



**Board of Trustees
Academic and Student Affairs Committee Meeting**

**Thursday, April 20, 2017
12:30 p.m. – 3:30 p.m. (or until business concludes)
DeBoer Room, Hannon Library**

MINUTES

Call to Order and Preliminary Business

Chair Sayre called the meeting to order at 12:32 p.m. She announced that during the governor's recent visit, SOU was recognized for its Pirates and Bulldogs to Raiders as well as the teaching pathway programs. She welcomed Tyler Takeshita, Drs. King, Jones and DeNeui, and congratulated Trustee Washington on the birth of his daughter.

The following members were present: Teresa Sayre, Les AuCoin, Daniel Santos, Judy Shih, Joanna Steinman and Shea Washington. Trustee Steve Vincent was absent. Trustees Bill Thorndike and Linda Schott (ex officio) also attended the meeting.

Other meeting guests included: Dr. Susan Walsh, Provost and Vice President for Academic and Student Affairs; Craig Morris, Vice President for Finance and Administration; Jason Catz, General Counsel; Scott Rex, Director of Humanities and Culture; Dr. Greg Jones, Director of Business, Communication and the Environment; Tyler Takeshita, ASSOU President; Dr. Dan DeNeui, Director of Social Sciences; Jennifer Fountain, Student Life; Alana Lardizabal, Director of Human Resources; Chris Stanek, Director of Institutional Research; Danielle Mancuso, Student Life; Sherry Ettlich, STEM Division Director; Ryan Schnobrich, Internal Auditor; Joe Mosley, Director of Community and Media Relations; Dr. Jody Waters, Associate Provost; Olena Black, League of Women Voters; Devon Backstrom, ASSOU; John Stevenson, User Support Manager; Don Hill, Classroom and Media Services Manager; Sabrina Prud'homme, Board Secretary; and Kathy Park, Executive Assistant.

Trustee Steinman moved to approve the March 16, 2017, meeting minutes as drafted. Trustee Santos seconded the motion and it passed unanimously.

Public Comment

There was no public comment.

Provost's Report

Dr. Susan Walsh said the governor's visit was successful. Dr. Walsh said she and a few

SOREDI board members, including Board Chair Thorndike and Trustee Vincent, were able to tell her about exciting things going on in the region and at SOU, including the health care administration degree program.

At the Ways and Means Subcommittee presentation in Salem, Dr. Walsh said she represented the provosts' point of view and OSU President Ed Ray represented the presidents. The general topic was the state of higher education, its defunding, and the additional \$100 million ask. The legislators understood the importance of this point in time for higher education in Oregon.

Dr. Walsh will serve on a panel at the upcoming Ashland Innovators Conference, along with the RCC president and representatives from OHSU and OIT. The topic is health care and the conference will be a good opportunity to discuss what higher education is doing to respond to the needs of the health care community and industry in the region.

She was pleased to report the HECC approved SOU's Masters in Outdoor Adventure and Expedition Leadership. SOU is marketing it now and people are excited.

The Provosts Council is tracking a couple of bills, including HB 2998 (regarding transfers from community colleges to universities and eliminating lost credits) and SB 207 (requiring universities to accept a score of 3 on AP exams).

Dr. Walsh said Laura Porter, from ACE Interface, will provide training to chairs and directors on adverse childhood experiences. It is a highly regarded trauma-based model and will give faculty and staff more tools to use in helping students succeed.

Trustee AuCoin commended Dr. Walsh on her work.

Undergraduate Degree Program: Health Care Administration (Action)

Chair Sayre thanked everyone who has worked on the proposal, which began a year ago with Anna Fusco's capstone project. Dr. John King said the proposal has continued to move through a robust series of internal and external collaborations. Each round has strengthened the program and commitment of partners. They have made minor impactful changes since the last presentation to the committee, while retaining an emphasis on communication and cross-cultural skills that make it a good fit for the local community. Once the required approvals are obtained, they will be able to market the program for a fall launch.

Responding to Trustee Santos' inquiry, Dr. King said he would bring forward a health care administration certificate program next year. The intended audience is students with majors such as pre-med, accounting or computer science who want to supplement the expertise of those majors with that of the health care sector.

