of McNeal Hall. An average of five truckloads of fuel would be required each weekday. Fuel deliveries would be limited to weekdays during normal business hours. Storage silos at the site would allow the plant to operate for 60 hours without any deliveries. Trucks would travel on a designated route through Ashland (primarily State Highways 66 and 99) and on a side street for about 750 feet. It is believed that the fuel delivery plan will keep truck traffic, noise levels, and visibility of the operations to modest levels.

It may be possible to house the natural gas cogeneration plant at the existing facility, though a building expansion would be necessary.

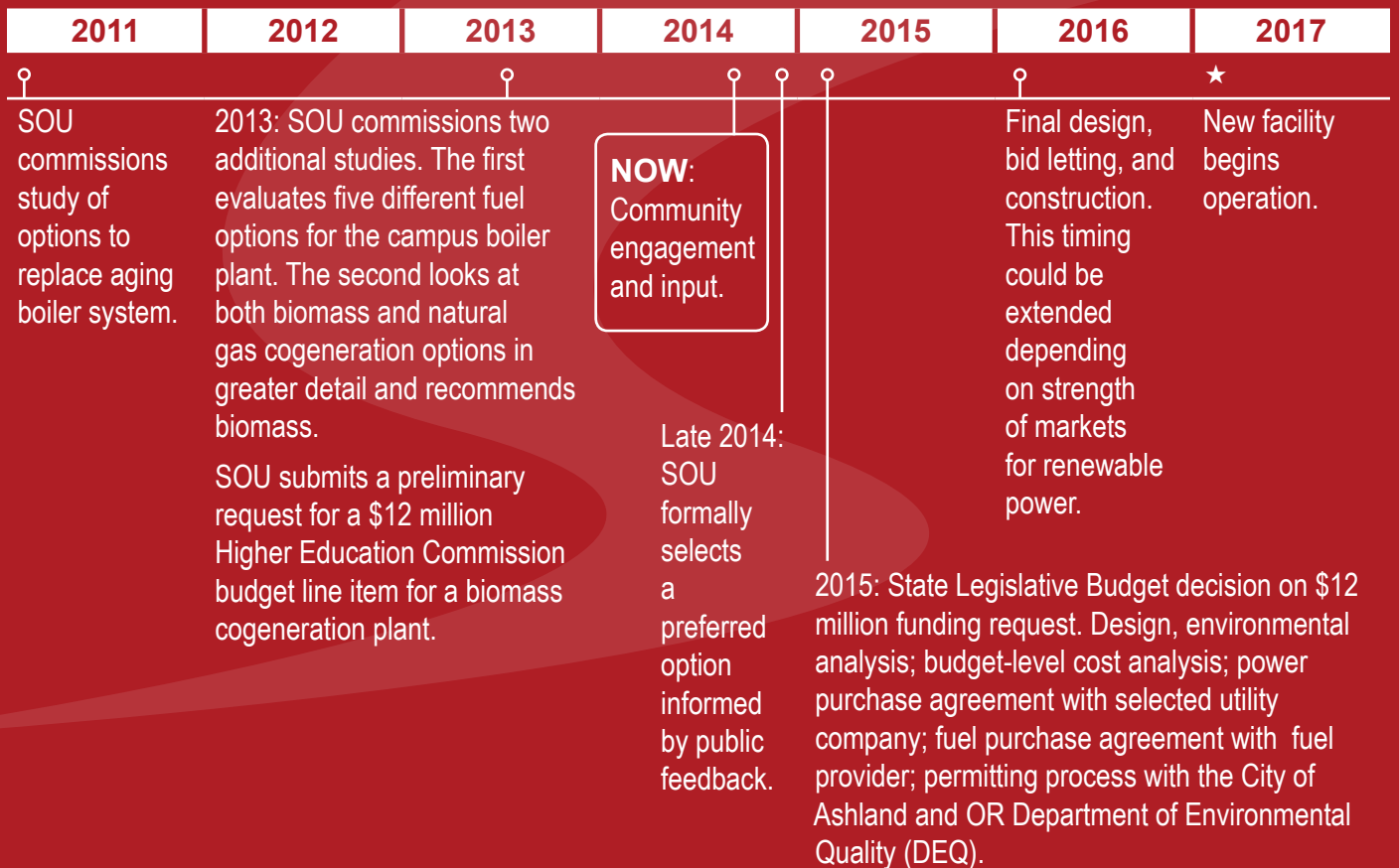
A biomass plant would require an additional two to three staff members, as well as training of current staff. This option would require more intensive upfront permitting, as well as ongoing Clean Air Act record keeping.

The natural gas cogeneration system would be operated by the current staff member. While some upfront permitting would be needed, ongoing record keeping would not be required.

Biomass plants are considered carbon neutral when the fuel comes from sustainably managed forests. A biomass plant would reduce dependence on fossil fuels and would be a significant step towards SOU's carbon emission reduction targets.

The new natural gas cogeneration units would be more efficient than current 1950s-era boilers; however, there would be only a modest benefit from a carbon emissions reduction perspective, which would quickly be negated by the growth in campus demand.

Project Timeline



We Want to Hear From You!

The University wants to know what the community thinks about a biomass cogeneration system. Your feedback will help determine which option will be brought forward into design and implementation.

Upcoming Events

Community Meeting

Wednesday, November 12, 6 p.m.,
Southern Oregon University,
Rogue River Room, Stevenson Union

Come talk with us at various information **tabling events!** Find out where we will be by visiting the project website.

Stay Informed

Visit www.SOUcogeneration.org to find more information about the options under consideration, download the full studies, and see the schedule of public outreach events. For more information or to schedule a meeting between the project and your organization, contact:

Adrienne DeDona, Public Engagement Lead
info@soucogeneration.org | (503) 235-5881

www.SOUcogeneration.org

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Print Page

By Sam Wheeler
For the Daily Tidings

November 10, 2014 6:55PM

SOU eyes burning biomass instead of gas

Biomass or natural gas? That's what Southern Oregon University wants the community to weigh in on on Wednesday.

The school is tossing around the idea of heating the campus by way of a biomass cogeneration facility to replace a pair of its existing worn-out gas-fired boilers, but it wants community input before moving forward.

A Wednesday forum to discuss what options are on the table and whether SOU should wean itself off its dependency on natural gas starts at 6 p.m. in the Rogue River Room of the Stevenson Union on the SOU campus.

"We are a member of this community and this is a major initiative for the university that will impact the community and we want to hear from the community moving forward one way or the other," said Ryan Brown, SOU's head of community and media relations. "It's really an opportunity for the community to let us know what they think about the specific project, what they think about biomass. If there are concerns it's a chance to raise those concerns."

SOU funded pair of studies in 2012 and 2013 with a \$250,000 United State Department of Agriculture-sponsored grant to compare the benefits and efficiencies of natural gas to biomass, and the results point to the latter, said Drew Gilliland, director of facilities, management and planning at SOU.

On top of being able to produce steam to heat the campus by way of biomass cogeneration, the university would be able to produce enough electricity to offset its annual usage, a big step in help SOU reach its goal of carbon neutrality by 2050, Gilliland said.

If SOU did begin to produce its own electricity, the school would continue purchasing electricity from the city of Ashland, but sell back enough into the grid to offset its usage, Gilliland said.

"We need to be at the forefront of being environmentally conscious and one of the ways you can do that is by generating electricity locally instead of transporting it across lines where you lose a lot," he said. "Here in the heart of timber country, why not biomass?"

According to a wood products availability study the university commissioned, there is ample fuel within 30 miles of Ashland to keep the proposed 1.2 megawatt power unit running.

Biomass fuel, says a university website (www.soucogeneration.org), "typically comes from forestry byproducts, such as tree tops, limbs, and small non-merchantable logs left over from timber harvesting and from forest restoration; wood mill residues; and clean urban wood waste."

The fuel is burned to create steam to heat campus buildings and turn a turbine to generate electricity.

The burning in efficient boiler systems produces far less air pollution than burning slash piles, prescribed burning or catastrophic wildfires, according to the university, and far fewer emissions than typical residential wood stoves per ton of fuel. A Biomass One plant in White City uses an air-quality system to reduce the smoke particulates it emits from burning wood waste and emits only one particulate for every 500 particulates that would be emitted from open burning of wood waste, according to the company.

The cost of building a biomass cogeneration facility would be in the ball park of \$12 million, Brown said, but the university expects it could offset as much as \$5 million by way of federal and state grants.

The estimated cost of two new gas-fired boilers is about \$8.5 million, he said.

If a biomass facility were to go in, it would most likely be located along Wightman Street near McNeal Pavilion and would require fuel delivery from large trucks, Gilliland said. Trucks would travel west on Ashland Street to Siskiyou Boulevard, where they would head northwest for less than a block before making a right to the north on Wightman. The existing heat plant is south of Hannon Library.

At the earliest, the plant could be up and running by 2017, he said.

"Before we do any of this we have to get a buy in from the community," Gilliland said. "We want to here what people think."

Reach freelance reporter Sam Wheeler at samuelcwheeler@gmail.com.



Scott Coash, a stationary engineer at Southern Oregon University, walks through the boiler room on campus on Friday. Daily Tidings / Jamie Lusch

Biomass conversion forum

Southern Oregon University hosts a forum on the possibility of replacing two of its existing four natural gas fired steam boilers with a biomass cogeneration facility at 6 p.m. Wednesday, Nov. 12, in Stevenson Union on University Way on the SOU campus. More information is online at www.SOUcogeneration.org.

Dear Brad,

Thanks for your note. I'm sorry to have been so hard on Jeanne Lawson Associates. I meant to comment on the relationship between Beck-Carlson and the timber industry, and on the fact that JLA was being used to lobby internal constituencies. It was not right to imply a direct or inappropriate relationship between JLA and forestry firms.

When the members of the SOU community were invited to a meeting to consider the alternatives for our power plant, we arrived to find, not a variety of spokesmen presenting different options (gas heat plant versus gas cogeneration versus biomass cogeneration), but rather a panel of advocates for a wood-generation plant led by moderators from JLA, which appeared already to have produced a high-production value film endorsing a particular outcome.

I hope I was appropriately modest about my limited grasp the research. That's why I ran the proposal past two atmospheric scientists, an environmental economist, and a Lawrence Livermore physicist. I encountered deep skepticism about the claims on emissions and public health impacts, the metrics of carbon accounting, and the opportunity costclaims in relation to natural gas price projections.

As I said, I know very little about physical sciences, but I do know political processes. For the most part, I try to stay out of university politics, but I feel that something is amiss.

My apologies, again, for criticizing the project and then bolting off for another event. I scheduled the lecture before we knew that UPB was meeting today and before we had an agenda.

Sean

Dear Dr Saigo,

Here's some information that may be of interest to you.

Recently a group of 78 scientists sign letter protesting EPA's indication of support for wood energy Letter. The EPA letter that they challenge is the one you have posted on the soucogeneration.org webpage in the library section under carbon neutrality.

: http://www.caryinstitute.org/sites/default/files/public/downloads/2015_ltr_carbon_biomass.pdf

Thank you for your consideration.

Sincerely,

Bob Palzer, PhD

Drew:

I appreciate very much your granting us the opportunity to discuss the SOU Co-generation proposal this morning. I am sending this as a tentative recollection of my perceptions of our discussion; if you disagree, please indicate.

As I understand SOU's position, there is a pending, though not desperately urgent, need for a replacement boiler for the campus that meets the campus needs, conforms with the university's commitment to sustainability, and isn't financially exorbitant. In exploring options, the two that seemed most realistic were replacing the current system with a natural gas plant or a biomass co-generation plant.

Rogue Sierra Group vice-chair Bob Palzer, who has worked extensively to improve valley air quality for many years is concerned about particulate matter releases from a biomass plant

jeopardizing this area's very tenuous air quality. Bob is also very conscious of the issue of global warming and wished a solution that does not compromise this further.

As President and Co-facilitator of Southern Oregon Climate Action Now, my focus is on the issue of global warming. My concern is that if we acknowledge the need to keep warming below 2 degrees C above pre-industrial levels - as international agreement suggests - the math tells us that we will exhaust our budget of emissions in 17 years at our current accelerating rate. This means that individually and collectively we must do everything we can to reduce our contribution to the problem.

My argument is as follows: Although natural gas releases much less carbon dioxide when incinerated than do coal and oil, it is methane which has a greater Global Warming Potential than carbon dioxide. Over a 20 year period, methane in the atmosphere is 85 times worse, and over a 100 year period some 35 times worse than carbon dioxide. Not much methane has to leak from extraction source to combustion sink to negate the combustion benefit. Unfortunately, many recent studies tell us it does leak, and seems to leak much more than the 1 - 2% cut-off below which it would remain better than coal or oil. Indeed, a recent summary suggests that shale fracked natural gas leaks from source to sink on average at the rate of 5.8% - far above that critical cut-off. As a result, natural gas is not 'the clean fossil fuel' and does not, in my judgment, meet SOU's desire for a sustainable campus.

Biomass has the apparent advantage that it comprises emissions of gases into today's atmosphere that were captured from yesterday's atmosphere and will be captured again in a few years as trees grow. Given the 17 year deadline mentioned above, there is a real question about whether this argument is sufficient to make biomass acceptable. Additionally, transporting the biomass from the forest to SOU emits fossil fuel carbon dioxide. Adding the disadvantages together, there is a serious question about whether woody biomass really can be counted as a renewable fuel that reduces emissions.

