

Public Meeting Notice

October 9, 2025

TO: Southern Oregon University Board of Trustees, Finance and Administration Committee

FROM: Sabrina Prud'homme, University Board Secretary

RE: Notice of Regular Meeting of the Finance and Administration Committee

The Finance and Administration Committee of the Southern Oregon University Board of Trustees will hold a regular meeting on the date and time set forth below.

Action items for the meeting include a consent agenda consisting of the financial dashboard, the scheduled review of the Board Statement on Investments for the SOU Endowment Fund, and a proposed meeting schedule of the committee for 2026 and 2027.

There will be a vice president's report consisting of updates on the fiscal year (FY) 2025 year-end and the external audit, student remissions, SOU property sales, and organizational updates. Other information and discussion items include a discussion of financial progress on the SOU Resiliency Plan, as well as the FY 2026 budget, which encompasses revenue projections and a review of the pro forma. A facilities update will include updates on SOU's solar program.

The meeting will occur as follows:

Thursday, October 16, 2025

5:00 p.m. to 7:00 p.m. (or until business concludes)

Meese Room, 3rd Floor, Hannon Library, SOU Campus

Members of the public may view the proceedings at <https://sou.zoom.us/j/81212685292> at the time of the meeting.

Materials for the meeting are available at governance.sou.edu.

If ADA accommodations are required for persons with disabilities, please contact Holly Frazier at (541) 552-8055 or email trustees@sou.edu. Accommodation requests should be made at least 48 hours in advance.

Public Comment

The Board of Trustees welcomes public comment. Members of the public who wish to provide live public comments in person or remotely during the meeting are invited to sign up to speak at least 24 hours in advance of the meeting. Public comments also may

be provided in writing. Public commenters may sign up in advance or may submit their written comments via email to the Board of Trustees email address: trustees@sou.edu. Public comments also may be delivered by hand or mailed to SOU Board of Trustees, 1250 Siskiyou Boulevard, Churchill Hall, Room 107, Ashland, OR 97520. Commenters may also contact the Office of the Board of Trustees by phone at (541) 552-8055 and provide their name, email address, phone number, relationship to SOU, and the subject of their public comments to sign up by phone.



Board of Trustees
Finance and Administration Committee Meeting
October 16, 2025

Call to Order / Roll / Declaration of a Quorum



**Board of Trustees
Finance and Administration Committee Meeting**

**Thursday, October 16, 2025
5:00 – 7:00 p.m. (or until business concludes)
Meese Room, Hannon Library, SOU Campus
Zoom: <https://sou.zoom.us/j/81212685292>**

AGENDA

Persons wishing to provide live public comments in the meeting or in writing may sign up at trustees@sou.edu.
Please note: times are approximate and items may be taken out of order.

- | | | | |
|-----------|----------|--|---|
| 5:00 p.m. | 1 | Call to Order/Roll/Declaration of a Quorum | |
| | 1.1 | Welcome and Opening Remarks | Chair Liz Shelby |
| | 1.2 | Roll and Declaration of a Quorum | Sabrina Prud'homme,
SOU, Board Secretary |
| | 1.3 | Agenda Review | Chair Liz Shelby |
| 5:05 | 2 | Public Comment | |
| 5:20 | 3 | Consent Agenda (Action) | Chair Liz Shelby |
| | 3.1 | Financial Dashboard and Reports | |
| 5:25 | 4 | Vice President's Report | Dr. Carson Howell, SOU,
Vice President for Finance
and Administration |
| | 4.1 | Organizational Updates | |
| | 4.2 | Fiscal Year 2025 Year-End and External Audit
Update | |
| | 4.3 | Update on Student Remissions | |
| | 4.4 | Property Sales Update | |
| | 5 | Action, Information, and Discussion Items | |
| 5:40 | 5.1 | Scheduled Review of the Board Statement on
Investments for the SOU Endowment Fund
(Action) | Dr. Carson Howell; Penny
Burgess; USSE, Executive
Director and Director of
Treasury Management
Services |

5:50	5.2	Financial Progress on Resiliency Plan	President Rick Bailey; Dr. Carson Howell
6:05	5.3	Fiscal Year 2026 Budget	Dr. Carson Howell, Josh Lovern, SOU, Director of Budget and Planning
	5.3.1	Revenue Projections	
	5.3.2	Review of Pro Forma	
6:25	5.4	Facilities Update	Becs Walker, SOU, Director of Sustainability
	5.4.1	SOU Solar Program Updates	
6:50	5.5	2026-2027 Committee Schedule and Future Meetings (Action)	Chair Liz Shelby
7:00 p.m.	6	Adjournment	Chair Liz Shelby

