

**Board of Trustees Special Meeting
Thursday, May 16, 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	Absent
Paul Nicholson	Present	janelle wilson	Present
Shanztyn Nihipali	Present		

Chair Lyn Hennion called the meeting to order at 4:32 p.m. in the DeBoer Room of the Hannon Library. She welcomed visitors from the HECC: Commissioners Lee Ayers Preboski, Vanessa Becker, Duncan Wyse and Terry Cross and Director of the Office of Postsecondary Finance and Capital, Jim Pinkard. Chair Hennion also welcomed Britney Sharp, the incoming ASSOU President. The Board Secretary recorded the roll and a quorum was verified.

Other attendees included: Dr. Linda Schott, President; Greg Perkinson, Vice President for Finance and Administration; Dr. Susan Walsh, Provost; Janet Fratella, Vice President for Development; Dr. Neil Woolf, Vice President for Enrollment Management and Student Affairs; Jason Catz, General Counsel; Andrew MacPherson, Campus Public Safety; Josh Lovern, Budget Office; Christina Sanz, Office of Development; Dr. Karen Stone, Provost's Office; Deborah Lovern, Provost's Office; Melissa Anderson, Hannon Library; David Humphrey, Center for the Arts; Ty Dean, student; Andrew Zucker, student; Tom Fuhrmark; Staci Buchwald, University Housing; Liam Moriarty, JPR; Gordon Carrier, Information Technology; Sabrina Prud'homme, Office of the Board Secretary; and Kathy Park, Office of the Board Secretary.

Public Comment

Melissa Anderson, a faculty member and Secretary of Faculty Senate, discussed how information about budgetary issues and tuition decisions are shared across the faculty. Faculty are made aware of the work of the Tuition Advisory Council, related budgetary matters and legislative issues in a number of ways. They have been encouraged to be engaged in the process and share information as widely as possible.

Sandra Slattery, Executive Director of the Ashland Chamber of Commerce, sent a letter, which was included in meeting materials, in which she praised the strong working relationship between the Chamber and SOU.

Andrew Zucker, an SOU student, commended Provost Susan Walsh on keeping students informed during the process. Throughout the process, students were extremely engaged but frustrated with having to make informed decisions given the

uncertainty in the state funding level.

Ty Dean, an SOU student-athlete, noted that he understands why a tuition increase is needed but said such increases make it harder for students.

Consent Agenda

Chair Hennion requested a typographical correction in the Legislative Update section of the March 22, 2019 draft minutes. Trustee Thorndike moved approval of the consent agenda, as amended. Trustee Rosenberg seconded the motion and it passed unanimously.

Action, Information and Discussion Items

Tuition and Mandatory Fees for Academic Year 2019-20 (Action)

President Linda Schott said this has been a period of uncertainty and fluidity, which has presented challenges. She mentioned the passage of the K-12 education bill, the increased projection in the state's revenue and hopeful signs that PERS expenses will be controlled. SOU's tuition setting process this year is the process normally followed but with a special awareness of the requirements of HB 4141.

Dr. Susan Walsh provided an update on the Tuition Advisory Council (TAC), saying inclusiveness and transparency were prioritized in the process. She mentioned the composition of the council, the checklist created to track compliance with HB 4141, the TAC website and the communication plan. Sabrina Prud'homme read an email message from TAC member Dennis Slattery addressed to other TAC members praising the work of the council and contributions of the TAC members and various staff.

Dr. Walsh summarized the TAC's recommendation on tuition and fees, as included in the meeting materials. The recommendation included different tuition increases depending on the increase to the PUSF over the current biennium. She cited examples: with a \$40.5 million increase, the tuition rate would increase 13.5%; with an \$80 million increase, the tuition rate would increase 11%. President Schott added that the TAC took the mandatory fees into consideration in developing its recommendation.

Greg Perkinson and Josh Lovern demonstrated various scenarios on a tool the TAC used in developing its recommendation. After consulting with Trustee Vincent, Mr. Lovern developed sliders to use with the interactive pro forma to adjust levers in the decision process that would impact the outcomes. Mr. Perkinson said they paid close attention to Raider Aid, SOU's institutional financial aid for students in need.

