

**Board of Trustees Meeting**  
**Friday, April 19, 2024**  
**12:00 – 5:00 p.m.**

**MINUTES**

**Call to Order/Roll/Declaration of a Quorum**

Chair Santos called the meeting to order at 12:03 p.m. and welcomed everyone to the meeting. He extended a special welcome to new trustees Dr. Hala Schepmann and Garima Sharma, Julissa Taitano, and Sachta Bakshi Card.

Over the spring break Trustees Chavez and Barry, along with President Bailey and Board Secretary Sabrina Prud'homme, went to the Association of Governing Boards of Universities and Colleges (AGB) conference in Boston. They highlighted key topics of data tracking, diversifying revenue, and certificate programs, all of which SOU is doing.

The entire board thanked Dr. Neil Woolf for the quality time he has spent at SOU and the variety of responsibilities he has taken on. On behalf of the board, Chair Santos wished Dr. Woolf well in his new presidency at New Mexico Highlands University.

Trustee Garima Sharma read the SOU Land Acknowledgment.

The secretary called the roll and a quorum was verified.

|                   |         |                           |         |
|-------------------|---------|---------------------------|---------|
| Daniel Santos     | Present | Jason Mendoza             | Present |
| Rick Bailey       | Present | Mimi Pieper               | Present |
| Brent Barry       | Present | Garima Sharma (nonvoting) | Present |
| Sachta Card       | Present | Liz Shelby                | Present |
| Iris Maria Chavez | Present | Hala Schepmann            | Present |
| Sheila Clough     | Present | Julissa Taitano           | Present |
| Debra Lee         | Present | Barry Thalden             | Present |
| Shaun Franks      | Present | Bill Thorndike            | Present |
| Christina Medina  | Present |                           |         |

**Public Comment**

Sage TeBeest, SOU, Service Employees International Union (SEIU) President thanked the board for their work on contract negotiations. She commented that with the Workday transition, there are fewer efficiencies with less staff but she hopes to see the positive aspects on the other side. She asked the board to consider this.

Dr. Brett Anderson, a SOU Institutional Budget Committee faculty member, thanked the board members and President Bailey's continuous improvement efforts. Dr. Anderson spoke about the proposed financial stability target. He stated that he is nervous about how SOU will accomplish the target. He believes there is a risk and recommends the board ask better questions about how to accomplish it and to heed the advice of CliftonLarsonAllen (CLA) to better align the SOU strategic plan and budgeting process.

## **Consent Agenda (Action)**

Board Secretary Sabrina Prud'homme recommended a correction to the minutes: Dr. Susan Walsh was present for the executive session of the board. The minutes incorrectly stated she was absent from that session.

Trustee Shelby moved to approve the consent agenda consisting of meeting minutes, as amended, from January 19, 2024. Trustee Clough seconded the motion and it passed unanimously.

## **Reports**

### Committee Reports

Chair Barry recapped the Academic Student Affairs Committee meeting noting that Provost Shillam reviewed her 48-day tenure, and Dr. Vath discussed organizational adjustments; the First Gen Forward program, which focuses on first-generation college student success; and exciting strategic planning happening in the Student Affairs Department. Also discussed were enrollment management updates, tackling the FAFSA challenges; and SOU's new partnership with La Clinica for operating the Student Health and Wellness Center. The committee also approved new curriculum including bachelor's degrees in Biology and Ecology & Conservation, plus 16 certificate programs.

Trustee Franks updated the board on the Finance and Administration Committee meeting highlighting the trustees' tour of Central Hall. In that meeting, Dr. Neil Woolf outlined capital projects seeking \$43M, including for asbestos abatement of Cascades. The committee reviewed tuition and fees and made a recommendation that appears on the board's agenda for action. Additionally, the committee discussed budget updates, and delays to the 2025 budget due to delays in the implementation of the Adaptive Planning budgeting software. Bart Hawley from CliftonLarsonAllen (CLA) led an update on the external budget review and the committee reviewed the Core Information System Replacement (CISR) project update.

For the Executive, Audit, and Governance Committee, Board Chair Santos discussed highlights of the meeting noting that David Terry provided an internal audit report focusing on risk assessments and cybersecurity. Chair Santos added that Jean Bushong and the team from CLA reviewed the external audit, which the board will review in the meeting. The committee also reviewed and recommended adoption of a Board Statement on Social Justice, Anti-Racism, and Nondiscrimination.

