



OFFICE OF THE BOARD OF TRUSTEES

Public Meeting Notice

November 12, 2021

TO: Southern Oregon University Board of Trustees, Executive and Audit Committee

FROM: Sabrina Prud'homme, University Board Secretary

RE: Notice of Regular Meeting of the Executive and Audit Committee

The Executive and Audit Committee of the Southern Oregon University Board of Trustees will hold a regular meeting on the date and at the location set forth below.

Discussion topics include the university leadership transition including discussion of an acting university president as well as transition support for the new SOU president. The university president's annual evaluation will be held in an executive session, pursuant to ORS 192.660 (2)(f) and (i). Action items on the agenda include a consent agenda consisting of past meeting minutes; a proposal for the internal audit function; a proposed 2022-2023 committee meeting schedule; and the university president's fall 2021 goals.

The meeting will occur as follows:

Friday, November 19, 2021

9:30 a.m. to 11:30 a.m. (or until business is concluded)

Meese Room, Hannon Library, 3rd Floor (Room 305)

Visit governance.sou.edu for meeting materials.

Or to view the proceedings, visit <https://sou.zoom.us/j/82230351456> at the time of the meeting.

The Hannon Library is located at 1290 Ashland Street, on the Ashland campus of Southern Oregon University.

If special accommodations are required, please contact Pamela Tomac at (541) 552-8055 at least 48 hours in advance of the meeting.

Public Comment

Members of the public who wish to provide public comments for the meeting are invited to submit their comments in writing or to sign up in advance to speak at the meeting. Please sign up or send written public comments through the Board of Trustees email address, trustees@sou.edu, at least 24 hours in advance of the meeting. When signing up, commenters should include their name, email address, phone number, relationship

to SOU, and subject of the public comments. Public comments also may be sent to the board via postal mail addressed to SOU Board of Trustees, 1250 Siskiyou Blvd., Ashland, OR 97520, or hand delivered to Churchill Hall, Room 107, at this address.



**Board of Trustees
Executive and Audit Committee Meeting
November 19, 2021**



Call to Order / Roll / Declaration of a Quorum



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

**Friday, November 19, 2021
9:30 a.m. – 11:30 a.m. (or until business concludes)
Meese Room, Hannon Library
<https://sou.zoom.us/j/82230351456>**

AGENDA

Persons wishing to provide public comment shall do so in writing or sign up at least 24-hours in advance.
Please note: timings are approximate and items may be taken out of order.

- | | | | |
|---------|----------|--|---|
| | 1 | Call to Order/Roll/Declaration of a Quorum | Chair Daniel Santos |
| | 1.1 | Welcome and Opening Remarks | |
| | 1.2 | Roll and Declaration of a Quorum | Sabrina Prud'homme,
SOU, Board Secretary |
| | 1.3 | Agenda Review | Chair Santos |
| | 2 | Public Comment | Chair Santos |
| 5 min. | 3 | Consent Agenda | |
| | 3.1 | Approval of June 18, 2021 Meeting Minutes | Chair Santos |
| | 4 | Reports | |
| 20 min. | 4.1 | Internal Audit Report and Proposal (Action) | Jason Catz, SOU, General
Counsel |
| | 5 | Action, Information and Discussion Items | |
| 5 min. | 5.1 | Proposed 2022-2023 Committee Meeting
Schedule (Action) | Chair Santos |
| 30 min. | 5.2 | Discussion of University Leadership Transition | Chair Santos |
| | 5.2.1 | Acting University President | |
| | 5.2.2 | Transition Support for SOU President | |
| 20 min. | 5.3 | University President's Annual Evaluation
[Executive Session Pursuant to ORS
192.660(2)(f) and (i)] | Chair Santos and Trustee
Nicholson |

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

**Friday, November 19, 2021
9:30 a.m. – 11:30 a.m. (or until business concludes)**

AGENDA (Continued)

10 min.	5.4	University President's Goals (Action)	President Linda Schott
	5.5	Future Meetings	Chair Santos
	6	Adjournment	Chair Santos

Public Comment

Consent Agenda

**Executive and Audit Committee Meeting
Friday, June 18, 2021**

MINUTES

Call to Order/Roll/Declaration of a Quorum

Committee Members:

Paul Nicholson	Present	Jonathon Bullock	Present
Sheila Clough	Present	Daniel Santos	Present
Lyn Hennion	Present	Megan Davis Lightman	Absent

Chair Paul Nicholson called the meeting to order at 9:31 a.m.

