

**Board of Trustees Meeting**  
**Friday, June 21, 2024**  
**Minutes**

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

Board Chair Daniel P. Santos called the meeting to order at 12:01 p.m. and welcomed everyone to the meeting. He thanked trustees and attendees for their time and preparation to support the work of the board. He also thanked Vice Chair Clough for stepping in to help run the meeting in person since he was attending remotely.

Trustee Hala Schepmann read the SOU Land Acknowledgment.

The secretary called the roll and a quorum was verified.

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

**Public Comment**

No members of the public offered comments.

**Trustee Recognition**

Chair Santos and Vice Chair Clough recognized Matt Stillman for his work on commencement which allowed for a wonderful event. The board congratulated Trustee Pieper, who graduated and noted that her term on the board is ending as a result. Trustees thanked her for her remarkable dedication and service.

**Consent Agenda (Action)**

Trustee Lee moved to approve the consent agenda consisting of meeting minutes from April 21, 2024. Trustee Pieper seconded the motion and it passed unanimously.

**Reports**

Committee Reports

Academic and Student Affairs Committee Chair, Trustee Brent Barry, reported that the provost has been deeply engaged in numerous meetings and advancing initiatives related to Academic and Student Affairs. The Provost Shillam and her team will be focusing on workload integrations and research. Dr. Carrie Vath and Dr. Matt Stillman, have been addressing barriers to enrollment revealed by the withdrawal survey. Dr. Dan DeNeui presented new certificate programs that are currently progressing through the Higher Education Coordinating Commission's (HECC) approval process. Additionally, Hart Wilson provided the committee with a report of significant progress as well as workloads on the Core Information System Replacement (CISR) project. He also reported that SOU has shown considerable progress with the Free Application for Federal Student Aid (FAFSA) issues because of the financial aid team's swift actions in addressing several core issues; however, it is expected that enrollment will still decline due to these nationwide issues.

Trustee Franks, chair of the Finance and Administration Committee introduced Dr. Peter Angstadt as the Interim Vice President for Finance and Administration. The committee received an update on Phase 2 of the CISR project, which still has some issues; however, efforts are being made to navigate these challenges. The committee recommends the board's approval of the single student fee, an expenditure authorization request for wrestling facilities, and a roll-forward budget for the start of the 2025 fiscal year. The committee also reviewed the financial pro forma.

Vice Chair Clough reported that the Executive, Audit, and Governance Committee reviewed an update from internal auditor, David Terry, noting that for the 2024 fiscal year, all audit actions have been completed or are significantly advanced. Additionally, the committee reviewed the internal auditor's risk assessment and recommended the board's approval of the FY 2025 Internal Audit Plan. In the committee meeting, Board Secretary Prud'homme provided an extensive overview of the Board's needs assessment, focusing on governance practices and the importance of board diversity. She noted that SOU has a majority of women and diverse trustees on the board and this accomplishment serves as a model. Lastly, the committee acknowledged the upcoming evaluation of the president, and the need to renew his employment contract.

#### Associated Students of Southern Oregon University Report

President Gilliland outlined two ASSOU goals for her tenure as president: enhancing communication with students, including the introduction of a newsletter; and increasing awareness of the on-campus food pantry. Vice President Geryak, highlighted several initiatives aimed at increasing campus engagement and student government representation.

#### SOU Faculty Senate Report

Dr. Teresa Coker, the new chair of the Faculty Senate, mentioned the importance of shared governance and included a personal story to highlight the significance of adapting to different educational modalities. The faculty are committed to supporting student needs and she expressed enthusiasm for the opportunity to share faculty efforts with the board.

#### SOU Staff Assembly Report

Hart Wilson, chair of SOU's Staff Assembly, reported that the body has welcomed several notable guests who enhanced knowledge and collaboration within SOU. Stephanie Hannigan from Student Financial Services is now the Chair-Elect of the assembly, and 31 nominations were received for new members, with two set to join next week. Unfortunately, others have stepped down due to increased workloads. The Service Committee is planning a staff event in July. Notable accomplishments included Stephanie Hannigan's team receiving an honor roll certificate from the State of Oregon for timely and accurate financial reporting; Melissa Matthewson's entry in the Oregon Fringe Festival, and Karinda Decker was recognized for their early issuance of award letters amidst the FAFSA challenges.

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

Jonathan Chavez Baez, Assistant Vice President for EDI at SOU, provided an update on recent EDI initiatives and activities. The office continues to enhance campus programming and native initiatives and efforts. The office also celebrated the inaugural Latino and Native student graduations. An audit of the full EDI framework and metrics is underway, with plans to present more information at the board's September retreat.

