



Board of Trustees Meeting

Friday, June 22, 2018

12:00 – 5:00 p.m. (or until business concludes)

DeBoer Room, Hannon Library

MINUTES

Call to Order/Roll/Declaration of a Quorum

Chair Bill Thorndike called the meeting to order at 12:06 p.m. He said this was the final meeting for Trustees April Sevcik, Teresa Sayre, Dennis Slattery and Shea Washington and thanked them for their service. He also welcomed incoming trustees Shaun Franks, Barry Thalden and Deborah Rosenberg. Chair Thorndike said interim Vice President Blaine Steensland would soon complete his time at SOU and thanked him for his service. He also said some agenda items would be taken out of order.

The following trustees were present: Bill Thorndike, Lyn Hennion, Sheila Clough, Paul Nicholson, Shanztyn Nihipali, Daniel Santos, Teresa Sayre, Linda Schott (ex officio), April Sevcik, Dennis Slattery, Joanna Steinman and Steve Vincent. Trustee Les AuCoin participated via teleconference. Trustee Shea Washington was absent.

Other meeting guests included: Greg Perkinson, Vice President for Finance and Administration; Dr. Susan Walsh, Provost and Vice President for Academic and Student Affairs; Dr. Blaine Steensland, Acting Vice President for Enrollment and Student Life; Janet Fratella, Vice President for Development; Joe Mosley, Director of Community and Media Relations; Chris Stanek, Director of Institutional Research; Jeanne Stallman, Interim Director of Government Relations; Andrew Gast, SOU Foundation; Andrew Gay, Faculty Senate; Deborah Rosenberg, former Faculty Senate; Virginia Roberson, Director of International Programs; Ryan Schnobrich, Internal Auditor; Gordon Carrier, Computing Coordinator; Sabrina Prud'homme, Board Secretary; and Kathy Park, Executive Assistant.

Public Comment

There was no public comment.

Reports

President

Reflecting on the past year, President Linda Schott said it has been a good year. She attended a council of state representatives' meeting of the American Association of State Colleges and Universities (AASCU) and mentioned some of the topics discussed. President Schott provided staff updates, including the ongoing search for the Vice President for Enrollment Management and Student Affairs; the departure of Dr. Blaine Steensland; the selection of Tom Battaglia as the Chief Information Officer; the departure of Marjorie Trueblood-Gamble; the hiring of Shenethia Manuel as the

interim Director of Diversity and Inclusion; the resignation of the leader of the Veteran's Resource Office; and the departure of Fred Creek. Provost Susan Walsh mentioned the departure of Dr. Ken Mulliken and the search for the Director of the Honors College; the interim director is Dr. Prakash Chenjeri.

President Schott said she and the presidents of Oregon Tech, Rogue Community College and Klamath Community College met to discuss how their improved collaboration could enhance the colleges' service to southern Oregon.

President Schott discussed a perception survey that SOU will pursue to establish baselines for the communications and marketing departments. The survey will provide information on how others, including potential students, view SOU so the university can leverage its strengths and address weaknesses. Simpson Scarborough will conduct the survey, which will complement other surveys that have been conducted recently.

Turning to strategic planning, President Schott said she and her cabinet prioritized six out of the 22 goals: transforming curriculum and pedagogy; developing a culture of service excellence; building a structure and climate for employee success; development of key performance indicators; the strategic enrollment management plan; and better pathways supporting the development of underrepresented employees and students. The factors that infuse and surround all of the work are the commitments to advance diversity, equity, and inclusion; spirit of innovation and the work to move that forward; commitment to environmental sustainability; and a constant eye on financial stability.

Recognizing the need to do a good job assessing, documenting and monitoring actions taken in support of the strategic plan, President Schott said SOU needed a robust system. Chris Stanek said SOU already has an assessment software that is adaptable to serve this function and displayed some of the reporting capabilities.

President Schott then discussed the importance of town-gown relationships and how to enhance them. Those relationships tie in with strategic direction 7.

President Schott mentioned some of her summer activities: attending AASCU's summer council for presidents, conducting some legislative visits, continuing her speaking engagements in the community, and fundraising in the bay area. She wants her leadership team to focus on building a plan for serving adult learners and thinking about housing for students and employees.

As part of the report, later in the meeting, Matt Sayre highlighted the athletic accomplishments over the last year, including standings in the NAIA and Cascade Conference. He introduced student-athletes Tyler Dean and Harlee Donovan along with Coach Jessica Pistole; he highlighted their accomplishments and gave each a moment to address the board.