Trustee Shih commented that she liked having the core base and concentrations. Responding to her inquiry, Dr. DeNeui said a student could get the core and more than one concentration, similar to a double major.

Responding to Trustee Santos' inquiry, Dr. King said the administrative support staff, a program coordinator, would come on at half time. The program's headcount would be smaller at year one and the program coordinator should be able to handle the administrative piece if he or she is housed within an academic department that has administrative support already available.

Board Chair Thorndike observed that the health care delivery system has been committed to quality assurance and improvement and asked how the program coursework will prepare students for critical thinking in those areas. Dr. King said the program outcomes that speak to that are housed in the business processes improvement model. Dr. Jones added that all the courses are based on problem solving. Dr. DeNeui said the sociology chair is excited about tailoring instruction in his quantitative data analysis class to health care-specific issues and new faculty with expertise in health care will be hired. Trustee Santos added that cultural competency component has many implications and he appreciates its inclusion. Board Chair Thorndike said the region has a lot of niche areas to work on and is glad this program will fill that capacity with SOU graduates who hopefully stay in the area.

Trustee Santos moved that the Academic and Student Affairs Committee of the SOU Board of Trustees approve the proposed degree program, a bachelor's degree (BA/BS) in Health Care Administration. The program must be reviewed and approved by the statewide Provosts' Council and forwarded to the Oregon Higher Education Coordinating Commission for consent before being added, officially, to the university's curriculum. Trustee AuCoin seconded the motion and it passed unanimously.

Student Fee Process

The student body president, Tyler Takeshita, thanked the committee for the opportunity to come back and review the student fee process and for its commitment to students and student processes. He noted the student fees provide funding to student organizations, foster a marketplace of ideas, increase recruitment and retention of underrepresented students and consolidate student resources to create student power. He then offered a brief history of student fees and discussed more recent developments.

He stressed that extra-curricular student speech can be funded as long as the funding process is viewpoint neutral. Funding decisions may not be based on a group's point of view, no matter how unorthodox or distasteful it may be. Viewpoint neutral funding does not mean student groups themselves must be viewpoint neutral, that all groups must be allocated the same amount of money or that funding one partisan viewpoint requires funding a group for the opposing viewpoint.

SOU's Student Fee Committee controls the student fee process through its four subcommittees. They take care to ensure there is no conflict of interest when setting the fees and that student autonomy is maintained. The Student Fee Committee and its subcommittees are seated in the fall term and they staff committees to ensure a variety of voices are represented. The bulk of the work is done in the winter term, which is when subcommittees hold budget hearings and present budgets to the Student Fee Committee. The Student Fee Committee deliberates and submits its recommendation through the ASSOU Senate to the ASSOU president, who presents the final budget to the SOU president. President Takeshita said the proposed budget is then presented to the Board of Trustees and the HECC.

There are multiple checks and balances within the budget process and recommended budgets can be rejected at various stages. If the SOU president and ASSOU cannot reach common ground on the proposed budget, a hearing board will be convened to mediate the process. The SOU president and Board of Trustees may reject a proposed budget if the student fee grew by more than 5 percent from the previous year; if it is illegal or breaks any preexisting contracts; or if they believe the fee request is not advantageous to the development of students.

ASSOU places stickers around campus to identify items that student fees pay for because they take pride in all of the things student fees support. Responding to Trustee AuCoin's inquiry, President Takeshita said student fees support underrepresented students by funding resource centers on campus, such as the Multicultural, Queer, Veterans and Commuter Resource Centers.

Responding to Trustee Shih's inquiries, President Takeshita said an example of a qualitative measure used to determine funding while ensuring viewpoint neutrality is the ratio of money to the number of students served. As an example of maintaining viewpoint neutrality, Jason Catz added that if you have two groups with opposing viewpoints and one is larger, it may need a larger budget to serve that group. It does not mean ASSOU is funding the viewpoint but rather the need. When different groups compete for funding, President Takeshita said ASSOU considers many factors and maintains a needs-based allotment.