Vice Chair Sheila commended Mr. Chavez Baez for his contributions and highlighted that his actions speak loudly. Chair Santos agreed that effective audits drive progress. Trustee Mendoza noted a significant improvement in EDI efforts since Jonathan Chavez Baez assumed his role, reflecting positively on his leadership.

#### University Advancement Report

Vice President Janet Fratella expressed her enthusiasm for commencement. She reviewed the foundation's mission to foster lifelong relationships with those who care about and invest in the institution. She emphasized the importance of connecting with the university community and noted that the word "love" was included in the institution's vision to reflect the deep affection people have for it. Providing an update on marketing and communications, Vice President Fratella reported a 96 percent increase in unique mentions of the university and that digital marketing reached 39 million people.

Turning to grants and contracts; the vice president noted that the SOU has been receiving about two-thirds of the grants it applies for. In terms of fundraising, she reported progress toward the current fiscal year's goal of \$11M, with \$7.4M raised so far. Regarding the capital campaign, once 50 percent of the \$100M goal is achieved, the campaign will go public and push to achieve the target. Lastly, she provided updates on board participation, the addition of five SOU Foundation board members, and its continuing officers.

#### President's Report

President Rick Bailey provided progress updates goals that included promoting EDI, advancing the tribal Memorandum of Understanding, addressing Hispanic-Serving Institution goals, and discussing the ongoing crisis in the Middle East with a focus on student voices.

The president also highlighted challenges with the FAFSA rollout impacting budget projections, as SOU is projecting a three percent decrease in enrollment, as a result. On the topic of solar energy transformation, efforts are underway to address supply chain issues with federal delegation support and \$6M in funding. Regarding the Cascades Complex, abatement is in progress, and compatibility with the campus master plan is being verified. Additionally, President Bailey reviewed numerous community engagements, including meetings with Congresswoman Bonamicci, previous Oregon Governor Ted Kulongoski, a warm visit to American Samoa where he was able to meet with President Poto of the American Samoa Community College.

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

#### Higher Education Coordinating Commission Report

Ben Cannon, Executive Director of the HECC, provided numerous updates on the HECC's recent activities. Regarding the FAFSA rollout, HECC remains central to this process because Oregon's need-based aid is determined by FAFSA data. The HECC collaborates with the Oregon Department of Education to improve access to the new FAFSA system.

Regarding funding, HECC is actively working to release the Technical and Regional Universities' funding, with HECC set to disburse \$18M dollars. Governor Kotek is limiting agency request budget increases to one percent, which amounts to \$31M dollars above the last biennium for HECC. This level of funding is deemed insufficient to meet state goals, and HECC will be addressing these concerns.

Mr. Cannon extended appreciation to Vice Chair Clough for participating in the Oregon Talent Summit, which brought together higher education, business, and other sectors to discuss talent and workforce development. Emphasis was placed on aligning employers' training needs with SOU's efforts to provide more short-term options and meet students where they are. Drafts of the HECC's Strategic Plan will be produced this summer for review by the commission. Discussion ensued with trustees regarding regional workforce development needs in training, healthcare, and creative solutions.

#### Re-establishing Tuition and Mandatory Fees for Academic Year 2024-25 and Single Fee Assessment of Mandatory Fees (Action)

Josh Lovern explained the single fee proposal, which would adjust what students pay from \$105 per student credit hour, which the board already approved, to \$104.22, which is still below the five percent threshold set by HECC. The revised plan includes the removal of the \$75 online delivery fee and increases the technology fee to \$32.75. A Tuition Advisory Council (TAC) meeting was recorded, the proposal was sent to members for a vote, and the fee was unanimously approved. The assessment will be capped at eight credits. The proposal aims to standardize charges for students based on credit hours. Currently, a one-credit class costs \$548.21 in fees and will now be \$104.22. The greatest impact is expected to be on online-only students taking eight or fewer credits.

In sum, what is proposed is a composite rate of \$104.22 assessed per student credit hour, capped at eight credits, TAC has approved and recommends the board's approval of the single fee assessment structure as proposed. The HECC composite tuition and fees rate is 4.99 percent for this proposal, and the assessment would begin in Fall 2024 if approved.

Trustee Taitano commended the effort, noting that students' fees have been a challenging situation for students. She also expressed appreciation for ASSOU's support throughout the process.