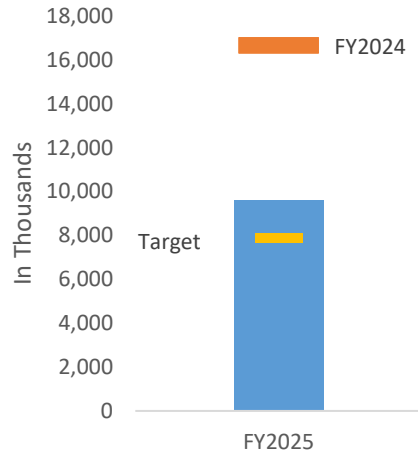
Public Comment

Consent Agenda (Action)

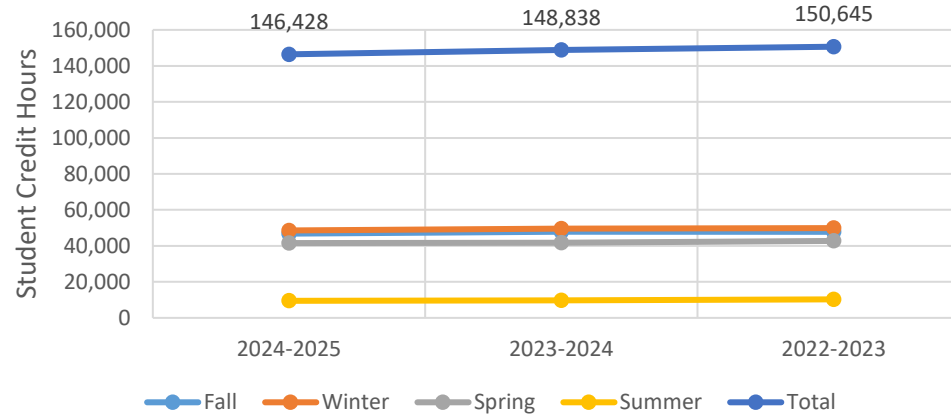
Financial Dashboard

For FY2025
As of June 30, 2025

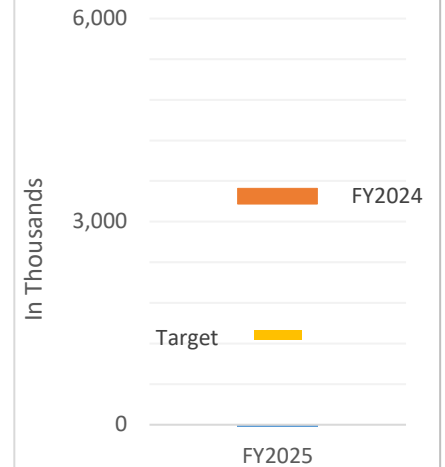
Operating Cash



Total Student Credit Hours by Term of the Fiscal Year



E&G Fund Balance



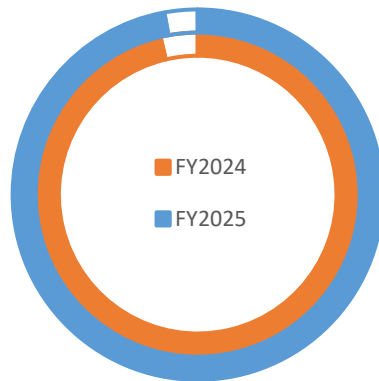
Fiscal Year 2025 Not Closed

Business Services is working hard to close the fiscal year in preparation of our annual audit.

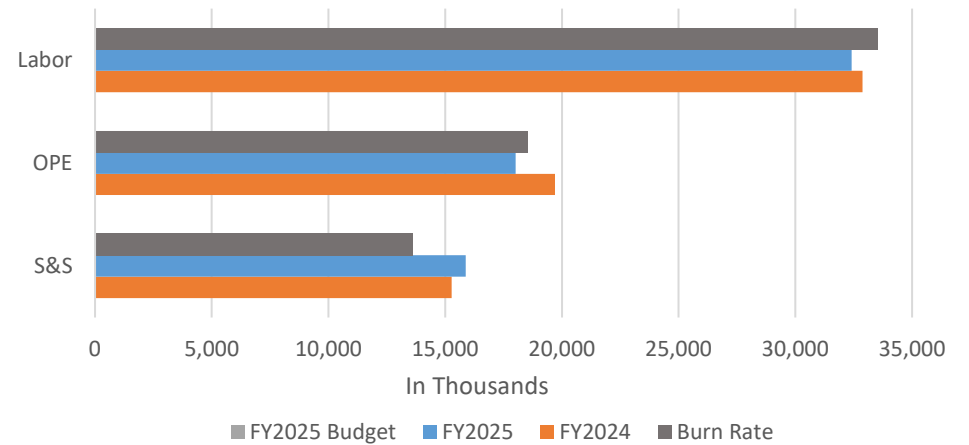
As we work through the process, there will continue to be adjustments impacting the financial reporting.