Responding to Trustee Steinman's inquiry about students' perceptions and understanding of student fees, President Takeshita said ASSOU tries to avoid resistance from students when spending money by being fair in the allocation and maintaining viewpoint neutrality. He said he has not checked on the extent of the students' understanding of what is happening with the recreation center and why they are paying for something that does not yet exist. Trustee Steinman thought it would be important to educate the whole campus on the status of the recreation center and that the students have given the whole campus a wonderful thing for the future.

Discussion ensued on the relationship between viewpoint neutrality, free speech and funding provided to groups that are so far across the line that it seems they should not be supported. The viewpoint neutral model does not allow such a line to be drawn, even if groups espouse abhorrent viewpoints. SOU's free speech policy made much of the campus a "free speech zone." If a group with abhorrent viewpoints requests funding, free speech means free speech for all. The best way to engage abhorrent speech is with more speech. This results in funding the university as a marketplace of ideas.

Trustee Santos praised President Takeshita's presentation. He added that the U.S. Supreme Court's decision and the Oregon Attorney General's opinion gave student government organizations more flexibility and added accountability. There is still board responsibility on these issues; it can exercise discretion and refuse a fee request (e.g., in situations that are not advantageous to the cultural or physical development of students) but will be accountable for its decision. President Schott said it is a testament to the campus atmosphere that a lot of good dialogue occurs, that you fight abhorrent speech with more speech. She said students need to be empowered to stand up and express opinions and to counter opinions with which they do not agree.

Several committee members thanked President Takeshita and ASSOU for the outstanding job they do holding each other accountable on viewpoint neutrality and maintaining a robust tradition of active and thoughtful student government.

Trustee Shih requested Marjorie Trueblood-Gamble to give a talk about safe space, free speech and cultural appropriation so the committee members would understand those concepts better.

Responding to Chair Sayre's inquiry about the student fee process, President Takeshita said he thought individuals at all levels were very thoughtful. They will audit the process, the athletics advisory council in particular. There is a lot of oversight and thoughtful decision making.

Tuition Advisory Council Process

Discussing the Tuition Advisory Council (TAC), Mark Denney said it is the primary body and process by which the tuition rate is initially developed and presented to the campus at large, the president and then the board. The primary reasons for having the TAC is SOU's dedication to shared governance, transparency of process and to bring forward different perspectives on the rate and its impact. The TAC is chaired by the provost and is composed of three administrators, two faculty members (one faculty position is vacant) and four students (two representing ASSOU and two representing students at large). Trustee Steinman strongly encouraged the inclusion of a staff member on the TAC; Mr. Denney said this was the first year a staff member was not included. Responding to Trustee Santos' inquiry, Mr. Denney said he presented numerous request to the Faculty Senate but the faculty position remained unfilled.

Mr. Denney then described the TAC's weekly meetings and topics discussed, including tuition and fee history for all seven Oregon public universities and some California universities, the pro forma, different scenarios and the impact on students. The TAC prepared a draft recommendation that was routed around campus and presented in meetings of all-ASSOU, Faculty Senate, Budget Committee and University Planning Board. At each of those presentations, Mr. Denney solicited feedback that was provided to the TAC for its consideration in developing its final recommendation. Student members of the TAC also reviewed this feedback and the interactive pro forma so they could run their own modeling in addition to the modeling run in the meetings. The TAC provided its final recommendation to President Schott.

Craig Morris commented that Mr. Denney has done a remarkable job reaching out to the entire campus and has far exceeded anything ever done in the past. He said Mr. Denney has the students' trust and confidence. In addition to videos, Mr. Denney said he gave fourteen presentations around campus on the factors impacting the tuition rate and SOU's finances. Three of those were in the Hawk dining facility, with 15-20 students attending each presentation.

Responding to Trustee Santos' inquiry about student input on the tuition and fee process, President Takeshita said it is difficult to gauge students when a large number are opposed to an increase in tuition. The students who are on the committees understand more of what is going on and that increases in tuition are likely. The main thing is placing well-versed students on those committees.

Chair Sayre expressed her appreciation for Mr. Denney and President Takeshita's efforts. Regarding his presentations at the Hawk, Mr. Denney said that students were upset about the tuition increase when they came in; by the end of the presentation and discussion, they were still upset but understood it better and struggled with whom they should be upset. The students recognized SOU's efforts to mitigate this as much as possible and the state budget impacts that were necessitating an increase.