Trustee Thalden moved to approve the resolution for Tuition and Fees for Academic Year 2024-25 and Collection of the Single Mandatory Student Fee. Trustee Lee seconded the motion and it passed unanimously among the voting members who were present. Trustee Brent Barry was not present for the vote.

#### Budget Forecast and Review of Pro Forma

Dr. Peter Angstadt discussed the external financial review, which recommended the establishment of an Institutional Budget Committee now in place and engaged in the budget processes. Education and General (E&G) revenue is conservatively modeled with a three percent decrease. Expenses include a one percent increase for unclassified labor and considerations for upcoming bargaining with faculty union partners. Supplies and Services expenses are running high due to outsourcing for Title IX and Clery Act compliance, as well as other contracts. A deficit of \$581K is anticipated in the E&G fund balance, but if the revenue decrease is less than the projected three percent, this deficit could be mitigated.

#### FY 25 Budget Development Process and FY 2025 Temporary Budget and Expenditure Authorization (Action)

Vice Chair Clough explained that this matter was thoroughly vetted and discussed at the prior day's Finance and Administration Committee meeting. The current request for a temporary budget is prompted by delays in the Workday implementation, the delayed implementation of new budget software, and the availability of accurate financial information. As a result, the board is being asked to approve a "roll-forward" continuing

budget until the FY 2025 budget is developed over the summer. It will be presented at the board's next regular meeting in October.

Trustee Thalden commended the significant improvements in the budgeting process, especially the realistic approach to revenue projections. Trustees acknowledged that the current pro forma does not yet account for potential income from the senior living facility, the university business district, or savings from consultant projects. However, these are considered future opportunities.

Trustee Franks moved to approve the FY 2025 Temporary Budget and Expenditure Authorization resolution. Trustee Pieper seconded the motion and it passed unanimously among the voting members who were present. Trustee Brent Barry was not present for the vote.

#### Expenditure Authorization Request: Design Services Contract for SOU Wrestling Facilities Project (Action)

President Bailey announced that Matt Sayre was named the 2024 Cascade Conference Athletic Director of the Year, highlighting the remarkable achievements of the program under his leadership. The president noted that the wrestling program has significantly exceeded initial expectations, with 113 wrestlers anticipated this fall. It was emphasized that the program needs a facility that reflects the athletes' dedication and sacrifices. Recently, a new softball complex was introduced and this authorization request is proposed under the same pretext. President Bailey emphasized that the project will not be funded by university funds. Instead, total cost estimates will be provided and the funding will be raised through philanthropy, including pledges. The project will proceed once the fundraising has been achieved.

Matt Sayre noted an immediate need to accommodate wrestlers due delays in the availability of a specific space on campus. There is an incoming roster of 472 athletes this fall, up from 450 the previous year. Two possible designs were presented. Once the permanent location on campus is available, the wrestling team will transition to there, allowing the proposed facility to be used for other campus needs.

Trustee Thalden moved to approve the expenditure authorization request. Trustee Taitano seconded the motion and it passed unanimously among the voting members who were present. Trustee Brent Barry was not present for the vote.

#### Information Technology Risk Assessment

David Raco, Information and Security Manager informed the board of a ransomware attack at Knox College in 2022 and highlighted the critical need for strong information security. This attack encrypted the university's data, stole sensitive information, and compromised the college's emergency alert system, resulting in a \$500K settlement. Such incidents have led to increased cybersecurity insurance premiums and stricter coverage requirements. SOU has implemented a cybersecurity framework, deployed advanced anti-virus software, and adopted identity management and multi-factor authentication applications. Ongoing phishing training is also in place to help staff recognize potential threats.

To further enhance security, SOU plans to formalize its information security program, increase auditing efforts, and improve data governance. Additional resources, including more dedicated personnel and a separate cybersecurity budget, are needed to support these efforts. Aging network infrastructure also requires investment, and SOU is advocating for

state support and exploring grants to fund cybersecurity initiatives. President Bailey commended David Raco for his leadership in advancing these efforts at SOU.

#### Draft Risk Assessment and Fiscal Year 2025 Internal Audit Plan and (Action)

Based on the annual risk assessment, four key project areas are recommended for fiscal year 2025 at SOU. David Terry, PSU, Internal Audit Contractor reviewed that first, consulting assistance and advice will continue for the Workday implementation. Second, a Sustainability Training Assessment and Rating System (STARS) audit will be conducted, which will contribute additional points to the university's application, supporting its strategic sustainability objectives. Third, a broad review of the SOU Athletics Department will be performed. This includes initial risk assessments and, based on findings, detailed testing for controls and compliance. Lastly, time will be allocated for special reviews and consulting work. This includes oversight of the SOU fraud, waste, and abuse hotline throughout the year. Initial triage and investigative reviews will be conducted in collaboration with general counsel and management as needed.

