

**Board of Trustees Meeting
Friday, March 17, 2023**

MINUTES

Call to Order/Roll/Declaration of a Quorum

Chair Santos called the meeting to order at 11:31 a.m. and wished everyone a Happy St. Patrick's Day. He congratulated athletic director, Matt Sayre, and SOU's entire women's wrestling program. SOU's ladies wrestling won the NAIA National Championship title and Coach Gabrielle Weyrich was named Coach of the Year.

Trustee Shelby read the SOU Land Acknowledgment.

The secretary called the roll and a quorum was verified.

Daniel Santos	Present	Shaun Franks	Present
Rick Bailey	Present	Andrew Gay	Present
Brent Barry	Present	Christina Medina	Present
Jon Bullock	Present	Mimi Pieper	Present
Katherine Cable	Present	Liz Shelby	Present
Iris Maria Chavez	Present	Barry Thalden	Present
Sheila Clough	Present	Bill Thorndike	Present
Debra Lee	Present		

Consent Agenda (Action)

There being no comments or amendments to the meeting minutes for September 16-17, 2022, and January 19, 2023, Trustee Gay moved to approve the consent agenda. Trustee Shelby seconded the motion and it was approved unanimously.

Information and Discussion Items

SOU Forward Realignment Plan

President Bailey introduced the topic noting that there is one common purpose, which is to make sure the institution is accessible and affordable to students in the future. He welcomed input and assured trustees that the plan was not created with any malice and represents the best thinking the administration has as of today. The president acknowledged that in his first board meeting in 2022, which was his third day on the job, he knew Southern Oregon University's financial situation was dire and regarded the challenges as opportunities to build the institution.

In June 2022 the board made two decisions: to find \$3.6M in savings for the current fiscal year and unanimously charged the president with balancing the budget.

President Bailey referred to Trustee Thalden's comment that, "we can't cut our way to prosperity" as he presented the four planks of the realignment plan: managing costs, reimaging grants, leveraging philanthropy, and diversifying revenue. While the university continues making progress on the others, the focus of the day's presentation would be cost management, which he regarded as "impossible decisions," that would have been made already if they were easy decisions. He described each guiding

principle: integrity; primacy of students and the university; transparency; compassion; long-term vision; justice, equity, diversity, and inclusion; universality; humility; and unity. He emphasized that the plan is not set in stone.

President Bailey noted that part of cost management includes job loss and unfortunately, some people's livelihoods would be affected. He stressed that compassion and time to work with people are important. The administration worked with many groups including the shared governance partners and the unions. Although all groups don't all agree on everything, he commended their leadership and willingness to present their perspectives as well as opposition. There was consensus that SOU can't rely on skyrocketing tuition.

Upon arrival at SOU, the president said he noticed that the cost and revenue curves did not match. The entire state was looking at this and wondering how to get control of it and live within the institutions' means. Looking to future fiscal projections, a \$14M deficit was scary and a cost realignment plan solves the fiscal problem. It's challenging and sobering but it takes the runaway train out of sight. President Bailey stated that it comes down to the cost of doing nothing versus the cost of implementing the realignment plan, and while there is much emotion around this plan, SOU can't do nothing. Options included a permanent, 20 to 30 percent across-the-board pay cut for every employee or a massive tuition increase, but no one wants to do that. The plan calls for the loss of almost 82 full-time equivalent positions. President Bailey gave kudos to the provost's office and others who have helped leverage retirements and other creative solutions that affect students the least, as everything has a cost associated with it, not just a savings.

President Bailey reviewed a few of the high-level plans from each of the five university areas, as presented in the detailed meeting materials. He spoke of the following proposed activities: reducing academic divisions and directors from seven to four; rethinking the Master of Science in Environmental Education (MSEE); eliminating vacant positions; exploring the Workday transition; investigating where departments can work together to increase enrollment; discontinuing the Corporate Relations Program, reverting two athletics programs to club sports. Emphasizing the guiding principle of universality, he showed a chart of positions that will be eliminated across the functional areas of Academic Affairs, Finance and Administration, Enrollment Management and Student Affairs, University Advancement, and Athletics. He said this was not to be viewed as a scoreboard but it illustrates that across campus, everything was examined.