President Schott highlighted some of the discussions the board has had on budget and tuition issues. The state has gradually divested in higher education, thus increasing the amount students and their families have to pay. The Student Success and Completion Model has some positive aspects; it incentivizes institutions to direct attention and assistance to underrepresented students; it also incentivizes high demand degrees (viz STEM) but she hopes there will be a shift to recognize the significance of the contributions of other programs. President Schott said the board has discussed the governor's recommended and investment budgets and how they might impact SOU; reviewed enrollment projections; discussed cost drivers; utilized the

interactive pro forma; considered SOU's market position compared to other Oregon and some California universities; and received an extensive presentation on financial aid and student indebtedness. The bottom line is that SOU has been increasing tuition like other institutions but is still well below the average of tuition costs across the state.

President Schott mentioned various engagement efforts with students and the campus community, including financial aid wellness checks, open forums on budget and tuition issues and social media campaigns encouraging involvement in those issues. Trustee Nihipali, as a student employee in the Marketing and Communications Department, said he has found the story feature in social media platforms is most effective in getting issues in front of people and he often includes polls in such postings.

President Schott then turned to SOU's efforts to control its costs. She mentioned a study by the Chronicle of Higher Education regarding managers per 1,000 students. Out of 691 colleges and universities, SOU is at 681 with only 1.1 managers per 1,000 students. SOU was the lowest of all the Oregon public universities in the number of managers per 1,000 students as well as in the spending on managers' salaries. This study illustrates that SOU is thinly staffed at the administrative manager level.

President Schott said the personnel reductions that have occurred between 2014 and 2018 due to resignations, retirements and non-renewals has reduced full-time faculty by 20% and part-time faculty by 10%. Reductions have also been made to staff members. The absence of all those individuals is still felt on campus.

SOU has a long list of other cost control measures, some large and some small, that have been taken in an effort to reduce its operating costs. As a result, SOU is very lean. President Schott compared each Oregon public university's Education & General spending per FTE student. In 2013, SOU was the third leanest; by 2015, SOU was the leanest and has remained so.

President Schott then detailed ways SOU is controlling costs for students. Housing and food are significant costs for students. Increases in housing costs are being kept as low as possible at 2.75% to cover utility and labor increases. Food insecurity is also a concern. SOU has a food pantry for students in need. Meal rates are being rolled back to 2016 prices and a new, less expensive meal plan will be offered. Significantly, these efforts are not reducing the quality of the food being provided. Another way of controlling costs for students is through the use of open educational resources and low or no cost textbooks; this has resulted in a savings of over \$600,000 for students over the past two years and a projected savings of \$400,000 in the coming year. SOU also has degree programs that enable students to move through quickly: the Jackson-Josephine Pledge (which provides a substantial tuition discount) and the Accelerated Baccalaureate. The SOU Foundation works hard to raise scholarship funds for students.

President Schott said she is presenting a tuition recommendation that she does not particularly like but is doing so because she does not want to make even more significant cuts. Each individual recommendation would require cuts of about \$1.5 million, which is the maximum she thinks SOU can do. Additional reductions are not

wise, are not in the best interest of the institution, region or state. SOU has some very successful programs that are not expendable, such as pipeline and athletic programs.

President Schott said progress is being made on the strategic plan, which the board supported, approved and monitors. If employees do not feel valued or are greatly overworked, they are far less likely to want to engage in the activities supporting the strategic plan. Employees in every job category need to be engaged to move the strategic plan forward. That plan is the long-term health of the institution.

President Schott recommended a graduated schedule of tuition increases that correlate directly to the funding level of the PUSF, as included in the meeting materials. The recommendation also includes a small degree of cuts associated with it. Mr. Perkinson summarized the joint recommendation from ASSOU President Alexis Phillips and President Schott for the incidental, recreation center and mandatory fees. Trustee Clough added that the Finance and Administration Committee had a robust discussion on those fees in its April meeting. Mr. Perkinson said the recommended \$15 increase in the building fee will support recapitalization of aging IT infrastructure that creates a risk to mission operations. There was a concerted effort to keep the increase to the student health services fee low, at 2.1%.