We are happy to report that we are much further in the close process than FY2024.

E&G YTD Revenues



E&G YTD Select Expenses



Periodic Management Report



As of June, 30, 2025
Fiscal Year Ending June 30, 2025

	Year-to-Date			% Change	Budget
(in thousands)	FY2024 Results	Prior YTD Actual	Current YTD Actual	compared to last year	
Education & General					
State General Fund	28,978	28,978	\$ 28,670	-1%	\$ 28,706
Tuition & Resource Fees, net of Remissions	32,842	32,842	\$ 31,830	-3%	33,992
Other Revenue	3,520	3,520	\$ 4,021	14%	3,742
Total Revenues	\$ 65,340	\$ 65,340	\$ 64,521		\$ 66,439
Personnel Services	52,574	52,574	50,419	-4%	52,010
Labor	32,872	32,872	32,407		\$ 33,499
OPE	19,702	19,702	18,012		\$ 18,511
Supplies & Services & Capital Outlay	15,278	15,278	15,881	4%	13,605
Debt Service	13	13	60	378%	-
Total Expenditures	\$ 67,864	\$ 67,864	\$ 66,360	-2%	\$ 65,615
Net from Operations	\$ (2,524)	\$ (2,524)	\$ (1,839)	-27%	\$ 824
Net Transfers In (Out)	350	350	(2,811)		2,706
Net Increase (Decrease)	(2,174)	(2,174)	(4,650)	114%	(1,882)

Vice President's Report

VPFA Report



Before we get started...

VPFA Report

- The state funding formula does not serve us well
 - Distribution formula, not a funding formula
 - Encourages competition between ALL state public institutions
 - Regional universities are harmed

VPFA Report

Table 1: Trend in Metrics			
	Enrollment	Composite Financial Index	Reliance on State Funding
EOU	Stable	Struggling 2	Stable
OIT	Stable	Struggling 1	Stable
OSU	Stable	Stable	Stable
PSU	Struggling 1	Struggling 1	Stable
SOU	Stable	Struggling 2	Stable
UO	Stable	Stable	Stable
WOU	Struggling 1	Struggling 2	Stable
Source: Enrollment is from the HECC Office of Research and Data. The composite financial index is an average based on data provided to the HECC by the institutions while the reliance on state funding and other factors are based on data from annual financial statement audits and surveys reported to the HECC.			

VPFA Report

- Expenditures are outpacing revenues
 - Personnel, S&S, contra-revenue (remissions)
 - Revenue generation activities will supplement regular funding
 - Incorporate regular cost-containment exercises

VPFA Report

- Financial policies need to be strengthened and enforced
 - Many are outdated
 - Some are silent on areas of risk
 - Accountability must be part of the solution

VPFA Report

- Financial reporting to the Board is insufficient
 - Budget pro forma provides only one piece of the puzzle
 - Resiliency Plan driven by both financials and budget
 - Other metrics need to be provided
 - Cash
 - Accounts receivable
 - Debt service

VPFA Report

- Some critical areas are too lightly staffed
 - Add redundancy
 - Shifting resources and personnel are needed

VPFA Report

- The state funding formula does not serve us well
 - HECC is starting the SSCM review
- Expenditures are outpacing revenues
 - Budget info and training
- Financial policies need to be strengthened and enforced
 - Review of policies and working with Internal Audit
- Financial reporting to the Board is insufficient
 - Preparing new reports for the Board and regular updates on revised metrics
- Some critical areas are too lightly staffed
 - Risk assessment and budgeting process

FY 2025 Budget Update

Year-end close currently in progress

- Many updates still expected, both positive and negative
- Target for issuing FY 25 Audited Financial Statements is mid-December (March 29 last year)