Faced with this dilemma, it was encouraging, then to find that an electric boiler might be a reasonable option. The advantage of electricity, as we know, is that this can be generated from renewable sources.

From the particulate matter perspective Bob was expressing, electricity has the advantage that it would not involve releasing air pollution into the very sensitive environment of Rogue Valley. From my and our global warming perspective, electricity has the advantage that it could be generated locally from renewable sources and this exchanged (net-metered) via the grid for electricity generated elsewhere when local generation is inadequate.

As a correlated benefit to the electricity generation idea - though a somewhat separate and maybe less immediate issue - is the notion that SOU might be able to engage in a collaboration with the City of Ashland to develop renewable generation capacity (solar farm, for example) serving both campus and community.

I look forward to further discussions of these issues, and am ready to work with the campus and the city to promote a collaborative effort to generate renewable energy to serve both communities.

All the best, and thanks again for the opportunity to discuss this critical issues.

Alan Journet

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Alan Journet Ph.D.

President & Co-facilitator
Southern Oregon Climate Action Now (SOCAN)
<http://socan.info>

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By Bob Palzer and Paul Fouch

Print Page

January 14, 2015 12:01AM

Guest Opinion: SOU biomass burner would be big mistake

We are shocked that Southern Oregon University is proposing to replace its natural gas boilers with a highly polluting biomass cogeneration operation.

Decades of effort by industrial sources and individuals has reduced the use of wood for heat or power in the Rogue Valley. Now SOU proposes to haul wood waste from up to 50 miles away to burn on campus under the erroneous assumption that it will reduce carbon emissions, while trivializing the significant increase in particulate matter (PM) pollution. We challenge SOU, city and county officials to invoke a moratorium on this project to determine its legality and further evaluate its negative effect on the image, livability, health and air quality of Ashland and the sustainability of our tourist-reliant economy.

We also challenge concerned citizens to evaluate the truthfulness of pro-biomass contentions posted on the SOU biomass website compared with information on the Save Our Rural Oregon and Rogue Group Sierra Club websites <http://stopklamathbiomass.wordpress.com/> and <http://oregon.sierraclub.org/groups/rogue/>. See also <http://www.energyjustice.net/content/biomass-library-scientific-reports>. Then please contact SOU and city of Ashland officials and plead with them to install the far better natural gas option.

The SOU Cogeneration website states the goal is to reduce operating costs and carbon emissions. Although officials admit a new gas-fired cogeneration system would emit far less toxic air emissions than a biomass system, they marginalize its significance.

The Medford-Ashland area once had the third-highest PM pollution in the United States. A broad spectrum of stringent measures has brought this area into compliance with PM health standards. However, this area still has extensive periods of air stagnation when individuals must stop using woodstoves or operate them with no visible emissions, while the biomass incinerator would continue burning wood 24/7. Furthermore, startup, shutdown and burning wet, dirty or frozen fuel and other factors will produce multi-fold higher PM emissions.

SOU is focused on the short term and not the long-term viability of the project. It asserts that natural gas prices will keep rising and biomass prices will always be lower because current governmental subsidies, energy credits and other inducements will be permanently available. This ignores the fact that natural gas prices have been dropping for several years and are lower than their average price for the past 15 years. We contend the prices for both fuels will vary and cannot accurately be predicted over the long term by anyone.

Biomass would have to be trucked in by ugly chip trucks emitting hazardous pollution and noise and causing conflicts with school buses and cars on narrow Ashland streets. Biomass is far dirtier than clean-burning natural gas, which is readily available. An OSU forestry professor succinctly states: "Biomass has a lower energy density than fossil fuels, and is inefficient because its generally high moisture content requires that energy be expended to evaporate water before useful energy can be obtained. Because wood burns at a lower temperature than fossil fuels, the efficiency of electricity production is also lower. This means that in practice, burning biomass emits 150 percent of the carbon dioxide of coal, and 300-400 percent of the carbon dioxide of natural gas, per kilowatt of electricity generated."

Forests store carbon from the atmosphere. When burned, all the carbon that has been sequestered is instantly released back into the atmosphere. If trees grow back on those sites it would take multiple decades or longer to sequester an equivalent amount of carbon. That is beyond SOU's goals to obtain carbon neutrality by 2050.

This facility will be in a residential neighborhood close to three large schools. Rather than an inconspicuous incinerator hidden on the campus, it will be highly visible as it emits ugly bellows of smoke and steam on a 24/7 basis. The uncontrolled chip pile will emit a similar volume of noxious emissions.

If SOU really wants to support the local economy and to provide leadership in integrating the principles of environmental, social and economic sustainability into campus planning and operation, it will drop its biomass proposal and go with the less problematic natural gas option.

Bob Palzer, PhD, is a retired SOU chemistry professor who has worked on improving air quality since moving to Ashland in 1986. He is also vice chairman of the Rogue Group Sierra Club. Paul Fouch, PE, is a retired manufacturing engineer living in Klamath Falls who has taught for 12 years at OIT and 3 years at SOU. He is currently president of Save Our Rural Oregon, which focuses on improving the air quality and livability in Southern Oregon communities.

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November 12, 2014 12:01AM

Print Page

Our view: Generating a good idea

Southern Oregon University has a well-thought-out plan to replace old gas-fired boilers with biomass systems that generate heat and electricity. They are wisely asking for community input before proceeding — and we hope the community will be as thoughtful in responding to that request.

As with any energy-producing practice, there are downsides to biomass, which uses clean-burning boilers to produce steam and a valuable byproduct — electricity. Biomass involves the burning of wood waste — including tree limbs, tree tops and small trees left over from logging operations. That burning has an impact on the airshed, although an SOU report says it produces about two-tenths of 1 percent of the particulates that are emitted in slash burning. And, if that woody debris is created, a considerable amount of it will be burned.

The small amount of pollutants will raise some objections, if for no other reason than its connection to logging. Others may object to trucking the biomass through town. But those objections should be considered with the alternatives in mind. Natural gas, which has its own detractors (see LNG pipelines), is the most likely option. In fact, any option you can offer has its detractors — hydro-electric (fish-killing dams), wind (bird-killing turbines), solar (cost, dependability).

The biomass option is not perfect, but it is more environmentally friendlier than most — it even produces enough electricity to pay for its own operation. We hope people will give it a fair hearing and not let their idea of perfect become the enemy of good.

<http://www.dailytidings.com/article/20141112/OPINION/141119954>

Print Page

The Wood-Burning Biomass Conundrum

There are many approaches that have been proposed that involve biomass as a fuel source. This include ethanol produced from various plant sources as a transportation fuel, fuel generated from algal culturing, anaerobic bio-digestion to produce methane (natural gas), and most commonly wood as a feedstock for electrical generation. The concern here is with the last of these.

The problem that 'Cap and Trade' and 'Carbon Taxing' are designed to address is the release of Carbon dioxide into our atmosphere. So this is where the thrust of the wood fueled electricity generation plant debate resides when wood burning is promoted as a 'clean renewable' energy source. This is a complicated question. My thinking on this has changed over the years as a result of reading, discussions, and reflection.

Since burning wood does release Carbon dioxide, at first assessment, it would appear to be a problem and should not be allowed to sneak under the wire and be counted as a renewable resource.

The basic pro argument, however, is as follows: The problem with fossil fuels is that we are releasing Carbon dioxide into the current atmosphere that was trapped by plants many millions of year ago from an

ancient atmosphere – so it's all effectively a net addition to our current atmosphere. Burning biomass, on the other hand, is simply releasing back into the current atmosphere Carbon dioxide that the plants have only recently taken from it, so in a long term view there's no net gain. In principle, that should make burning biomass a renewable energy process that is a net zero contributor of Carbon dioxide - at least as measured in centuries.

The con argument then returns as follows: The problem we currently face is such a serious one that we cannot afford to release any more Carbon dioxide into the atmosphere even if it was trapped as recently as within the last century, because it will take another century for trees to grow back and recover that Carbon dioxide. Indeed, burning wood releases more Carbon dioxide per kilowatt hour of electricity generated than even coal. The argument continues....we just don't have that long; we must reduce the atmospheric Carbon dioxide much more quickly than that. So burning biomass is a Carbon dioxide polluter that we cannot afford and it should not be counted as a renewable resource.

Then, returning to the 'pro' argument; we have to acknowledge that the most common way to deal with trees that are thinned as part of a basic forest

management 'timber stand improvement' or dead timber removal program is to burn them. Alternatively they could be left to rot. The result is that Carbon dioxide in their biomass will be released – more rapidly if burned to be sure - but released anyway. The argument then continues: "If we're going to release the carbon dioxide anyway, why not run that biomass through a generator and gain some electricity or co-generation benefit from the incineration?" And that starts to make some sense.

But, and here's the rub, if we get into large scale biomass electrical generation, we will construct huge multi-megawatt power plants that will need to suck all the logs they can from miles around just to stay productive and produce return on investment . So the biomass generation starts to deforest the region, and release all the beautifully sequestered Carbon dioxide into the atmosphere. Furthermore, these logs will need to be trucked to the plant burning fossil fuels every mile of the way.

So, it seems to me, the bottom line with biomass burning is a hugely helpful '**it depends.**' What is needed is a 'complete life cycle carbon budget' for every proposed project. We would then have to analyze the budget and decide if the project is really a net positive or a net negative. Regrettably, there are no simple answers here.

Given the complexity of the issue, the best rule of thumb has to be that biomass burning is not a renewable procedure. The troubling component to the argument is that biomass electricity generation is used as an inducement in a labor-strapped economy to generate jobs. The jobs are there if we build massive generation plants and log huge areas - which is exactly the wrong way to go.

And, please note, none of this takes into consideration the other environmental costs of biomass burning – namely air pollution by particulates which can be devastating to those with respiratory ailments.

Woody biomass as an electrical power source might be defensible if, and only if, the generation plant is small and relies ONLY on a local source of feedstock that would have been burned anyway. If small scale co-generation of heat and electricity were the essence of the plan, a case could probably be made in favor of the strategy.

Alan Jounet alanjounet@gmail.com
Co-Facilitator, Southern Oregon Climate
Action Now: <http://socan.info>

National Leadership

"We are on the brink of a new healthy forest economy that will sustain large-scale forest restoration in the long run. The rapid growth of a young bioenergy industry holds the promise of a reliable and expanding market to use the small trees supplied by forest restoration projects for cleaner and cheaper energy sources."

Rick Cables

Rocky Mountain Regional Forester
Forest Service, USDA

"Technology is taking wood use to new levels. BLM is committed to providing biomass to help meet future needs for energy and value-added products, while reducing the risk of catastrophic wildfire."

Gregg Nelson

National Biomass Coordinator
Bureau of Land Management

"Matching the bioenergy technology to the available forest resource is extremely important. Sometimes, smaller scale applications such as heating a community building makes the most sense."

Marcia Patton-Mallory, PhD

Biomass and Bioenergy Coordinator
Office of the Chief
Forest Service, USDA

Colorado Leadership

"Renewable energy resources such as biomass are key components of the New Energy Economy. Through effective use of biomass resources we can reduce our dependence on fossil fuels, improve forest health, protect our environment and stimulate local economies."

Tom Plant

Director,
Colorado Governor's Energy Office

"Wood is the environmentally friendly fuel source of the future because it is carbon neutral and renewable. When we begin actively including wood in the energy equation we also contribute to improved forest health, safer watersheds, and reduced fire risks."

Jeff Jahnke

Colorado State Forester

"To create a truly environmental and sustainable energy source we must look to biomass utilization as our answer for the future."

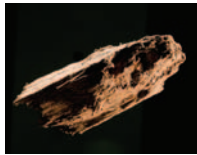
Jeff Kitchens

Colorado Forest Program
BLM

Wood Can Work for Your Community

If your community is looking for ways to reduce heating bills and you are near a forest, you have probably considered using wood for heat. Yes, it can work! It can reduce your heating bills, address regional forest health issues, and help keep more of your energy dollar in your community. But it could also be a disaster. The wrong technology for the wrong application with wrong expectations is a recipe for getting burnt on wood. This article shines light on the pitfalls and potential of wood-fuel applications.

The Basic Technologies



CHIP SYSTEMS are well-suited for large buildings and campuses. Successful projects get their chips locally, usually within 30 miles or so. Chip-handling systems are complex and expensive to build and operate. This is offset by the low cost of the fuel itself.



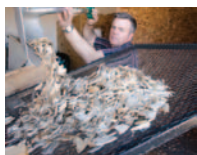
PELLET SYSTEMS work very well at the residential scale and are beginning to be used in commercial buildings. In Europe, pellets are delivered in bulk to heat entire towns and they are even used as a zero-carbon substitute for coal in large electric power plants.



CORDWOOD SYSTEMS heat large mountain homes, winter lodges and camps, and even swimming pools. In the right location, the fuel (basically firewood) is free or nearly so. These systems must be manually loaded once or twice a day with up to 100 pounds of wood. Great exercise!



COMBINED HEAT AND POWER (CHP or cogeneration)—the production of heat and electricity from wood—is very promising. Today, it works very well in large lumber mills, paper mills, and furniture factories. In the future, it may even work for smaller applications.



EMERGING TECHNOLOGIES are being developed by governments and industries looking for low-carbon, low-cost energy sources. Wood can be *gasified*. The gas can be used to fire a boiler, drive an engine or turbine, and even run a fuel cell. Wood can be *liquefied* into liquid biofuels for transportation. These technologies are being prototyped today and should be commercially viable within the next decade.