In SOU's 150-year history, the two biggest gifts ever received were in the last 12-months. Those gifts are reimagining what SOU can do in new ways and will be used to invest in talent, students, faculty and staff, and to bend the cost curve. In reimagining grants, there is much being funneled elsewhere because SOU needs to improve its infrastructure. There is an opportunity to do it better and incentivize the people doing it, as grants can supplement what SOU does—especially faculty research and student

support. Then work can begin on the other revenue projects including: the Cascade project, solar, the University District, and the Workday training center.

In discussing the path forward, President Bailey recognized that SOU has to think about taking better care of each other. There is no expectation that everyone will just do more work. SOU is coming together with SOU Leadership, Faculty Senate, the Associated Professors of SOU (APSOU), SOU Staff Assembly, Service Employees International Union (SEIU), and the Associated Students of SOU (ASSOU). These groups are asking, "What can we let go of that we are doing today?" President Bailey discussed a pledge he made to Staff Assembly that SOU will reevaluate if the only solution is to do [work] with more people. He appreciated that even though all five groups do not agree on everything, trust is being built, which is a large part of how this institution will move forward together.

President Bailey acknowledged that the culture shift and new model are hard to implement but it is imperative that revenue is greater than or equal to cost. He committed that if results are not seen, changes would be made to address the shortfall. He recognized that SOU is really good at starting things and trying new things but less good at stopping things. He believes SOU should be willing to take calculated risks and try new things but needs timelines, returns on investments, milestones, etc., to measure results and hold the administration accountable. He further commented on enrollment projections and the continued efforts to do what is needed to strengthen the pathway to SOU and to the graduation stage. The plan is to budget enrollment realistically but if SOU doesn't hit those targets, it could have disastrous consequences.

President Bailey stated that nobody wants to be engaged in this difficult work, but SOU owes it to the students of today and tomorrow to make sure SOU is going to be here to serve them. As hard as this is, this really is about the love of this place, and its students.

Public Comment

Chair Santos explained that the board set aside up to 90 minutes to hear from individuals for three minutes, starting with those who signed up in advance. He invited any additional comments to be sent to trustees@sou.edu.

Faculty Senate Chair Brian Fedorek read a list of questions that he has received from mostly faculty. These questions ranged from topics of faculty positions, their value and responsibilities to enrollment, fiduciary and ethical obligations. Dr. Fedorek began and ended with questions regarding how this administration's plan will be different and how leadership will be held accountable.

Brent Florendo, enrolled member of the Confederated Tribe of Warm Springs of Oregon and of Wasco-Yakama-Warm Springs descent, alum, and employee of 28 years, talked about SOU's agreements with sovereign nations. He spoke about the roles he fulfils connecting parents and students to SOU. Mr. Florendo shared his belief that the Native

Nations Liaison (NNL) should be a program unto itself but it is in admissions. He said that the cost of losing this position is great and urged the board to do the right thing for native people.

Rivers Brown, an SOU neighbor, offered comments about SOU's Sustainability Center and provided the history, mission, and basic information on it as well as the SOU Community Garden, with which he has been involved. Mr. Brown commented on his very good interpersonal relationships with the gardeners, both young and old. He reminded the board that the university is not insular and encouraged them to keep the garden for low-income community members. Finally, he questioned the position of the solar panel on the roof of the Hannon Library.

Dr. Emily Reeder, Associate Professor of Psychology and APSOU President-elect, thanked the board and the president for their leadership. In the context of student-to-faculty ratios and a belief that faculty are at the forefront of enrollment, she explained that her students have commented that they choose SOU because of the small class sizes and the personal experience they would receive. She referenced retirements and direct cuts resulting in fewer faculty, questioned whether the plan is sustainable in the long term, and believes broader changes to structure need to be made or the university will be back in the same place in ten years. She suggested going "back to basics" as a teaching university. Commenting on retaining students, Dr. Reeder questioned why the university would reduce revenue-generating programs and not cut other services.

Nicholas Pflug, a student double-majoring in sustainability and environmental science and policy, spoke about the proposal to remove a specific professor from the SOU Environmental Science Department. He urged the board to reconsider the elimination of that position and highlighted the professor's value to the institution and community as an educator and leader.