E&G Pro Forma Projections to FY2027		2023-25 Biennium			2025-27 Biennium			
		2024-25 FY25 Budget (000's)	2024-25 EST FY25 (000's)	2024-25 VARIANCE (000's)	2025-26 JUNE BUDGET (000's)	2025-26 PROVISIONA L BUDGET (000's)	2025-26 BUDGET UPDATES (000's)	2026-27 FORECAST (000's)
REVENUES								
Total State Funding (SSCM,ETSF,SELP)		28,706	29,372	667	29,481	29,481	0	30,529
Tuition		34,845	34,471	(374)	35,387	35,243	(144)	34,282
Fees		4,247	2,642	(1,605)	4,647	2,702	(1,945)	2,628
Raider Aid (remissions)		(4,000)	(5,294)	(1,294)	(5,318)	(5,162)	156	(4,798)
Oth tuition & fee adjustments		(1,100)		1,100		500	500	500
Tuition, net of Raider Aid		33,992	31,819	(2,173)	34,716	33,283	(1,434)	32,611
Misc. Other Revenue		3,742	4,071	329	4,195	4,000	(195)	4,048
TOTAL REVENUES		66,439	65,262	(1,178)	68,393	66,764	(1,629)	67,188
EXPENSES & TRANSFERS								
Personnel Services								
Salaries Sub-total		(33,499)	(32,359)	1,139	(33,957)	(32,300)	1,658	(31,349)
OPE Sub-total		(18,511)	(18,317)	194	(19,783)	(18,448)	1,335	(18,396)
Net Personnel Services		(52,010)	(50,677)	1,333	(53,740)	(50,748)	2,992	(49,745)
Supplies & Services (S&S)								
Total S&S, CapEx, AP		(13,605)	(14,690)	(1,085)	(15,098)	(13,326)	1,772	(14,726)
Personnel and S&S before Transfers		(65,615)	(65,367)	248	(68,838)	(64,074)	4,764	(64,471)
Net from Operations Before Transfers		825	(105)	(929)	(445)	2,690	3,135	2,717
Transfers Net (In & Out of E&G)		(2,706)	(2,706)	-	(2,928)	(2,496)	432	(2,479)
TOTAL EXPENSES & TRANSFERS		(68,321)	(68,073)	248	(71,766)	(66,570)	5,196	(66,951)
Recurring Cuts		0			5,000			0
FUND BALANCE								
Non-Recurring 1-Time Revenue		1,458						
Non-Recurring 1-Time Expense								
Adjusted Ending Fund Balance		3,968	1,581		3,207	1,774		2,674
% Operating Revenues (Adjusted)		5.97%	2.42%		3.62%	2.66%		3.98%
Change in Fund Balance		(1,881)	(2,811)	(929)	1,627	194	(1,433)	237
Beginning Fund Balance		3,269	3,269	0	458	458		652
Ending Fund Balance		1,388	458	(929)	2,085	652	(1,433)	889
% Operating Revenues (Regular Ops)		2.09%	0.70%	-1.39%	3.05%	0.98%		1.32%
Days of Operations		19.09	2.46	(16.64)	1.47	3.57	21	4.85
Months of Operations		0.64	0.08	(0.55)	0.05	0.12		0.16

Scheduled Review of Board Statement on Investments for the SOU Endowment Fund (Action)

Southern Oregon University
Board Statement on Endowment Investments Review
June 2025

Investment Policies provide general investment goals and objectives and provide guidelines for the selected investment managers to employ to meet the policy objectives. Investment policies typically describe asset allocation, risk tolerance, and liquidity requirements. In the case of endowments, they may also define the spending policy and cadence for distribution.

- **SOU Endowment Market Value - \$3.4MM**
- **Portfolio Objective** – Capital appreciation over long periods of time given the Fund will operate in perpetuity (Section 8). Performance goals are to meet the spending rate (4%) and maintain purchasing power of the principal (cover inflation and fees) (2.5-3.5%).
- **Asset Allocation** – 75% equity/25% fixed income and cash (Section 6).

USSE comments and suggestions regarding the SOU Endowment Investment Policy approved April 2023:

- **Section 4E** – Investment Advisor Responsibility

Are the current investment reports and cadence of written and verbal reports meeting the Board's expectations?

Currently, a quarterly investment report is prepared and distributed to SOU senior leadership and Board staff. A formal verbal review by USSE is provided annually to the Board and updates to senior leadership throughout the year.

- **Section 6A** – Asset Allocation

We recommend the Committee review and confirm the asset allocation defined in policy meets the university's objectives. The current 75% global equity and 25% fixed income allocation has performed well over the 5 and 10 year periods and is meeting the Investment Objectives defined in section eight of the policy.

Real Assets Due Diligence and Follow-Up

During FY24, USSE staff collaborated with Oregon State Treasury staff to review real asset options to provide partial inflation protection to the portfolio. Additionally, we spoke with representatives from State Street Bank, custodian of the SOU Endowment Fund assets, about potential options. There are few real asset options available with low investment minimums that provide low risk correlations to the current portfolio mix and expected inflation protection. *On a risk adjusted and net of fee basis, we concluded there are no optimal investment products available that would improve the Endowment's long-term expected returns.*

Given that inflation levels have moderated from 2022/2023 levels, there is no immediate need for additional inflation protection. We will continue to monitor and evaluate new opportunities in real assets.