THE BOTTOM LINE Is your building...

More than 100,000 square feet?

If you have more than 100,000 square feet to heat in a moderately cold climate and you're located near a stable supply of wood chips, you may have a winner. If the building is a hospital, prison, or dormitory, even smaller buildings might make sense since these buildings use lots of hot water year round.

Less than 10,000 square feet?

If you have a building less than 10,000 square feet to heat and you live in a moderately cold climate, a wood pellet solution might work for you even if you're far from the nearest tree. And if you don't have access to natural gas, things look even better.

The Messy Middle!

Buildings in the 10,000–100,000 square feet range are the most likely building you'll be planning and, unfortunately the least likely for a simple off-the-shelf wood-fueled solution. But, please read on. There are some very exciting systems heading your way—and you really should consider designing your building to take advantage of them when they arrive. Flexible Energy Communities Initiative can help!

Some Key Opportunities and Issues...



AIR QUALITY should always be a concern. Wood-fueled systems can be made to meet any air quality standard, but there are cost trade-offs. The good news is that burning wood in a properly designed and maintained system is *much* cleaner than burning it in a slash pile or wildfire. In some situations, a wood-fueled system can actually improve local air quality.



WILDFIRE MITIGATION

Fuel-reduction and restoration activities are key components of forest management policies.

- ◇ *Land treatment projects are expensive and funds are not always available.*
- ◇ *Slash burning and prescribed burns can adversely impact local air quality.*
- ◇ *In situations where outdoor burning is prohibited, local landfills are often the only alternative.*



ALTERNATIVE TO SLASH PILE BURNS



ALTERNATIVE TO PRESCRIBED BURNS

Developing local wood-fuel markets can help offset treatment and disposal costs. This also creates local jobs, which keeps more money in your community.



SUPPLY QUALITY. If you use wood pellets, the quality is very high and very uniform. However, wood-chip quality varies a great deal, depending on how the material is handled. “Treat it like fuel and it is fuel; treat it like trash and it is trash.” Training, awareness, and long-term business relationships are the keys to success for a dependable, quality wood chip supply.



SUPPLY AVAILABILITY. For wood-fuel systems to work, you will need a reliable, long-term supply. The weight and bulk of wood-fuel will keep your supply geographically nearby. A forest might burn, or environmental regulations may reduce access to some areas, forcing you to travel further for your wood supply. This could incur significant transportation costs—making wood the high-priced fuel.



CARBON-NEUTRAL. Wood-fuel is considered carbon-neutral. While carbon dioxide is emitted when wood is burned, the very same amount of carbon dioxide is absorbed when the tree grows. When wood-fuel is used to offset fossil fuels such as propane and natural gas, the net effect is lower carbon emissions, allowing carbon credits to be sold.



Wood is Working for Other Communities

Wood as fuel is making a comeback around the country as the cost of other energy sources continues to rise. In many areas, forest management activities produce potential fuel. Clean wood technology is becoming available and affordable—and the word is getting out. Wood works, and your community can learn from communities where it does!

Successful Projects Almost Always Have...

1

A GOOD LOCAL WOOD SOURCE. You won't find many wood-fueled systems too far from a forest. Wood is bulky and often full of moisture, two things that make transporting this fuel long distances impractical. However, wood pellets are routinely shipped from Canada to higher-priced markets in Europe.

2

THE RIGHT TEAM—THE RIGHT TECHNOLOGY. To make wood-fueled systems work for your community, you need to choose the right technology that matches your building's needs. The best way is to take advantage of the experience of others, especially at the early design stages. Fortunately there are people to help!

3

POLITICAL WILL AND LONG-TERM COMMITMENT. The economics and logistics of wood-fuel systems can work, but it is seldom a slam-dunk. Wood systems typically cost two to three times more than conventional systems and can take 10 years for the lower cost of wood-fuel to pay back the investment.

4

A CHAMPION. The daily and yearly operations, maintenance, and fuel supply management are not for everyone. The most successful projects have one person who is committed to making things work and to figuring things out when they don't. Don't have a champion? Don't expect success.

5

A HIGH ENERGY BILL. The potential savings wood-fueled systems promise can only be met if your need for energy is significant. Facilities with year-round need for heat like swimming pools, health facilities, and prisons are ideal!

FLEXIBLE ENERGY Communities

A community that prepares their new and existing buildings for an uncertain energy future by:

- ◇ *Planning and designing so that new energy systems can be easily added when those systems become economically attractive.*
- ◇ *Purchasing and installing new energy equipment when the time is right for your community.*
- ◇ *Minimizing energy use while maximizing comfort and utility.*

The Flexible Energy Communities Initiative (FLECI) is a design-assistance program sponsored by the U.S. Forest Service, the Bureau of Land Management (BLM), and the Colorado Wood Utilization and Marketing Program (CO-Wood) to help your community prepare for emerging new energy technologies including wood-fuel, solar energy, geothermal (geothermal), biogas, and fuel cells.

This funded design-assistance program can help you make your building "woody biomass ready", often at no increase to your construction costs!

visit: www.fleci.org





Ed Hoffman describes the Chadron wood-chip boiler, which consumes approximately 7,000 tons each year, equivalent to one 20-ton truck delivery just about every day of the year.

Chadron State College, Nebraska

For more than 15 years, Chadron State College in Nebraska has been heating its campus of 2,800 students with wood chips from local forests. Keys to success include: a solid design, proven technology, reliable local supply of wood chips, and the personal commitment of Ed Hoffman, now a vice chancellor for the Nebraska State College System.

A local, family-run business supplies chips for the campus, and their kids now attend the very college they help heat. The moisture content of the chips varies over the year, so the contract is based on the energy content, not weight.

Ed says it took about four years before the operation ran smoothly. Now, it works so well that they recently added an absorption chiller to cool their buildings in the summer using the steam from the wood-chip boilers. The more they run the boiler, the more money they save, and the less carbon they emit.

The Numbers

- ◇ 24 buildings
- ◇ 1,100,000 square feet
- ◇ 9-MMBTU/hr wood-chip boiler system.
- ◇ Including operations and maintenance, estimated savings are more than 30% over natural gas at \$10/MMBTU.





Boulder County, Colorado

Boulder County's new 120,000-square-foot Parks and Open Space complex in Longmont, Colorado, is an excellent example of where wood really works. All the right conditions for success existed:

- ◇ The county manages more than 18,000 acres of forested land. Their ongoing fuel-reduction and restoration efforts are capable of easily meeting their fuel needs.
- ◇ They designed from the ground up.
- ◇ The county and community strongly value environmental stewardship and appreciate the zero-carbon impact of wood-fuel.
- ◇ A project champion (or two, or three) who wanted to make it happen.
- ◇ The team started the design just as natural gas prices began rising.

Starting with a blank slate, the design team chose to implement a centralized district energy system using hot water distribution. This gives the site the most flexibility to adapt to a changing energy future. All the changes can be done in one location, taking advantage of scale for both equipment costs and operation and maintenance.

Depending on natural gas prices and the variable costs of chips, the project is estimated to have a simple payback of less than 10 years.



The Numbers

- ◇ Six buildings
- ◇ 120,000 square feet
- ◇ 3.3 million BTU/hr wood-chip boiler
- ◇ 650 tons/year of dry chips (20% moisture equivalent)
- ◇ Depending on natural gas prices, a simple payback of 8 to 20 years is expected
- ◇ Video and brochure can be found at Colorado Governor's Energy Office: www.colorado.gov/energy/renewables/Biomass.asp



Our Friend the Wood Pellet

Wood pellets are the ideal fuel for small to medium applications—the most promising wood-fuel for buildings in the “messy middle.”

Pellets are sometimes referred to as a *refined wood-fuel*—much as gasoline is a refined fuel from crude oil. Size, shape, moisture, and ash content are very consistent between vendors and bags (and, increasingly, truck loads). This uniformity allows reliable, affordable automatic fuel handling from an outdoor bin or silo to the indoor boiler or furnace.

This uniformity also allows combustion systems to be highly tuned, making pellet systems very clean and efficient.

Wood pellets are also known as a *densified biomass*, where most of the water and air have been squeezed out, leaving just wood energy. Pellets have nearly twice the energy per pound as typical cordwood, and occupy only about one-third the volume. This makes long-distance transportation affordable. In fact, North American pellets are routinely shipped to Europe.

While manufactured wood pellets can be used in simpler systems, this naturally comes at a cost. Wood pellets cost about twice as much as wood chips for the same amount of energy. For medium and small systems, this is a good trade-off.

Wood pellet manufacturing plants are a significant investment. An entry-level factory costs approximately \$3 million, and upwards of \$10 million is not unusual.



This pellet boiler heats...

...this physical therapy pool



U.S. Representative John Salazar opens the first bag of 100% Colorado wood pellets in October 2006.



Wood chips await drying



Dryer is fueled with scraps and defective pellets

Key Points

- ◇ Uniform size, moisture, ash content, and energy content
- ◇ Simplified fuel handling
- ◇ Tuned for clean combustion
- ◇ About twice the cost of wood chips
- ◇ Small pellet mills make 4 tons per hour and cost several million dollars.

Pellet mill open for cleaning



Pellet mill open for business at 4 tons per hour



Grain silo ready for first batch of wood pellets





Cordwood

Simplicity and great economics make cordwood boilers increasingly popular around the country. Cordwood—firewood size or a bit bigger—from on-site or local forest management projects is often free!

If you have a home or small building to heat and live near a forest that needs thinning, these systems have very good economics. If you have a hot water (hydronic) heating system, the economics are even better.

Buyer beware! There is a huge difference between clean units and dirty units. The EPA has recently released voluntary guidelines, but they have a ways to go.

If you follow the manufacturer’s recommendation, these units can be very low emitters of smoke—much cleaner than the cleanest of fireplaces. But, if they are mishandled, these units can be very dirty. Some irresponsible owners have used their boilers as an incinerator, burning household garbage, and even tires!

The Numbers

- ◇ Cost: \$20K to \$60K
- ◇ Heat output: 100,000 to 900,000 BTU/hr
- ◇ Fueling cycle: Stoke one to three times a day
- ◇ Payback: 3-5 years against propane and heating oil
- ◇ Air quality: very clean to very dirty.



Wood-heating pioneer Dick Cook designed and built the boiler shed and very convenient wood handling system for his 300,000 BTU/hr boiler. Dick has been testing a variety of wood drynesses and species.

The smoke coming out of the chimney is from excessively dry wood not recommended by the manufacturer (or Dick). But even with the wrong wood, the system is virtually smokeless after the initial 5-15 minute start-up cycle.



As part of their hands-on Sustainable Energy Certificate program and the college's efforts to manage rising energy costs, Santa Fe Community College installed this 300,000 BTU/hr boiler and housed it in a shipping container.

The boiler features an integrated 1,500 gallon water jacket to store heat. This allows the wood to be burned rapidly and cleanly at an optimum rate, independent of how much heat is needed. Need more heat? Load the fire box more frequently. Less heat? Less often. No smoldering fires here!



While the larger units really need their own shed or outbuilding, smaller European boilers, like this 130,000 BTU/hr unit, can fit nicely in your basement. Of course, not all basements are set up to haul in firewood.

A 650 gallon hot water tank (silver tank) is the recommended way to store several days' worth of energy.

Dave Followill can fire his boiler once a week in the summer to provide his home with domestic hot water.

Let the Burner Beware...

\$30 per ton? Is that a green ton, a bone-dry ton, or something in between?

30% moisture content? Is that dry basis or wet basis?

Moisture Content Formulas (important!)

Wood from a freshly cut live tree is “green wood.” Its energy content varies dramatically. Wood that has been placed in an oven until all the moisture is removed is called “bone-dry” or “oven-dry” wood. Its energy content is very consistent.

$$\text{Dry Basis Moisture Content} = \frac{\text{Initial Weight} - \text{“Bone-Dry” Weight}}{\text{“Bone-Dry” Weight}} \times 100\%$$

$$\text{Wet Basis Moisture Content} = \frac{\text{Initial Weight} - \text{“Bone-Dry” Weight}}{\text{Initial Weight}} \times 100\%$$

The word "energy" in normal conversation is used fairly loosely with a variety of meanings. But in engineering and science, energy has a very precise, specific meaning: “the capability of doing work; different forms of energy can be converted to other forms, but the total amount of energy remains the same.”

In the case of wood, that work could be warming your home or boiling water to make steam that spins a turbine that, in turn, runs a generator that produces electricity. These two forms of energy—heat energy to warm your home and electrical energy to light a light bulb—can be numerically measured and compared.

In the United States, heat energy is typically measured in BTUs, or British Thermal Units (today, the British use the metric counterpart, the Joule). One BTU is defined as the amount of heat energy needed to raise 1 pound of water 1 degree Fahrenheit. One BTU is about the amount of energy released by a single kitchen match, so it takes a lot of BTUs to do anything useful. Heating your home takes about 1 million BTUs each day in winter in many parts of the country.

How much energy is in a ton of wood?

It depends. Wood with all water removed (called “bone-dry” or “oven-dry”) contains about 8,000 BTUs per pound—or 16 MMBTUs (MMBTU means 1 million BTUs) per bone-dry ton. This is nearly the same for all wood species. Wood, however, usually contains water, often a lot of it. And how much water the wood contains is referred to as its moisture content. Moisture content is very important in determining the amount of energy and economic value in a ton of raw material.

