

**Board of Trustees Meeting
Friday, June 19, 2020**

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	Present
Dylann Loverro	Present	janelle wilson	Present
Paul Nicholson	Present		

Chair Lyn Hennion called the meeting to order at 12:05 p.m. in the DeBoer Room of the Hannon Library. The board secretary recorded the roll and a quorum was verified.

Other attendees and Zoom panelists included: Dr. Neil Woolf, Vice President for Enrollment Management and Student Affairs; Greg Perkinson, Vice President for Finance and Administration; Dr. Susan Walsh, Provost; Jason Catz, General Counsel; Janet Fratella, Vice President for University Advancement; Jeanne Stallman, Associate Vice President for Government and Corporate Relations; Sabrina Prud'homme, Board Secretary; Ryan Schnobrich, Internal Auditor; Josh Lovern, Budget Office; Jonathan Chavez-Baez, Education; Dr. Kylan de Vries, Gender, Sexuality and Women's Studies; Andrew Gay and Kemble Yates, both from Faculty Senate; Sarah Grulikowski, ASSOU; and Kathy Park, Office of the Board Secretary.

Public Comment

The board accepted electronic transmission of public comments from Edwin Battistella, APSOU President, 2020. Mr Battistella's comments to the board were included in the meeting materials.

Consent Agenda

Trustee Rosenberg moved approval of the consent agenda, as presented. Trustee AuCoin seconded the motion and it passed unanimously.

Reports

President's Report

President Schott said that, although the year wrapped up with unprecedented challenges, the university took time to celebrate graduates. She said there will be a commencement ceremony for this year's graduates when it is safe to do so. Many departments held their own ceremonies. Photographs of President Schott holding a sign with the name of each graduate were also taken; these photographs were turned into a slide show and will be mailed to the graduates along with their diplomas. Nicolle Aleman created a video to honor graduates, which was shown during the meeting.

President Schott discussed the work she and many others have been doing to make the case for SOU regarding a change in the Student Success and Completions Model (SSCM). In addition to the change sought for several years, the pandemic created the need for another change to cover financial losses. Without additional funding, SOU will have to make cuts that will be damaging to the institution. Advocates have been talking with HECC commissioners and staff; Representatives Pam Marsh and Jeff Golden; leadership teams at WOU and EOU; union, faculty and student leadership on campus; staff in the governor's office; and local business leaders. Based on comments from various HECC commissioners, SOU has been heard and the sense of urgency recognized.

President Schott said she continues her work with the American Association of State Colleges and Universities (AASCU) as she serves on its governing board. AASCU joined with five other organizations to lobby in Washington, D.C. for institutions of higher education.

The Oregon governor requested to meet with the university presidents. Instead of planning for an 8.5 percent reduction in the next biennium with a 17 percent reduction in the upcoming fiscal year, universities were advised to plan for a 3 percent reduction in the next biennium and a 6 percent reduction in the upcoming fiscal year. For SOU, the reduction went from \$3.1 million to \$1 million. This is to be distinguished from the relief through changes to the SSCM. The governor asked the presidents to think innovatively to find ways to save money, while still providing good service especially to underrepresented populations.

Because of these challenges, it is even more important than ever to have everyone working together to move forward. President Schott said some progress has been made to create a governing body to represent the staff at SOU; she hopes to have a formal recommendation by fall and the body established by winter.

President Schott said the first priority for the summer is SOU's financial situation, including enrollment, state, and federal support. The presidential task force on financial sustainability will continue and SOU will complete work the governor requested. SOU and RCC will identify ways to reduce expenses to better serve the region.

President Schott, Dr. Susan Walsh and Greg Perkinson mentioned the faculty and staff who received awards at the end-of-year celebration and praised their hard work. Recognizing that Chair Hennion's tenure as chair ends at the end of June, President Schott thanked Chair Hennion for her service and leadership in the position.

Board Committee Reports

Executive and Audit Committee - Chair Hennion said the committee received presentations from Ryan Schnobrich on his fiscal year 2020-21 internal audit plan and from Tom Battaglia on cybersecurity.

Finance and Administration Committee - Trustee Clough said the committee members reviewed SOU's current finances and the proposed budget for fiscal year 2020-21 and discussed the impact various drivers would have. After much deliberation, the

committee unanimously endorsed the administration's proposal, which will be presented later in the board meeting.