Additionally, Trustee Franks expressed interest in focusing on third-party service contracts, particularly those related to health services and partnerships with La Clinica.

Trustee Thorndike moved to approve Draft Risk Assessment and Fiscal Year 2025 Internal Audit Plan. Chair Santos seconded the motion and it passed unanimously.

#### Government Relations Update

Marc Overbeck celebrated the release of \$18.7M in sustainability funds, with \$2.3M allocated to SOU for CISR initiatives, as noted by President Bailey and Ben Cannon. While not exhaustive, this funding provides significant support for modernization efforts and collaborative projects with TRUs and PSU.

There was further discussion about inviting Senator Wagner to campus, fostering board connections to support student transfers, and creating funding opportunities in the interest of higher education. Mr. Overbeck reviewed capital construction projects and an upcoming visit from legislator Zach Hudson to discuss campus priorities. The University of Oregon's behavioral health project is the top-ranked capital project with HECC, but SOU's Creative Industries is second. He underscored the importance of effective advocacy, strategic engagement with governmental entities, ongoing efforts to secure funding, and building a robust governmental relations strategy, including involvement with national organizations.

#### Board Officer Elections (Action)

Trustee Thorndike, Chair of the Work Group for Board Officer Elections, provided an update on the group's progress and commented that 2025 is the board's 10<sup>th</sup> anniversary. Regarding officers, three candidates were initially suggested for election—one for chair and two for vice chair. The nomination process involved trustee suggestions, several meetings, engaging with potential candidates, and getting the candidates' personal statements—all in accordance with the Board Statement on Officer Elections. One vice chair candidate withdrew from consideration.

Trustee Thorndike nominated Shaun Franks as the candidate for vice chair and Sheila Clough as the candidate for chair; both accepted their nominations. The voting members present voted unanimously for the candidates, electing the new officers. Board Chair Santos expressed gratitude to both candidates and to Trustees Chavez and work group for their efforts.

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

Chair Santos, a member of the board's EDI Work Group delivered the report. The group has been having significant discussions about a training opportunity for the board during the September retreat. However, the local trainer recently accepted a new job the Oregon Department of Education. As a result, he will no longer be available to conduct the training, necessitating a reassessment of the board's options. Despite this setback, Chair Santos emphasized that the board remains committed to advancing its members' knowledge and supporting EDI initiatives. As a result, the efforts will continue

Another important topic discussed was the potential implementation of a poverty simulation exercise. Recognizing the extreme challenges faced by students in poverty as they pursue higher education, the group has discussed ways to better understand and support these students. Additionally, Chair Santos addressed the matter of metrics for monitoring and accountability related to EDI efforts. He noted that Jonathan Chavez Baez has been working with the NASH Equity Action framework, which provides a structured approach to measuring progress and addressing achievement gaps. This framework will be presented to trustees for further discussion and implementation. The future of the work group, including its structure and objectives, will be reviewed by the incoming chair.

### Review of Board Statement on Trustee Emeritus Status

The board discussed a proposed new statement on trustee emeritus status. The statement, similar to one developed for the president, has been drafted with input from various campus members and will be reviewed by the Executive and Audit Governance Committee this fall. Trustees are invited to provide feedback over the summer.

### President's 2024 Performance Evaluation Process

Chair Santos explained that this year's performance evaluation will follow a well-established process developed with input from various stakeholders and has been used in the past. Trustees will be consulted for their input on the president's evaluation. The process will also involve multiple touchpoints with campus stakeholders, including governance partners and Cabinet members, as a "temperature check" of the campus. The results of the evaluation, along with a Dr. Bailey's self-assessment, will be presented at the October Board meeting. This evaluation period is particularly significant, as it is the last evaluation opportunity in the president's current three-year contract and will inform discussions regarding his contract renewal next year.

### Future Meetings

Chair Santos said the next meeting of the board is October 19, 2024 at noon. If trustees have agenda items for a future meeting, he asked them to be sent to the board secretary.

### **Adjournment**

Chair Santos adjourned the meeting at approximately 4:40 p.m.

Date: October 22, 2024

Respectfully submitted by,



Sabrina Prud'homme  
University Board Secretary