The moisture content depends on many things: the tree species; the length of time since the tree was felled, and the humidity of the climate where the wood is stored. Moisture content is measured in



percentage (%), but there are two very different definitions—dry basis and wet basis (see calculations on sidebar). Dry basis is the most common method, but this needs to be clearly stated.

When felled, more than half the weight of the green wood can be water. Using the common dry-basis definition, the moisture content can actually be higher than 100%.

Energy Content of Some Common Fuels

Fuel	Energy Content		Cost per Unit		Cost per MMBTU
Wood Chips	about 8,000 BTU	per bone-dry pound	\$0 to \$100	per bone-dry ton	\$0 to \$6.40
Wood Pellets	8,000 BTU	per pound	\$140 to \$250	per ton	\$8 to \$15
Electricity	3,413 BTU	per kWh	\$0.05 to \$0.15	per kWh	\$14 to \$44
Natural Gas	1,000,000 BTU	per MMBTU	\$5 to \$15	per MMBTU	\$5 to \$15
Heating Oil	139,000 BTU	per gallon	\$2.00 to 2.60	per gallon	\$14 to \$19
Propane	91,000 BTU	per gallon	\$2.00 to \$2.90	per gallon	\$22 to \$32
Coal	8,800 - 13,000 BTU	per pound	\$12.00 to \$70.00	per delivered ton	\$0.70 to \$2.40

These numbers are derived from U.S. Department of Energy statistics for 2005-2006, your mileage may vary.
MMBTU = 1 million BTUs.

If you are buying wood for its energy content, you will want to know the equivalent bone-dry weight. In fact, many good supply contracts are written in terms of the amount of energy, not the physical weight or volume. However, if you're hauling freshly cut wood out of the forest, your costs will be determined by the actual, or green tonnage weight.

Finally, when burning green wood, much of the wood's energy will be used for evaporating the moisture. Most systems cannot recover this heat; it just goes up the chimney as steam.

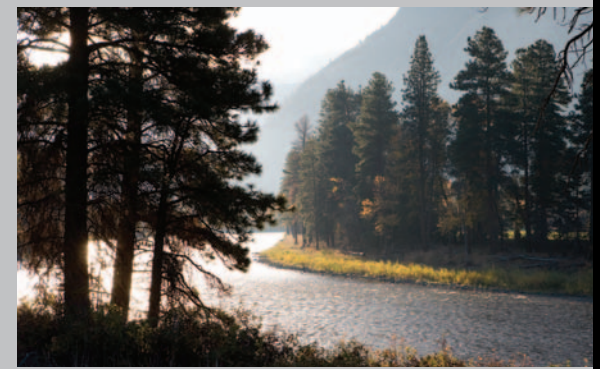
Electrical energy is measured in kilowatt-hours (kWh). One kWh is the amount of energy a 100-watt light bulb uses every 10 hours or a 1,500-watt blow-dryer uses in 40 minutes. A typical house uses around 700 kWh in a month. A 1-megawatt (MW) power plant can power about 1000 homes.

You can mathematically convert between heat energy and electrical energy. One kWh is about the same amount of energy as 1/2 pound of bone-dry wood. However, the most common technology used to convert heat energy to electrical energy—the steam turbine—is only about 35% efficient. So, to get 1 kWh worth of electricity, you need about 1^{1/2} pounds of wood!

There are several key issues that often make it difficult for wood to be used as the primary fuel for electrical generation.

- ◇ **Scale.** Most power plants in the U.S. are between 100 MW and 2,500 MW. This is mostly because the cost of operating a power plant doesn't change very much between a small plant and a large plant. You still need a 24 X 7 trained/skilled workforce.
- ◇ **Fuel costs.** About 50% of U.S. power plants use coal. Low cost, long-term contracts at about \$1.20/MMBTU are not uncommon. This is equivalent to wood at \$20 per bone-dry ton delivered and guaranteed for many years.
- ◇ **Fuel uniformity.** Coal plants are typically designed to be maximally efficient when using coal from a particular mine. The properties of the coal are very consistent. Wood, on the other hand...

A 2,100 MW coal-fired (not co-fired) power plant in Sweetwater, Wyoming, generates enough energy for about 2,000,000 homes!



How Much Can a Forest Sustainably Yield?

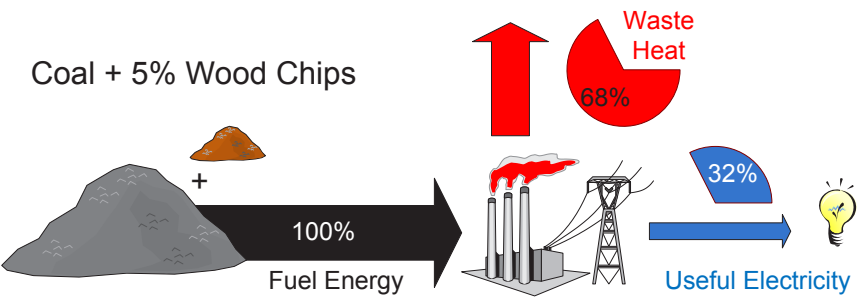
There is no single answer to this question. You will need to contact your local forest experts. However, as a rough estimate, forest restoration projects in the Intermountain West use 10 bone-dry tons per acre as a rule-of-thumb. In an area where ongoing management is planned, a 20-year re-entry cycle of vegetation treatment is common. Therefore, on average, one-half of a bone-dry ton per acre can be sustainably removed from the forest.



Co-firing with wood chips...

Co-firing usually means mixing a small percentage of wood chips with coal. Technically, this is typically straightforward, but the wood must be very cheap. Why?

- ◇ Coal is generally the cheapest fuel available.
- ◇ Coal supply contracts routinely exceed 15 years. This is difficult for wood to compete with.
- ◇ For a given mine, coal is very uniform in energy and chemistry. Wood is not.

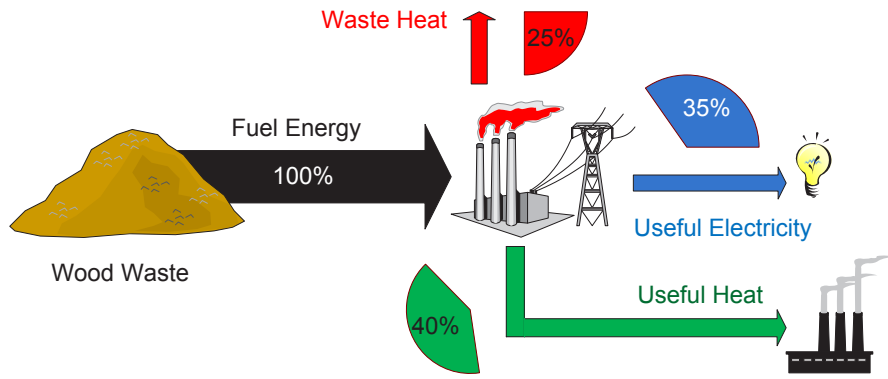


Cogenerating with wood chips...

Cogeneration, cogen, or Combined Heat and Power (CHP), means using the energy released from burning the fuel to simultaneously generate electricity *and* heat. While conventional coal plants only utilize a third of the fuel's energy, CHP systems can easily exceed 70%. To make these systems work economically, you generally need:

- ◇ A large heat load (industrial customer or district heating)
- ◇ Very cheap fuel (waste material on-site)

Paper mills are excellent examples of cogeneration, meeting both of these conditions.



Co-fired, coal-fired 38.5 MW power plant in Cañon City, Colorado. This is the first in the country to qualify the biomass for Renewable Energy Credits (RECs).



Large-scale, wood-waste-fired cogeneration mill on the Olympic Peninsula, Washington.





Wood-chip boiler building that heats the Darby School, the first Fuels for Schools project in Montana.

Rick Scheele – Darby Mayor, School Maintenance Supervisor, and local biomass "champion" – inspects a bad load of wood chips and explains how to avoid this problem.



The Team...

It's not what you know, but who you know...

There is no need to travel this road alone. Many communities have successfully installed wood-fueled systems and are willing to share what they have learned. But, perhaps the most important thing they will tell you is, *get yourself an experienced guide.*

COLORADO GOVERNOR'S ENERGY OFFICE, GEO, through its Woody Biomass Program and coordination of the Colorado Biomass Working Group, can assist with facility heating projects throughout the state. GEO staff and Working Group partners can help with overall project design, supply issues and possible funding mechanisms.

www.colorado.gov/energy

BIOMASS ENERGY RESOURCE CENTER has been on the team of nearly every public wood-fueled heating project in the country. You can immediately tap into their expertise through their publications and Web site. And when your team is ready for the heavy lifting, they can provide first-rate and affordable consultation.

www.biomasscenter.org

FUELS FOR SCHOOLS concept is simple: reduce heating bills at schools by utilizing low- or no-value forest waste. Their mission: help make your wood-fueled project a success. Their experience, candor, and successful examples will help guide your first wood-fuel project. As of October 2006, six wood-fueled systems have been installed, with 11 more on the way!

And, they are not just for schools anymore. They have expanded their program to include all public buildings that can benefit by using wood-fuels. Check out their Web site, then give them a call.

www.fuelsforschools.org



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Governor's Energy Office



Produced by Carla Harper, West 65 Inc.
Content, design, and photography by DanBihn.com

Sponsored by the U.S. Forest Service, the Bureau of Land Management, the Colorado Wood Program, and Colorado Governor's Energy Office (GEO).

**BYLAWS
OF
SOUTHERN OREGON UNIVERSITY**

**ARTICLE I
Name**

The legal name of this independent public body is Southern Oregon University ("University").

**ARTICLE II
Purposes of Organization**

The purposes for which the University is organized are to carry out and exercise the powers, rights, duties and privileges, within and outside this state, that are expressly conferred upon the University, or that are implied by law or are incident to such powers, rights, duties and privileges.

**ARTICLE III
Board of Trustees**

- 1. Business and Affairs.** The University shall be governed and the business and affairs of the University shall be managed by the Board of Trustees of Southern Oregon University ("Board"), which may exercise all such powers, rights, duties and privileges as are expressly conferred upon the University, or that are implied by law or are incident to such powers, rights, duties and privileges. The Board may delegate and provide for the further delegation of any and all such powers, rights, duties and privileges subject to limitations expressly set forth in law.
- 2. Membership.** The membership of the Board is established by law. With the exception of the President of the University, the Trustees are appointed by the Governor of the State of Oregon and are subject to confirmation by the Oregon Senate in the manner prescribed by law.
- 3. Vacancies.** A vacancy on the Board shall exist upon the death, resignation, removal or expiration of the term of any Trustee. A Trustee may resign at any time by delivering written notice to the Governor, the Chair of the Board of Trustees, and the President of the University. When a vacancy exists, the Board Chair, in consultation with the other Trustees, including the President, shall contact the Office of the Governor with a recommendation concerning the filling of the vacancy.
- 4. Removal.** The Governor may remove a Trustee other than the President as provided by law. The Board may terminate the status of the President as a Trustee by terminating the President's appointment as President of the University, subject to the rights, if any, of the President under a contract of employment.
- 5. Board Officers.**

 - a. The Board shall select by majority vote one of its members as Chair and another as Vice Chair, who shall be the Board Officers. Thereafter, a vacancy in the position of Chair shall be filled by the Vice Chair, unless the position of Vice Chair is vacant in which case the Board shall appoint the Chair. A vacancy in the position of Vice Chair shall be filled by the Board. The Chair and Vice Chair shall hold office for one

year, or until a successor shall have been duly appointed and qualified or until death, resignation, expiration of the appointment as a Trustee, or removal. The Chair and Vice Chair may be appointed to consecutive terms. The Chair and Vice Chair shall not be employees or students of the University and shall not, as Chair and Vice Chair, be authorized to bind the University except as authorized by law or the Board. The Board may appoint such other Board Officers with such duties as the Board determines necessary or appropriate.

- b. The Chair shall establish the agenda for and preside at all meetings of the Board. The Chair shall perform such other duties as assigned by the Board. In the absence of the Chair or in the event of the Chair's inability to act, the Vice Chair shall perform the duties of the Chair, and when so acting, shall have the powers of and be subject to all the restrictions upon the Chair. The Vice Chair shall perform such other duties as assigned by the Board. Other officers of the Board, if any, shall be subject to the authority of the Chair and Vice Chair.
- c. Notwithstanding the appointment of a Chair, Vice Chair, and other officers, authority is vested in the Board collectively and not in any individual Trustee. Individual trustees do not speak on behalf the Board or University unless authorized to do so by the Board or Chair. The Chair may speak on behalf of the Board and University, unless otherwise determined by the Board.
- d. A Board Officer serves at the pleasure of the Board. A Board Officer may be removed from office by a two-thirds majority vote of Trustees eligible to vote.

6. Compensation; Reimbursement of Expenses. A Trustee performing his or her official duties is not acting as an employee of the University and shall not receive a salary. In accordance with University policy and upon approval by first the Secretary and then the Vice President of Finance & Administration of the University, a Trustee may be reimbursed for reasonable expenses incurred in connection with the performance of official duties.

7. Faculty and Non-faculty Staff Trustees. The Faculty Trustee and Non-faculty Staff Trustee are each hereby granted reasonable leave with pay at their regular salaries as employees of the University to attend meetings of the Board and other official Board functions that occur between the hours of 8 a.m. and 5 p.m. Pacific Time Monday through Friday. Nothing in this section 7 shall be deemed to alter the compensation of the faculty member or staff member for the performance of their duties as a University employee.