### Associated Students of Southern Oregon University (ASSOU) Report

President Brayden Clayburn, ASSOU President, reflected on his term as president, which focused on growth and accountability within the ASSOU team. President Clayburn discussed initial challenges, perseverance, and progress made, including addressing Greek life and student fee processes. Plans for future transitions, legislative lobbying, budget allocation, and constitutional revisions also were of high importance during the year. President Clayburn expressed gratitude to the board, faculty, staff, and students for their support, with special thanks to the ASSOU advisers.

### SOU Faculty Senate Report

Faculty Senate President, Jackie Apodaca provided her final report as the chair, and discussed the senate's achievements during her term including new curriculum, simplifying student pathways, and addressing student fee structures. She highlighted ongoing challenges such as bookstore management issues, faculty workload concerns, the need for support in managing student mental health issues, and a suggestion to provide mental health training for faculty and staff to better respond to students.

### SOU Staff Assembly Report

Staff Assembly Chair, Hart Wilson discussed her role and updates, including a recent workload survey and subsequent recommendations that were forwarded to the president. She expressed optimism about addressing workload issues and announced upcoming leadership changes, with Stephanie Hannigan set to assume the chair position next. Additionally, Ms. Wilson mentioned plans for a staff appreciation day and the assembly's positive feedback on single fee proposal presented by Josh Lovern and Dr. Matt Stillman.

### Equity, Diversity, and Inclusion (EDI) Report

Jonathan Chavez Baez, Interim Assistant Vice President for EDI presented the EDI report. Goals of the EDI office are to utilize survey and assessment tools for greater focus; develop additional data-driven initiatives and programming; establish goals consistent with SOU's commitment to EDI; use data to develop goals and monitor programs from year to year; and aim for improvements in neutral-to-negative ratings of experience and perceptions. Mr. Chavez Baez later introduced the nine categories of the National Association of Higher Education Systems (NASH) framework and its equity scorecard that showed the items SOU was rated against. The EDI office at SOU scored 100 percent, and they will apply this framework to all of SOU. Student success, campus diversity, employee retention, and SOU's campus plan are areas that will factor into the development of metrics.

Mr. Chavez Baez introduced Native Nations Liaison Kenwanicahee Kravitz. Ms. Kravitz is focusing on Native Initiatives and efforts, making connections on campus and in the community, supporting SOU's Native students, and the Education Equity Grant. Ms. Kravitz noted that she is grateful to connect and support students as well as engage with the tribal nations. Discussion later ensued regarding her position, its goals, attracting more Native students, and focusing on outreach and connection.

### University Advancement Report

Vice President Janet Fratella delivered an overview starting with SOU's media footprint, which is up by 77 percent compared to last year, with 4,090 unique mentions. Institutional Director of Marketing, Nicolle Aleman, discussed Marketing's support for Fall 2024 enrollment; web development with special state funds; the Spanish translation of SOU's website; search engine optimization, and advertising values, all aiming to boost enrollment and fundraising. Vice President Fratella noted that grant productivity is strong and that year-to-date fundraising is at \$6.02M of the \$11M goal. The comprehensive campaign's progress stands at \$34M against a \$100M goal; she urged trustees to donate.

### President's Report

President Bailey introduced a broader theme of diversity, expressing both admiration for strides made and acknowledgment of persistent challenges. He discussed the National

Association of Intercollegiate Athletics' (NAIA's) decision banning transgender athletes and expressed the tricky navigation between two competing values: inclusivity and fairness. However, SOU's responsibility to stand as a pillar and example of diversity means that as more information is discovered, SOU has a responsibility its students to revisit this decision, and he urged the NAIA to do the same.

Fiscal stability emerged as another focal point, with the transition to Workday symbolizing a shift towards streamlined efficiency amidst financial complexities. As a result of delays in Workday's implementation, the 2025 budget is proposed to remain the same as the 2024 budget while SOU develops the full 2025 budget correctly.

After delivering staff updates President Bailey updated the board on revenue projects. The university has gone back to Congress with a \$4.8M request to cover the rest of the solar projects. The university has developed the first solar-powered covered parking. Another project, the University District, is expected to issue a request for proposals (RFP) and a request for quotes (RFQ) by fall.

Lastly, President Bailey expressed heartfelt gratitude and best wishes to Dr. Neil Woolf on his journey to New Mexico.

### **Action, Information, and Discussion Items**

#### Audited Financial Statements and Annual Financial Report for Fiscal Year 2022-23 (Action)

Jean Bushong, Bryan Simkanich, and Devin Holmes from CliftonLarsonAllen (CLA), SOU's external auditing firm, presented the audit. Ms. Bushong explained that CLA audits the financial statements of the university to determine reliability and tests federal compliance for federal aid and COVID funds. The responsibility of Generally Accepted Auditing Standards (GAAS) is to tell readers if they can rely on numbers that are free from material misstatements. The auditors are not part of SOU's internal controls structure and as such, CLA opines on SOU's numbers but not the internal controls, as management is responsible for that. An overview of the financial statements was performed, as presented in the annual financial report.