Committees

Executive and Audit Committee – Chair Thorndike said the committee met and will bring a recommendation to the board regarding the audit plan.

Academic and Student Affairs Committee – Trustee Teresa Sayre said Provost Walsh is now the chair of the Provosts' Council and mentioned the council's hot topics for the upcoming legislative session. Discussing curriculum updates, Trustee Sayre said there are 51 students enrolled in the online MBA program; the healthcare administration degree program has 20 students; work continues on the micro-credentials to respond to local business needs; the new digital cinema program is on the horizon; the next online program will be the masters of education, with a target date of January 2019; and SOU's partnership with the Butte Falls charter school. Trustee Sayre recognized faculty and staff who attended the meetings. She praised presentations on the McNair Program, trauma informed practices, and updates on various AASCU projects.

Finance and Administration Committee – Trustee Paul Nicholson said the committee reviewed its dashboard and discussed the cash position, which is strong and slightly ahead of expectations. The committee discussed SOU's initiatives around institutional effectiveness, particularly service excellence and risk management across the university. Trustee Nicholson recognized Greg Perkinson for the rigor of his approach. The committee discussed the student incidental fee and differential tuition rate for international exchange students; received a quarterly management report; reviewed the pro forma to project consequences of various decisions that might be made in the budgeting process; received an investment update; and has spent a lot of time developing a recommended budget for the board's approval. Trustee Nicholson mentioned Trustee Slattery's departure and underscored the value he has brought to the committee. Trustee Nicholson later recognized that SOU came out of retrenchment in the last three months.

Student Leadership

Alexis Phillips, the incoming ASSOU President, was unable to attend the meeting.

Faculty Senate

Andrew Gay thanked Deborah Rosenberg for her service as the Senate chair for two years. He said Faculty Senate had a workhorse term. It approved a lot of curriculum changes and new courses. It gave awards to faculty for teaching and distinguished service; approved faculty development funds; reviewed policies; and approved the new campus theme of "From Ignorance to Wisdom."

Information and Discussion Items

Enrollment Update

Dr. Blaine Steensland highlighted figures included in the meeting materials. He said the applicant figures for freshmen students will not change much but those for transfer students will. There is a gap between the admits and the confirmed rates, but that gap is closing down. Dr. Steensland mentioned the decline in the transfer rate of international students.

Discussing enrollment projections, Dr. Steensland said they used a new predictive model, which combines several factors but relies heavily on the application data. Enrollment has been relatively stable in the past several years and looking to the future. The enrollment and budget models come from different vantage points but are

very close in their projections, which suggests that they both serve as reliable analytical tools. However, the enrollment model does not capture new initiatives, degree programs, and activities that strengthen enrollment.

Dr. Steensland addressed the enrollment management process. It includes a council of approximately 25 individuals with six standing committees that will address fundamental areas from marketing to new programs, work with underrepresented and underserved students, and look at initiatives that will address recruitment and persistence. The council will create a plan with long- and short-term goals and initiatives and will provide ongoing assessment.

Responding to Trustee Clough's inquiry, Dr. Steensland said the perception survey will provide a baseline understanding of how key public groups look at SOU and how SOU may want to influence that through messaging and outreach. In subsequent years, it would provide a baseline to evaluate whether strategies are successful.

Responding to Trustee Santos's inquiry, discussion ensued on the retention rate, its projected decrease in future years, factors that impact the rate, and the importance of retention.

Consent Agenda

Trustee Santos moved to approve the March 16, 2018 meeting minutes, as presented. Trustee Sayre abstained because she was not at the meeting. Trustee Nicholson seconded the motion and it passed unanimously among the voting members.

Action Items

Board Officer Elections

Chair Thorndike said the trustees have the authority to elect a chair and a vice chair for the upcoming academic year. Sabrina Prud'homme described the survey she disseminated, seeking suggestions for individuals to fill those positions. She reviewed the information received and the conversations she had with suggested individuals regarding their desire and ability to serve in leadership positions.

Chair Thorndike asked for nominations for the position of chair. Trustee Slattery nominated Trustee Hennion; Trustee AuCoin seconded the nomination. The trustees voted unanimously for Trustee Hennion to serve as the chair for the next year.

Chair Thorndike then asked for nominations for the position of vice chair. Trustee Vincent nominated Trustee Nicholson; Trustees Slattery and AuCoin seconded the nomination. Trustee Nicholson abstained. The trustees voted unanimously, for Trustee Nicholson to serve as the vice chair for the next academic year.