ARTICLE IV Meetings of the Board

1. Public Meetings. A "Public Meeting" of the Board is the convening of the Board for a purpose for which a quorum is required in order to make a decision or to deliberate toward a decision on any matter. All Public Meetings of the Board shall be conducted in compliance with the Public Meetings Law. Public Meeting does not include any on-site inspection of any project or program or the attendance of Trustees at any international, national, regional, state or local association.

2. Quorum of the Board. Except as otherwise specified herein, a quorum of the Board is required to conduct Board business. A quorum of the Board shall be a majority of the Trustees in office, including the President, at the time of the meeting.

3. Manner of Acting.

- a. Except as otherwise specified herein, action upon a matter for which a quorum is required shall be taken upon the approval of a majority of the Trustees present.
- b. All Trustees present must vote affirmatively or negatively on any matter on which a vote is called by the Chair, except that a Trustee may not vote if the Trustee is disqualified from voting under law, these bylaws, or applicable Board action. Abstentions may be permitted by the Chair.
- c. The Board may permit any or all Trustees to participate in a meeting by, or conduct the meeting through use of, any means of electronic communication by which all Trustees participating may simultaneously hear each other or otherwise communicate with each other during the meeting. Participation in such a meeting by a Trustee shall constitute such Trustee's presence in person at the meeting.

4. Quorum Not Required. A majority of the voting Trustees present at a meeting that is subject to the quorum requirements of this Article, although less than a quorum, may:

- a. Adjourn the meeting from time to time to a different time or place before the date of the next regular meeting without further notice of any adjournment. At such adjourned and rescheduled meeting at which a quorum is present, any business may be transacted that might have been transacted at the meeting originally held.
- b. Set a time for adjournment.
- c. Call a recess.
- d. Take any measure necessary or appropriate to assemble a quorum.

5. Waiver of Notice by Trustee. A Trustee's attendance at or participation in a meeting waives any required notice of the meeting to the Trustee unless the Trustee at the beginning of the meeting objects to the holding of the meeting or the transaction of business at the meeting and does not subsequently vote for or assent to action taken at the meeting. A Trustee may at any time waive any notice required by law, these Bylaws or other Board action, with a writing signed by the Trustee and specifying the meeting for which notice is waived. Any such waiver of notice shall be filed with the minutes of the meeting for which notice is waived.

6. Procedural Rules. Procedural disputes shall be resolved by traditional procedural rules, as interpreted by the Chair. Any Trustee who disagrees with a procedural decision may introduce a motion to amend or reverse the procedural decision.

ARTICLE V
Public Meeting Procedures

1. Regular Meetings. Regular Public Meetings of the Board shall be held at least once quarterly on such dates and at such times as specified by the Chair.

2. Special Meetings. Special Public Meetings of the Board may be called at any time by the Chair and must be called by the Chair within seventy-two (72) hours after the Chair's receipt of a written request for a special

Public Meeting signed by a majority of the Trustees then in office and specifying the purpose of the meeting. Signatures may be electronic and in counterparts.

3. Emergency Meetings. Emergency Public Meetings of the Board may be called at any time by the Chair in instances of an actual emergency and must be called by the Chair within twenty-four (24) hours after the Chair's receipt of a written request for such a meeting signed by a majority of the Trustees then in office, identifying the actual emergency and specifying the purpose of the meeting. Signatures may be electronic and in counterparts. Minutes of emergency Public Meetings shall describe the emergency justifying the emergency Public Meeting.

4. Place of Meetings. All regular Public Meetings and special Public Meetings of the Board shall be held in the State of Oregon at a location owned, controlled, leased, or licensed by the University.

5. Notice of Meetings.

- a. Notice of all regular Public Meetings shall be given in a manner reasonably calculated to give interested persons actual notice of the time and place of the meeting and principal subjects anticipated to be considered at the meeting. Notice of special Public Meetings shall be given to the news media which have requested notice and to the general public at least 24 hours prior to the hour of the meeting. Notice of an emergency Public Meeting shall be such as is appropriate to the circumstance.
- b. Notice of a regular or special Public Meeting must be given to each Trustee at least 48 hours prior to the hour of the meeting, but longer advance notice as set forth in other Board action is preferable. Notice to each Trustee of an emergency Public Meeting shall be such as is appropriate to the circumstance. Notice of all such meetings may be given to Trustees orally either in person or by telephone or may be delivered in writing, either personally, by mail, by electronic mail, or by facsimile transmission. If provided other than by electronic mail, facsimile machine, or a telephone number on file with the Secretary, notice shall be deemed to be given three (3) days after deposit in the United States mail addressed to the Trustee at the Trustee's address on file with the Secretary for the purpose of receiving Board correspondence, with postage prepaid. If notice is provided by electronic mail, telephone, or facsimile transmission, notice shall be deemed given immediately if the notice is provided to the Trustee's Southern Oregon University electronic mail address or, as applicable, the Trustee's telephone number or facsimile number on file with the Secretary for the purpose of receiving such correspondence. Notice by all other means shall be deemed to be given when received by the Trustee.

6. Minutes of Meetings. The Board shall provide for the taking of written minutes of all Public Meetings, which minutes shall give a true reflection of the matters discussed and actions taken at the Public Meetings and the views of the participants. In addition to written minutes, the Board may provide for an audio recording, an audio and video recording, streaming audio, or streaming audio and video. A record of each recording or transmission shall be retained in accordance with applicable records retention requirements.

ARTICLE VI

Officers of the University

1. Officers. The officers of the University shall be a President, Provost, Vice President for Finance & Administration, General Counsel, Secretary and such other officers as may be deemed necessary by the

President to conduct University business. The officers shall have such authority and perform such duties as set forth in the law and these Bylaws and as may be prescribed by Board action or by the President.

2. President. The Board shall appoint a President. The President of the University is the President of the Faculty. The President is also the executive and governing officer of the University, except as otherwise provided by statute or action of the Board. Subject to the supervision of the Board, the President of the University has authority to direct the affairs of the University. The President shall, from time to time, report to the Board all significant matters within the President's knowledge related to affairs of the University. The President shall perform such other duties as assigned by the Board. The President may appoint other officers and employees of the University, who shall have such powers and duties as may be prescribed by the President. The President is authorized to accept legal process on behalf of the University.

3. Vice President for Finance & Administration. The President shall appoint a chief financial officer, who shall be the Vice President for Finance & Administration. Subject to the supervision of the Board and applicable law, the Vice President for Finance & Administration of the University shall properly account for all monies collected, received and expended by the University and all real and personal property of the University. The Vice President for Finance & Administration will keep and maintain, or cause to be kept and maintained, adequate and correct records of the assets, liabilities, and business transactions of the University. The Vice President for Finance & Administration will disburse the funds of the University as may be provided for by the Board, may settle and pay all claims against the University, and will render to the President or the Board, upon request, an account of the financial condition of the University.

4. Provost. The President shall appoint a Provost who shall have such powers and duties as assigned by the President. In the absence or incapacity of the President, the Provost shall assume the duties of the President. In the absence or incapacity of the President and the Provost, the Vice President for Finance & Administration shall assume the duties of the President.

5. General Counsel. The President shall appoint a General Counsel. The General Counsel to the University is the chief legal officer of the University and represents and advises the University, including the Board, officers, and employees, in all matters related to the affairs of the University. The General Counsel is authorized to accept legal process on behalf of the University.

6. Secretary. In consultation with the Board Chair and Vice Chair, the President shall appoint the Secretary. The Secretary shall cause the required notices of meetings of the Board to be sent to each Board member, and the preparation of the minutes, any audio recording, audio and video recording, streaming audio, or streaming audio and video of meetings. The Secretary is the custodian of and shall cause the minutes and any recording or transmission to be maintained in accordance with applicable records retention requirements. The Secretary is authorized to accept legal process on behalf of the University.

ARTICLE VII Board Committees

Subject to the requirements of applicable law, the Board may establish such committees as it deems appropriate or necessary from time to time and shall define the duration, existence, duties, membership and reporting requirements of such committees.

ARTICLE VIII
Conflicts of Interest

- 1. In General.** Subject to the requirements of law and of this Article VIII, the Board may take any action involving either a potential conflict of interest or an actual conflict of interest (as defined in ORS Chapter 244). Prior to taking any action in an official capacity on any matter involving a potential conflict of interest or an actual conflict of interest for a Trustee, the Trustee shall publicly announce the nature of the potential or actual conflict of interest. Any Trustee having an actual conflict of interest in a transaction with the University shall in addition (i) refrain from participating in any discussion or debate on the issue out of which the conflict arises, and (ii) refrain from voting on the issue, unless the Trustee's vote is necessary for Board action on the issue and is otherwise not prohibited by ORS Chapter 244.
- 2. Labor Negotiations.** The faculty and non-faculty staff members of the governing board may not participate in any discussions or action by the Board or attend any executive session of the Board involving collective bargaining issues. Each such member of the governing board shall be limited from participating in discussions, actions, and executive session pertaining to both faculty and non-faculty staff bargaining issues at the University.
- 3. Other.** The Board may take such actions pertaining to conflict of interest and ethics as the Board determines to be appropriate.

ARTICLE IX
Indemnity

- 1. Indemnification and Defense in General.**

 - a. The University shall defend and indemnify any Trustee or Officer ("Party") against any Claim, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of official duties. The University shall not provide indemnification and defense in case of malfeasance in office or willful or wanton neglect of duty. The University may cease to provide indemnification or defense upon a determination by the University, in its sole discretion, that an act or omission may constitute malfeasance in office, willful or wanton neglect of duty, or criminal conduct.
 - b. The University may choose to defend a Party under a reservation of rights. Any Party to whom the University is providing a defense shall cooperate fully with the University in the defense of such Claim. If the University determines, in its sole discretion, that such Party has not so cooperated or has otherwise acted to prejudice the defense of the Claim, the University may at any time terminate its defense and indemnity or proceed under a reservation of rights.
- 2. Legal Expenses when Claim is by a Governmental Entity or Professional Licensing Authority.**

 - a. Expenses incurred by a Party in the defense of a civil Claim by a governmental entity or a professional licensing authority may be advanced or reimbursed by the University if the University, in its sole discretion, determines that the civil Claim arose out of the Party's performance of official duties. Such advancement or reimbursement constitutes part of the Party's official compensation package for purposes of ORS Chapter 244. The University may decline to reimburse a Party for any expenses incurred prior to the University's written commitment to provide reimbursement.

- b. Expenses shall be paid by the University in advance of the final disposition of a civil Claim described in this section 2 at the written request of the Party if:
- (1) The University determines, in its sole discretion, that the conduct of such Party was in good faith, and the Party reasonably believed that such conduct was in the best interests of, or not opposed to the best interests of, the University.
 - (2) The Party furnishes the University a written undertaking to repay such advance to the extent it is ultimately determined by the University, in its sole discretion, that such Party is not entitled to be indemnified by the University under this Article or under any other indemnification rights granted to such Party.
 - (3) Such advances shall be made without regard to the person's ability to repay such advances.
- 3. Legal Representation.** The President or designee shall have the exclusive authority to select counsel and to defend against any Claim. The President will consult with the Party regarding any term of a settlement agreement that affects the legal rights of the Party.
- 4. Definition.** The term "Claim" means any threatened, pending, or completed investigation, action, suit, or proceeding brought by a party other than the University.
- 5. Non-Exclusivity and Continuity of Rights.** This Article: (i) shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, agreement, general or specific action of the University or otherwise, both as to action in the official capacity of the person indemnified and as to action in another capacity while holding office, (ii) shall continue as to a person who has ceased to be a Party, and (iii) shall inure to the benefit of the heirs, executors, and administrators of such person.
- 6. Amendments.** Any repeal of this Article shall only be prospective and no repeal or modification hereof shall adversely affect the rights under this Article in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any Claim or complaint.

ARTICLE X

Miscellaneous Provisions

- 1. Principal Office.** The principal office of the University is located at the Office of the President, Southern Oregon University, 1250 Siskiyou Boulevard, Ashland, OR 97520.
- 2. Severability.** Any determination that any provision of these Bylaws is for any reason inapplicable, invalid, illegal, or otherwise ineffective shall not affect or invalidate any other provision of these Bylaws. The headings in these Bylaws are provided for convenience and shall not be considered in the interpretation or construction of these Bylaws.
- 3. Authority.** Because the Board is the final University authority, these bylaws and Board actions have precedence over other actions of the University and its constituent parts without regard to whether such actions have the force of law. Any such actions shall be consistent with these Bylaws.

4. **Amendment of Bylaws.** These Bylaws may be altered, amended, restated or repealed and new bylaws may be adopted by the Board at any regular or special Public Meeting.

Approved on January 30, 2015.