Mr. Simkanich explained two impacts to financial statements regarding public-private and public-public arrangements, and how they relate to assets and capital infrastructure. The Governmental Accounting Standards Board (GASB) 94 and 96 rules, affect public-private partnerships and subscription-based technology arrangements. He noted that GASB 94 changes the disclosure of public-private arrangements to asset and capital infrastructure inclusion on financial statements, reflecting their value at the end of 2023. While future revenue is not impacted, full depreciation and utilization assumptions occur when assets are returned to SOU. The GASB 96 rule, transitioning from software to subscription-based applications, affects fiscal liabilities like Workday and alters accounting practices.

The result of the audit was an unmodified opinion, the best and highest level of assurance that CLA can provide over SOU financial statements as a whole, or a "clean audit." Mr. Simkanich commended Agnes Maina and her team. The internal controls structure had no significant deficiencies, and some best practices were recommended. Regarding required

auditor communications, it was noted that there were no difficulties or disagreements encountered in performing the audit; there was one uncorrected misstatement for a lease receivable and one corrected misstatement of lease income; there were no significant issues discussed with management prior to engagement, and others.

Devin Holmes of CLA informed the committee that on the single audit of roughly \$25M, CLA had an unmodified opinion. They use a risk-based compliance approach and are required to look at the student aid financial cluster. The noncompliance issue when looking at financial aid is, "Did students get money they were not entitled to or did they not get any they were entitled to?" SOU had no issues there. The noncompliance items were in student reporting, outstanding refund checks, and third-party servicer checks

Vice Chair Clough moved to approve the Audited Financial Statements and Annual Financial Report for Fiscal Year 2022-23, Trustee Shelby seconded the motion, and it passed unanimously.

#### Mandatory Student Incidental Fees for Academic Year 2024-2025 (Action)

Chair Santos introduced the item and noted that rather than take separate votes on this item and the next, the board will act on these in a single, combined action, which is captured in the resolution in the meeting materials.

ASSOU President Brayden Clayburn gave an overview of the proposed student fee. It is meant to provide enriching services to students at SOU and is a way for students to have autonomy over student activities. The Student Fee Budget Committee (SFBC) looked at enrollment, inflation, and flat operations. The SFBC's first recommendation was a \$4 increase but President Clayburn said he vetoed it because it was insufficient based on a number of factors such as the costs of labor and inflation. The committee re-proposed an \$18 increase that was approved and sent off to the Student Fee and Allocation Committee. The Student Recreation Center fee remains \$118, and the green tag fee is \$14.

#### Tuition and Mandatory Student Enrollment Fees for Academic Year 2024-2025 (Action)

President Rick Bailey shared that he has never seen a tuition-setting process more sophisticated, which is why the statewide law was modeled after SOU's process. Josh Lovern noted that SOU is compliant in every expectation of documenting SOU's tuition and fees process. He reviewed the history of tuition rate changes, the impact of the proposed increases on students; the impact of the increases on the SOU mission, and alternative scenarios involving smaller increases. President Bailey addressed the board after introducing the composite tuition and fee comparison for the last ten years. He mentioned the importance of SOU's in-depth market analysis to make sure SOU is priced competitively per program. Vice Chair Sheila Clough commended this work noting it is a much more business-oriented way to be a competitive university. Much discussion ensued about the high rate of out-of-state tuition, what the regional demographics of the student base are, and whether is it enough to lower the out-of-state rates.

Moving to the recommendation for increasing enrollment fees, specifically the building debt service and technology infrastructure fees. Josh Lovern and President Bailey highlighted the need for these increases to address financial shortfalls and keep up with rising costs, particularly in technology. The discussion also touches upon the history of

these fees and the importance of reserves in supporting future developments. Provost Casey Shillam acknowledged the thorough process leading to these recommendations.

Trustee Thalden moved to approve the resolution to adopt tuition and mandatory student fees for academic year 2024-2025. Trustee Medina seconded the motion and it passed unanimously.

