Southern Oregon University
Board of Trustees

RESOLUTION
SOU Vitality Plan

Whereas, the Board of Trustees of Southern Oregon University (the “Board”), in service to the State of Oregon and the Southern Oregon region, is responsible for the governance of Southern Oregon University ("University") and is charged with supporting the long-term sustainability, fiscal integrity, and operational viability of the 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

Background and Collaboration with the State

Whereas, the Board has exercised consistent fiduciary oversight by authorizing and monitoring comprehensive stabilization efforts, including but not limited to the 2023 SOU Forward Plan to eliminate approximately $13 million in expenses and diversify revenue; the 2025 SOU Resiliency Plan to achieve over $10 million in savings through targeted labor and operational reductions; the 2026 strategic restriction of net proceeds from the sale of excess University properties to ensure disciplined reinvestment; and a 2026 targeted enrollment growth initiative; and

Whereas, facing a projected exhaustion of operating cash by the end of Fiscal Year 2026, the University collaborated with the state Governor, the Oregon Legislature, and the Higher Education Coordinating Commission ("HECC") to secure $15,000,000 in emergency bridge funding via House Bill 5204, which is conditioned upon the development of a plan to achieve a balanced budget for the 2027-29 biennium and long-term structural financial sustainability; and

Whereas House Bill 5204 awarded an additional $500,000 to the HECC to support the University’s development of a long-term financial sustainability plan, and the HECC secured the services of the consulting firm, Deloitte, to support the development of a plan;

Board of Trustees Direction

Whereas, among other actions and directives, on May 8, 2026, the SOU Board acknowledged and formally accepted receipt of the "Option Path to Sustainability" ("Option Path") plan prepared by Deloitte's consultants. Furthermore, the Board determined that the recommendations of the Option Path required SOU's independent evaluation. Furthermore, the Board indicated its intent to act in good faith to use the Option Path as a resource to help SOU achieve long-term financial sustainability through comprehensive institutional redesign. Accordingly, the Board directed the University Administration to evaluate the recommendations of the Option Path and create an SOU Vitality Plan, as well as a comprehensive Implementation Plan, to achieve financial stability by the end of Fiscal Year 2027 and longer-term financial sustainability through the next biennium; and

Whereas, assuming full receipt, the $15,000,000 in emergency bridge funding will be depleted by the end of Fiscal Year 2027, there is an institutional and Board imperative upon the University Administration to ensure the SOU Vitality Plan is fully deployed and the University achieves a balanced budget with fiscal and operational sustainability through the 2027-2029 state biennium; and

The SOU Vitality Plan

Whereas, the University Administration, in alignment with this directive and in consultation with student, faculty, and staff governance and union partners, has delivered the SOU Vitality Plan (see Attachment A); and

Whereas the SOU Vitality Plan outlines an academic, financial, and operational transformation that redefines the university as one that is uniquely tied to the region and embraces the changing higher education landscape in four fundamental ways:

1. The plan implements a total re-engineering of institutional identity, pivoting toward a hyperlocal, place-based pedagogical distinctiveness;
2. The plan incorporates a $20,000,000 financial overhaul through a combination of cost savings and revenue generation that will, unfortunately, affect 65.62 full-time equivalent positions spanning faculty, classified staff, and unclassified staff;
3. The framework downsizes the institutional administrative footprint, and aspires to broader partnerships with educational institutions and community entities; and

4. The model requires auxiliary units to move toward self-sufficiency, stripping away historical General Fund dependencies, and

Whereas, the board has the authority to establish, eliminate, control, or substantially reorganize academic programs and units of operation, and understands that the SOU Vitality Plan calls for academic program eliminations and modifications; workforce reductions; expenditure reductions; restructuring and reorganization; operational downsizing; and related enrollment and revenue considerations for these; and

Whereas, the SOU Vitality Plan will ensure that SOU can continue offering high-quality academic and extra-curricular programs, supportive services for SOU students, collaborative community partnerships, and targeted services to the community as a regional institution, despite the budget reductions necessary to maintain the fiscal stability of SOU; Now therefore,

Deferring Action on University Mission and Vision Statements

Be it resolved, that the Board of Trustees of Southern Oregon University acknowledges the proposed Mission and Vision Statements articulated within the SOU Vitality Plan as aspirational indicators of the university's strategic transformation; and the Board determines that formal adoption of a new mission statement is a separate and significant governance action; and

Be it further resolved, that the Board intends, in due course and following appropriate deliberation, to consider proposed University Mission and Vision Statements with input from the SOU community; and that upon the Board's formal approval of a revised University Mission Statement, the Board and the University President shall forward that statement to the Higher Education Coordinating Commission (HECC), as required by state law;

Approval of the SOU Vitality Plan

Be it further resolved, the Board of Trustees hereby formally approves and adopts the SOU Vitality Plan, and directs the University Administration to immediately begin executing the plan's strategic recommendations to secure a thriving, sustainable future for SOU;

Be it further resolved, that the Board mandates adherence to the primary fiscal target of twenty million dollars ($20,000,000) in ongoing structural budget improvements, thereby stabilizing the institution's core Education and General (E&G)

Fund for budgeted operations and insulating the University from budget deficits and liquidity shortfalls to achieve a balanced university budget for the 2027-2029 biennium;

Be it further resolved, the University President is directed to take such actions as may be required to achieve the strategic academic, financial, and operational targets outlined in the plan, consistent with applicable laws, policies, contracts, and Board actions and statements—including existing delegations of authority. To this end, the University President is authorized to execute the proposed academic modifications, including the elimination of the following undergraduate majors:

- Human Service;
- Music Industry and Production; and
- Financial Mathematics.