Chair of the Board

Secretary of the University

2015-17 Governor's Recommended Budget Capital Prioritization

Priority	Univ.	Project Name	XI-G	XI-Q	Total GO Debt	Running Total	Debt Service ¹
1	ALL	Capital Repair, Renewal & Accessibility	---	71,900,000	71,900,000	71,900,000	9,304,837
2	PSU	Neuberger Hall - DM & Renovation	10,000,000	50,000,000	60,000,000	131,900,000	7,764,815
3	OSU	Forest Science Complex	30,000,000	---	30,000,000	161,900,000	3,882,408
4	UO	Klamath Hall for 21st Century Chem. - Renovation	6,250,000	6,000,000	12,250,000	174,150,000	1,585,316
5	OSU	Marine Sciences Campus Phase I	25,000,000	---	25,000,000	199,150,000	3,235,340
6	UO	College & Careers Building	17,000,000	---	17,000,000	216,150,000	2,200,031
7	OIT	Ctr for Excellence in Eng. & Tech. Phase I	750,000	10,170,000	10,920,000	227,070,000	1,413,196
9	UO	Chapman Hall Renovation	2,500,000	5,500,000	8,000,000	235,070,000	1,035,309
10	WOU	Natural Sciences Building Renovation	---	6,000,000	6,000,000	241,070,000	776,482
11	SOU	Britt Hall Renovation	---	4,790,000	4,790,000	245,860,000	619,891
12	EOU	Hunt Hall Demolition & Site Restoration	---	2,985,000	2,985,000	248,845,000	386,300
13	UO	Learning & Innovation Hub - School of A&AA	26,625,000	---	26,625,000	275,470,000	3,445,637
		Total	118,125,000	157,345,000	275,470,000	275,470,000	35,649,560

Notes:

1 XI-G and XI-Q debt service assumes 30 year duration at 5.00% interest paid semiannually.

Reauthorizations and XI-F University-Funded Bond only Projects

Priority	Univ.	Project Name	XI-F	XI-Q	XI-G	Running Total	Debt Service ¹
NA	EOU	Eastern Learning Commons Planning	---	2,000,000	---	---	\$258,827
NA	OIT	Cornett Hall Renovation Design/Planning	---	2,000,000	---	---	\$258,827
NA	OSU	Modular Data Center Project [Reauthorization]	7,000,000	---	---	7,000,000	
NA	PSU	University Center Land Purchase [Reauthorization]	7,900,000	---	---	14,900,000	
NA	PSU	Broadway Housing Purchase	53,000,000	---	---	67,900,000	
		Total	\$67,900,000	\$4,000,000	---	\$67,900,000	\$517,654

Notes:

1 XI-G and XI-Q debt service assumes 30 year duration at 5.00% interest paid semiannually.

**Resolution on the Responsibilities of Individual Trustees
Board of Trustees of Southern Oregon University**

Whereas, the Board of Trustees develops and advances the mission and goals of Southern Oregon University;

Whereas, the Board of Trustees ensures that the institution is well managed, endeavors to provide for adequate resources, and endeavors to maintain good relations with all constituencies; and

Whereas, the Board of Trustees provides accountability, fosters transparency, and endeavors to ensure that the University meets its obligations as part of Oregon's education system while preserving the autonomy of the institution.

Now, therefore, each Trustee for herself or himself and for future Trustees pledges to fulfill the duties set forth herein:

1. Evaluation. Each Trustee acknowledges that the Board is responsible for seeing that each Trustee carries out his or her responsibilities as specified herein, and each Trustee will participate in self-evaluations and evaluations of Board performance.

2. Fiduciary Duties. Each Trustee acknowledges that he or she has fiduciary duties to the University and its beneficiaries, including the following.

a. Duty of Care. Each Trustee must act in good faith, using a degree of diligence, care, and skill that a prudent person would use under similar circumstances; act in a manner that he or she reasonably believes to be in the University's and State's best interests; and generally may (and should) rely on information presented by officers and administrators, experts, and board committees.

b. Duty of Loyalty. Each Trustee must be motivated by honesty and faithfulness to the institution and not self-interest. A Trustee must be loyal to the institution, considering both financial interests held by a Trustee and governance or leadership positions a Trustee has with other organizations. A Trustee must maintain independence from stakeholders external to the Board in the conduct of all Trustee responsibilities. The faculty, non-faculty, and student Trustees are chosen from among the faculty, non-faculty staff, and student body respectively but do not represent those groups and acknowledge that organizations exist to represent each group.

c. Duty of Obedience. Each Trustee must ensure that the institution operates in furtherance of its stated purpose; ensure compliance; and ensure effective internal controls.

3. Service. Each Trustee must make service to the University through Board activities a high personal priority; ensure attendance, participate constructively and consistently in the work of the Board and its committees; accept and discharge leadership positions and other assignments; work positively on behalf of the University between Board meetings; attend functions and events to which the Trustee is invited; prepare for meetings by reading the agenda and supporting material and keeping informed about the University and trends and issues in higher education; participate in rational, informed Board or committee deliberations by considering reliable information, thinking critically, asking good questions and respecting diverse points of view, in order to reach decisions on the merits

that are in the best interests of the institution; and use his or her own judgment in voting versus following the lead of others.

4. Respect. Each Trustee acknowledges that only the Board Chair and the President speak for the University; other Trustees must be careful to identify when they do not speak on behalf of the University; should support the President of the University in word and deed while at the same time exercising critical judgment as an active, discerning, energetic, and probing Trustee; distinguish, in his or her role as a Trustee, between matters of governance and matters of management; speak candidly but also support actions approved by the Board—even if the Trustee did not vote for them; respect the opinions of others and refrain from public criticism of others or their views; communicate any significant concern or complaint promptly to the Chair; refrain from directing the President or staff; and accept that the President reports to the Board as a whole.

5. Personal Behavior. Each Trustee must avoid conflicts of interest or the appearance thereof, in accordance with the Board's policies on conflict of interest and adhere to the highest standards of personal and professional behavior and discretion so as to reflect favorably on the University. A Trustee may not use his or her position of authority to obtain, whether directly or indirectly, a benefit for him or herself or for another organization in which the Trustee has an interest; must avoid personal agendas or appearing to be a representative of any internal or external constituency, group, cause, community, or constituent part of the institution; and must refrain from requesting special considerations or favors.

Approved on January 30, 2015.

Chair of the Board

Secretary of the University

Board Statement on Board Committees
Board of Trustees of Southern Oregon University

1.0 Standing Committees and Ad Hoc Committees

Subject to the requirements of applicable law, the Board may establish such Standing Committees and Ad Hoc Committees as it deems appropriate or necessary from time to time and shall define the duration, existence, duties, membership and reporting requirements of such committees. The Standing Committees of the Board shall be the Executive and Audit Committee, Finance & Administration Committee, and Academic and Student Affairs Committee. Standing Committees may consist only of Trustees, continue until terminated by the Board, and develop a charter for approval by the Board. The term of Ad Hoc Committees, if any, shall be one year or less. An Ad Hoc Committee shall include at least one Trustee, engage in information gathering and reporting only, and make any report or recommendation to the Chair of the Board or the Chair of a Standing Committee.

2.0 Executive and Audit Committee

2.1 There shall be a six-member Executive and Audit Committee (EAC) of the Board of Trustees, which shall sit as the Executive Committee of the Board and the Audit Committee of the Board. The Chair and Vice Chair of the Board and the chairs of the Finance & Administration Committee and Academic and Student Affairs Committee shall each be an ex officio voting member of the EAC, and the Chair of the Board shall select the fifth and sixth voting members. The University President may not serve on the EAC. The Chair of the Board shall be the chair of the committee. During the absence or incapacity of the Chair, the Vice Chair shall be the chair. During the absence or incapacity of the Chair and the Vice Chair, the chair of the Finance & Administration Committee shall be the chair.

2.2 When sitting as the Executive Committee, the EAC shall represent and, except as prohibited by applicable law, may act for the Board on any matter, except for the hiring or removal of the President of the University. The committee should generally endeavor to refer matters to the Board, but it is expected that the committee will act for the Board when the committee determines it to be necessary or appropriate. The committee shall submit reports on its actions to the Board.

2.3 When sitting as the Executive Committee, the EAC shall consider matters pertaining to the hiring, employment, and removal of the President of the University. Such matters, except for the hiring or removal of the President, shall be referred to the Board as seconded motions. The hiring or removal of the President shall be referred to the Board as a proposed motion.

2.4 When sitting as the Audit Committee, the EAC may consider matters pertaining to audits, compliance and risk management. Matters that may be brought before the committee include, but are not limited to, the following examples:

2.4.1 Audits and Internal Controls—matters relating to external and internal auditors, audit plans and reports, and internal controls.

2.4.2 Compliance—matters relating to compliance with legal and regulatory requirements.

2.4.3 Risk Management—matters relating to risk management, insurance, and risk transfer devices.

2.5 All matters considered pursuant to section 2.4 by the EAC sitting as the Audit Committee that require action by the Board shall be referred to the Board as a seconded motion unless authority to act on behalf of the Board has been delegated expressly to the EAC. Subsequent to the transaction of any business under such express delegated authority, the committee shall render a report on the business to the Board.

2.6 Any of the examples of matters brought before the EAC sitting as the Audit Committee pursuant to section 2.4 may be directed to any other committee or the Board for consideration.

3.0 Finance & Administration Committee

3.1 There shall be a seven-member Finance & Administration Committee (FAC). At the Board's second regular meeting of each odd-numbered calendar year or such other time that the Board Chair determines is necessary to the orderly operation of the Board's business, the Board Chair shall appoint the chairperson and other members of the FAC. The Chair and Vice Chair of the Board shall not be appointed to the FAC but may act as alternates, including voting, in the event of the absence of any committee member at any regular, special or emergency meeting.

3.2 All matters considered by the FAC that require action by the Board shall be referred, as appropriate, to the Board or the Executive Committee for action as a seconded motion unless authority to act on behalf of the Board has been delegated expressly to the FAC. Subsequent to the transaction of any business under express delegated authority, the FAC shall render a report on the business to the Board.

3.3 The FAC may consider matters pertaining to the financial, capital, and other assets of the University. Matters that may be brought before the Committee include, but are not limited to, the following examples:

- 3.3.1 Budget—matters relating to the University's operating and capital budgets and requests for appropriation of state funds.
- 3.3.2 Investments and Finances—matters relating to the University's investments, finances, financial accounts, and debt finance.
- 3.3.3 Tuition and Fees—matters relating to tuition and mandatory enrollment fees.
- 3.3.4 Real Property—matters related to the acquisition, management, development and disposal of real property.
- 3.3.5 Personal Property—matters related to the acquisition, management, development and disposal of personal property, tangible and intangible.

Any of the above enumerated examples of matters brought before the FAC may be directed to any other committee or the Board for consideration.

4.0 Academic and Student Affairs Committee

4.1 There shall be a seven-member Academic and Student Affairs Committee (ASAC). At the Board's second regular meeting of each odd-numbered calendar year or such other time that the Board Chair determines is necessary to the orderly operation of the Board's business, the Board Chair shall appoint the chairperson and other members of the ASAC. The Chair and Vice Chair of the Board shall not be appointed to the ASAC but may act as alternates, including voting, in the event of the absence of any committee member at any regular, special or emergency meeting.

4.2 All matters considered by the ASAC that require action by the Board shall be referred, as appropriate, to the Board or the Executive Committee for action as a seconded motion unless authority to act on behalf of the Board has been delegated expressly to the ASAC. Subsequent to the transaction of any business under express delegated authority, the ASAC shall render a report on the business to the Board.

4.3 The ASAC may consider matters pertaining to the teaching, research, and public service programs of the University and to its faculty, staff, and students. Matters that may be brought before the Committee include, but are not limited to, the following examples:

- 4.3.1 Faculty and Staff Affairs—matters relating to the faculty and the professional and classified staff, including their status and responsibilities, discipline and welfare.
- 4.3.2 Educational Policy—matters relating to educational policy, including admissions requirements, instruction, curriculum, degrees, research, educational technology, distance learning, public services activities, and the establishment and disestablishment of educational and research organizational units.
- 4.3.3 Student Welfare—matters relating to the general welfare of students, including housing and food services, health services and health insurance, safety, extracurricular activities, sports programs, and policies governing student discipline and student organizations.

Any of the above enumerated examples of matters brought before the ASAC may be directed to any other committee or the Board for consideration.

5.0 Notice of Meetings of Standing Committees

Meetings of Standing Committees of the Board shall be held at such times and places as may be fixed by each committee or its chair. The Secretary shall cause the required notices of meetings of Standing Committees to be sent to each member of the Board. The Secretary shall also cause the preparation of the minutes, any audio recording, audio and video recording, streaming audio, or streaming audio and video of the meeting. The Secretary shall cause the minutes and any recording or transmission to be maintained in accordance with applicable records retention requirements.

6.0 Quorums

A majority of the members of a Standing Committee shall be necessary to constitute a quorum. The faculty and non-faculty staff members of any committee may not participate in any discussions or action by the committee or attend any executive session of the committee involving collective bargaining issues that affect faculty or non-faculty staff at the University.

7.0 Information Gathering and Investigation

The Chair of the Board, or the Vice Chair during the Chair's absence or incapacity, may appoint one to three members of the Board or one or more other persons to gather information and provide it to the Board or a Board Committee. The Chair of a Standing Committee may appoint one to three members of the Standing Committee or one or more other persons to gather information and provide it to the Standing Committee.

Approved on January 30, 2015.

Chair of the Board

Secretary of the University

**Board Statement on Delegation of Authority
Board of Trustees of Southern Oregon University**

1.0 Authority of the Board of Trustees

1.1 Board Authority. The Board of Trustees is the final University authority and has full control of the University and its property of various kinds. The Board may take any and all actions as it determines necessary or appropriate. Board actions have precedence over other actions of the University and its constituent parts. Any such actions shall be consistent with Board actions. The Board may review and intervene in any and all aspects of the University; amend or rescind any action; and take any such action it deems proper. The Board shall adopt a mission statement for the University in consultation with the faculty, students and staff members.

1.2 Collective Bargaining Agreements. Nothing in this Policy affects any collective bargaining agreement entered into prior to the adoption of this Board Statement.