Academic and Student Affairs Committee - Trustee Santos said Provost Walsh reported on the Provost's Council, CARES Act funding and other items. Vice President Neil Woolf reviewed the dashboard and completions report. Enrollment numbers are in a bit of a decline (especially for African American students); however, completion numbers are up, especially in graduate degrees. The committee approved three certificate programs; received updates on spaces in the Stevenson Union, pre-college youth programs, the Student Health and Wellness Center and Navigate implementation; and received a presentation on the results of the COVID-19 remote instruction student survey and a preview of Raider registration and orientation. The committee had a conversation about race equity at SOU, a critical topic especially in light of the current instances of social injustice, racism and loss of lives; the board must be a part of the solution and will discuss later the proposed Board Statement on Black Lives Matter.

Associated Students of SOU Report

Sarah Grulikowski, the incoming ASSOU President, said the elections process is over and ASSOU is in the process of filling positions. Britney Sharp, the outgoing ASSOU President, will continue her work with the general counsel on the SSCM. Ms. Grulikowski said her personal goals are to continue building relationships, increasing accessibility and conducting outreach to students in various forms.

SOU Faculty Senate Report

Andrew Gay said he is ending his tenure as the Faculty Senate chair and introduced the incoming chair, Kemble Yates. Faculty Senate had a busy year, the highlights being the amendment of the bylaws and putting into place the new student evaluation of instruction. Mr. Yates provided information on his background and mentioned some of the challenges faculty faced in the spring term and some of the challenges ahead.

Action, Information and Discussion Items

Equity, Diversity and Inclusion Priorities at SOU (Action)

Taking agenda items out of order, Chair Hennion said the board's discussion will be a continuation of the discussion the Academic and Student Affairs Committee had. Sabrina Prud'homme said the committee expressed concern that the board's statement, which is very important for the campus, cannot be seen as hollow. Trustee Santos said a lot is already being done around campus and in the community and a board statement, coupled with action, would add to those efforts and would be part of the solution. Dr. Kylan de Vries added that the sooner the campus can start talking about action items, the better. President Schott said the university already has been doing this work.

Based on discussions in other groups, Ms. Prud'homme recommended the inclusion of immigration status in the list of protected categories of members of SOU's learning community. Vice Chair Nicholson recommended adding a phrase about the board also taking action to condemn injustice; discussion ensued on the proper phrasing, with the final version to read "taking action and rising to the challenge of being part of the solution."

Trustee Loverro moved to approve the Board Statement on Black Lives Matter, as amended. Trustee Thalden seconded the motion and it passed unanimously.

Chair Hennion stressed the importance of people voting in elections and President Schott added that SOU holds voter registration drives.

Agreeing with Trustee AuCoin's earlier comment, Trustee Thalden said that losing 22 black students since last spring is a tragedy and recommended contacting those students to see how they are doing and asking them why they dropped out. Trustee Bullock stressed the need to obtain input from people of color who are students, faculty and staff before deciding on a course of action; several trustees concurred with that recommendation.

Chair Hennion suggested having the Academic and Student Affairs Committee take the lead for the board on this issue. Trustee Santos agreed and recommended further coordination with SOU's equity, diversity and inclusion (EDI) team. President Schott requested that her staff do its work and bring recommendations to the committee and the board for consideration from a governing perspective.

Addressing the trustees' comments about listening to the voices of those of color, Ms. Prud'homme said the board could make it one of its priorities by making space on the board for people of color as vacancies arise. Regarding the enrollment drop, the EDI team has already scheduled a meeting with Dr. Woolf and will discuss that issue. Further, a campus climate survey, focused specifically on cultural, racial, bias and discrimination issues, was administered in the winter; the results will be available soon.

Ms. Prud'homme mentioned the different responsibilities of the EDI team and provided information on some of the EDI priorities for the next year, which were included in the meeting materials. Dr. de Vries said the EDI team has spent a lot of time addressing issues arising from racially-motivated incidents on campus and around the country.

There have been two milestones regarding the cultural competency bill, which SOU already met and the internal auditor affirmed: a committee and process were established in accordance with requirements in House Bill 2864 and the plan was provided to the board. Proof of compliance with requirements would be submitted in December. A progress update will be presented to the board in the fall.

Adoption of FY 2020-21 Internal Audit Plan (Action)

Ryan Schnobrich said the Executive and Audit Committee reviewed and discussed the annual report on the completion of last year's internal audit plan, as well as the proposed audit plan for next fiscal year. He mentioned the highlights of next year's plan: drafting the audit report for the student fee audit; reporting on management's action plans expected to be completed next year; encouraging recommendations from this year's assessments of management responsibilities and fraud risk control; participating on a consulting basis on the finance section of the Incident Response Team; consulting on various process improvement, risk management and compliance related topics; and working with the new Title IX coordinator and general counsel on management's action plans related to the Title IX and Clery audits.

Trustee Santos moved to approve the resolution adopting the internal audit plan for fiscal year 2020-2021, as presented. Vice Chair Nicholson seconded the motion and it passed unanimously.