Be it further resolved, that the University shall submit these significant changes in the university's academic programs to the Higher Education Coordinating Commission;

Be it further resolved, that any reference to the "provisional" nature of the SOU Vitality Plan acknowledges the requirements of the University's collective bargaining agreements with the Associated Professors of Southern Oregon University (APSOU) and the Service Employees International Union (SEIU) Local 503, Sub-local 84; however, this "provisional" designation shall not be construed to invalidate or diminish the Board's formal approval of the SOU Vitality Plan, nor the collective bargaining agreements of these organizations; Further, in instances if the SOU Vitality Plan requires adjustments to established terms of these agreements, the University President is authorized in existing delegations of authority to act on all personnel and employment matters and shall do so ensuring that all SOU Vitality Plan activities remain both compliant with labor contracts and dedicated to the successful achievement of the SOU Vitality Plan's objectives.

Be it further resolved, the University President is granted the authority to make incidental and necessary adjustments to the plan consistent with the Board's existing Bylaws and Delegations of Authority; provided, however, that all such adjustments be disclosed to the Board in the monthly progress report, and any proposed changes deemed significant in scope or impact, or outside of the Board's existing delegation of authority to the University President, shall be submitted to the Board for formal review and approval prior to implementation;

Implementation of the SOU Vitality Plan

Be it further resolved, that the University Administration shall, nonetheless, ensure the completion of the academic, financial, and operational transformation activities necessary to fully execute the SOU Vitality Plan by June 30, 2027;

Be it further resolved, that the Board directs the University Administration to build upon the high-level implementation framework created to produce a comprehensive and corresponding Implementation Plan for the SOU Vitality Plan that includes high-level objectives; articulates a disciplined implementation approach; distinguishes activities within and outside the University's control; establishes academic, financial and operational milestones with discrete schedules; assigns responsibilities; identifies key dependencies on specific people, departments, or external entities; identifies and addresses legal and compliance risks with mitigation strategies; and establishes an internal governance structure for the plan's implementation including a project team with defined roles, escalation paths, and communication plans;

Be it further resolved, that each major milestone defined in the SOU Vitality Plan and related Implementation Plan must be tied to a schedule and to financial benchmarks, against which progress can be measured, monitored, and reported to the board regularly;

Be it further resolved, that for implementation activities requiring coordination with or approval from external parties, the University Administration shall work with the HECC, other public universities, community colleges, and/or other relevant third-party organizations, while ensuring that all University actions fully maintain the University's regional accreditation; Furthermore, for any necessary changes required in state law or administrative rules to implement the plan, the University Administration is directed to identify and pursue such changes with the Governor, HECC, and legislative leaders, as appropriate, and keep the Board abreast of these items in a timely manner;

Monitoring and Oversight

Be it further resolved, that the University Administration shall, on a monthly basis, provide a written financial report and, in applicable board meetings, provide the Board with the latest available financial reports of the university: cash flow forecast, Education and General budget report, and the All-Funds budget report, with updated key assumptions, as prepared for the Higher Education Coordinating Commission; and

Be it further resolved, that the University Administration shall, on a monthly basis provide a written programmatic implementation progress report, and in applicable board meetings, discuss such progress reports on the implementation of the SOU Vitality Plan, as the board deems necessary and appropriate. These reports must explicitly discuss SOU's transformational performance and progress against established academic, financial, and operational benchmarks, including schedule and financial milestones; updates on major activities; significant changes in the overall plan; and the identification of any challenges or barriers to progress; and

Be it further resolved, that the University Administration shall notify the Board within three (3) business days of identifying any legal, fiscal, operational, or compliance issue that threatens the execution or success of the SOU Vitality Plan, compromises the mission of the University, necessitates significant changes or a departure from the established plan, or is projected to require the use of contingencies; in such instances, any projected or actual deviation from the plan's stated schedule or financial milestones must be accompanied by a formal written assessment with a plan of action outlining clear alternative measures and actionable solutions to return the University to a successful trajectory; and

Be it further resolved, that to actively support the administration and maintain firm fiduciary oversight, especially during the initial critical months of this transformation, the Board of Trustees commits to meeting on an as-needed basis via Zoom through October 15, 2026; and

Be it finally resolved, that the board acknowledges the profound human and community impact of the forthcoming 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 difficult actions of this Resolution are necessary to honor the trust placed in this Board of Trustees and to preserve the long-term viability of Southern Oregon University, ensuring it remains a beacon of learning and opportunity for students, the Southern Oregon region, and the State of Oregon, both now and for generations to come.

DATE: June 18, 2026

VOTE:

Bailey	Non-Voting
Barry	Yes
Buckley	Yes
Chavez	Yes

Clough	Yes
Everson	Yes
Fuentes	Yes
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

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University Board Secretary