The secretary recorded the roll and a quorum was verified.

Other trustees in attendance: Deborah Rosenberg, Bill Thorndike, and President Linda Schott.

Other attendees and Zoom webinar panelists included: Greg Perkinson, Vice President for Finance and Administration; Dr. Neil Woolf, Vice President for Enrollment Management and Student Affairs; Dr. Susan Walsh, Provost; Janet Fratella, Vice President for University Advancement; Mimi Pieper; Sabrina Prud'homme, Board Secretary; and Pamela Tomac, Office of the Board Secretary.

Public Comment

No public comments were received.

Consent Agenda

Trustee Bullock moved to approve the consent agenda as presented. Trustee Hennion seconded the motion, and it passed unanimously.

Reports

Internal Audit Report

In Jason Catz's absence, Chair Nicholson provided the report. There were no material reports received on the Ethics Point Hotline. President Schott sent the customary "tone at the top" email to campus a few weeks ago as a reminder to the campus of duties and obligations. Regarding the joint request for proposal (RFP) for internal audit services among multiple TRUs, the other institutions are in the process of review and will be providing feedback soon.

Action, Information and Discussion Items

Governance Work Group Update and Recommendations

Vice Chair Santos thanked Trustee Bullock and recognized Trustee Lightman's participation, stating that she will be missed. Vice Chair Santos added that it is a delight to have Trustee Hennion join the group to work on governance issues. In deciding on a standalone governance committee or a work group to continue to elevate the focus on governance issues, the work group provided a workplan in the materials.

Board Knowledge and Skills Matrix

Vice Chair Santos reviewed the knowledge, skills, and abilities board composition and recruitment matrix document presented with a few changes as noted, adding in the equity, diversity, and inclusion considerations. Later in the discussion, including a

criterion for alumni would be desirable. The trustee's self-reporting would allow identification of knowledge gaps, such as political influence that the board needs and relies on heavily, in order to target the types of trustees who could best help build and fill those gaps. Vice Chair Santos brought up the need to have these areas identified, as there will be several board seats to fill next year.

Responding to Trustee Bullock, Board Secretary Sabrina Prud'homme said the matrix could be administered in a Qualtrics survey which would be the easiest way to complete and allow document analyzing.

Vice Chair Santos discussed the section containing service ability and strengths and would like to have greater notice taken of this due to family, business, and other vying responsibilities to be cognizant of the trustees' limitations of the capacity to perform some of this work.

Trustee Clough shared that currently she is sitting in a community group focused on behavioral and homelessness challenges. This group was able to apply the equity lens and engaged some committee members from underserved populations, and had a robust conversation that was insightful as to how boards can be open and accessible to all populations. One topic came up about some community members not having the resources to serve in these capacities; resources such as time and finances that are not taken into consideration but are needed to be on boards like this one. An inhibiting factor then for acquiring diversity of underrepresented populations could be the time and resources component. Board Chair Nicholson has encouraged the board to be thoughtful in this way, and that barriers are not being created to those having important representation and diverse viewpoints in our community.

Another component that Vice Chair Santos believed was an obstacle for younger people was the amount of time that might be available in their busy schedules to hold a board position. Ms. Prud'homme added that the board evaluation does ask those questions, and the trustees are encouraged to be as honest and forthright as possible in completing the responses so that any barriers can be understood and to the extent possible, the necessary support can be provided.

New Trustee Orientation Goals Discussion

Vice Chair Santos talked about the new trustee orientation plans. Ms. Prud'homme said that the entire cabinet participates in this orientation process, while the Association of Governing Boards (AGB) defines the priority areas that are shared with new trustees. These areas are: organizational structure; governance; justice, equity, diversity, and inclusion; academic programs; academic affairs; development and university advancement; finance and administration operations; affiliates like OLLI and JPR, and others. The peer-to-peer discussions with the new trustees are important, and every trustee's voice is valued.