Section 8 states “In keeping with the performance goals included in the Policy, achievement of this objective shall be done in a manner that, over a long-term planning horizon, will meet the spending rate established by the Board (under Exhibit A) and maintain the purchasing power of the principal.”

As of June 30, 2025

13.5% 3-Year Performance

(4.0%) Policy Spend Rate

(3.1%) 3-Year Avg CPI

6.4% Excess Return

10.0% 5-Year Performance

(4.0%) Policy Spend Rate

(4.5%) 5-Year Avg CPI

1.5% Excess Return

Equity and fixed income markets have rebounded nicely from the selloff during calendar 2022 and into calendar 2023. Furthermore, inflation levels have moderated, and 3-year CPI is expected to normalized towards 2.5 to 3.5%.

Performance return assumptions for a portfolio weighted 75% into global equities and 25% into fixed income, assuming a long-term CPI of 2.6% are as follows:

	Portfolio Return Assumptions		
	Performance	Allocation	Return
Global Equities	6.75%	75%	5.1%
Fixed Income	5.00%	25%	1.3%
Total Return Assumption			6.3%

Source: Blackrock 10-Year Capital Market Assumptions

Long term portfolio returns may be challenged to keep pace with inflation and the current spending rate. This should be monitored in future years.

While capital market assumptions are useful guides, rarely are they good predictors of market returns over long periods of time as there are too many variables that can detract from the accuracy of the model. That said, the assumptions can be useful as a general guide for analysis.

No recommended changes by USSE.

- **Exhibit A**

- 1) Spending Policy

We recommend the Committee review and confirm the “up to 4% distribution rate” calculated from a five year moving average market value. Peer university endowment’s spend policies range from 3.5% to 5.5% as computed from three year or five year moving average market values. The 4% rate is one of the most

common rates for endowment policies but can vary depending upon university needs and volatility of investment markets.

4% will maintain the annual distribution at approximately \$115,000.

Total SOU Endowment Spend Amount last 3 years

\$115,782	September 2025
\$109,980	September 2024
\$106,336	September 2023

2) Performance Monitoring

- a. **Blackrock ACWI IMI B Index Fund** continues to perform in line with expectations and has provided long term returns in excess of the Fund's 4% annual spend rate. The five year and 10 year returns were 13.6% and 10.0%, respectively. Blackrock provided a recent fee reduction, reducing the fee from 5.13 basis points to 2.5 basis points. This rate is an extremely competitive fee for a passive global equity investment product. Recommendation is to continue to hold the Blackrock ACWI IMI for passive global equity exposure.
- b. **Western Asset Core Plus Bond Fund** was replaced by the **Fidelity Total Bond Fund** in April 2025.

In December 2024, SOU senior leadership agreed with USSE's recommendation to liquidate the Western Asset Core Plus Bond position following the SEC's allegations of trading violations by the organization's former CIO Ken Leech, due to risks from lack of internal controls and poor relative performance. The proceeds were deposited into the Oregon Short-Term Fund until a replacement manager is reviewed and approved.

No proposed policy changes from USSE.

Board Statement on Investments for the SOU Endowment Fund

Board of Trustees of Southern Oregon University

1.0 Introduction

This statement governs the investment of the Southern Oregon University Endowment Fund (the "Fund").

This statement is set forth in order that the Board, the Investment Advisor, its investment managers and others entitled to such information may be made aware of the Policy of the Fund with regard to the investment of its assets.

This statement of investment policy sets forth the following:

- A. There will be a clear understanding by the Board, the Investment Advisor and staff of the investment goals and objectives of the portfolio.
- B. The Board and management have a basis for evaluation of the investment managers.
- C. The investment managers be given guidance and limitation on investing the funds.

It is intended the objectives in this policy to be sufficiently specific to be meaningful, but flexible enough to be practical. It is expected that the policy and objectives will be amended as necessary to reflect the changing needs of the endowment; however, all modifications shall be made in writing and approved by the Board.

2.0 Southern Oregon University Endowment Fund

The Fund is permanent and expected to operate in perpetuity, so these funds will be invested long-term. It is important to follow coordinated policies regarding spending and investments to protect the principal of the Fund and produce a reasonable total return.

3.0 Responsibility of the Board

The role of the Board is to recommend broad investment goals to the Investment Advisor, including spending rate information and to provide input into the asset allocation process.

