

**Board of Trustees of Southern Oregon University
Board of Trustees Meeting
Friday, January 18, 2019**

MINUTES

Call to Order/Roll/Declaration of a Quorum

Board Members:

Lyn Hennion	Present	Deborah Rosenberg	Present
Les AuCoin	Present	Daniel Santos	Present
Jonathon Bullock	Present	Linda Schott (ex officio)	Present
Sheila Clough	Present	Barry Thalden	Present
Shaun Franks	Present	Bill Thorndike	Present
Megan Davis Lightman	Present	Steve Vincent	Present
Paul Nicholson	Present	janelle wilson	Present
Shanztyn Nihipali	Present		

Chair Lyn Hennion called the meeting to order at 12:01 p.m. in the DeBoer Room of the Hannon Library. The Board Secretary recorded the roll and a quorum was verified.

Public Comment

There was no public comment.

Reports

President's Report

President Linda Schott provided an update on the Southern Oregon Higher Education Consortium, the agreement between Klamath and Rogue Community Colleges, Oregon Institute of Technology and SOU to collaborate in ways helpful to all four institutions, students, and employers in the region. The presidents and provosts of the institutions will continue to determine how the consortium will function.

President Schott said she will start the town-gown relationship efforts in Ashland and then reach out to surrounding towns. Jon Lange volunteered to help with this project.

President Schott introduced two new staff members: Neil Woolf, Vice President for Enrollment Management and Student Affairs, and Chad Hamill, the American Council on Education fellow. She also provided updates on the searches for the Chief Diversity and Inclusivity Officer & Title IX Coordinator and the Director of the Honors College.

Turning to SOU's efforts to ensure its financial stability, President Schott said SOU is taking a twofold approach because the environment is so unsettled. SOU's current challenges stem from a decrease in enrollment, which is believed to be a temporary downturn. Managers have been asked to be as conservative as possible with spending; open positions have been held open longer than normal; and there are some other small levers that can be pulled to save funds. President Schott said, most importantly, SOU has been brave and has continued to invest in things believed to be helpful in the future, including a marketing study, investment in the software from the Education Advisory Board's student success program, hiring a firm to assist with leveraging current financial aid funds, a student satisfaction survey, and SOU's virtual campus

tour. President Schott said SOU's fund balance could be higher without investments, but SOU is making appropriate investments to stabilize and grow the institution.

The HECC plans to hold its October meetings at SOU, both at the Higher Education Center and the Ashland campus. The HECC will have two commissioners come to campuses to attend a meeting of the board or the Tuition Advisory Council (TAC) to observe how tuition rates are set.

President Schott mentioned SOU's 150th anniversary in 2022. She also mentioned the upcoming 50th anniversary of SOU's relationship with the City and University of Guanajuato; Trustee Santos will be a member of the president's delegation.

Janet Fratella provided an update on the SOU Foundation's activities as detailed in the meeting materials. Fundraising efforts are ahead of last year and ahead of projections by about \$200,000. Chair Hennion, Ms. Fratella and Trustee AuCoin stressed the importance of donations from the foundation, alumni, and governing board members.

Action Items

Review and Acceptance of Fiscal Year 2018 Audited Financial Statements

Jean Bushong presented the fiscal year 2018 audited financial statements, as included in the meeting materials. Ms. Bushong said the purpose of the audit was to determine if SOU's financial statements were free from material misstatement. CliftonLarson-Allen (CLA) audited SOU's financial statements and completed a single audit of student financial aid. CLA issued an unmodified opinion on the financial statement audit and there were no findings. Ms. Bushong mentioned the impact two Governmental Accounting Standards Board statements and a loan program would have on SOU's financial statements. CLA reported no findings in the single audit, which was a significant accomplishment. Ms. Bushong then covered required communications to governance.

Trustee Lightman moved to accept the audit report. Trustee Rosenberg seconded the motion and it passed unanimously.

Reports (Continued)

Committee Reports

Executive and Audit Committee – Chair Hennion said the major item covered in the meeting was the external audit. She appointed Trustee Nicholson (as chair), Trustee Lightman and Sabrina Prud'homme to a governance work group. The internal auditor also provided his report to the committee.