Trustee Bullock added that the idea is to build a system where the new trustees are felt to be contributing right away without a waiting period. Thinking about the what-why-how methodology "what is it we are doing, why are we doing it and how do we do it." If one gets right to the how, the what and the why can be missed. The hope is that board members can help new trustees understand what it is they are doing and why they are doing it, then the how helps people get engaged. Trustee Hennion later stated that one thing she has always enjoyed is the new members' questions. Encouraging those questions may sometimes lead to the heart of the matter or

something that has not yet been thought about; every voice is valued.

Trustee Clough stated that this board starts with a foundation of excellence; Ms. Prud'homme and the team do an excellent job of onboarding new trustees. Additionally, Trustee Clough highly encourages the new trustees to read the AGB document concerning highly effective boards and a trustee's role. Ms. Prud'homme concurred and shared that this form is usually included in the new trustee onboarding and ongoing education. Trustee Thorndike encouraged the university to purchase the Arthur Kreisman book on the history of the college, feeling it would be a huge help with a historical perspective on the campus to new trustees.

2021 Board Annual Evaluation

Vice Chair Santos briefly reviewed the self-evaluation form. Responding to Board Chair Nicholson, Ms. Prud'homme replied that yes, a few questions were noted on the self-evaluation form for omission as not being relevant due to pandemic operations, but could be utilized when the world once again returns to "normal."

President Schott shared views on making the board service more available and possible to other trustees by saying that on campus there is a sense of real consideration of fully embracing the hybrid meeting format.

Responding to Vice Chair Santos, Ms. Prud'homme said equity considerations are set in question five asking about any barriers to trustee participation or fulfillment of responsibilities, along with the follow-up question about how the university can help address these barriers. Ms. Prud'homme added that would be worthwhile to re-examine in the future the scheduling of board meetings as new members join to ensure full participation.

June 2021 – June 2022 Proposed Schedule of Governance Agenda Items

Vice Chair Santos moved to adopt the report of the work group as well as any necessary amendments with follow-up revisions as needed by Sabrina Prud'homme and the work group. Trustee Bullock seconded the motion, and it passed unanimously.

University President's Compensation (Action)

Board Chair Nicholson stated that from the time the university converted employees to furlough in 2020 as part of its necessary cost savings, President Schott also has been on furlough. Consistent with the university's parameters, the justification for this is trips to visit legislators to thank them for the support offered to higher education; tribal visits that were delayed due to the pandemic; and considerable additional time needed to support the presidential search committee and the board, ensuring a successful transition to the new president. As the president's workload necessarily increases, a resolution is before the committee to recommend amending the compensation of the president to the board for adoption.

Trustee Hennion moved to approve the resolution relating to President Schott's salary as presented. Trustee Clough seconded the motion, and it passed unanimously.

Board Chair Nicholson wanted to be on record saying it is a huge relief that President Schott is so committed to supporting the work of the university, in particular a transition that is so vital. President Schott thanked everyone, appreciates this

action, and is committed to staying fully engaged.

President's Evaluation

Board Chair Nicholson informed the board that with President Schott concluding her service to the institution, the presidential evaluation process will commence over the summer, consistent with the board's policy on this topic. With the president's departure, the final evaluation may look different, so although it may be less voluminous, it will still be a thorough process.

Future Meetings

The next meeting of this committee is scheduled to take place on Friday, September 1, 2021, at 9:30 AM to review the evaluation (or other special topics that may arise).

Following that, the next regular meeting of the committee will be on Friday, October 22, 2021, at 9:30 AM.

Adjournment

The meeting adjourned at 10:38 a.m.

DRAFT

Internal Audit Report and Proposal

Background: Internal Audit at SOU

- Hired internal auditor in 2016 as an employee of the university reporting to the Board.
- Prior to 2016 and the OUS closure, SOU relied upon the Oregon University System's Internal Audit Department.
- SOU Internal Auditor provided audit services until August 2020.
 - Recommended that we not hire a full time auditor and consider two parallel steps:
 - Hire external capability to perform audit services.
 - Hire internal compliance coordinator function to implement the types of improvements and corrective actions recommended by the audit function and others.
- IA recognized that SOU sometimes needed audit function and other times needed more of compliance function and may not need both 100% of the time.