2017-2018 Tuition and Fees Recommendation – Information and Discussion

At the outset, President Schott said this has not been an easy decision for anyone involved. After extensive thought and running multiple scenarios, she decided the TAC's recommendation was a sound one and is what she is recommending to the board. With that recommendation, various increases in tuition and fees will, if accepted, increase cost of attendance by 5.8 percent. It will also include a tuition increase that is larger than what the administration would like. However, even after that increase, SOU will continue to be one of the most affordable universities in Oregon.

President Schott said the materials provided to the board laid out clearly the reasons she is making the request, the steps the administration have gone through to consider other scenarios, how they are planning to mitigate the impact of the increases and why

they believe it is so important. She said the strategic planning process is going well and there is enthusiasm and momentum on campus to make changes that will ensure stability for SOU. To do that, SOU has to have the necessary resources. This increase is the best thing for the university and its ability to serve students, particularly those who are most vulnerable, and to position SOU for future success. It is a very hard decision and no one likes it but people understand the reasons for it. No one likes the situation SOU is in; the administration is talking to legislators and doing everything to position the university well with the state. Until the final outcome of the budget process is known, President Schott said this is the most sound way to go.

Mr. Denney reminded the committee members of the circumstances requiring SOU to obtain the HECC's approval of tuition and mandatory fee increases. Mr. Morris emphasized three key numbers: 12 percent tuition increase; 11.4 percent increase that SOU will present to the HECC for tuition and qualifying mandatory fees; and 5.8 percent increase in the cost of attendance for resident undergraduate students. Mr. Morris underscored that the cost of attendance is at 5.8 percent in large part because the housing department made a conscious effort to keep housing and dining cost increases to 2 and 3 percent respectively, compared to, common 4 to 6 percent increases. Housing also made a one-time cut of \$600,000 from operating budget.

Trustee Steinman noted an error in the increase of the incidental fee in the meeting materials. Mr. Denney said the fee increase is 7.2 percent for resident undergraduate and WUE students. Discussing the student incidental fee, Mr. Denney said the students thought very hard about whether they wanted the fee increase to go higher than 5 percent. Over the past three years, the students have had to make cuts to the fee when enrollment declined and their reserve went into the negative. Last year, they were able to avoid cuts but held the fee flat, except for the student referendum portion, and held their budgets flat. This year, realizing their costs were increasing and they had to pay for increased salaries and benefits of staff in student life programs, the students increased the incidental fee rather than cutting any of their programs.

Responding to Trustee AuCoin's inquiry, if the HECC approves the tuition increase and the governor's recommended budget is used, Mr. Morris said the fund balance would be between 8-9 percent. Using the co-chairs' budget of \$683 million, the fund balance would be above 9 percent and closer to 10 percent. SOU would like next year's budgeted fund balance to be at least 10 percent. If SOU is lucky enough to get a 10 percent fund balance, President Schott said institutional aid would be increased in ways designed to promote retention and completion. A fund balance at that level would keep SOU from having to cut valuable student support programs, but is generally not enough to expand those programs. Mr. Morris reminded the committee members that the retrenchment plan requires SOU to have a fund balance that exceeds 10 percent. He said SOU wants to go to the December meeting at the HECC with the most successful statistics as possible.

Looking at the median family income in SOU's core counties, Trustee AuCoin pointed out that the proposed tuition rate is close to 50 percent of that median family income. He was not arguing against the proposed tuition increase but encouraged the board to keep in mind the financial situation for SOU's key geographic area. Mr. Morris mentioned the Jackson-Josephine County Pledge that is available to some of those students and has a substantially reduced tuition rate.

Board Chair Thorndike said he and President Schott recently attended a conference hosted by the Association of Governing Boards of Universities and Colleges and hoped all trustees could attend an AGB conference in the future. The underlying theme was that of innovation and that institutions will have to go about this in different ways to be successful in the future. He said President Schott and her team are committed to innovation and, given SOU's size, it has the ability to move, adapt and be flexible.

In addition to the proactive efforts of the Presidents' Council, Board Chair Thorndike mentioned Brighter Oregon, an effort by the Oregon business community to address an earlier point Trustee AuCoin made on the importance of having someone advocate for higher education. The most innovative thing in Brighter Oregon's work is they have identified where you would invest if you wanted a better state and higher education was one of the three areas highlighted.