FY 2018-19 Internal Audit Plan

Ryan Schnobrich walked the trustees through his audit plan for next year, which includes assurance/audit services, consulting services, investigative services, governance, risk assessment, internal control assessment and function capacity building, as detailed in the meeting materials.

Responding to Trustee Clough's inquiry, Mr. Perkinson said information technology is a recognized risk for the university and Mr. Schnobrich said it would be included in the plan for 2020. Trustee Nicholson thought it would be appropriate to add information technology or cybersecurity to the list of consulting services to be provided in this plan.

Trustee Hennion moved that the Board of Trustees adopt the Internal Audit Plan. Trustees Nicholson and Vincent seconded the motion and it passed unanimously.

AY 2018-19 Differential Tuition Rate: Supplemental Exchange Students

Mark Denney said the Finance and Administration Committee reviewed this item and recommends approval. The board usually approves all tuition rates at one time. However, this specific tuition rate was accidentally omitted as a special rate and erroneously included in the nonresident rate that was approved.

SOU has exchange agreements with several international universities. SOU students pay tuition and fees to SOU but go abroad and study at the international university; students from the international university have the same arrangement. This tuition rate does not apply to those students.

However, those international universities often have more students who want to come to SOU but there are not enough positions in the exchange programs for them to participate. SOU's nonresident rate would apply to these students but it is often cost-prohibitive. This differential rate would apply to those students. It is proposed at 175 percent of the resident undergraduate rate, which exceeds the average cost of providing education. Currently, there are about ten students to whom this rate would apply. Responding to Trustee Sevcik, Mr. Denney said there would be no ceiling placed on the number of students who could qualify for this rate.

Trustee Nihipali moved that the Board of Trustees approve the academic year 2018-19 differential tuition rate of \$301 per credit hour for supplemental exchange students. Trustee Clough seconded the motion and it passed unanimously.

Amendment to Student Incidental Fee for AY 2018-19

Mark Denney reminded the board that it approved mandatory fees, including the student incidental fee, in March. With SOU's decision to close the Schneider Children's Center, the students propose to discontinue the \$13 that is included in the student incidental fee to subsidize the center, which could only be done through a referendum. The students held a special election to vote on the referendum. However, not enough students participated in the election to meet the requirements for a valid election. Since the issue is not before the board as a result of a recognized student process, the board is unable to take action on the proposed amendment.

The student incidental fee will remain at its current rate. The proposal moving through the registrar's office is to offer a credit to students in an amount equal to the subsidy. The students will have the opportunity to hold another special election.

Adoption of FY 2018-19 Budget

Mark Denney reiterated the path the Finance and Administration Committee and the

board have taken to develop the draft budget: budget assumption and process discussions in January; setting tuition and mandatory fees in March; enrollment projections also in March; revenue projections in April; draft budget and ending fund balance guidance in May.

Mr. Denney highlighted some of the tuition rates that were approved in March, as included in the meeting materials. He then discussed the enrollment projection trend based on a three year history and mentioned the positive impact the online MBA program will have on enrollment.

Turning to revenue, Mr. Denney said some of the increase in tuition revenue is from the online MBA program. Mr. Denney discussed remissions (internal institutional scholarships)—a program the Tuition Advisory Council recommended be maintained.

Mr. Denney then discussed state support, saying he believes the Student Success and Completion Model is unfavorable to all the regional universities. However, because of SOU's recent strong graduation numbers and increased enrollment of resident students, there may be an increase in state funding based on that model.

Miscellaneous other revenue is projected to decline because the current year included some one-time money.

Turning to expenditures, Mr. Denney said labor makes up 79.3 percent of the total expenditures. Labor is increasing at about 4.4 percent, which is a combination of COLA and step, year and rank increases. Other Payroll Expenses makes up 35.7 percent of total payroll and is increasing 8.5 percent.

Supplies & Services (S&S) is just under 17 percent of the total expenditures. S&S expenses have been kept relatively flat since 2015. The increase this year of \$1.3 million is due in large part to the online MBA program. Responding to Trustee Nicholson's comment, Mr. Denney said S&S expenses include about \$150,000 for implementing the strategic plan. Trustee Nicholson clarified that, late in the budget process, SOU received a one-time insurance payment of \$500,000, which was included in the budget for S&S for strategic initiatives. As a result, the S&S expenses include about \$650,000 for implementing the strategic plan.

Mr. Denney then addressed interfund transfers. The 14 percent increase is due to labor increases in supported programs in Jefferson Public Radio and athletics, and recognizes the academic use of the Student Recreation Center.

The proposed budget includes an ending fund balance of 11.1 percent, which is in excess of the 11 percent President Schott promised.

