



Board of Trustees Meeting

Friday, January 19, 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 12:01 p.m. and welcomed Jean Bushong, from CliftonLarsonAllen; Dr. John King; Hugues Lecomte, SOU's new Director of Campus Recreation and the Student Recreation Center; Greg Perkinson, SOU's new Vice President for Finance and Administration; Dr. Blaine Steensland, SOU's Acting Vice President for Enrollment and Student Life; Dr. Ken Mulliken; Dr. Prakash Chenjeri; and students Ben Barnes and Dylann Loverro.

The board recognized the recent death of Dr. Natale Sicuro, a former SOU president, with a moment of silence.

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 was absent due to illness. Trustee Shea Washington also was absent.

Other meeting guests included: Jason Catz, General Counsel; 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; Kristen Gast, Financial Aid; Janet Fratella, Vice President for Development; Lee Ayers, Division Director of Undergraduate Studies; Hugues Lecomte, Director of Campus Recreation and Student Recreation Center; Steve Larvick, Director of Business Services; Daryl Maplethorpe, ASSOU; Leo McCaffrey, ASSOU; Devon Backstrom, ASSOU; Darius Kila, Financial Aid; Ryan Schnobrich, Internal Auditor; Deborah Rosenberg, Faculty Senate Chair; Roxane Beigel-Coryell, Sustainability and Recycling Coordinator; John Stevenson, User Support Manager; Don Hill, Classroom and Media Services Manager; Sabrina Prud'homme, Board Secretary; and Kathy Park, Executive Assistant.

Public Comment

There was no public comment.

Action Item

Review and Acceptance of Fiscal Year 2017 Audited Financial Statements

This item was taken out of order to accommodate the presenter's travel schedule. Jean Bushong said CliftonLarsonAllen's (CLA) responsibilities are to determine if SOU's

financial statements are free from material misstatements, error, fraud and noncompliance. There are two areas of the audit: the review of financial statements and the single audit of a major federal program, financial aid. Regarding the financial statement audit, CLA issued an unmodified opinion, the cleanest opinion that can be issued. The board should expect an unmodified opinion and the need for several adjustments should be concerning. Auditors found only one item needing an adjustment, so leadership should feel good about SOU's team. The fraud issue was the only material weakness, which management is aware of and already is addressing.

Ms. Bushong highlighted and discussed items in the annual financial report including the independent auditor's report; the summary in management's discussion and analysis; SOU's balance sheet, in particular the net pension liability; and SOU's income statement for the year.

The second piece of the audit was the federal compliance piece. Last year, there were five items to clean up following the stand-alone audit of student financial aid; all five have been resolved. This year, there was one item, which related to awarding Federal Supplemental Educational Opportunity Grant money to a pool of students who were needy but did not meet the threshold criteria for the award of money. Ms. Bushong expects that will be corrected. Responding to Trustee Clough's inquiry, Ms. Bushong said CLA would report this finding to the Department of Education and that agency will determine if SOU has to repay the money, which is about \$130,000.

Ms. Bushong then addressed required communications to governance. CliftonLarsonAllen must remind the board there are estimates in the financial statements and that adopted accounting policies can impact the bottom line; there were no such policy changes. Auditors must advise of any uncorrected or corrected misstatements; there was one that resulted from information from the state and the application of Governmental Accounting Standards Board (GASB) 68 but it was not reported as a control issue for SOU. Ms. Bushong said there were no disagreements with management, management represented that it provided all necessary information, and there were no issues with the SOU Foundation auditors.

Ms. Bushong said changes in GASB standards will occur over the next few years that will impact financial statements. She also mentioned industry trends in higher education: Moody's negative outlook; federal tax reform and changes to the Higher Education Act; and cybercrime and security.

As detailed in the resolution included in the meeting materials, Trustee Nicholson moved that the Board of Trustees accept the audited financial statements of the 2017 Annual Financial Report for the university for the fiscal year ended June 30, 2017. Trustee Hennion seconded the motion and it passed unanimously.

Reports

President's Report

Staffing Update – President Schott introduced two new staff members: Greg Perkinson, Vice President for Finance and Administration, and Dr. Blaine Steensland, Acting Vice President for Enrollment and Student Life. Mr. Perkinson hit the ground

running and is getting to know the people who report to him, the campus, the community and people in Salem; he then provided information on his personal and professional background. Dr. Steensland will help SOU with its efforts to increase enrollment and enhance student engagement and success; he then provided information on his personal and professional background.

Online MBA Program – President Schott said marketing for the online MBA program went live just before Christmas. SOU has received nine applications and six students have been admitted. In the budget pro forma, Mark Denney modeled an initial cohort of ten students so SOU is about where it should be. President Schott, Provost Walsh, and Jeanne Stallman have met with corporate leaders in the valley to develop partnerships around the program. Discussion ensued on features of the program.

Development Update – Janet Fratella introduced Andrew Gast, the new Director of Finance and Administration for the Foundation and Development Office. The fundraising goal for this fiscal year is \$3.25 million and, as of December 31, \$1.3 million has been raised. Ms. Fratella also updated trustees on fundraising activities and upcoming Raider Rendezvous. She also noted that the Development Office will conduct a national search for a Director of Major Gifts, a new position funded by SOU and the SOU Foundation.