Carol Vergin, a nurse at the Student Health and Wellness Center (SHWC), reiterated that physical and mental health are essential to student success and retention. The SHWC has been providing counseling and medical services for over 50 years. She explained that they are a group of committed, mental and medical professionals who are skilled at serving the needs of college students. She explained that the staff at SHWC understood the financial challenges, have willingness make sacrifices including staff reductions, and have identified opportunities to increase revenue. However, they do not support the action they recently heard was under consideration, which is to outsource the SHWC to an outside entity. She thinks outsourcing is risky and controversial, and should only be considered after all other options have been exhausted. She listed issues faced by other universities that have outsourced their health clinics and concluded with the request that their SHWC proposals be considered.

John Maurer, a community stakeholder, applauded President Bailey and the board for their efforts and the process of the realignment. He stated that a survivor is a person or institution that adapts and changes to its environment and said SOU is a survivor. He

said it would be painful but encouraged the board and administration to “hang in there.”

Ashley King, SOU Staff Assembly Chair, thanked President Bailey for the town halls in which everyone had a voice. She reminded everyone that staff and administrators support students by ensuring that all state and federal regulations are met. She wanted to be sure that staff are represented in the conversation and acknowledged for their vital work.

SOU Board of Trustees and Administration Realignment Plan Discussion

Chairs Santos commented that there is much to process with many questions/comments. He asked the trustees to organize their thoughts so the board can have a structured discussion.

President Bailey started by answering Chair Santos that SOU remains committed to its relations with tribal entities and to strengthening pathways to the graduation stage and beyond. A meeting was held about a week ago with Mr. Florendo, both full-time Native American Studies (NAS) faculty, Vice President Cooper, Vice President Woolf, Provost Walsh and himself to start the dialog about reimagining SOU's partnership with the tribes. The initial plan had the NNL position coming out of admissions. SOU is investigating how to broaden the position. President Bailey assured the board and others that he is listening to Mr. Florendo and others, and there will be something in place in relation to the NAS academic program and outreach to the tribes.

Trustee Cable said there's a perception among students and staff that with some of the proposed elimination of staff, it has the appearance of coming on the backs of underrepresented students, as the Social Justice and Equity Center (SJEC) positions are student funded. In coordination with the reduction of these positions, the NNL position, Veteran's Administration (VA) certifier, and others, it seemed to Trustee Cable that SOU is providing fewer services and placing more burden on underrepresented students. She expressed curiosity and wariness of these internal and external optics.

President Bailey stated that as a veteran himself, it is personal and every underrepresented group at this institution is personal to him. Specific to veterans, he said he is looking at the possibility that the work of the VA certifying role and others in Raider Services can be done by colleagues, the financial aid director, and assistant director. President Bailey pledged that if departments cannot identify areas to cut or find efficiencies, the positions will need to be reevaluated. Equity, diversity, and inclusion is a guiding principle so every effort was made not to damage progress.

Trustee Cable shared concerns about the SJEC moving to a ten-month contract. President Bailey has a meeting to discuss the 10-month contracts for some positions and Vice President Woolf added that the reduction of student traffic in the SJEC was a combination of COVID and summer. These services are funded with incidental fees and

with decreases in enrollment there are decreases in fees. Dr. Woolf said there could be an opportunity to fund the position during the summer with grants or another source.

Trustee Gay remarked on the merging of NAS with Gender, Sexuality, and Women Studies under a single chair. He believes these tell a story when taken together and it is different than the story SOU has been telling. As SOU moves forward, Trustee Gay cautioned how the plan would be perceived around marginalized populations. President Bailey said the intention is not to dilute the focus on these areas.

Vice Chair Clough brought up the fears expressed to the board in the submitted letters that employees are just going to be left doing more work. She asked President Bailey if SOU has considered how to invest in skilling and resources to take a deep dive into performance improvement and reimagining the actual work. She emphasized the need to help those who remain and to readjust their workloads. President Bailey said this fear is being felt across campus and recognized that faculty and staff perspectives may differ as there are more classified and unclassified staff than ten years ago yet there are fewer students. Students' needs are much greater than they once were and SOU has to honor that. Staff have more work because state and federal requirements have increased; the president noted the importance that efficiencies and processes be improved.