Trustee Nicholson moved that the Board of Trustees approve and adopt the fiscal year 2018-2019 budget in the sum of \$86,566,121, inclusive of Education and General budgeted operations in the sum of \$65,710,486; an auxiliaries budget in the sum of \$16,427,493; and designated operations in the sum of \$4,428,142. Trustee Hennion seconded the motion and it passed unanimously.

Trustee Nicholson thanked Mr. Denney, Mr. Perkinson, and all of the staff for their teamwork.

Information and Discussion Items (Continued)

SOU Foundation Update

Janet Fratella provided a fundraising update, saying the SOU Foundation has raised \$2.7 million as of the end of May against a goal of \$3.2 million. The donor base supports scholarships, capital projects, academic programs and public outreach, in addition to some unrestricted gifts.

Ms. Fratella informed the board of the OLLI capital campaign; the American Association of University Women's campaign; a successful fund-matching program; Raider Rendezvous events; and the opening of the Thalden and Lithia Motors Pavilions. She then shared stories of donors and their relationships with faculty that led to donations.

Ms. Fratella discussed three important components of her office's fundraising efforts: organization and staffing; pipeline of donors; and purpose and priorities of fundraising.

Government Relations Update

Jeanne Stallman discussed the legislative funding cycle. The seven universities have submitted the consolidated funding request, which asked for \$1 billion but stressed that \$130 million over the previous year's funding was needed just to stay flat. She then discussed the draft agency requested budget which includes a 25 percent increase in the public university support fund.

Ms. Stallman provided updates on the Higher Education Authorization Act, DACA, Senator Merkley's visit to SOU, in-district visits to state legislators and information being sent to candidates.

Ms. Stallman said the technical and regional universities (TRUs) hired a lobbyist. This arrangement is working well and allows the TRUs to work together in other ways.

Governance Discussion

Board Policy Review

Chair Thorndike said it is time to review the board's bylaws and policies. Trustees Nicholson, [Hennion] and Santos will participate in the review process, with assistance from Ms. Prud'homme and Jason Catz.

Board Evaluations and Exit Interviews

Chair Thorndike mentioned the self-evaluation the board secretary will send to all the trustees and stressed the importance of completing the evaluation. He then mentioned the exit interview process that was discussed at the Executive and Audit Committee's meeting.

New Trustee Orientation

Chair Thorndike said firm dates have not yet been set for the new trustee orientation

and introduced the idea of having mentors for each of the new trustees.

Board Retreat

Chair Thorndike mentioned the board's retreat on September 27-28 and solicited ideas for topics to be included.

Presidential Evaluation Process

Chair Thorndike said it was again time to complete the presidential evaluation. He described the evaluation process and said he and the incoming board chair would work together on the evaluation. This is the year-two evaluation; the year-three evaluation will be a 360 degree review.

Trustee Recognition

Chair Thorndike recognized the trustees whose terms are ending: April Sevcik, Dennis Slattery, Teresa Sayre and Shea Washington. He presented those present with a picture of Churchill Hall and thanked them for their service. He also showed the perpetual plaque with their names.

Future Meetings

This agenda item was not covered in the meeting.

Collective Bargaining Update - Executive Session [Pursuant to ORS 192.660(2)(d)]

Chair Thorndike said the board would go into executive session to hear the labor negotiations update from Brian Caufield. Chair Thorndike said, pursuant to ORS 192.660 (2)(d), the board will meet in executive session to conduct deliberations with persons designated by the governing body to carry on labor negotiations. Pursuant to ORS 192.660 (4), representatives of the news media are not allowed to attend this executive session. There were no members of the media present.

Continuing, Chair Thorndike said, pursuant to ORS 192.660 (6), no final action will be taken or final decision made in the executive session. Pursuant to ORS 351.020 (1), Trustees Slattery and Steinman were kindly excused from the session. In addition to non-faculty and non-staff board members, the following persons were permitted to remain for the executive session: University Shared Services Enterprise, Director of Labor Relations, Brian Caufield; President Schott; Vice President for Finance and Administration, Greg Perkinson; Provost Sue Walsh; and the University Board Secretary.

At this time, the recording and live stream of the meeting were stopped and the board went into executive session.

Adjournment

Chair Thorndike returned the meeting to public session and adjourned the meeting at approximately 4:27 p.m.

Date: October 19, 2018

Respectfully submitted by,

A handwritten signature in cursive script, reading "Sabrina Prud'homme". The signature is written in black ink and is positioned above a horizontal line.

Sabrina Prud'homme
University Board Secretary