Finance and Administration Committee – Trustee Clough said the focus of the meeting was to prepare the committee for the 2020 budget cycle. Greg Perkinson provided an update on the HECC and reminded the committee of the requirements if SOU pursues a tuition increase greater than 5 percent. Mr. Perkinson provided updates on capital projects and the approval process for future projects. The role of TAC and its process were discussed in detail. Educational items included a PERS overview, state funding and the governor's recommended budget (GRB).

Academic and Student Affairs Committee – Trustee Santos said, after receiving an exceptional presentation, the committee approved the digital cinema program proposal. The committee expressed interest in receiving updates on previously-approved programs. The committee received organizational updates and discussed the TAC and the difficulty in setting a tuition rate without knowing all the funding implications; transfer articulation; and how to respond to myths about lost credits.

Student Leadership Report

Alexis Phillips said ASSOU recently had a productive retreat. ASSOU has seated its Student Fee Committee and subcommittees. ASSOU seated four students on the TAC but is trying to replace one of them due to a scheduling conflict. She and her vice president have instituted a requirement for her cabinet to submit quarterly reports. Responding to Trustee Santos, President Phillips said students are concerned about tuition increases and, even more so, fees. At Trustee Wilson's request, President Phillips highlighted ASSOU's work on sexual assault prevention, reassessing ASSOU's ban on on-campus blood drives, and voter registration for students.

Faculty Senate Report

Andrew Gay thanked the trustees, especially those on the Academic and Student Affairs Committee, for approving the digital cinema program. He said Faculty Senate has had a busy fall term. They approved the digital cinema major; approved promotion and tenure revisions to eleven programs; approved several University Studies courses; changed election bylaws; launched a new student evaluation task force; developed a new succession plan; approved Carpenter Grants to support faculty research and professional development; received various reports, including one from the inter-institutional faculty senate; reviewed and discussed a new draft policy on sexual assault prevention; and discussed steps necessary to comply with House Bill 2871, which requires universities to identify courses that require low-cost resources or use open educational resources. It will also discuss early promotions, service expectations, term-by-term evaluations and curricular changes. Responding to Trustee Nicholson's inquiry, Mr. Gay said there may be some new certificates but he was not aware of any new programs coming forward in the next year.

Consent Agenda

Trustee Nicholson requested a correction in the October 19, 2018 meeting minutes: his absence was recorded properly but he was erroneously indicated as making a motion. Trustee Rosenberg moved approval of the consent agenda, as amended. Trustee Clough seconded the motion and it passed unanimously.

Action Items (Continued)

Amendments to Governing Documents: Bylaws; Board Statements on Delegation of Authority, Conduct of Public Meetings and Board Committees

To assist in improving board operations and updating the board's governing documents, Trustee Nicholson said he and Chair Hennion met with trustees as they departed from the board. He then reviewed information gleaned from those meetings.

Jason Catz highlighted key proposed changes to the documents indicated in the meeting materials. Regarding the Board Statement on the Conduct of Public Meetings, Mr. Catz said the Executive and Audit Committee revised paragraph 2.5 as follows:

Meetings. Notwithstanding anything to the contrary in this Board statement, should a special or emergency meeting be set on less than five days' notice, all reasonable efforts shall be made to provide appropriate notice and all available, pertinent materials as soon as reasonably practicable.

Trustee Rosenberg moved to adopt the amendments to the board's governing documents, as amended. Trustee Thorndike seconded the motion and it passed unanimously.

Tuition and Mandatory Fees Process

Sabrina Prud'homme mentioned the recent passage of House Bill 4141 (the Tuition Advisory Council bill) and said the bill was based on SOU's process. Ms. Prud'homme said the internal auditor, general counsel and the chair of the TAC (viz the provost) reviewed and approved SOU's proposed process revisions. Responding to Trustee Nicholson's inquiry, Ms. Prud'homme said the proposed process does not differ from SOU's current process and includes additional elements not required in the bill.

Trustee Lightman moved to approve the amendments to the Process for Establishing Tuition and Mandatory Fees. Trustee Franks seconded the motion and it passed unanimously.

Information and Discussion Items

Strategic Plan Reporting

President Schott said they have jumped in and started working in many areas of the plan. A lot of time was spent in the fall implementing and entering data into the software. Chris Stanek explained the information on the screen shots showing progress on the strategic plan. The screen shots are static depictions but the report itself is interactive. He gave examples of assessments and how they are measured. Dr. Jody Waters explained the relationship between the strategic plan, assessments, and SOU's accreditation.