Mr. Perkinson reviewed the changes to the housing rates and meal plans. He said the Director of University Housing and her staff took great pains to study the fees to develop a very modest 2.75% increase in room rates, add a new meal plan and roll back meal plan rates to 2016 prices. Responding to Trustee AuCoin's inquiry, Mr. Perkinson said the housing rates would cause a risk to deferred maintenance but it is being appropriately monitored and managed.

Reviewing her recommended resident undergraduate tuition rate, President Schott said it was initially modeled at the governor's recommended budget then modeled to include the tri-chairs' budget. With a \$40.5 million increase to the PUSF from the current biennium, the recommended tuition rate would increase \$23 per credit hour, a 13.5% increase. If the legislature approves the HECC's requested budget of a \$186 million increase, President Schott said a special meeting of the board would need to be called to approve a lower tuition rate.

Trustee Clough recapped the preceding meeting of the Finance and Administration Committee. She said the committee was very complimentary of SOU's administration and student leadership during a difficult, challenging process. The committee members recognized the need to balance various factors: affordability for students; investment of staff, faculty and infrastructure; future strategic needs for reinvesting in the institution; and cost containments. This is not an easy recommendation and the university will have to continue to focus on revenue growth and strategies to make the university sustainable into the future. The committee members unanimously recommended supporting President Schott's recommendation.

Trustee Thalden commended President Schott and the committee. He noted that after going through two retrenchments, there is no fat in the university and any cuts in faculty or programs would undercut SOU's mission.

Responding to Trustee Bullock's inquiry, Dr. Neil Woolf said there is always a risk to students who rely on student loans and the types of loans they take. Over the last few years, the amount of loans SOU students have needed has decreased. Using the recommended tuition increases, the amount of SOU financial aid needed was modeled on the lowest income students with no expected family contribution. The amount of SOU aid set aside covers expenses for those students, and extra. This will avoid pushing students from subsidized to unsubsidized loans.

Responding to Trustee Bullock's further inquiry regarding any plans to reduce the amount of cuts, President Schott said stabilizing or increasing enrollment would ameliorate the amount of cuts that might be necessary. Trustee Bullock expressed concern that the tiered recommendation might alleviate legislative pressure so that any additional money available might not get ascribed to the universities and, further, that it is necessary to continue to eradicate the shift of the burden from the state to families.

Trustee Santos said he is optimistic and hopeful that the message to stop the shift of the funding of higher education will get through in the new revenue forecast.

Responding to Trustee Thorndike's inquiry, Mr. Perkinson said there is a high level of confidence in the numbers that are being provided back to the divisions and departments. He has great confidence in the staff, which enables great confidence in the system. Sherry Ettlich confirmed this conclusion.

Trustee Nicholson affirmed the work the board has done over the last four years to increase transparency, involve students more, and dig into the possibilities to reduce costs. He expressed concern about any increase in tuition, especially one over 12%.

Trustee Wilson expressed that she feels frustrated knowing the best the board can do is hope the legislature will hear this need that is affecting the universities. Knowing SOU students and the disproportionate impact of this increase on the lower socioeconomic students and those of color, she implored the board to understand that increases at this level are not sustainable. She did not have the solution other than looking to the legislators and HECC commissioners with pleas to make a positive difference throughout the state. Chair Hennion encouraged trustees to contact legislators about how they feel about making this decision and their hopes for the future.

Trustee AuCoin moved to approve President Schott's recommendation and accompanying resolution in the meeting materials. Trustee Clough seconded the motion. The Board Secretary called a roll call vote and the motion passed unanimously.

Fiscal Year 2019-20 Budget Information

Due to time constraints, this agenda item was not covered.

Future Meetings

The next regularly scheduled meeting of the board will take place on June 21.

Adjournment

Chair Hennion adjourned the meeting at 6:17 p.m.

Date: June 21, 2019

Respectfully submitted by,

A handwritten signature in cursive script, reading "Sabrina Prud'homme". The signature is written in black ink and is positioned above the printed name.

Sabrina Prud'homme
University Board Secretary