Trustee Santos said he appreciated the optimistic side of the equation, that SOU would reduce tuition if it received more state funding. Looking at the history of Oregon, it is going to require these types of business and educational partnerships. The bottom line for SOU is enrollment. Echoing Trustee AuCoin's earlier comment [on the importance of unanimity], Trustee Santos said he hoped the trustees would show unity in their voices to support the university and continue to work on all the aspects that make it a better place for the students and the broader community across the state.

Responding to Chair Sayre's inquiry, Mr. Denney said some of the \$600,000 in housing cuts were in deferred maintenance but housing is using its fund balance to keep pace with deferred maintenance without generating revenue to pay for it. Additionally, housing increased rates for conferences and reorganized staff to keep the same level of service. Mr. Morris added that these are one-time cuts, not permanent ones.

Responding to Chair Sayre's further inquiry, President Schott confirmed the proposed tuition increase does not include the elimination of any course offerings. SOU's message is that when confronted with taking devastating cuts that would stop momentum and potentially cause a reduction in academic or support programs that enable student success, SOU made the hard choice of raising tuition. The other route is not one to success for students or the institution. Mr. Denney reiterated the \$6.5 million in cuts SOU already made, which took SOU from the middle of the pack for the cost to provide programs, to the lowest in the state. Mr. Morris added the 12 percent

tuition increase does not fix SOU's financial problems; there are still substantial things SOU needs to do to put itself in a sustainable position. Trustee Steinman stressed how lean SOU is and said there was no room for further cuts without hurting students. President Schott added the focus on enrollment and retention will hopefully begin yielding higher graduation and enrollment rates.

Mr. Morris then addressed the governor's recent letter regarding potential increases in tuition and the HECC's authority to review increases greater than 5 percent. He enumerated the five criteria issued by the governor that universities must meet if recommending increases greater than 5 percent and the steps SOU has taken to meet those requirements.

1) *Evidence that the university gave serious consideration to alternatives that involved tuition and fee increases below the 5 percent threshold* – The Finance and Administration Committee regularly reviewed alternative scenarios through the interactive pro forma. There have been conversations in the Finance and Administration Committee and internally on campus regarding different tuition rates.

2) *Evidence of how Oregonians who are underrepresented in higher education would benefit more under the university's proposal than one that stays within the 5 percent threshold* – Along with the proposed tuition rate increase, SOU will increase institutional aid from \$3.5 million to \$4 million, which will be used to help those students who are most at risk. SOU is not cutting the specific student support programs that are helping students succeed and graduate.

3) *A plan for how the university's board and administration are managing costs on an ongoing basis* – The Finance and Administration Committee regularly reviews the pro forma and receives quarterly projections on SOU's fiscal performance. SOU is managed under the umbrella of an extremely successful retrenchment plan that has cut many faculty and staff positions and caused the development of processes that reflect great efficiencies. Mr. Denney's analysis of operating expenses per student FTE indicates SOU is the lowest of all the Oregon universities. This is a clear byproduct of the retrenchment plan and ensuing cuts that have been sustained.

4) *A summary of how students, faculty and staff were consulted on the proposed tuition increases* – SOU has done some dynamic work in this area, as presented earlier in the meeting.

5) *A summary of how tuition will be affected should additional state funds beyond the number in the governor's recommended budget be approved* – The president's recommendation steps down tuition rates based on the level of funding.

Mr. Morris added that the HECC has issued a memorandum explaining how the universities should bring their cases forward in May and has requested board representation at that meeting. Given his political background, Trustee Santos expressed concern over SOU making its case before the HECC and cautioned that it will take a lot of work with the HECC staff and members, an opinion with which President Schott concurred.

Future Meetings

Chair Sayre said the next meeting would be on June 15 and thanked Trustee Shih for the topic she suggested earlier in the meeting. Chair Sayre asked committee members to send any other agenda items to her or the board secretary.

Adjourn

Chair Sayre adjourned the meeting at 2:38 p.m.

Date: June 15, 2017

Respectfully submitted by,

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

Sabrina Prud'homme
University Board Secretary