Vice President Perkinson added that Strategic Direction 2 is to become an employer of choice and he spoke attracting and retaining good employees. Vice Chair Clough mentioned the comments about cutting out busy work and that if employees knew how to do that, it probably has already been done. She suggested making an investment in the team's ability to reimagine work streams to get waste and bureaucracy out. Trustee Cable agreed and said it needs to be across the board and has to be a collaborative process. Mr. Perkinson said SOU will double down on the process improvement effort.

Trustee Thorndike shared his experiences with various departments within the State of Oregon noting that the convenience of solving issues online is helpful but getting customer service on the phone or the old idea of the generalist is problematic. Today's reality is that between paid time off, sick leave, etc., it takes 1.2 people to fill a single position. It's not realistic to assume that one can pick up the phone and receive customer service. President Bailey said that a balance needs to be struck. Dr. Woolf indicated that SOU's process will be to adapt to what's happening with students and not just rely on reports of supervisors.

Trustee Thorndike asked for more information and perspective on shared services. President Bailey explained that when Oregon University System (OUS) broke up there was an agreement among institutions to share some services. However, once SOU began the process of transitioning to Workday, it became apparent that Workday will provide many of the service for which SOU currently pays. Mr. Perkinson notified the University Shared Services Enterprise (USSE) of SOU's plans to discontinue three of the five or six services they provide; the savings will be approximately \$400K each year.

Vice Chair Clough asked about the funding model and whether the proposed changes will help or hurt. President Bailey responded that the programmatic changes in Academic Affairs will not have an effect on SOU's funding. Each program has a cost but the plan doesn't drastically affect what students can take.

Chair Santos asked about the theater program and requested President Bailey walk the board through where it was and where it is now? President Bailey said it's natural but unfortunate that a lot of people went to a doomsday scenario when it came to Theater. It is part of the fabric of SOU, but that doesn't mean the department shouldn't take a look at itself. Theater is having those conversations now and has been for many years. There are opportunities of collaboration with Emerging Media and Digital Arts, the Digital Media Center, and others. Provost Walsh added that SOU created the very best theater program on west coast at a regional university but questioned its current sustainability. It has been held stable for a long time, including during past retrenchments but it now needs to look at what it offers students, what it can stop doing, or do differently, or maintain status quo. Theater has been having this conversation for at least eight years and each time, they get stuck. The hope now is that the core group of faculty assembled will get unstuck and make curriculum and personnel changes. President Bailey reiterated that reimagining the SOU Theater Department is to have it thrive long-term, and not to take it down but to build it up.

Trustee Gay added that he wanted to correct a message that has been prevalent in letters to the board. He said the fear around Theater comes from the cuts being shared before the curriculum and plan have been determined. He stated that there is a "cool vision" how to keep doing theater tech and preparing students to work in live events, video gaming, and virtual production. The tech side is evolving and growing, not going away, and people don't quite understand that.

Trustee Gay thought the four planks of the plan are missing the mission and inclusion of enrollment and retention. He shared his concern that losing faculty, the enrollment vice president, and programs could have many people question how that is going to affect enrollment and therefore, should be part of the plan. Trustee Gay noted that he was unaware of SOU's enrollment vision, how many students SOU should have, or what a sustainable number of students is. He also shared his concern about the lack of budget for marketing as well as faculty's role in enrollment.

President Bailey acknowledged it as a fair critique and noted that if SOU had 7,000 students today or 5,000 FTE, the university would not be in the current situation, but SOU has seen a ten-year decline in enrollment. Enrollment and retention (E&R) are underlying goals of all the planks and there is a lot of information that will be shared with campus soon. Dr. Woolf, said E&R can't live with one person. SOU has an enrollment council that discusses marketing, student success and retention, and financial aid; that group works with academic program planning.

Trustee Bullock expressed his disagreement with President Bailey's earlier statement about not doing a good enough job of effectively discussing the education and general

fund situation with campus. He said it is talked about at every meeting. Trustee Bullock said if there's failure, it is to continually remind everyone about what led SOU to this situation. The state has disinvested in higher education for over 30 years and fewer people go to college. The board has been looking at these trends and Trustee Bullock is proud of the president's work, because change to an organization cannot happen without changing how it is staffed, funded, or organized. The plan the board asked for will require hard, substantial change, and it is what the board asked the president to do.

