

**Southern Oregon University
Board of Trustees**

**Formal Acknowledgment of Option Path to Sustainability,
Required Creation of SOU Vitality Plan,
Development of Implementation Plan, and Related Accountability**

Summary of Action

In response to a projected exhaustion of operating cash and the State of Oregon's allocation of fifteen million dollars (\$15,000,000) in emergency bridge funding, this resolution formally acknowledges Deloitte's "Option Path to Sustainability," but not as a final decision, and requires Southern Oregon University to independently evaluate the recommendations. The Board directs the University Administration, in collaboration with the Board, Student, Faculty, and Staff representatives, to immediately begin developing a comprehensive SOU Vitality Plan designed to achieve significant structural budget improvements beginning in FY 2027 to balance SOU's budget, ensure adequate reserves, and ultimately, preserve the university's long-term viability and its ability to serve the Southern Oregon region. To ensure accountability, the Board also directs the University Administration to develop a comprehensive Implementation Plan, working with the Board, to accompany the SOU Vitality Plan; both Plans must be provided to the Board for its consideration in advance of its June 18, 2026 meeting. While acknowledging the profound human and community impact of the future structural improvement to SOU's budget, the Board determines these actions are necessary to preserve the long-term viability, fiscal integrity, and operational success of the University.

RESOLUTION

Whereas, the Board of Trustees of Southern Oregon University (the "Board"), in service to the State of Oregon and the Southern Oregon region, is charged with supporting the long-term sustainability, fiscal integrity, and operational viability of Southern Oregon University ("University") to help meet the education and workforce needs of the region and State; and

Whereas, the Board of Trustees recognizes that the environment in which students, employees, and the university may thrive cannot be met fully in the current financial condition of the University, despite prior actions to reduce expenses and grow or preserve revenue; and

Whereas, in April 2023, the Board authorized the SOU Forward Plan—a comprehensive, multi-year initiative designed to: 1) eliminate approximately thirteen million dollars (\$13,000,000) in University expenses over three years, and 2) prioritize revenue diversification beyond tuition and fees through expanded grants and contracts, philanthropy, externally-funded solar development offsetting energy expenses, and other entrepreneurial activities; and

Whereas, in June 2025, the Board demonstrated firm fiduciary oversight by rejecting a proposed FY 2026 deficit budget and directed the University Administration to eliminate at least five million dollars (\$5,000,000) in expenses, which led to the Board’s adoption of the SOU Resiliency Plan in September 2025, with multi-year reductions in labor, supplies, services, and tuition remissions, projected to achieve more than ten million dollars (\$10 million) in savings over four years; and

Whereas, in January 2026, following the receipt of proceeds from the Board-approved sale of certain excess University properties, the Board directed that the net proceeds be restricted in a strategic reserve fund to be used only with Board approval for essential or exceptional projects that yield a return at least equal to the amount expended and that are repaid to the reserve; and

Whereas, on February 2, 2026, the Board authorized a targeted enrollment growth initiative to increase tuition and fee revenue, committing an investment of three hundred thousand dollars (\$300,000) annually over three years with projected returns of approximately two-million, five hundred thousand dollars (\$2,500,000); and

Acute Fiscal Condition and Legislative Intervention

Whereas, on February 2, 2026, the University Administration informed the Board that the University was projected to exhaust its operating cash by June of 2026, absent immediate corrective action and additional funding to continue operations; and

Whereas, during the February 2026 Oregon Legislative Session, the University including members of the Board of Trustees, in coordination with Governor Tina Kotek, Oregon Legislators, the Higher Education Coordinating Commission (“HECC”), and others, secured emergency, one-time bridge funding from the State of Oregon through [House Bill \(HB\) 5204](#) in the amount of fifteen million dollars (\$15,000,000), which was appropriated to the Legislative Emergency Board to be allocated to the HECC to provide short-term financial stability to, and support the operations of, the University through the end of the State’s 2025-2027 biennium; and

Whereas, the emergency, one-time bridge funding was expressly conditioned upon several actions, including Southern Oregon University's collaboration with the HECC on the development of a plan to achieve a balanced budget for the 2027-2029 biennium and long-term structural fiscal balance;

Development and Presentation to SOU of "Option Path to Sustainability"

Whereas, the HECC retained Deloitte Consulting, LLC ("Deloitte") to conduct a long-range financial and strategic assessment of the University resulting in an Option Path to Sustainability (the "Option Path"), which is attached (Attachment "A"); and

Whereas, during the development of the Option Path, the consultants received comments and recommendations from over fourteen university focus groups; an always-online web feedback tool that recorded over 750 individual comments from students, employees, trustees, and the community; consultation meetings with the Board and Board representatives; and meetings with university leaders; and

Whereas, on April 28, 2026, in a public meeting of the Board of Trustees, Deloitte consultants presented to and discussed with the Board the themes and key findings of the consultants' evaluation, as well as the Option Path framework; and