1.3 Appointment of the President of the University. As provided in ORS 352.096, in consultation with the Governor, or the Governor's designee, the Board shall appoint and employ a President of the University. Except in the case of an interim or acting president, the hiring committee for the President of the University shall include representatives of the University community and at least one other president of a public university based in Oregon. The President reports exclusively to the Board, and the Board supervises the President. The Board shall prescribe the President's compensation and terms and conditions of employment and is responsible for the reappointment or removal of the President. The President shall perform such duties as are assigned by the Board. Except as otherwise provided by law or Board action, the President is the executive and governing officer of the University and President of the faculty. The faculty and officers and employees of the University shall, through appropriate channels, be responsible to the President of the University and through the President to the Board of Trustees, except that the Vice President of Finance & Administration and Secretary are responsible to the Board in relation to the business of the Board. The President shall, from time to time, report to the Board all significant matters within the President's knowledge related to the affairs of the University.

1.4 University Budget. The Board shall adopt the budget of the University.

1.5 Tuition and Fees. The Board shall determine tuition and mandatory enrollment fees, including the incidental fee, in accordance with ORS 352.102, ORS 352.105, and other applicable law.

1.6 Business and Administrative Affairs. The Board retains sole authority for the business and administrative affairs of the University set forth in this section 1.6. All other authority for business and administrative affairs, including the authority set forth in section 2.8, is delegated to the President.

- 1.6.1 The approval of the naming of University buildings or outdoor areas in recognition of individuals or organizations.
- 1.6.2 The approval of the execution of instruments relating to real property where the anticipated cost or value to the University exceeds \$500,000.
- 1.6.3 The approval of the appointment of external auditors.
- 1.6.4 The approval of a capital project budget that is anticipated to exceed \$500,000, including expenses for architects, construction managers, engineers and other professional consultants; and approval of any increase to a capital project budget that causes the total of all increases to the capital project budget to exceed \$500,000.

- 1.6.5 The approval of the execution of instruments relating to any borrowing or debt finance transactions which are or may be in excess of \$500,000, singularly or in the aggregate.
- 1.6.6 The approval of the execution of instruments relating to any shares, stock or other equity or interests in or obligations of any entity other than the University in excess of \$500,000, unless the shares, stock or other equity or interests in or obligations of the entity are publicly traded or provided through the State Treasurer, Southern Oregon University Foundation or a brokerage firm, investment bank, depository or other licensed firm.
- 1.6.7 Consent to the encumbrance of University real property by the State of Oregon.
- 1.6.8 The approval of the execution of any other instruments, including but not limited to instruments related to the acquisition, disposal or provision of goods and services, where the anticipated cost or value to the University exceeds \$500,000; and approval of any increase or decrease in cost or value that causes the total of all increases or decreases in cost or value to exceed \$500,000. When the ultimate aggregate cost to the University is not known in advance for instruments relating to the acquisition, disposal or provision of goods or services on a continuing or intermittent basis (e.g. rental, service, or supply contracts), the amounts set forth in this paragraph shall be calculated on an annual basis.
- 1.6.9 The approval of the execution of any instrument that the President, Vice President for Finance & Administration, Chair of the Board of Trustees, or a majority of the Trustees deems appropriate for consideration by the Board or a Board committee, so long as the instrument has not been executed.

1.7 Academic Affairs.

1.7.1 The Board has the authority to establish, eliminate, control or substantially reorganize academic programs and units of operation. Any significant change in the University's academic programs as defined by the Higher Education Coordinating Commission must be approved by the Board prior to submission to the Commission. The Board confers academic degrees, certificates and other forms of recognition upon the recommendation of the faculty. Such academic degrees, certificates and other forms of recognition are granted in the name of the Board of Trustees of Southern Oregon University and are executed by the Board Chair and the University President. The Board shall have the exclusive authority to approve honorary degrees.

1.7.2 The Board delegates to the President and the professors ("the faculty" as defined in ORS 352.146) authority relating to: (a) academic standards relating to admission to study at the University; (b) curriculum, curricular materials, method of instruction, grading, credits, and academic standards of the University; and (c) standards of student competence in a discipline.

1.8 Gifts. The Board retains sole authority for gifts to the University set forth in this section 1.8. All other authority related to gifts is delegated to the President.

- 1.8.1 Gifts that create obligations on the part of the University for which there is no established funding source.
- 1.8.2 Gifts with a value exceeding \$1,000,000 which involve: (1) Construction of facilities not previously approved; or (2) Non-traditional investment assets (such as real estate, debt instruments, closely held stock, partnership interests, permanent insurance policies, royalties, copyrights, licenses, and other illiquid assets); provided that gifts described in this subsection with a value between \$500,000 and \$1,000,000 will be reported to the Board of Trustees quarterly.
- 1.8.3 A gift requiring naming of a University building or outdoor area.

- 1.8.4 Any other gift that the President, Vice President for Finance & Administration, or a majority of the Board of Trustees deems appropriate for Board consideration.
- 1.8.5 Current gifts of non-traditional investment assets, charitable lead trusts where the University is to act as trustee, bargain sale gifts of property, and partial interest gifts.
- 1.8.6 Deferred gifts, if the University is to act as trustee or custodian of the deferred gift.
- 1.8.7 Gifts of real estate, interests in real estate, or gifts of debt instruments secured by real estate from other than the Southern Oregon University Foundation. The Vice President for Finance & Administration shall determine in each such case, including when the gift is from the Southern Oregon University Foundation, whether a hazardous waste inquiry or other due diligence is required, and the scope and extent of such inquiry. The President and the Vice President for Finance & Administration, in consultation with the Vice President for Development, shall establish further policies and procedures regarding evaluation of gifts of real estate, as may be necessary or desirable from time to time.

1.9 Gifts to the Southern Oregon University Foundation. Gifts to the Southern Oregon University Foundation shall be accepted by the Southern Oregon University Foundation in accordance with then-current agreements between the University and the Foundation (as may be amended from time to time).

2.0 Authority of the President of the University

2.1 Executive and Governing Officer; Delegation. The President of the University is the executive and governing officer of the University, except as otherwise provided by statute or Board actions. Subject to the supervision of the Board and Board action, the President shall direct the affairs of the University. The authorities and responsibilities of the President of the University include, but are not limited to, the authorities and responsibilities set forth in and modified by section 1.0 and this section 2.0, and the President may delegate any authorities and responsibilities, except as provided by Board actions. Any delegation must be consistent with Board actions. The President remains responsible for the proper functioning of the University, notwithstanding any delegation.

2.2 Presidential Actions. The President of the University shall take such actions regarding matters within the authority of the President when the Board or the President deems it necessary or appropriate. Any Presidential actions are subordinate to and must be consistent with Board actions. In carrying out these duties, the President shall consult with the faculty, other employees, and students as deemed appropriate by the President. Consultation shall not remove from the President the authority and the responsibility vested in the President by law and Board actions.

2.3 Emergency and Temporary Actions; Technical Corrections. The President of the University shall take emergency and temporary actions when the Board, its designee, or the President deems it necessary or appropriate. Such actions may have the scope and force of Board actions and must be reported to the Board expeditiously. Pursuant to expedited procedures, the President of the University may amend a Board action or Presidential action in order to correct typographical errors, make address or formatting changes, or clarify language without changing the effect of such actions. Such amendments must be reported to the Board quarterly. The President may make expedited repeals of Board actions upon notice to the Board and Presidential actions, provided that expedited repeals of Board actions must be ratified at the next meeting of the Board or its designee.

2.4 Committees, Councils and Advisory Groups. The President of the University shall establish and define the charge of any and all University committees, councils, and advisory groups, except as provided in Board

action. The establishment and charge of any and all University committees, councils and advisory groups shall be consistent with law and Board action. The recommendations and reports of all committees, councils and advisory groups shall be made to the President. The President shall inform the Executive Committee of the Board regarding significant recommendations and reports related to the affairs of the University. Upon request by the Chair of the Board or a majority of the Trustees, the President shall provide the Board with a recommendation or report of a University committee, council or advisory group.

2.5 Students. Subject to Board action, the President is responsible for development and administration of policies governing the role of students and their conduct. In carrying out this responsibility, the President shall take into account the views of students, faculty, and others. The guidelines for student conduct which set forth prohibited conduct and provide for appropriate disciplinary hearings and sanctions for violations of law or institutional policies must be consistent with standards of procedural fairness. The Board recognizes and affirms the importance of active student involvement in the deliberative and decision-making processes.

2.6. University Personnel. The President of the University shall act for the Board of Trustees regarding all personnel and employment matters, including labor relations and approval of collective bargaining agreements. Subject to Board action, the President has the exclusive authority to and shall establish necessary or appropriate written policies covering all employees not represented by a collective bargaining organization and necessary or appropriate written policies covering employees represented by a collective bargaining organization, subject to any legal obligation to negotiate the terms and conditions of such policies with the exclusive representative of the relevant bargaining unit. Upon request by the Chair of the Board or a majority of the Board, and subject to Article VIII section 2 of the Board Bylaws, the President shall provide the Board with requested information regarding personnel and employment matters, including labor relations and collective bargaining. The President may appoint volunteers as necessary or appropriate and establish the terms and conditions of the activities of such appointed volunteers.

2.7 Research Grants and Contracts. The President of the University shall act for the Board of Trustees regarding grants and contracts for research, development, service, and training. However, a quarterly report to the Board is required for each initial contract or grant award that exceeds \$100,000, and when any increase or decrease to a contract or grant award causes the total of all increases or decreases to the contract or grant award to exceed \$100,000.

2.8 Execution and Administration of University Affairs. Except as provided by Board action, the President of the University shall act for the Board regarding the execution and administration of instruments and the affairs of the University. Notwithstanding the dollar limits specified in section 1.0 above, the President shall act for the Board of Trustees regarding the execution and administration of all instruments, business affairs, and operations relating to:

- 2.8.1 Acquisition of electricity, natural gas, sewer, water, and all other utility services.
- 2.8.2 The acquisition of goods and services made by participating in contracts entered into by group purchasing organizations or pursuant to collaborative purchasing initiatives with public or non-profit entities.
- 2.8.3 The acquisition of fixtures, equipment and furnishings that are included in capital project budgets that have been authorized by the Board of Trustees.
- 2.8.4 The acquisition of goods and services for sponsored research programs when the source of the goods or services is directed by the sponsor, or the sponsor retains title to the goods acquired.
- 2.8.5 The settlement of claims or lawsuits brought against the University.
- 2.8.6 The acquisition of insurance or self-insurance.

- 2.8.7 Leases and licenses of real property and modifications thereto of up to 20 years.
- 2.8.8 Deferred gift assets.
- 2.8.9 Real property acquired through gift or devise from the Southern Oregon University Foundation.
- 2.8.10 The protection of the University's interests, property and operations in an emergency.
- 2.8.11 Actions and execution of documents necessary to establish legal entities, controlled by the University, through which the University may conduct business.
- 2.8.12 The selection of depositories and investments.
- 2.8.13 The execution of instruments or the conduct of business affairs where approval by the Board or a Board committee is impractical due to time or other constraints. The President shall submit a report of any actions taken pursuant to this delegation to the Board of Trustees or its Executive Committee on or before the next regularly scheduled meeting.

2.9 Legal Action. The President of the University shall act for the Board of Trustees regarding all legal action necessary or appropriate to protect the interests of the University. However, no litigation shall be instituted against a public entity or official or in exercise of the power of eminent domain without approval by the Board of Trustees.

2.10 Gifts. The President of the University shall act for the Board of Trustees regarding all current and deferred gifts to the University, including gifts to establish quasi-endowed or permanently endowed funds. Notwithstanding any delegation by the President, a gift with unusual terms or conditions affecting an academic program shall be accepted only with the concurrence of the President to the proposed terms or conditions. The proceeds of any gift, devise, bequest, or contribution received by the University shall be administered in accordance with the intention of the donor and any directions of the Board of Trustees in accepting the gift. Wherever possible, the Southern Oregon University Foundation shall manage gifts. The President of the University is authorized to act for the Board of Trustees regarding the disposition of gifts.

2.11 Fees, Fines and Charges. The President of the University shall establish fees, fines, and charges after providing notice to the Board. In arriving at a determination of fees, fines and charges, the President shall consult with employees and students as the President deems appropriate. The President shall enforce the collection of tuition, mandatory enrollment fees, other fees, fines, charges, and all other amounts due to the University.

3.0 Enforcement

Board actions shall have the force of law to the extent set forth therein. Emergency and temporary Presidential actions may have the force of law to the extent set forth therein. Any Board action or Presidential action that is intended to have the force of law must include an opportunity for appeal. Any Board action or Presidential action may be enforced by the University through internal procedures and in any court of competent jurisdiction. All Board actions and Presidential actions are binding on University employees, students, volunteers, contractors and members of the public, except as set forth therein.

4.0 Miscellaneous

All authority not addressed in this Policy is delegated to the President.

Approved on January 30, 2015.

Chair of the Board

Secretary of the University

**Board Statement on the Conduct of Public Meetings
Board of Trustees of Southern Oregon University**

1.0 Regular Meetings

1.1 Content of the Agenda. Only items approved by the Chair, President or a majority of the Board may be placed on the agenda for a regular meeting.

1.2 Notice to Trustees. Every reasonable effort will be made to provide notice of a regular meeting of the Board of Trustees and all available, pertinent materials to each trustee no less than seven calendar days before the meeting. The proposed agenda and all available, pertinent materials for a regular public meeting of the Board should be provided to each trustee by email to the trustee's official Southern Oregon University email address, which may be an email that contains only a link to the agenda and materials, not less than seven days before any regularly scheduled meeting.