Legislative and State Funding Update

Jeanne Stallman said the governor called a special session to address coronavirus issues and police reform, not the budget. The budget will not be discussed until July, possibly August. The bills related to COVID-19 mainly reflect the governor's executive orders that legislators want made into law (e.g., eviction moratoria and public meeting laws). The People of Color Caucus brought forth ideas regarding police reform; there is no indication the bills would extend to campus police.

Ms. Stallman mentioned the governor's assignment to the universities, asking them to find ways to do more with less. In the governor's office and the legislature, there is a clear concern about ensuring equity even while being underfunded.

Adoption of Fiscal Year 2020-21 Budget (Action)

Greg Perkinson reviewed the revenue forecast presented by Oregon's Office of Economic Analysis. He stressed that many of the fiscal impacts of COVID-19 are still unknown. Mr. Perkinson summarized the receipt and application of CARES Act funding. The first part of CARES Act funding was direct to students. At SOU, about 800 students received about \$1000 each. The remainder of those funds will be disbursed in the summer and fall terms.

The second part of the CARES Act funding had a lot of strings attached. A work group was formed to review the restrictions. As a result, \$250,000 was allocated to the Education & General (E&G) fund, mostly for faculty professional development and for reimbursing Information Technology for costs of transition of delivery of instruction. \$1.88 million was allocated to auxiliary and non-E&G funds, such as housing and reimbursements for lost student fees.

Mr. Perkinson reviewed the elements of two scenarios, as included in the meeting materials. The variables impacting each are state funding, tuition, Raider aid, labor, other personnel expenses, and supplies and services. The outcomes of each scenario vary, depending on the decrease in enrollment. Mr. Perkinson said the administration recommends scenario 2A, [\$3 million in relief and a 10 percent decrease in enrollment]. The Finance and Administration Committee approved this recommendation and forwarded it to the board for approval.

Responding to Trustee Bullock's inquiry regarding whether the cuts proposed in scenarios 1A and 1B are realistic, Mr. Perkinson said one goal to keep in mind is to do no harm to the core mission of the university. The balance point will be to determine if identified cuts can be made without harming the university's mission. President Schott said, after considering the proposals overnight, the safer, more realistic route would be to recommend scenario 1A. The question then becomes whether taking the \$6.4 or \$7.4 million in reductions in scenario 1 would be reasonable, especially considering that reductions were made over the past several years.

Mr. Perkinson mentioned the “wild card” that is available. A year ago, the board approved a transfer of \$1 million from the plant fund, a legacy Oregon University System fund, to provide debt service payments against Stevenson Union renovations. There is still \$6.6 million in unrestricted funds in the plant fund. An internal loan could be taken against those unrestricted assets but a repayment strategy would have to be evaluated. An unintended consequence would be the reduction of SOU’s assets that are currently on the balance sheet, negatively affecting the composite financial index.

Trustee Clough recapped the discussion held in the Finance and Administration Committee meeting, saying all the variables were considered as was the reasonability of each. The committee concluded scenario 2A seemed the most logical and recognized uncertainty in all the options. She stressed: it is important to give the senior leadership a budget; all the options involve cost reductions; delays compound the issues.

Trustee Wilson said she attended the Finance and Administration Committee meeting and reconsidered the options presented. She said scenario 2A was aspirational and she thought scenario 1A was more likely to happen. President Schott added that scenario 1A is clearer because it shows the mountain of challenge SOU is confronting. Additionally, in each scenario, SOU would take the same steps to identify cuts. Trustee Rosenberg said scenario 1A might be better since it is more accurate, rather than hopeful.

Trustees Vincent, Santos and Bullock also expressed their support for scenario 1A. Trustee AuCoin expressed misgivings with scenario 2A, even though he supported it at the Finance and Administration Committee meeting.

Responding to Trustee Loverro’s inquiry, President Schott said that, in her experience, people appreciate realistic budgets over aspirational ones. She said SOU does not want to convey the impression that it is assuming the state will bail the university out of its financial difficulties.

Vice Chair Nicholson suggested exploring the possibility of reducing the percentage of operating revenue from 8 percent to 5 percent, if scenario 1A was approved, which would decrease the needed cost reductions. Trustee Santos concurred that it would be an option worth discussing. President Schott recommended against decreasing the ending fund balance at this point. The upcoming biennium will be even more challenging than the upcoming fiscal year.

Much discussion ensued on the appropriate procedure to process the seconded motion from the Finance and Administration Committee. There being no consensus, Vice Chair Nicholson moved to accept the Finance and Administration Committee’s recommendation for the fiscal year 2020-2021 budget as reflected in scenario 2A. Trustee Rosenberg seconded the motion. Trustees Thalden and AuCoin abstained and the remaining trustees voted against it.