Committee Reports

Executive and Audit Committee – Chair Thorndike said the committee spent half of its meeting on the external audit and reiterated that the SOU staff did a great job. Ryan Schnobrich presented proposed amendments to the internal audit charter, which the committee recommends the board approve.

Academic and Student Affairs Committee – Trustee Sayre highlighted items the committee considered. LC 183 requires the tracking of dual credits awarded to high school students, which the HECC will do through a portal. Dr. Jeff Gayton will provide trustees an AASCU institutional transformation assessment survey on Reimagining the First Year initiative. Dr. John King presented an overview of SOU's Educator Equity Plan in accordance with HB 3375 and SOU's progress on the preparation of diverse educators; the committee reviewed the plan for "adequacy and feasibility" and recommended it to the full board for approval. Additionally, President Schott provided an overview of competency/proficiency based education models; Dr. Walsh provided an update on the online MBA program; Chris Stanek discussed statewide efforts regarding transfer articulation from community colleges to universities, due to the passage of HB 2998; and Dr. Walsh discussed SOU's efforts to obtain electronic tools to help students navigate their pathways to graduation while understanding the monetary implications of their decisions along the way.

Finance and Administration Committee – Trustee Nicholson said Mr. Perkinson provided an update on his onboarding, discussed his role in the strategic plan, reviewed the dashboard and discussed major capital projects. Penny Burgess provided her quarterly investment report and Steve Larvick provided his quarterly management report. Mark Denney reviewed the budget process and pro forma.

Student Government Report

ASSOU Vice President Leo McCaffrey provided the report, highlighting two of ASSOU's successes: the K-12 Sex Education Reform Bill and lobbying efforts for the Tuition Fairness Act, which is modeled after SOU's process. He also reported that ASSOU already is looking at election procedures for its upcoming elections and that the Student Fee Committee process is ongoing.

Faculty Senate Report

Deborah Rosenberg presented updates on three general items: The Faculty Senate has had lively conversations about the MBA programs; Ms. Rosenberg was pleased to be part of the president's team at the HECC meeting the previous week; and Faculty Senate will be looking at the strategic plan to decide how to implement its elements. In response to Trustee Hennion's inquiry, discussion ensued on filling the faculty seat on the board.

Consent Agenda

Trustee Santos moved to approve the September 29, 2017, October 20, 2017 and November 16, 2017 meeting minutes, as presented. Trustee Sevcik seconded the motion and it passed unanimously.

Action Items

Review of Southern Oregon University Educator Equity Plan

Dr. John King said the board reviewed the initial Educator Equity Plan about two years ago. The plan was designed to increase the number of ethnically or linguistically diverse students who enter and graduate from SOU's teacher preparation programs, with the goal of having the K-12 teacher workforce more closely resemble the composition of the students taught. SOU's efforts from Pirates to Raiders recruitment have resulted in high school graduation and college enrollment statistics that are significantly above statewide averages and some of the enrollees have declared education as their major. Dr. King mentioned the various incentives included in the Educator Equity Plan; the expansion of the pipeline program to Hornets to Raiders and to Native American students; and post-graduation retention efforts for teachers of color. Discussion ensued on educational requirements for teachers; outreach efforts to potential teachers; and potential expansion to other regional school districts and community partners.

Following the trustees' discussion, based on the recommendation of the Academic and Student Affairs Committee and the board's own review of Southern Oregon University's Educator Equity Plan, Trustee Sayre moved that the board acknowledge the plan to be "adequate and feasible" and approve its submission to the Higher Education Coordinating Commission. Trustee Hennion seconded the motion and it passed unanimously.

Amendments to Internal Audit Charter

Ryan Schnobrich said internal auditing standards recently were updated. He discussed revisions to the Internal Audit Charter based on those changes and made some formatting changes.

Trustee Nicholson moved that the Board of Trustees of Southern Oregon University approve the proposed resolution included in the meeting materials to amend the Internal Audit Charter. Trustee Clough seconded the motion and it passed unanimously.

Adoption of Guardians Initiative

Chair Thorndike said this is an opportunity for SOU to be one of the first universities to fully acknowledge the importance of promoting The Guardians Initiative and the trustees' role in supporting higher education. He mentioned the board's work group that is coordinating with policy makers; Trustees Santos, Vincent and AuCoin are on the work group, along with Jeanne Stallman.

Trustee Clough expressed concern that one part of the initiative seemed to justify the current state of higher education. She asked if participation in the initiative would give SOU an opportunity to shape the message about how higher education can show its value and be part of innovation and change. President Schott said she thought SOU would have that opportunity and would position SOU in a leadership role in this area.

Trustee Steinman moved to approve the proposed resolution included as presented in the meeting materials. Trustee Clough seconded the motion and it passed unanimously.

Adoption of Board Handbook

Trustee Steinman said the handbook is complete and ready for adoption. She said a work group, including herself, former Trustee, Judy Shih, and Trustee AuCoin, was charged with creating the handbook as a centralized source of information for trustees. Based on the table of contents the board approved, the group gathered information to create this living document, which would be revised as needed.