External Support

Hourly Rate Engagement from PSU

- Three Proposals – Each based on the same hourly rates:
 - David Terry - \$150 per hour
 - Amy Smith - \$90 per hour
 - Higher rates for additional subject matter expertise from an outside audit firm (\$175-\$225 per hour).
- Levels of engagement offered anywhere from 450 hours of service (low) up to 1,100 hours of service (high).

David Terry – Portland State University



David Terry
Director of Internal Audit
Portland State University

David was appointed as Portland State University's first Director of Internal Audit charged with establishing the Internal Audit Office in October 2014 following state university governance reform legislation in Oregon. Prior to joining Portland State University, David established Portland Community College's first internal audit function in 2011 and led internal audit for Portland Community College until coming to Portland State University. David has also held various audit positions with the Secretary of State Oregon Audits Division and the Oregon University System Internal Audit Department from 2003 to 2011.

David received his Bachelor of Science degree in Business Administration with specializations in Accounting and Management from Eastern Oregon University. He is also a licensed Certified Public Accountant (CPA), Certified Fraud Examiner (CFE), and Certified Internal Auditor (CIA). David also is a member of the Oregon Department of Education's Audit Committee, and is a member of the Institute of Internal Auditors (IIA) and the Association of College and University Auditors (ACUA).

Amy Smith – Portland State University



Amy Smith
Senior Internal Auditor
Portland State University

Amy joined Portland State University's Internal Audit Office in June 2021, and has eight years of experience with internal audit in higher education. Prior to PSU, Amy held various audit positions with the University of Oregon from 2016 to 2021, and Pepperdine University from 2013 to 2016.

Amy received her Bachelors of Arts degree in Business Administration from Vanguard University. She is also a Certified Internal Auditor (CIA), as well as a member of the Institute of Internal Auditors (IIA) and the Association of College and University Auditors (ACUA).

Recommendation: Contract with PSU

Intermediate-level of Engagement

- **Moderate Level of Engagement: - Typically up to \$105,000 per fiscal year.**
- This proposal would provide approximately 600 to 750 hours of service to SOU, including:
 - Annual risk assessment and audit plan assistance;
 - Possibility of doing external audit testing with external audit firm CliftonLarsonAllen for a bill reduction in CLA's bills to SOU;
 - 1 planned full audit project;
 - Ad hoc consulting services as requested by management;
 - Agreed upon investigative services. SOU General Counsel would specifically request these services.

Discussion and Possible Actions

Proposed 2022-2023 Committee Meeting Schedule

SOU Board of Trustees
2022-2023 Board and Committee Meeting Schedule

MEETING	Academic and Student Affairs	Finance and Administration	Executive and Audit	Board of Trustees
DAY	Third Thursdays	Third Thursdays	Third Fridays	Third Fridays
FREQUENCY	Four Times Per Year (and as needed for curriculum approvals)	Six Times Per Year	Five Times Per Year	Five Times Per Year
TIME	12:00-3:30 p.m.	4:00-6:00 p.m.	9:30-11:30 a.m.	12:00-5:00 p.m.
	January 20, 2022	January 20, 2022	January 21, 2022	January 21, 2022
		March 17, 2022 (Budget focus)		
	April 21, 2022	April 21, 2022	April 22, 2022	April 22, 2022
		May 19, 2022 (Budget focus)		
	June 16, 2022*	June 16, 2022*	June 17, 2022*	June 17, 2022*
				Retreat September 15, 2022 4:30-7:30 p.m. September 16, 2022 All Day, Time TBD
	October 20, 2022	October 20, 2022	October 21, 2022	October 21, 2022
	January 19, 2023	January 19, 2023	January 20, 2023	January 20, 2023
	March 16, 2023	March 16, 2023	March 17, 2023	March 17, 2023
	April 20, 2023	April 20, 2023	April 21, 2023	April 21, 2023
	June 15, 2023*	June 15, 2023*	June 16, 2023*	June 16, 2023*
				Retreat September 14, 2023 4:30-7:30 p.m. September 15, 2023 All Day, Time TBD
	October 19, 2023	October 19, 2023	October 20, 2023	October 20, 2023