Responding to Trustee AuCoin's inquiry, President Schott said each strategic direction has a cabinet member assigned as a sponsor who ensures activities are being pushed forward. She said various open forums would be scheduled to let the campus know where the university is in its progress on the strategic plan. Trustee Nicholson was impressed with the amount of work that has been done and Trustee Vincent thought the process was good for employee satisfaction.

Athletics Overview: Part II

President Schott stressed the importance of this item because athletics oversight is the board's responsibility. Matt Sayre provided an overview of the athletics program. Starting with the benefit to the campus and community, Mr. Sayre said athletics' goal is to contribute to a positive public identity for SOU and he mentioned some of the many ways this is accomplished. Currently, SOU has the best program in the NAIA and is the top public school in the NAIA in the nation.

Mr. Sayre discussed the net return on investment for various athletics programs. The programs generate new enrollment revenue and contribute to student diversity. SOU is in competition for student-athletes who would not otherwise be at SOU and the

opportunity to participate in athletic programs contributed greatly to their decision to attend SOU. On average, student-athletes carry heavier course loads than other students and retain and graduate at higher rates.

Mr. Sayre discussed the funding and use of resources for athletics, as detailed in the meeting materials. Ms. Fratella discussed the President's Advisory Committee, which President Schott created in March 2018 to advise her on matters affecting athletics.

Student Success and Completion Model Overview: Part II

Greg Perkinson highlighted points in the three Student Success and Completion Model (SSCM) funding categories and explained how SOU is disadvantaged in each. The SSCM will be reevaluated next year and the hope is that some of the aspects that disfavor SOU will be revised. SOU did not receive current service level funding but did receive an additional \$193,000 in outcomes-based funding.

State Funding for 2019-21 Biennium and Campus Impacts

Greg Perkinson detailed the components of SOU's budget and process including revenues, expenses, and the cost drivers of salary, retirement expenses, and health benefits, over which SOU has little control.

Discussing the mix of revenue sources, Mr. Perkinson said state aid has remained relatively flat since 2009 while tuition has grown in response to SOU's need to maintain a healthy, stable financial balance. Over the past ten years, SOU has done a good job keeping revenue in excess of expenses, contributing to an 11.7 percent ending fund balance in fiscal year 2018.

Mr. Perkinson said the costs of tuition and fees have shifted from the state onto students. He then compared the GRB with the investment plan and the impacts of both of those scenarios on higher education funding, student affordability, cost controls, financial stability, access and equity, student success, and the ability to make new investments. Discussion ensued on the GRB and the political maneuvering needed to create solutions.

Mr. Perkinson highlighted the risk involved this year in setting tuition rates based on budget uncertainty. SOU's normal cycle of setting tuition rates early may not be feasible this year.

Turning to the pro forma analysis, Mr. Perkinson described the key assumptions as detailed in the meeting materials. Using four funding scenarios and a variety of tuition increases, he modeled those impacts on SOU's fund balance and operating revenue.

Mr. Perkinson reviewed the total cost of attendance at SOU for various categories of students and compared the total cost of attendance for each of the public institutions.

Dr. Neil Woolf then discussed student loan debt and how federal, state and institutional aid are applied. Dr. Woolf compared student debt data for national, Oregon, and technical and regional universities, as detailed in the meeting materials. He reviewed costs of attendance and financial aid packages for various student types to demonstrate the financial implications for each. Dr. Woolf said SOU meets the needs of 77 percent

of students with financial aid needs.

Jeanne Stallman provided talking points for trustees to use when advocating for SOU's needs with members of the public, the starting point being to serve as proponents for higher education.

Future Meetings

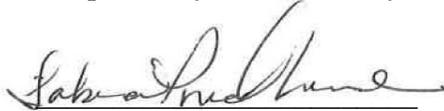
The next regularly scheduled meeting of the board will take place on March 22. Chair Hennion noted that a special board meeting would probably be needed in April or May to set tuition rates.

Adjournment

Chair Hennion adjourned the meeting at 5:09 p.m.

Date: March 22, 2019

Respectfully submitted by,

A handwritten signature in cursive script, appearing to read "Sabrina Prud'homme", is written over a horizontal line.

Sabrina Prud'homme
University Board Secretary