1.3 Notice to Others. Every reasonable effort will be made to provide notice of a regular public meeting of the Board of Trustees and all available, pertinent materials to all others no less than six calendar days before the meeting.

1.4 Board Calendar. The Board must meet at least once quarterly. Generally, regular Board meetings will be in September, December, March and June. The Secretary will work with each Board member to generate a schedule of regular Board meetings for at least one year in advance. The Secretary will cause to be posted on the Board's website and delivered to each trustee periodically an updated schedule of the Board's regular meetings.

1.5 Order of Regular Meetings. The following will be the order of business at each regular public meeting of the Board:

1. Call to Order/Roll/Declaration of a Quorum
2. Public Comment
3. Reports
4. Consent Agenda (including approval of minutes)
5. Action Items
 - a. Matters before the Board by Seconded Motion
 - b. Other Matters before the Board
6. Information and Discussion Items
7. Adjournment

The Chair or President determines the items to be placed on the consent agenda. An item may be removed from the consent agenda by a Trustee. The order of business of the Board may be altered by the Chair, President or majority vote of a quorum.

2.0 Special Meetings and Emergency Meetings

2.1 Definition. Any meeting that is not a regular meeting of the Board is a special meeting of the Board or, in proper cases, an emergency meeting.

2.2 Content of the Agenda. Only items approved by the Chair, President or majority of a quorum may be placed on the agenda for a special meeting.

2.3 Notice to Trustees. Every reasonable effort will be made to provide notice of a special meeting of the Board of Trustees and all available, pertinent materials to each trustee no less than five calendar days before the meeting. The proposed agenda and all available, pertinent materials for a special meeting of the Board should be provided to each trustee by email, which may be an email that contains only a link to the agenda and materials, not less than five days before any special meeting.

2.4 Notice to Others. Every reasonable effort will be made to provide notice of a special meeting of the Board of Trustees and all available, pertinent materials to all others no less than four calendar days before the meeting.

3.0 Role of the Chair

The Chair presides over all meetings of the Board and is authorized to control meetings, preserve order and decorum, and prohibit comments that are duplicative, disruptive, repetitive or irrelevant. Meetings may be canceled or rescheduled in the discretion of the Chair.

4.0 Procedure for Appearing Before the Board

4.1 Importance. Public comment is an important component of effective governance. Public comment provides an opportunity to share ideas, information and opinions. Public comment may not be used as a forum for negotiations or asking questions of individuals or Trustees. The opportunity for public comment will be provided at regular meetings of the Board.

4.2 Protocol. The Chair has the authority to alter this protocol in the interest of time or other considerations. Priority in public comment will be given to topics on the meeting agenda.

4.3 Sign-Up. An individual who wishes to provide public comment must sign up with the Secretary of the University in advance of the meeting, stating his or her name, affiliation with the University or other group, and topic to be discussed. Sign-up may be available on the Board's website, and a sign-up sheet will be available at each meeting. Sign-up via the Board's website must be made at least 24 hours in advance of the scheduled start of a meeting.

4.4 Duration. Unless otherwise indicated on the agenda or by the Chair, each public comment period will be between 15 and 30 minutes with a limit of three minutes per speaker. The Chair may call individuals out of order of sign-up to ensure that different viewpoints are heard during the public comment period. The Chair may require that a group designate one spokesperson to make comments. Those who sign up and are not called are invited to share their comments via trustees@sou.edu. The public comment period is complete when any public comment has been provided or the public comment period expires, whichever occurs first.

4.5 Written Information. An individual who wants to provide written information to the Board may do so by: (1) sending the material electronically to trustees@sou.edu ; (2) delivering the material to the Office of the University Secretary; or (3) mailing the material to the Office of the University Secretary. The Chair, President and Secretary will determine whether and, if so when, submitted material is

appropriate for dissemination to trustees based on the University's bylaws and relevant Board actions. Materials may be subject to disclosure under the Public Records Law.

5.0 Role of the Secretary

5.1 Notices and Minutes. The Secretary is responsible for causing: the issuance of required notices of meetings of the Board; the issuance of the agenda; the preparation and advance distribution of the minutes as part of the Board materials; and making arrangements for any audio recording, audio and video recording, streaming audio, or streaming audio and video. The Secretary shall cause the minutes and any recording or transmission to be maintained in accordance with applicable records retention requirements and is the custodian of such records. For notice purposes, a calendar day includes the date of the meeting.

6.0 Executive Sessions

6.1 Authorization. Executive sessions are authorized by the Public Meetings Law. The Chair shall have discretion, consistent with applicable law, to determine whether the Board or a Committee should meet in executive session. When the Chair determines that an executive session is appropriate, the Chair will use the following procedure:

- The Chair will announce the executive session as required by law and cite the basis for and statute authorizing an executive session for each subject to be discussed
- The Chair or Secretary will specify individuals who may remain in the meeting
- The Chair or Secretary will instruct news media on each subject that the news media may not disclose
- The Chair or Secretary will also notify news media that they are prohibited from making audio or video recordings of the executive session
- The Chair or Secretary will notify news media that they are excluded from the executive session for one or more of the reasons set forth in section 6.4 below
- The Chair or Secretary will determine whether the executive session is recorded or whether minutes shall be kept. If a recording is made, the Secretary shall specify on the recording when the executive session begins and ends
- At the conclusion of the executive session, the Secretary shall notify all other members of the audience that the portion of the meeting open to the public has resumed

6.2 Notice. Notice of an executive session shall be provided substantially in accordance with notice of a regular, special or emergency meeting, depending on whether the executive session is to take place during a regular, special, or emergency meeting. The Board may hold meetings that consist solely of an executive session. The basis for and statute authorizing the executive session will be included in the notice.

6.3 Inclusion of News Media. Only representatives of the institutional news media are permitted in executive session when not excluded.

6.4 Exclusion of News Media. Representatives of the news media are allowed to attend executive sessions other than those held to conduct deliberations with persons designated by the governing body to carry on labor negotiations; to confer with counsel on current litigation or litigation likely to be filed if

the member of the news media is a party to the litigation or is an employee, agent or contractor of a news media organization that is a party to the litigation; or when material or information that is confidential under federal law or that constitutes a faculty record under Oregon law will be discussed.

7.0 Committee Meetings

Committee meetings shall be conducted substantially in accordance with this policy.

Approved on January 30, 2015.

Chair of the Board

Secretary of the University

**Board Statement on the Performance of Official Business
Board of Trustees of Southern Oregon University**

1.0 Attendance at Events in an Official Capacity

1.1 University Events. From time to time, a trustee and one or more relatives or members of the trustee's household may be invited to attend a University event. Such persons attend such an event in an official capacity. Such an event may include artistic and musical performances, athletic competitions, speeches and other events for which there is ordinarily an attendance charge. Tickets to such an event may be provided by the University to a trustee and one or more relatives or members of the trustee's household without charge. The trustee and guests may be required to play an official role related to such an event. Any ticket or cost associated with attendance at such an event is considered to be official compensation, reimbursement of an expense, and not a gift for purposes of the Oregon Government Ethics Law but not for any other purpose. Ordinarily, no more than four tickets for an event will be provided to a trustee at no charge.

1.2 Non-university Events. From time to time, a trustee and a guest may be invited to attend a non-university event. Such persons attend such an event in an official capacity. Such an event may include artistic and musical performances, athletic competitions, speeches and other events for which there is ordinarily an attendance charge. Tickets to such an event must be provided by the third party to the University. If the trustee is to attend the non-university event in an official capacity, tickets may be provided by the University to a trustee and a guest without charge. The trustee and guest may be required to play an official role related to such an event. Any ticket or cost associated with attendance at such an event is considered to be official compensation, reimbursement of an expense, and not a gift for purposes of the Oregon Government Ethics Law but not for any other purpose.

2.0 Procedure for Reimbursement

All reimbursements for costs associated with official business that are actually incurred are subject to the relevant University policy except as set forth herein. A trustee seeking reimbursement should coordinate with the Secretary to review current policies relating to expenditures and reimbursements. All reimbursements require the approval of the Secretary and the Vice President for Finance & Administration.

Approved on January 30, 2015.

Chair of the Board

Secretary of the University

Board Statement on Policies
Board of Trustees of Southern Oregon University

1.0 Preamble

Consistent with authority of the Board of Trustees ("Board") authority to manage the affairs of Southern Oregon University ("University" or "SOU") 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, President, and SOU Policy Council 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 the broad, strategic expectations of the President 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. Examples may include, but are not limited to a faculty handbook, student handbook, and fiscal policy manual. 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 SOU Policy Committee

3.1 To assist in the formulation, drafting, revision, recommendation, and maintenance of the Board's and University's statements of authority, the Board directs the President to establish and maintain a policy council. The SOU Policy Council ("Council") will be convened by the SOU General Counsel. With the approval of the President, the Council will consist of representatives of the major functional units at the University (e.g., human resources, business affairs, contracting and procurement, public safety, student affairs, academic affairs, and risk management), as well as duly-elected or appointed representatives of the Faculty Senate or ASSOU. The Council is a consultative, multi-functional group designed to provide valuable input and advice on the categories of authority described in this Board Statement.

3.2 The responsibility for any statement of authority described at sections 2.4, 2.5, or 2.6 of this Board Statement resides with the cognizant officer or director ("Responsible Officer"), even if employees that report to the Responsible Officer participate in the Council. Responsible Officers include: (1) chief academic and student affairs officer, (2) chief financial officer, (3) chief legal officer, (4) chief development officer, and (5) athletic director.

3.3 The Responsible Officer is authorized to maintain Handbooks and Manuals described at Section 2.6 for any unit or department that reports to him or her. The Responsible Officer may seek the advice and guidance of the Council for Handbooks and Manuals, but is not required to do so. Notwithstanding this authority, a Handbook or Manual is not valid unless it contains statements that (i) it does not create a contractual obligation unless expressly stated, (ii) that the official copy may be found on the University's policy website, and (iii) any inconsistency with a category of authority described at Section 2.3, 2.4, or 2.5 of this Statement will be resolved in favor of the applicable Board Statement, Resolution, or action, University Policy or Procedure, or, as applicable collective bargaining agreement.

3.4 The Responsible Officer, or designee, shall present University Procedures, whether new or existing, to the Council for advice. After discussion of the draft University Procedure, the Responsible Officer may seek the President's approval. Although a vote is not required in order for the Responsible Officer to submit a University Procedure to the President for approval, the Responsible Officer shall communicate to the President any major issues or concerns, if any, identified by the Council. A University Procedure is only valid after an official copy is (i) approved by the President and (ii) included on the University's policy website.

3.5 The Responsible Officer, or designee, shall present University Policies, whether new or existing, to the Council for advice. After discussion of the draft University Policy, the Responsible Officer may submit the draft University Policy to the President for authorization to seek comment from the University community. Although a vote is not required in order for the Responsible Officer to submit a University Policy to the President, the Responsible Officer shall communicate to the President any major

issues or concerns, if any, identified by the Council. With the President's authorization, a Responsible Officer may submit a draft University Policy to the University community for comment for at least seven calendar days. The draft shall also be posted on the University's policy website during the comment period. After seven days, the Responsible Officer, with any comments, may return to the Council for advice or request approval from the President. A University Policy is only valid after an official copy is (i) approved by the President and (ii) included on the University's policy website.

3.6 Board Statements or Resolutions may come to the Council for advice and consideration through a variety of channels, including the Board or its chair, its committees, whether standing or ad hoc, the President, or a Responsible Officer. The relevant Responsible Officer, at the direction of the Board chair, Board committee chair, or the President, may present a Board Statement or Resolution, whether new or existing, to the Council for advice and consideration. After any advice and consideration by the Council, and with the Board chair's authorization, the President or Responsible Officer may submit a draft Board Statement or Resolution to the University community for comment for at least seven calendar days. The draft may also be posted on the University's policy website during the comment period. After seven days, the President or Responsible Officer may compile any comments and seek the advice of the Board chair on whether to return the draft to the Council for further refinement or include the draft Board Statement or Resolution in the Board's docket for action at a regular, special or emergency meeting. Notwithstanding the Council's existence as a consultative, advisory group assembled for the benefit of the University, nothing in this Section shall be construed to require the Board or its committees to submit its Board Statements or Resolutions to the Council.

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 files.

4.2 The Council will devise an operational system to organize the categories of authority under discernible functional areas.

4.3 Responsible Officers will, from time to time, review categories of authority within their functional areas to determine if repeal or amendment is advisable.

4.4 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 on Ethics and Conflict of Interest

1.0 Purposes of Board Statement

The Southern Oregon University ("SOU") Board of Trustees is committed to the ethical exercise of its authority and discharge of its fiduciary duties, both for the SOU 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.

2.3.2 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:

- 4.2.1 Gifts
- 4.2.2 Use or attempted use of an official position to obtain financial gain
- 4.2.3 Honoraria
- 4.2.4 Annual statement of economic interest
- 4.2.5 Lobbying
- 4.2.6 Conflicts of interest, whether actual or potential
- 4.2.7 Nepotism
- 4.2.8 Travel paid by third parties
- 4.2.9 Attendance at events
- 4.2.10 Entertainment
- 4.2.11 Food and beverages
- 4.2.12 Compensation packages
- 4.2.13 Reimbursement of expenses
- 4.2.14 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.