



**Board of Trustees
Executive and Audit Committee Meeting**

**Friday, October 20, 2017
9:30 a.m. – 11:30 a.m. (or until business concludes)
DeBoer Room, Hannon Library**

MINUTES

Call to Order/Roll/Declaration of a Quorum

Chair Thorndike called the meeting to order at 9:31 a.m. and welcomed Trustee Steinman, who joined the meeting on behalf of the governance work group; Shanztyn Nihipali; and Trustee Vincent, the newest member of the committee.

The following committee members were present: Bill Thorndike, Lyn Hennion, Teresa Sayre and Steve Vincent. Trustees Paul Nicholson and April Sevcik were absent. Trustees Daniel Santos, Joanna Steinman and Linda Schott (ex officio) also attended the meeting.

Others attendees included: Jason Catz, General Counsel; Craig Morris, Vice President for Finance and Administration; Ryan Schnobrich, Internal Auditor; Sabrina Prud'homme, Board Secretary; Shanztyn Nihipali, SOU student; Steve Larvick, Director of Business Services; Joe Mosley, Director of Community and Media Relations; Devon Backstrom, ASSOU; Fred Creek, Director of Campus Public Safety; John Stevenson, IT User Support Manager; Don Hill, Classroom and Media Services Manager; and Kathy Park, Executive Assistant.

Public Comment

There was no public comment.

Consent Agenda

Trustee Hennion moved to approve the June 16, 2017 and September 28, 2017 meeting minutes as presented. Trustee Sayre seconded the motion and it passed unanimously.

Action Items

Review of President's Goals

Introducing this item, Chair Thorndike said this process has included input from various individuals. President Schott discussed her six proposed goals, as detailed in the meeting materials. Her primary goal is to finalize and launch SOU's strategic plan; she asked trustees to invite her to speak about the plan with various groups in the community with which they have connections. The second goal is thinking about the leadership structure that would best advance the strategic plan; she has not changed her leadership structure and might not, except for hiring an acting Vice President for Enrollment and Student Life and a new Vice President for Finance and Administration.

The third goal is financial stability, which also is a strategic direction. This includes increasing the fund balance [to at least \$6,891,000], which is a conservative estimate. President Schott said she would need to invest resources into the strategic plan to yield greater returns in future years and prevent the plan from stagnating. Discussion ensued on the importance of students' financial stability as well.

The fourth goal is to work with the Associated Students of SOU and the local community to begin to address housing issues. She will start discussions with students and believes it will become a bigger issue including the Ashland community.

President Schott said her fifth goal—to initiate a campaign to make the funding formula more equitable to SOU—involves the Student Success and Completion Model, which promotes instability for institutions, especially for SOU. Craig Morris mentioned that SOU did not receive funding at the current service level (CSL) and there are discussions that all institutions should first receive CSL funding, then performance-based metrics should be applied. Discussion ensued on strategies for promoting this issue with legislators.

Relating to the final goal of establishing a reputation for expertise on the future of higher education and on statewide educational policy issues, President Schott said she and her spouse, Tom, would attend an upcoming presidents' meeting at the American Association of State Colleges and Universities (AASCU). At AASCU, the president will be able to advocate for and represent the university.

Trustee Hennion moved that the Executive and Audit Committee approve these goals for 2017-18 as proposed and, with that, recommend them to the full board. Trustee Vincent seconded the motion and it was approved unanimously.

Information and Discussion Items

Internal Audit Update

Ryan Schnobrich reported that he stopped the audit on the student incidental fee process. An in-depth review of both student and administrative policies and procedures revealed revisions are needed before he could assure the board that the university complies with the applicable state statute. He said he provided management some recommendations, which he expects will result in significant procedural and reporting improvements. Jason Catz added that OSU and WOU are also involved in the same sorts of revisions and SOU has been coordinating with them.

Mr. Schnobrich said both the student incidental fee process and Clery Act compliance will be considered in year-end risk assessment discussions with the president and vice presidents. If Clery is not an audit area for next fiscal year, it will be the year after and the student incidental fee process follow up audit would probably be the year after that.

Management has responded to various investigation reports and the Title IX audit; there will be follow up audits that focus on those responses. As his next audit, Mr. Schnobrich said he would be turning his attention to Human Resources regarding personnel file management practices. On the consulting side, he has been assisting the

Directors of Financial Aid and Athletics by exploring compliance requirements and encouraging the integration of processes and internal controls.

Mr. Schnobrich said he spent a good part of the summer working on Student Recreation Center issues and internal controls regarding club activities. He and the Chief Information Officer have discussed risk management in Information Technology.

There were about six allegations made over the summer and another six or so previous allegations that remain open. Mr. Schnobrich said he is working with management to address the various topics and ideally they will resolve the root cause issues.

Responding to Trustee Vincent's inquiry, Mr. Schnobrich described his approach to his job and the receptiveness of people on campus. Mr. Catz added that, as Mr. Schnobrich helps the university's success, people see that and invite his assistance. Mr. Morris reiterated his opinion that Mr. Schnobrich is a value-add to SOU and that people see him as a safe avenue to bring their concerns.

Governance Update

Trustee Steinman praised Judy Shih's leadership and provided an update on the group's work. The handbook is about 90 percent complete. All the trustees, except one, took the self-assessment evaluation and the board secretary is summarizing the results.

Since the work group was intended to be temporary and its projects are complete or nearly complete, Trustee Steinman said she and Trustee AuCoin recommend it be dissolved. Chair Thorndike thanked the group for its work. Discussion followed regarding the identification of potential new trustees and filling gaps in expertise on the board.

President Schott mentioned the Association of Governing Board's Guardians Initiative and wondered if it might be appropriate for another working group, one to advise and assist on statewide and national political issues. The trustees supported the idea.

Committee Meeting Schedule and Future Meetings

Chair Thorndike said the proposed meeting schedule would be the same as was in place the last year, with the possibility of special meetings if needed. Trustee Sayre said she thought the schedule was an improvement over what was done previously. The members of the Academic and Student Affairs Committee felt their meetings were adequate and liked the longer timeframe. She did not see any improvements at this time and did not think more committees were needed.

Adjournment

Chair Thorndike adjourned the meeting at 10:50 a.m.

Date: January 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