

**Southern Oregon University
Board of Trustees
Finance and Administration Committee Meeting
Thursday, March 19, 2020**

MINUTES

Call to Order/Roll/Declaration of a Quorum

Committee Members:

Sheila Clough	Present	Paul Nicholson	Present
Les AuCoin	Present	Bill Thorndike	Present
Shaun Franks	Present	Steve Vincent	Present
Megan Davis Lightman	Present		

Chair Sheila Clough called the meeting to order at 4:02 p.m. in the DeBoer Room of the Hannon Library. The secretary recorded the roll and a quorum was verified.

Other trustees in attendance: Lyn Hennion, Barry Thalden, janelle wilson and President Linda Schott.

Other attendees included: Greg Perkinson, Vice President for Finance and Administration; Jason Catz, General Counsel; Dr. Susan Walsh, Provost; Sabrina Prud'homme, Board Secretary; Josh Lovern, Budget Office; Dr. Lee Ayers, Undergraduate Studies and HECC; Britney Sharp, ASSOU; Sarah Grulikowski, ASSOU; and Kathy Park, Office of the Board Secretary.

President Linda Schott read an email message she received from the parent of an SOU student. The message was “a quick thank you for the incredible job SOU is doing at keeping students on-campus, on track, and well-informed during this crisis. It has been enormously beneficial for my daughter ... to have continued housing and food service in the residence halls while having her mind occupied with her finals rather than being kicked off campus and having classes cancelled like many schools have done... [SOU's] crisis response has truly made a difference for her and us.”

Public Comment

There was no public comment.

Consent Agenda

Trustee Bill Thorndike moved to approve the consent agenda as presented. Trustee Steve Vincent seconded the motion and it passed unanimously.

Vice President's Report

Committee Dashboard

Greg Perkinson reviewed the dashboard included in the meeting materials. There is a slight lag in revenue, principally due to timing. He pointed out the total student credit hours is slightly up, which could be a reflection of improved retention. The E&G fund balance is below the target and cost reductions are being driven hard. E&G expenses are below the burn rate, which is good; there are no negative indicators in the expenses.

Higher Education Coordinating Commission Update and Other General Updates

Greg Perkinson said Jim Pinkard is working with other agencies to support data collection that would forecast the implications of the universities' COVID-19 responses. The data being collected includes tuition and fees, auxiliary revenues, additional costs associated with changing how academic content is delivered, additive costs of cleaning, and other labor costs associated with anticipated responses.

Mr. Perkinson discussed the activation of SOU's Emergency Operations Center. He has been assigned as the incident commander and the team meets twice daily. They are task organized, focusing on medical, academic and student life issues. They are in a planning and preparedness phase right now. Responding to Chair Clough's inquiry, Mr. Perkinson said the administration is tracking COVID-19-related expenses. Mr. Pinkard is closely watching cash management in the public university fund and will remain focused on it through the course of the pandemic.

Turning to the SSCM working group, Mr. Perkinson said there is a bit of a decrease in the energy of the working group regarding changes to the funding model. One of the group members challenged the continued existence of the work group considering the current crisis the universities are working through. The work continues but might carry on a bit longer than originally anticipated.

SOU is in the middle of developing the resubmittal for capital requirements. The Music and Digital Media Center project is the priority, although the submittal is deferred about a month. Mr. Perkinson said the bonds were sold to support the Britt renovation and work is moving forward.

Action, Information and Discussion Items

Tuition Advisory Council Update

Taking agenda items out of order, Greg Perkinson said the Tuition Advisory Council (TAC) has been formed and is meeting regularly. One topic of discussion at its last meeting was to spend less time modeling costs given the high level of uncertainty and instead move toward a recommendation that would be under 5 percent. The administration's ability to reasonably forecast revenue and expenses for the spring term and next year is highly uncertain. Dr. Susan Walsh reminded trustees that an increase of five percent or more is the trigger to appear before the HECC. Responding to Chair Clough, Mr. Perkinson and Dr. Walsh said the TAC's timing is on track.