Trustee Rosenberg moved to approve the fiscal year 2020-2021 budget as detailed in scenario 1A: [Fiscal Year 2020-2021 expenditure budget in the sum of \$82,821,738 inclusive of Education and General [budgeted operations] in the sum of \$62,263,850; an

auxiliaries budget in the sum of \$15,184,446; and designated operations in the sum of \$5,375,443.] Trustee Santos seconded the motion and it passed unanimously.

SOU Pandemic Resumption of Activities Plan (Action)

Janet Fratella said she and Dr. Neil Woolf have led the campus reopening work group, which has collaborated with state, county and local officials. SOU is in phase 1 of the reopening process. Dr. Woolf reviewed the provisions of the Pandemic Resumption of Activities Plan included in the meeting materials. SOU will continue to be in a modified operation status until a vaccine or reliable treatment is widely available.

Regarding instructional delivery, Dr. Woolf said SOU is moving to lower density for room capacity and classes are designed to be hybrid. After Thanksgiving, instruction will shift to distance learning to reduce risk to students, staff, and faculty from returning after the holiday.

Dr. Woolf mentioned the phased approach for employees to return to work on campus and the creation of the daily self health check for employees. Face coverings are currently required on campus.

Responding to Trustee Loverro's inquiry, Dr. Woolf said no additional fees will be assessed for any courses that switched to distance learning that are not already designated as online courses. Dr. Susan Walsh added that discussions are being held regarding pedagogy and delivery methodology and the impact on faculty workload.

Responding to Trustee Loverro's further inquiry regarding faculty and staff who may not feel comfortable returning to a face-to-face environment, Dr. Walsh said the Human Resources (HR) director presented information on that issue to chairs and directors and the HR office is developing a robust web page with information on resources, including reasonable accommodations that are available.

Trustee Santos moved to approve the Pandemic Resumption of Activities Plan, as presented. Trustee Franks seconded the motion and it passed unanimously.

University Advancement Update

Janet Fratella said members of her division have been getting to know more about each other and have been developing vision and mission statements. She mentioned some of the recent work of the various offices in her division, including participation on the Incident Response Team, virtual graduation recognition, stories in the media and grant requests.

Ms. Fratella said COVID-19 definitely has impacted fundraising and gift revenue will fall short of the goal for the fiscal year. She anticipates closing the year with about \$2.7 million in gift revenue. There has been \$2.5 million in bequest contributions this year, which are not included in the gift revenue figure. She then highlighted some recent donations, including those from Karen and Sid DeBoer; the Oregon Community Foundation; and Dan Decema and Morgan Sammons. Ms. Fratella mentioned the special appeal made in the spring, which resulted in \$33,000 donated to the SOU Cares program and food pantry.

Discussing scholarship support, Ms. Fratella said, based on a 5-year average, there has been \$1.3 million in scholarships provided to students. Two trustees of the SOU Foundation Board made 5-year pledges to support a scholarship for Black and African American students, the first of its kind at SOU.

Ms. Fratella reported that 100 percent participation in leadership giving will be reached from all three volunteer leadership boards. She then provided background information on the SOU Foundation Board's new officers and new trustees.

Chair Hennion commented on the recent death of Donna Mills, an emeritus professor at SOU. Her obituary included a paragraph encouraging donations to SOU. Ms. Fratella said numerous individuals have made memorial gifts.

Board Elections (Action)

Chair Hennion praised the work Trustees Thorndike, Lightman and Rosenberg and Sabrina Prud'homme did in the board election process. Trustee Thorndike also praised his colleagues and said he thought the election process used this year was successful.

Trustee Thorndike nominated Vice Chair Nicholson for the position of Board Chair. Chair Hennion seconded the motion and it passed unanimously. Vice Chair Nicholson thanked the trustees for their support and said that, over the last six years, he has seen very good examples of how to lead the organization. He also read part a statement that was not included in the meeting materials.

Trustee Thorndike then nominated Trustee Santos for the position of Board Vice Chair. Vice Chair Nicholson seconded the motion and it passed unanimously. Trustee Santos said he was honored to be elected to the position.

President Schott thanked Vice Chair Nicholson and Trustee Santos for their willing to fill the leadership positions.

Future Meetings

Chair Hennion said the board's retreat would be on September 17 and 18 and the next meeting of the board would be on October 16.

Trustee AuCoin praised Chair Hennion and said her leadership has been spectacular.

Adjournment

Chair Hennion adjourned the meeting at 5:06 p.m.

Date: October 16, 2020

Respectfully submitted by,



Sabrina Prud'homme
University Board Secretary