Discussion of University Leadership Transition

Acting University President

Board Statement on Presidential Searches and Appointments

Board of Trustees of Southern Oregon University

1.0 Preamble

As set forth in Oregon Revised Statute 352.087, the Board of Trustees of Southern Oregon University ("Board") shall, in consultation with the Governor or their designee appoint and employ the president of Southern Oregon University ("University" or "SOU"). In furtherance recognition of this obligation, the Board sets forth its policy below governing the selection and appointment of a president, as well as the selection of an acting interim president where appropriate.

2.0 Procedures/Guidelines/Procedures

2.1 Selection and Appointment of the President

2.1.1 The Board retains the sole responsibility for the selection and appointment of the president.

2.1.2 When it becomes necessary to hire a president, the Board will initiate a search. The search will be conducted in a manner consistent with guidelines recommended by the Executive and Audit Committee and approved by the Board. The search guidelines will be designed to ensure appropriate public notice of the open appointment and will address considerations of equity, diversity and inclusion.

2.1.3 A single search committee will be responsible for assisting the Board by identifying, recruiting, and evaluating possible candidates for president. The Board, in addition to a search committee, may authorize the university to contract for the services of a consulting or executive search firm to assist it in recruiting candidates and organizing and executing the search process.

(a) The Board Chair will appoint members of the search committee. The Board Chair will appoint a search committee chair, who will be a current member of the Board of Trustees.

(b) The Board Chair will appoint a senior employee of the university to serve as coordinator of the search. The coordinator will serve as a non-voting ex-officio member of the committee.

(c) The Board Chair may, at their discretion, choose to appoint additional employees of the university to support the search committee in an advisory capacity.

2.1.4 After reviewing and interviewing candidates, the search committee will recommend finalists for the position of University President to the Executive and Audit Committee. The search committee will prepare a report of the strengths and weaknesses of the finalists, especially in terms of the desired qualifications for the

position. The Executive and Audit Committee may meet with the search committee to discuss the report. The search committee will not rank the finalists.

2.1.5 Consistent with the guidelines approved by the Board at Section 2.1.2, the Executive and Audit Committee will interview the finalists. The Executive and Audit Committee, after consultation with the search committee, is authorized to narrow the field of finalists that will be forwarded to the Board.

2.1.6 Consistent with the guidelines approved by the Board at Section 2.1.2, the Board will interview the finalist or finalists in executive session. Following the interviews, the Board Chair will negotiate terms and conditions of employment with the Board's first preference for president. If the negotiation is unsuccessful, the Board Chair will seek further advice from members of the Board before negotiating with other finalists.

2.2 Selection of an Interim or Acting President

2.2.1 When the position of president becomes vacant prior to the appointment of a regular successor, the Board Chair will, after consultation with the Executive and Audit Committee and other constituents as necessary, to determine the required skills and desired qualifications of an interim university president and will recommend a candidate or candidates for Interim president.

2.2.2 The Board Chair will interview the recommended candidate(s) for interim president. The Executive and Audit Committee or the Board, in its discretion, may meet in executive session to discuss the strengths and weaknesses of the recommended candidate.

2.2.3 At its next meeting, the Board will vote on the interim president's appointment. The interim president will serve until the Board has appointed a regular president or until the interim president has been relieved of their duties and responsibilities. Throughout their term, the interim president will serve at the pleasure of the Board.

2.3 Selection of an Acting President

2.3.1 When an incumbent president is temporarily unable to discharge their duties, leaves for a period that, in the judgment of the Board, warrants a temporary replacement, or in any other circumstance determined advisable by the Board, the Board Chair, after consultation with members of the Executive and Audit Committee and other constituents as necessary, will recommend a candidate for acting president.

2.3.2 The Board Chair will interview the recommended candidate(s) for acting president. The Executive and Audit Committee or the Board, in its discretion, may meet in executive session to discuss the strengths and weaknesses of the recommended candidate.