Trustee Thalden admitted he has been outspoken about not being able to cut the way to success and has been critical of the financial model that shows a 30 percent increase in expenses yet only a 10 percent increase in revenue. He believes opportunities in revenue can be great, agreed that E&R should be added to the plan, and that these would allow the cuts to be less significant. He shared his concern for upholding the quality of education at SOU. In order to gain support for his argument, he has talked to a lot of people around SOU and couldn't find support for his arguments. He shared his surprise that those he talked with wanted changes but had not had the impetus to do it. Trustee Thalden mentioned that ten years ago, SOU had 6,000 FTE and now it is 4,000. During that time, there have been increases everywhere and the model doesn't hold up. Although the revenue projects look great, SOU can't count on them now and the governor said higher ed can't depend on more state funding. He now sees that SOU is maintaining quality and is not negatively impacting E&R. SOU still has opportunities for additional revenue and can use future income to grow in a better way.

Trustee Gay said something that struck him today, and that he has heard in other meetings, is that even among people who disagree with the choices, people have done so respectfully and in appreciation for President Bailey's service. He mentioned that it meant a lot to hear our faculty leaders criticize the plan and thank President Bailey for his leadership.

Trustee Cable discussed the Workday delay caused by the lack of staffing resources. She shared her concern about taking the institutional knowledge and capacity of those vital to implementing Workday, and what it does for the implementation. She said it's vaguely concerning that in human resources and finance, positions are not defined, as SOU waits for efficiencies. Trustee Cable further shared her concern that there is a plan to approve but that information is incomplete. President Bailey replied that part of the decision had to do with the workload issue and the operational risk. There is a gap between Phase 1 and Phase 2 to learn. SOU's team is working on mitigating that risk and asked Alchemy to help with the staffing band.

Vice Chair Clough revisited Trustee Thalden's comment that the governor made it clear that continued investment in higher education will not be the wave of the future. SOU needs to reduce dependency on state funding. When looking at these four levers of revenue diversification, focus needs to be on how to continue an environment of entrepreneurialism in this institution. Regarding her question about incentivizing the team, President Bailey responded that private institutions do this already—often

because they have endowments that generate income that allows them to ride the market. Because SOU is doing the heavy work, there is acknowledgement across the state and beyond. President Bailey said that because SOU is serious about not putting more and more on the backs of students, the philanthropy will follow. Tuition won't replace state funding and the more SOU thinks of itself like a flagship, the better chance it has to change the model as well as the value of public higher education in the state. It's a public good and worth state investment, especially at technical and regional institutions.

In response to Trustee Gay's question about the process and how SOU is presenting this to potential students and parents, President Bailey reiterated that SOU is doing the work to make sure this generation of students and their kids have a vibrant university. Although changes in the plan are sobering, SOU is still vibrant with a lot of different offerings. SOU should still brag that this is an impressive school. President Bailey said that even in midst of all of this, there is not another school he'd rather be at. He implored all to share that message. It cannot be overstated that SOU could get here without exigency and that is a big deal.

Trustee Cable commented about how the realignment and reimagining will affect programs being created. She commended Matt Stillman and Josh Lovern, whose ideas are changing how the SSCM treats SOU and how their work will change funding.

Responding to Trustee Thorndike's question regarding the Portland State University search for their next leader, President Bailey shared PSU's challenge with a double-digit drop in enrollment. He said they are sharing the challenges and not sugar coating them. The committee was open with the candidates so that they are not surprised by the challenges they will face.

President Bailey said the universities that survive will be the most nimble, creative, and collaborative, and SOU will be the north star. Higher education is to educate students on not *what* to think but *how* to think. SOU must start thinking of what the next 20-30-50 years will look like. There is a hyper-politicization happening and universities have to come together to address it. The challenge is not the model for teaching students a skill set but to teach them habits and lines of inquiry because higher education has given them intellectual curiosity.

Future Meetings

Chair Santos announced that the board's next meeting will be on Friday, April 21, 2023. He asked that any ideas for the agenda be sent to him or the board secretary.

Adjournment

Chair Santos asked if anyone had a questions or additional items to discuss. Hearing none, he adjourned the meeting at 2:37 p.m.

Date: April 21, 2023

Respectfully submitted by,

A handwritten signature in cursive script, reading "Sabrina Prud'homme". The signature is written in black ink on a white background.

Sabrina Prud'homme University Board Secretary