Whereas, on May 4, 2026, Deloitte published and publicly presented the Option Path to the University community and the general public in a webinar; and

Whereas, on May 5, 2026, the Board held a public listening session regarding the Option Path and prioritized invited testimony from the University's key constituencies, and welcomed comments from the general public; and

Whereas, the Option Path recommends structural budget improvements of approximately twenty million dollars (\$20,000,000) starting in Fiscal Year (FY) 2026, which would substantially alter the University's academic offerings, operations, auxiliary units, service delivery and employees; Now, therefore,

Acknowledgment of the Option Path and Next Steps

Be it resolved, that the Board hereby acknowledges and formally accepts receipt of the Option Path presented by Deloitte on May 4, 2026, and will act in good faith to use this Option Path as a resource to help SOU achieve long-term financial sustainability through comprehensive institutional redesign;

Be it resolved, the Board has determined that the recommendations of the Option Path require SOU's independent evaluation;

Be it further resolved, the board supports the University President's creation of a nonvoting University Transformation Advisory Committee, including Board, Student, Faculty, and Staff representation to gather and share information, advise the University Administration on guiding principles, and serve as a conduit of information to campus constituents during the development of the SOU Vitality Plan;

Be it further resolved, that the Board hereby directs the University Administration, in collaboration with Student, Faculty, and Staff representatives, to evaluate each component of the Option Path for feasibility, and to develop a realistic, achievable "SOU Vitality Plan" that meets the financial objectives of the Option Path through the 2027-2029 biennium, is sustainable beyond the biennium ending June 30, 2029, and satisfies the requirements to obtain the aforementioned \$15,000,000 in one-time bridge funding authorized by HB 5204;

Be it further resolved, that if the University Administration identifies items in the Option Path that it believes cannot or should not be included in the SOU Vitality Plan for legal, fiscal, or compliance reasons, or if the actions are incongruent with an acceptable level of student support or the mission of the University, the Board shall be notified within three (3) business days of the discovery of such issues during the creation and implementation of the plan;

Be it further resolved, that the Board directs the University Administration to, in collaboration with Student, Faculty, and Staff representatives, ensure that no element of the SOU Vitality Plan jeopardizes or in any way delays securing the \$15,000,000 in emergency bridge funding from the State of Oregon and mandates total adherence to the HB 5204 and HECC requirements necessary to secure these resources;

Be it further resolved, that for implementation activities requiring coordination with external parties, the University Administration shall work with the HECC, other public universities, community colleges, and relevant third-party organizations. This includes exploring shared or contracted services in compliance with legal and collective bargaining obligations. Furthermore, the University Administration is directed to identify and pursue any necessary changes to State law or administrative rules with the Governor, HECC, and legislative leadership, and keep the Board abreast of these items;

Accountability

Be it further resolved, the Board directs the University Administration to develop a comprehensive and corresponding Implementation Plan to the SOU Vitality Plan and provide it to the Board of Trustees in advance of its meeting on June 18, 2026; the Implementation Plan, which is expected to be iterative, shall at a minimum, define

high-level objectives; articulates a disciplined implementation approach; distinguishes activities within and outside the University’s control; establishes milestones with discrete tasks and timelines; assigns responsibilities; identifies key dependencies; addresses legal and compliance risks with mitigation strategies; sets dollar targets with clear tracking of realized benefits; establishes an internal governance structure including a project team with defined roles, escalation paths, and communication plans;

Be it further resolved that all activities related to the SOU Vitality Plan and its corresponding Implementation Plan, must be undertaken in compliance with existing delegated or retained authorities of the Board of Trustees;

Be it further resolved, that the University Administration shall, beginning July 1, 2026, and as legally permissible, provide the Board with written monthly reports that include, at a minimum, metrics on implementation progress, realized benefits, risks, legal and compliance issues;

Be it further resolved, the Board acknowledges that a study of Oregon’s higher education system pursuant to HB 4124 is taking place on a parallel path to the University’s pursuit of its SOU Vitality Plan and that the University Administration must monitor and apprise the Board of any conflicting issues or positive opportunities that arise as a result; and

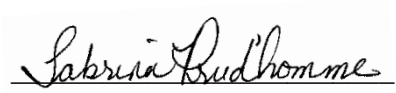
Be it finally resolved, that the board acknowledged the profound human and community impact of the future structural changes to SOU’s budget and that will come from implementing the SOU Vitality Plan; yet, the Board of Trustees of Southern Oregon University determines that the actions of this Resolution are necessary to preserve the long-term viability of Southern Oregon University.

VOTE:

Bailey	Non-Voting
Barry	Yes
Buckley	Yes
Chavez	Yes
Clough	Yes
Everson	Yes
Fuentes	Absent
Geryak	Non-Voting
Harwood	Yes
King	Yes
Kruger	Yes
Lee	Yes
Santos	Yes

Schepmann	Yes
Shelby	Yes
Stephenson	Yes
Thalden	Yes

Recorded by,


Sabrina Prud'homme
University Board Secretary