2.3.3 At its next meeting, the Board will vote on the acting president's appointment. The acting president will serve until the incumbent is able to resume their duties or

until the acting president has been relieved of their duties and responsibilities. Throughout their term, the acting president will serve at the pleasure of the Board.

2.4 Selection of an Interim President as Regular President

2.4.1 When the Board must decide whether to search for a president or move an interim or acting president to regular status, the Executive and Audit Committee will conduct a full interview of the interim or acting president under consideration for appointment as regular president and will forward a recommendation to the Board. The Board will interview the candidate for appointment as regular president in executive session.

2.4.2 Following the interview(s), and with the approval and consent of the Board to the permanent hire of the interim or acting president to regular president, the Board Chair will negotiate terms and conditions of employment with the proposed regular president. If the negotiation is unsuccessful, the Board Chair will seek further advice from members of the Board before opening or reopening a full search.



Chair, Board of Trustees



University Board Secretary

Revision	Change	Date
-	Initial Version	April 16, 2021

Transition Support for SOU President

University President's Annual Evaluation

**Executive Session Pursuant to
ORS 192.660 (2)(f) and(i)**

University President's Goals

Goals for the Fall Term 2021

Dr. Linda Schott

Prepare the campus for the arrival of the next president

I have already begun preparing the campus for the next president. I have read several articles and two books on presidential transitions and will use what I have learned to shape the transition.

I will meet with each division to discuss the transition and how they can prepare to help the new president. My goal is to think both about what the new president needs to know and about how the campus can help the new president learn about and integrate into SOU. I am also holding a retreat for Cabinet members to strengthen that team and to think together about the presidential transition.

I also plan to think about how the Board of Trustees can assist with the transition and best support the new president.

Continue to make SOU a more diverse and equitable institution

I expect to hire the new Vice President for Equity and Diversity no later than October. I hope that person will be able to begin work before the end of the fall term so that they will be in place and ready to support the new president on all issues related to diversity and equity. I will work with the current EDI leadership team and the Committee on Equity and Diversity to develop an orientation and integration plan for the VP, and I will make myself available to assist however needed.

In addition, I will continue to support the work that is happening across the campus to advance Strategic Direction 4 and to fully comply with the cultural competency standards. I will also work with the Board of Trustees to diversify its members and to continue to develop its use of an equity lens in its deliberations.

Continue to strengthen campus governance

While I have always believed in shared governance, the challenges of the last year have deepened that belief. I have been as transparent as possible with the campus, and I have often called upon “all the good hearts and all the good minds” to help us make hard and wise decisions. This approach helped us get through this last year without significant conflicts or hostilities, something that has not been true on many other campuses. In my experience, problems arise not from too much shared governance but from too little. Thus, I will continue to engage as many people as possible as we make critical decisions.

Specifically, I will support and encourage the members of the new Staff Assembly, helping them to find their way to effective operations and representation of our classified and administrative staff. I will also work with Board leadership to identify potential new trustees and encourage them to apply. And finally, I will complete the revision of the University bylaws so that they accurately reflect our current operations and form a clearly-understood and effective system of campus governance for the new president.

Lead the campus through the Fall Term in whatever ways best ensure a good student experience as well as the health and safety of all students, employees and the larger community

While I complete this self-assessment, there is a rapid surge in COVID-19 cases in Jackson County and around the nation, and we are having to once again consider how to continue educating students while also keeping all members of our community safe and healthy. I have instituted a vaccination requirement and reinstated a face-covering requirement. Both actions are controversial, with some thinking I am infringing on personal freedoms and others thinking I am not doing enough to protect their safety.

I expect the situation to continue evolving and will do my best to respond to whatever changes come our way. When we developed our new vision a few years ago, we emphasized that agility and nimbleness would be increasingly valuable qualities in the future. How right we were! We are navigating uncharted and very rough waters, with only our commitment to our students, our institution and each other to keep us going. I will use my accumulated skills and knowledge, and I will continue to read widely and heed the findings of science and the recommendations of public health experts to guide us until a new leader can take the helm.

Future Meetings

Adjournment