In honor of SOU's former trustee, Judy Shih, whose vision inspired the creation of the handbook, Trustee Steinman moved the board adopt the proposed handbook. Trustee Slattery seconded the motion and it passed unanimously.

Information and Discussion Items

College Affordability

Kristen Gast described student loan debt in the U.S.: \$1.48 trillion dollars spread among 44 million borrowers. The steep growth in college costs and a reduction in state funding have contributed significantly to increased student loan debt. The burden of this debt falls disproportionately on lower-income students. She and Dr. Steensland further described debt and default levels nationwide, in Oregon, and at SOU.

Ms. Gast addressed average costs for an SOU resident student including cost of tuition, fees, housing and meal plan, totaling \$21,564. The basic financial aid package would total \$13,670, leaving \$7,894 for the student to cover. When applying for financial aid, the student may qualify for federal aid (Pell Grant, work study or loans), state aid (grants or scholarships) or SOU aid (merit or SOU Foundation-funded scholarships, student employment or need-based tuition assistance). Thirty-eight percent of SOU's

student population qualifies for the Pell Grant. This year, SOU introduced the Raider Merit Scholar Award of \$4500 for the top-performing Oregon resident students.

Ms. Gast discussed SOU's tuition assistance budget of \$4 million. These funds are applied last, after federal and state aid. The Financial Aid Office has met the needs of 77 percent of SOU's students who have financial aid needs. She mentioned the efforts of the Office of Student Support and Intervention, faculty, staff, students and the Financial Aid Office in identifying the neediest and highest-risk students. The importance of continuing tuition assistance and financial literacy programs was discussed.

Responding to inquiries from the trustees, discussion ensued on the importance of job placement programs, gathering statistics on financial assistance provided outside of the resources the Financial Aid Office tracks, the importance of continuing tuition assistance, statistics on student debt for those who do not graduate, and coordination with community colleges.

Higher Education Coordinating Commission (HECC) Update

President Schott said Chair Thorndike and a contingent of people from SOU went to the HECC in December to introduce SOU's conditions report. A group went back in January to present SOU's new vision, mission and strategic plan. Lee Ayers highly praised the presentation and said the HECC commissioners were very impressed; Trustees Hennion, Nihipali and Santos shared similar thoughts.

President Schott said the HECC approved SOU's new mission then turned to the TRUs' evaluations. Although there was a difference of opinion on some of the data in the evaluations, Dr. Walsh said the HECC staff recommended approval. Commissioner Wyse commented on how impressed he was with the TRUs and their boards. Regarding the conditions reports for SOU and EOU, the HECC staff will review the reports and recommend a straight up or down vote on whether they think the conditions were met. President Schott said the bottom line is that SOU will return to the HECC in February but should receive the HECC staff's recommendation before then. She said she felt like SOU is in a good position but it depends on how narrowly the HECC interprets the financial ratios. Regarding the ratios, Mr. Denney said there are varying degrees to which they apply to SOU. The university's trend on all of them is in the right direction but SOU does not meet some of the targets and neither do some of the other institutions.

Government Relations Update

The meeting materials include this update.

Construction Project Update and Tour of Student Recreation Center and Lithia Motors Pavilion

Greg Perkinson said the Student Recreation Center is a \$20 million project and the Lithia Motors Pavilion is about \$23 million. The trustees departed for the tour.

Summary of Annual Board Evaluation

Due to time constraints, this item was postponed to a future meeting.

Future Meetings

Chair Thorndike clarified that in June, the board meeting would take place on the Friday following commencement.

Exploring Democracy and Responsible Global Citizenship: Reacting to the Past to Teach History

Dr. Ken Mulliken described the Honors College's Democracy Project. In the different phases, students have focused on democracy in the U.S.; traveled to Washington, D.C., India, several European countries, and South Africa to engage in program activities. Students also have hosted local high school symposiums and partnered with local organizations.

Dr. Prakash Chenjeri said President Schott suggested Reacting to the Past as a new pedagogical tool, one which he and Dr. Mulliken enthusiastically incorporated. This approach involved historical situations – the threshold of democracy in Athens and the collapse of apartheid in South Africa – in which students acted out roles to achieve stated goals. The exercises helped students develop skills in various areas: conversation, conflict resolution through dialog and reason, public speaking and critical thinking. The students will host another high school symposium that will focus on current issues in the U.S. Dr. Chenjeri said he has modified this approach for use in his political philosophy class. He and Dr. Mulliken will present this pedagogical tool to some nationwide and local organizations and will develop a standardized curriculum that can be replicated at other universities.

Ben Barnes and Dylann Loverro, SOU Honors College students, described their participation in this innovative approach. Both students highly praised the method, discussed some of the lessons they learned, and described how beneficial the programs have been for them.

Adjournment

Before closing, President Schott said Ben Cannon called to let her know that the HECC would not take action on SOU's and EOU's conditions reports until April. Chair Thorndike adjourned the meeting at 5:21 p.m.

Date: March 16, 2018

Respectfully submitted by,



Sabrina Prud'homme
University Board Secretary