Student Fee Process Update

Josh Lovern praised the student team members for their work in the process. Several themes emerged as the team worked through the process this year: transitions, time and turbulence.

Mr. Lovern described the changes ASSOU made in the student fee process. Instead of having a long time to submit budgets, ASSOU defined the pot of money available and went into an allocation period. To make the process move along faster, the subcommittees decreased from three to two. Transparency was a big issue. The revenue projections were revised to show who is paying the fees and how the projections

change based on fluctuations in headcount and fees.

Mr. Lovern stressed the importance of maintaining a timely rhythm and keeping the process on track. ASSOU President Britney Sharp mentioned the benefits the revised bylaws have had on the process this year: overall, it's more effective and takes the whole picture into consideration. ASSOU President Britney Sharp added that folding the Student Recreation Center into the student fee process was turbulent.

Mr. Lovern said budget reductions are always difficult. Through the allocation method, ASSOU defunded some items (e.g., bike program, national student exchange and OSA membership). ASSOU President Sharp said the revised recommendation for the incidental fees is \$372 per term. Even at this rate, \$310,000 still had to be cut from the budget. Discussion ensued on decisions made during the allocation appeal process and the three criteria ASSOU used to evaluate each request (viz cost-benefit ratio, fundraising, and overall community benefit). She clarified that a major benefit of OSA membership is the Oregon Students of Color Conference. Since a non-membership rate is available, SOU still will be able to send students to that conference or to a nationwide conference for students of color.

Mr. Lovern said the next steps are to obtain ASSOU Senate approval of the fee recommendation then present it to President Schott and the Board of Trustees.

Budget Update and Review of Pro Forma

Addressing the cost reduction strategy, Greg Perkinson said the divisions are still driving toward the reduction goals. In managing its planning, preparedness and communications with students, faculty and staff, SOU will continue to keep its core principles in the forefront: the academic mission, student success, and driving efficiency and effectiveness. The administration will continue to monitor expense patterns, drive reductions and, at the same time, plan to effectively respond.

Mr. Perkinson mentioned costs that are anticipated to decrease, including those associated with planned reductions in Supplies & Services, position vacancies not being filled, the closure of the recreation center and the elimination of athletic travel. Summarizing the situation, Chair Clough said SOU is on track with its cost reduction strategy and COVID-19 will cause SOU to incur unanticipated costs, will impact revenue and will reduce some costs. Discussion ensued on steps SOU is taking to respond to faculty and students' needs, including reaching an agreement with the City of Ashland to offer free internet to students.

Discussion of Financial Metrics

Introducing the agenda item, Chair Clough reminded trustees that the HECC's evaluations of the TRUs included new metrics that did not put SOU in a good light. Jim Pinkard from the HECC visited SOU's campus to discuss the report and the metrics. It became clear the board needed to be thinking about the metrics it should continue monitoring. This is the first of many conversations the committee will have before making a recommendation to the board on the metrics to be used.

Greg Perkinson said there is no one-size-fits-all regarding the data his peers present to

their boards. Monitoring metrics is a key aspect of running a business. The universities are discussing with HECC the data it would like to see. He then reviewed some of the potential metrics to consider, and frequency, in the areas of affordability; efficiency; revenue, spending and financial stability; and outcomes, as included in the meeting materials. Mr. Perkinson said his directors would discuss internally what measures they need to see, as will be done in the academic and student affairs areas. From that information, the committee and the board can identify the high level metrics they would like to see to monitor the health of the institution.

Discussion ensued on potential metrics to use, including the need to have comparative information, the danger of vanity metrics, profit margins, and the importance of student, employee, and the business community's satisfaction.

Future Meetings

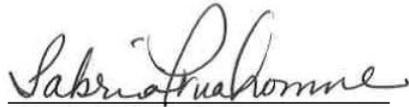
The next regularly scheduled committee meeting will be on Monday, April 20.

Adjournment

Chair Clough adjourned the meeting at 5:54 p.m.

Date: April 20, 2020

Respectfully submitted by,



Sabrina Prud'homme

University Board Secretary