4.0 Investment Advisor Responsibility

The Investment Advisor, and/or a designee, serves as consultant to the Board and will have the responsibility and authority to establish the asset allocation for the Fund and approve the retention and termination of all investment managers. The

Investment Advisor, and/or a designee, will recommend to the Board a specific asset mix reflecting judgments of the investment environment as well as the specific needs of the Fund. Other duties assigned to the Investment Advisor, and/or a designee, include:

- A. Recommending professional investment managers;
- B. Negotiating and/or monitoring Fund investment expenses;
- C. Monitoring investment managers, on an ongoing basis;
- D. Assuring proper custody of the investments; and
- E. Reporting to the Board, on a quarterly basis, the Fund's investment results, its composition and any other information the Board may request.

5.0 Spending Policy

The amount of endowment return available for spending (distribution) is based on a percentage of the average unit market value of the 20 quarters preceding the current fiscal year. The distribution per unit (under Exhibit A) is determined by the Board. The distribution amount per unit is multiplied by the current number of units and any additional units added during the current year as new endowment money comes into the Fund. This shall be exclusive of investment management fees.

6.0 Investment Policy Guidelines

6.1 Asset Allocation. The most important component of an investment strategy is the allocation among the various classes of securities available to the Fund. The Investment Advisor, in consultation with the Board, will establish the target asset allocation for the investments that will most likely achieve the investment goals of the Fund, taking into consideration the appropriate level of portfolio risk.

6.2 The risk/return profile shall be maintained by establishing the following long-term "target" strategic asset allocations:

<u>Asset Class</u>	<u>Policy</u>	<u>Target</u>	<u>Benchmark</u>
Global Equities	70-80%	75%	MSCI ACWI IMI Net
Fixed Income	20-30%	25%	Barclays Aggregate
Cash	0-3%	0%	91 Day T-Bill

6.3 Investment Time Horizon. In making investment strategy decisions for the Fund, the focus shall be on a long-term investment time horizon that encompasses a complete business cycle (usually three to five years). An interim evaluation will be performed by the Investment Advisor, and/or a designee, if a significant change in fees, manager personnel, investment strategy, or manager ownership occurs.

- 6.3.1 While the quantitative assessment of managerial competence will be measured over a complete market cycle, the Board anticipates that the Investment Advisor will make period qualitative assessments as well. Specific qualitative factors considered by the Investment Advisor may include, but are not limited to, fundamental changes in the manager's investment philosophy, changes in the manager's organizational structure, financial condition and personnel, and any changes, relative to peers, in a manager's fee structure.

7.0 Prudence and Ethical Standards

7.1 Prudence. All participants in the investment process shall act responsibly. The standard of prudence to be applied by the Board, the Investment Advisor, selected designees, SOU staff and external service providers shall be the "prudent investor" rule, which states: "Investments shall be invested and the investments managed as a prudent investor would do, under the circumstances then prevailing and in light of the purposes, terms, distribution requirements, and laws governing each investment fund."

7.2. Ethics and Conflicts of Interest. Board members, Investment Advisory staff, selected designees, SOU staff and external service providers involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. These parties are required to reveal all relationships that could create or appear to create a conflict of interest in their unbiased involvement in the investment process.

8.0 Investment Objectives

The investment objective of the Fund is to seek consistency of investment return with emphasis on capital appreciation over long periods of time, since the Fund will operate in perpetuity. In keeping with the performance goals included in the Policy, achievement of this objective shall be done in a manner that, over a long-term planning horizon, will meet the spending rate established by the Board (under Exhibit A) and maintain the purchasing power of the principal.

9.0 Manager(s) Responsibilities

9.1 Legal Compliance. The investment manager(s) is (are) responsible for strict compliance with the provisions of their investment management agreement.

9.2 Authority of Investment Manager(s) in the Managed Accounts. Subject to the terms and conditions of this Policy and the investment management agreement, manager(s) shall have full discretionary authority to direct investments of assets in

the managed accounts. The Investment Advisor, and/or a designee, will recommend changes to this Policy when the advisor(s) views any part of this Policy to be inconsistent with overall market, economic conditions, or investment policies.

9.2.1 The Investment Advisor directs all managers to vote proxies and to vote them in the best economic interest of the Fund. When requested, managers will report to the Investment Advisor regarding how proxies were voted.

9.2.2 Meetings between Fund managers and the Investment Advisor will occur consistent with the policies established for the Investment Advisor's other managers, to discuss items including, but not limited to, the manager's performance, outlook, and investment decision process.

10.0 Reporting Requirements

Investment results will be regularly monitored by the Investment Advisor, selected designees and Board staff.

A representative of the Investment Advisor, and/or a designee, shall report investment results, or other information, to the Board no less frequently than annually. Any material non-compliance with the Investment Policy, Guidelines and Objectives of the Fund or with the investment management agreement will be reported to the Board immediately.