### Government Relations Update

Marc Overbeck, SOU Director of Government Relations, commended the university, which he thinks is at the intersection of intellect, heart, and impact. He continued that President Bailey has led SOU in innovation and culture, and believed the single fee concept and FAFSA work also are innovative but there is a need to lead other universities to do the same. The recent legislative session went well, as SOU received \$6M for Central Hall construction—the only university capital project approved in the session. In the session, SOU also received \$670K in behavioral health money, although Strong Start was not approved for funding. For future requests, the federal budget includes a \$500K request to expand the Chinese Diaspora Project at the SOU Laboratory of Anthropology; and a funding request was made to Congress for FY 2025 for SOU's solar project. Rob Patridge, SOU's general counsel commended and thanked the board and students for their support.

### Budget Update

In the April update, several key observations were made regarding revenue, labor, supplies and services (S&S), transfers, and fund balance projections. There was a slight increase in revenue for FY 2024, driven by late Advanced Southern Credit additions, and a conservative approach led to a slight tuition estimate increase for FY 2025.

However, future forecasts were tempered by an update to the FY 2025 projection. In terms of labor, faculty numbers were tracking as anticipated, possibly slightly lower, and planning for an unclassified cost of living adjustment was ongoing. Classified salary projections were updated, with slight decreases in FY 2024 projections due to timing, while FY 2025 and FY 2026 projections were adjusted following bargaining updates. In the S&S category, full fiscal year projections exceeded the budget, with unexpected increases in Title IV & Clery outsourcing, building repairs, and professional services. The Academic Partnerships Program share was increasing, reflecting revenue growth and program expansion.

A reminder was issued about the final year of Federal Higher Education Emergency Relief Fund (HEERF) support offsetting expenses and the need for extra monitoring of regular operations post-HEERF for all transfers out of Educational and Governmental (E&G). Lastly, fund balance projections decreased slightly from March, largely due to the continued growth in S&S of contract labor; continued monitoring was emphasized.

### Update on External Budget Review and Institutional Budget Committee

President Bailey delivered an overview of the process of bringing in an external audit company to assist in improving the organization's financial processes and minimizing unexpected financial challenges. A separate group from CLA was enlisted for consultation work, ensuring no conflicts of interest with the external auditor group. This group's input is seen as a roadmap and guide for future implementation efforts. President Bailey shared

that the implementation of new budgeting tools, particularly the move to Workday and the use of Adaptive Planning, is met with enthusiasm for the potential to streamline processes and enhance transparency.

Additionally, there is a focus on formalizing the role of the Institutional Budget Committee and involving stakeholders in budget development processes from an early stage. This inclusivity ensures that stakeholders are informed and engaged in decision-making processes, aligning with principles of transparency and accountability. To ensure growth President Bailey asked to revisit the organization's strategic plan, which is now several years old. There is a recognition of the need to update and refine this plan to reflect current priorities and challenges. Furthermore, integrating new key performance indicators into the strategic planning process is discussed as a means of better tracking progress and aligning goals with outcomes.

Lastly, there is a consideration of incorporating metrics into the Workday platform to streamline data tracking and reporting processes. While the feasibility of this integration is uncertain, it represents a potential opportunity to improve efficiency and reduce administrative burden. President Bailey's goal is a commitment to organizational improvement, strategic planning, and stakeholder engagement in decision-making.

#### Enrollment Metrics

President Bailey delved into the introduction and discussion surrounding a newly developed simulation tool designed to provide detailed insights into the financial impacts of various factions within the organization, focusing on enrollment and retention metrics. Dr. Matt Stillman explained that the simulation tool operates similarly to previous ones, offering real-time assessments of scenarios, particularly regarding enrollment and retention rates. Discussion ensued regarding enrollment and retention as independent factors, and understanding their collective impact on the organization's overall objectives. This shift allows for a more comprehensive approach to projections and resource management.

#### Financial Reserves Sustainability Target (Action)

President Bailey introduced the topic referring back to public comments by Brett Anderson. While the questions Anderson raised were seen as valid, President Bailey believed SOU needs to recognize that it has the lowest reserves in the state, raising concerns about how to make sure SOU is not one mishap away from financial ruin. The proposed target is to achieve a reserve equivalent to the cost of operating the institution for one fall term, by 2038. The schedule proposed to achieve the target is hypothetical, as one-time money could accelerate SOU's achievement, and factors such as bargaining will slow it down. In response to Trustee Thorndike's questions, President Bailey emphasized the goal is to strike a balance between maintaining enough reserves to weather unforeseen challenges while also ensuring that funds are not unnecessarily hoarded.

Much discussion ensued regarding the use of reserves as safety net for emergencies rather than funds that will never be utilized; transparency in budgeting and accounting; maintaining trust and accountability; the importance of engaging in growth and innovation; responsible budget management, and related topics.

Vice Chair Clough moved to approve the resolution to recommend the board's establishment of a financial operating reserve. Debra Lee seconded the motion and Chair Santos called for any further discussion. Trustees' further discussion stressed the importance of considering the impact on faculty and staff, ensuring that financial decisions do not lead to increased workload or fatigue among employees. While urgency in addressing financial resilience is acknowledged, there is also a willingness to allow for further discussion and consideration before finalizing any decisions.

No vote was taken. Trustee Thorndike proposed a new motion to table the discussion and Trustee Pieper seconded the motion. Trustees Santos, Barry, Card, Chavez, Clough, Franks, Mendoza, Pieper, Shelby, Schepmann, Taitano, Thalden, and Thorndike voted in favor of the motion. Trustee Lee opposed the motion and Trustee Medina was not present for the vote. The motion passed.

#### Student Health and Wellness Center Transition to La Clinica

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

#### SOU Emergency Planning and Collaboration

Dr. Neil Woolf introduced this topic explaining that an Inter-Governmental Agreement (IGA) was established for the Emergency Operations Center (EOC), which serves to support the emergency and incident command system. Kelly Burns from the City of Ashland noted the EOC is designed to facilitate communication among SOU, the City of Ashland, and the Ashland School District, ensuring a common language and alignment with SOU-specific emergency plans. Mr. Burns described the relationships, the purpose of the IGA, and how the parties will work together, in depth. Trustees acknowledged the importance of broadening emergency management efforts and recognized the success of the EOC in garnering support for energy transformation initiatives.

Trustee Thalden emphasized the critical importance of preparedness in light of potential emergencies like active shooters and fires, drawing parallels with Hawaii's readiness efforts. Trustee Mendoza inquired about the existing emergency plan, to which Robert Gibson, SOU, Director of Campus Public Safety responded affirmatively, stating that the plan has been updated and expanded over the past three to four months and is nearing completion. Socializing the plan is identified as a crucial step in its implementation. Vice Chair Clough highlighted the need for communication and collaboration with neighboring cities and counties, citing examples such as the Ashland-Medford collaboration. She stressed that emergencies often transcend city limits, requiring reliance on neighboring communities for resources and support.

#### Core Information System Replacement (CISR) Project Update

The CISR Project Manager, Hart Wilson, introduced the topic and emphasized that the Phase 2 platform is designed with students in mind, foreseeing benefits for them, despite potential challenges for faculty and staff. She noted 32 upcoming meetings with groups up to 40 people, and that there is cautious excitement. Acknowledging concerns about the workload associated with the implementation process, Trustee Clough stressed the importance of transitioning smoothly and addressing any issues promptly. Ms. Wilson emphasized the need to consider equity implications in the implementation process and suggested discussing these concerns in a future board meeting. She concluded by



highlighting positive feedback received from partners and consultants, indicating confidence in the organization's preparedness and enthusiasm for the project.

#### Board Equity, Diversity, and Inclusion Work Group Update

Chair of the board's EDI Work Group. Trustee Christina Medina emphasized the importance of fostering psychological safety on campus while maintaining the essence of the original Board Statement [on Black Lives Matter]. With the aim of enhancing diversity and inclusion, Trustee Medina recommended the full board approve the revised Board Statement on Social Justice, Anti-Racism, and Non-Discrimination. Setting the tone and behavior is crucial for the board. Trustee Medina expressed gratitude for the feedback and engagement received throughout the process. Utilizing strong language was challenging, but essential in conveying the board's commitment.

#### Amendments to Governing Documents (Action)

Board Secretary Sabrina Prud'homme announced that continuing efforts are underway for the implementation of Senate Bill 273. After receiving input from the board's Policy Work Group, Ms. Prud'homme sought the board's approval on amendments to two board statements. She proposed a new board statements converting the board's Resolution on the Responsibilities of Individual Trustees to a Board Statement on the Responsibilities of Individual Trustees and the Board Statement on Policies was amended. Minor changes to the statements were made to add more explicit language to address the requirements of SB 273.

Trustee Lee moved to approve the resolution regarding the amendments to the board's governing documents. Trustee Pieper seconded the motion and it passed unanimously.

#### Future Meetings

Chair Santos said the next meeting of the board is June 21, 2024 at noon. If trustees have agenda items for a future meeting, he asked trustees to send them to the board secretary.

#### **Adjournment**

Chair Santos adjourned the meeting at approximately 5:09 p.m.

Date: June 25, 2024

Respectfully submitted by,



---

Sabrina Prud'homme  
University Board Secretary