11.0 Investment Guidelines

11.1 Cash. The Fund shall maintain minimal cash, consistent with short-term requirements. Short term cash will be invested in a liquid cash equivalent investment.

11.2 Fixed Income. Fixed-income securities, for purposes of these guidelines, shall mean mortgage-backed securities, U.S. government securities, investment-grade domestic or global corporate bonds, and other fixed income securities, such as certificates of deposit and commercial paper. The objective of this component of the Fund is to preserve capital in keeping with prudent levels of risk, through a combination of income and capital appreciation. Realization of income will be subordinate to safety, liquidity, and marketability (i.e., securities should be readily marketable). This component of the Fund shall adhere to the following criteria:

11.2.1 Average portfolio credit quality shall be A or better;

11.2.2 With the exception of U.S. Government and Agency issues, no more than 10 percent of the bond portfolio, at market value, will be

invested in the securities of a single issuer or 5 percent of the individual issue;

11.2.3 Below investment grade bonds shall not exceed 20 percent of the bond portfolio; and

11.2.4 Non-U.S. bonds shall not exceed 20 percent of the bond portfolio.

Fixed-income managers have full discretion over the allocation between long-term, intermediate, and cash equivalent investments.

11.3 Equities.

11.3.1 Objective: The objective of the equity portfolio is to enhance total return by investing in a broadly diversified portfolio of domestic and international stocks.

11.3.2 Strategy: Hold a fully invested, diversified portfolio of global equity securities, including emerging markets.

11.3.3 Permitted Holdings: Publicly traded domestic and international common stock, and other financial instruments consistent with the guidelines of the investment management agreements.

11.3.4 Diversification: The Investment Advisor shall recognize the need for diversification to minimize the risk of significant losses to the Fund. Diversification by capitalization, style, and sector distribution shall be obtained through the selection of complementary investment managers, or index strategies. Not more than 5 percent of the market value of any investment fund will be invested in any single issuer or security, unless part of an index fund.

11.3.5 Portfolio Restrictions: There will be no engagement in short sales, purchases on margin, or investments in options, futures, or private placements unless consistent with the underlying investment management agreements.

11.4. Performance. Performance expectations for each of the asset classes are described in Exhibit A.

12.0 Asset Custody and Securities Lending

Custodial responsibility for all securities is to be determined by the Board or its designee(s).

13.0 Conclusion

Implementation of this Policy, including investment manager selection, shall be the responsibility of the Investment Advisor, subject to the necessary approvals from the Board.

This Policy shall be reviewed by the Board at least every two years.

Approved on April 21, 2023



Sabrina Prud'homme
University Board Secretary



Daniel P. Santos
Chair, Board of Trustees

Revision	Change	Date
	Initial Version	January 20, 2017
1.	Investment Guidelines, Fixed Income components revised; basic edits and corrections.	March 22, 2019
2.	Reviewed, no revisions.	April 21, 2023

EXHIBIT A

Spending Policy

The distribution rate for the Fund is up to 4 percent of the five-year moving average unit market value.

Performance Monitoring

Global equities are expected to match the performance of the passive benchmark assigned.

Fixed income accounts are expected to exceed the return of the Barclays Capital Aggregate Bond Index by 0.5 percent (after fees) over a market cycle for core bond investments.

Financial Progress on Resiliency Plan

Fiscal Year 2026 Budget

E&G Pro Forma Projections to FY2027		2023-25 Biennium				2025-27 Biennium		
		2024-25 FY25 Budget (000's)	2024-25 EST FY25 (000's)	No updates for FY26 at this time		2025-26 PROVISIONA L BUDGET (000's)	2025-26 BUDGET UPDATES (000's)	2026-27 FORECAST (000's)
REVENUES								
Total State Funding (SSCM,ETSF,SELP)		28,706	29,371			29,481	0	30,529
Tuition		34,845	34,471	(374)	35,38	35,243	(144)	34,282
Fees		4,247	2,642	(1,605)	4,64	2,702	(1,945)	2,628
Raider Aid (remissions)		(4,000)	(5,294)	(1,294)	(5,31	(5,162)	156	(4,798)
Oth tuition & fee adjustments		(1,100)		1,100		500	500	500
Tuition, net of Raider Aid		33,992	31,819	(2,173)	34,71	33,283	(1,434)	32,611
Misc. Other Revenue		3,742	4,071	329	4,19	4,000	(195)	4,048
TOTAL REVENUES		66,439	65,262	(1,178)	68,39	66,764	(1,629)	67,188
EXPENSES & TRANSFERS								
Personnel Services								
Salaries Sub-total		(33,499)	(32,359)	1,139	(33,95	(32,300)	1,658	(31,349)
OPE Sub-total		(18,511)	(18,317)	194	(19,78	(18,448)	1,335	(18,396)
Net Personnel Services		(52,010)	(50,677)	1,333	(53,74	(50,748)	2,992	(49,745)
Supplies & Services (S&S)								
Total S&S, CapEx, AP		(13,605)	(14,690)	(1,085)	(15,09	(13,326)	1,772	(14,726)
Personnel and S&S before Transfers		(65,615)	(65,367)	248	(68,83	(64,074)	4,764	(64,471)
Net from Operations Before Transfers		825	(105)	(929)	(44	2,690	3,135	2,717
Transfers Net (In & Out of E&G)		(2,706)	(2,706)	-	(2,92	(2,496)	432	(2,479)
TOTAL EXPENSES & TRANSFERS		(68,321)	(68,073)	248	(71,76	(66,570)	5,196	(66,951)
Recurring Cuts		0			5,00			0
FUND BALANCE								
Non-Recurring 1-Time Revenue		1,458						
Non-Recurring 1-Time Expense								
Adjusted Ending Fund Balance		3,968	1,581		3,20	1,774		2,674
% Operating Revenues (Adjusted)		5.97%	2.42%		3.62	2.66%		3.98%
Change in Fund Balance		(1,881)	(2,811)	(929)	1,62	194	(1,433)	237
Beginning Fund Balance		3,269	3,269	0	45	458		652
Ending Fund Balance		1,388	458	(929)	2,08	652	(1,433)	889
% Operating Revenues (Regular Ops)		2.09%	0.70%	-1.39%	3.05	0.98%		1.32%
Days of Operations		19.09	2.46	(16.64)	1.47	3.57	35	4.85
Months of Operations		0.64	0.08	(0.55)	0.05	0.12		0.16

Facilities Update

Solar Update

Completed Projects

- The Hawk and Lithia Solar and Resilience project - Oregon Department of Energy CREP #1 and TRU+ sustainability funding
- Art and Marion Ady rooftops - TRU+ sustainability funding



Solar Update

Projects funded and progressing

- **Library:** permit in place, scheduled
- **Parking Lot #27 & Battery Storage:**
 - Battery pad construction begins October/November 2025, with full project construction in 2026.
 - Oregon Department of Energy's Community Renewable Energy Grant Program (CREP) #3 and Central Hall Funds
- **Central Hall Rooftop:** Installation in 2026. Central Hall Funds.
- **Theater on hold**

Solar Update

Issues currently being navigated

- CREP #2

What's next?

- FY23 CDS award: awaiting final sign-off. Institute for Applied Sustainability - Community and Resilience Leadership Student Fellow Program and SOU's solar and energy resilience
- CREP #4 submitted – Facilities resilience project

2026-2027 Committee Schedule and Future Meetings (Action)

SOU Board of Trustees
2026-2027 Board and Committee Meeting Schedule

MEETING	Academic and Student Affairs	Finance and Administration	Executive, Audit, and Governance	Board of Trustees
DAY	Third Thursdays (Unless Otherwise Indicated)	Third Thursdays (Unless Otherwise Indicated)	Third Fridays (Unless Otherwise Indicated)	Third Fridays (Unless Otherwise Indicated)
FREQUENCY	Four Times Per Year	Six Times Per Year	Four Times Per Year	Five Times Per Year
TIME	1:00- 4:00 p.m.	5:00-7:00 p.m.	9:30-11:30 a.m.	12:00-5:00 p.m.
	January 15, 2026	January 15, 2026	January 16, 2026	January 16, 2026
		March 19, 2026		
	April 16, 2026	April 16, 2026	April 17, 2026	April 17, 2026
		May 21, 2026		
	June 17, 2026*±	June 17, 2026*±	June 18, 2026*±	June 18, 2026*±
				Retreat September 17, 2026 September 18, 2026 All Day, Time TBD
	October 15, 2026	October 15, 2026	October 16, 2026	October 16, 2026
	January 21, 2027	January 21, 2027	January 22, 2027	January 22, 2027
		March 18, 2027		
	April 15, 2027	April 15, 2027	April 16, 2027	April 16, 2027
		May 20, 2027		
	June 16, 2027±	June 16, 2027±	June 17, 2027±	June 17, 2027±
				Retreat September 16, 2027 September 17, 2027 All Day, Time TBD
	October 21, 2027	October 21, 2027	October 22, 2027	October 22, 2027

* Occurs during the week following Commencement

± In observance of the Juneteenth holiday, June 2026 and 2027 meetings will occur on Wednesday and Thursday instead of Thursday and Friday

Adjournment