Southern OREGON UNIVERSITY
OFFICE OF THE BOARD OF TRUSTEES

Public Meeting Notice

October 8, 2026

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.

There are two proposed actions on the agenda: the 2027-2028 committee meeting schedule and the exploration of a scope change request for SOU's Creative Industries and Student Success capital project.

There is a vice president's report on the agenda which will cover organizational updates. A financial review and update will consist of an update on the Fiscal Year (FY) 2026 year-end including an external audit update; a review of the latest available Comprehensive Monthly Financial Report, including cash flow projections and a budget update; and any interim updates to assumptions, revenue, and expenditures. The committee will also discuss the SOU Vitality Plan.

The meeting will occur as follows:

Thursday, October 15, 2026
5:00 p.m. to 7:00 p.m. (or until business concludes)
SOU Campus, Hannon Library, Meese Room
1290 Ashland Street, Ashland, OR, 97520
Materials for the meeting are available at governance.sou.edu.

Members of the public may view the proceedings at https://sou.zoom.us/j/81811673660 at the time of the meeting.

If accommodations for persons with disabilities are required, 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
Members of the public who wish to provide live public comments during the meeting are invited to sign up to speak or to submit their comments in writing at least 24 hours in advance of the meeting to the Board of Trustees email address: trustees@sou.edu.

Written comments also may be emailed to trustees@sou.edu, or delivered by hand or mailed to SOU Board of Trustees, 1250 Siskiyou Boulevard, Churchill Hall, Room 107, Ashland, OR 97520.

Board of Trustees
Finance and Administration
Committee Meeting

October 15, 2026

Call to Order / Roll / Declaration of a Quorum

Board of Trustees
Finance and Administration Committee Meeting

Thursday, October 15, 2026
5:00 p.m. – 7:00 p.m. (or until business concludes)
Meese Room, Hannon Library, SOU Campus
Zoom: https://sou.zoom.us/j/81811673660

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**	**Vice President's Report**	Dr. Carson Howell, SOU, Vice President for Finance and Administration
	3.1	Organizational Updates	
	4	**Action, Information and Discussion Items**	
5:30	4.1	Financial Review and Update	Dr. Carson Howell; Josh Lovern, SOU, Director of Budget and Planning; Krista Darrah, SOU, Controller
	4.1.1	FY 2026 Year-End and External Audit Update	
	4.1.2	Comprehensive Monthly Financial Report Including Cash Flow Projections and "Education & General" and "All Funds" Update, as of August 30, 2026	
	4.1.3	Interim Updates to Assumptions, Revenue, and Expenditures	

Southern Oregon University
Board of Trustees
Finance and Administration Committee Meeting
October 15, 2026

AGENDA (Continued)

6:10	4.2	SOU Vitality Plan: Finance and Administration	President Rick Bailey; Brad Earl and Jennifer Lind, Project Management Contractors
6:35	4.3	Exploration of Scope Change Request for Creative Industries Project (Action)	President Rick Bailey; Dr. Carson Howell; Marc Overbeck, SOU, Director of Government Relations
6:50	4.4	2027-2028 Committee Meeting Schedule and Future Meetings (Action)	Chair Liz Shelby
7:00 p.m.	**5**	**Adjournment**	Chair Liz Shelby

Public Comment

Vice President's Report

VPFA Report

- The state funding formula does not serve us well – improved
- Expenditures are outpacing revenues – in process
- Financial policies need to be strengthened and enforced – improved
- Financial reporting to the Board is insufficient – improved
- Some critical areas are too lightly staffed – in process

Financial Review and Update

Audit Update

Audit Status by Unit

Audit Unit	Preliminary Fieldwork	Final Fieldwork	Issuance
CHF-Ashland, LLC (Housing)	n/a	Complete - In QC Review	Early to mid-October
Single Audit	Completed	Nearly complete	Issued jointly with financial statements
IT Review	Completed	Completed	Recommendations Issued
Financial Audit	Completed	Target start date is November 23 (Some basic items started.)	January-March

Links to Financial Reports, as of Aug. 30, 2026

- Comprehensive Monthly Financial Report
- Fiscal Year 2026-2029 Cash Flow Projection
- Education & General Fund and All Funds

Financial Review and Update

E&G Budget Updates

Changes from last reported FY2026 E&G projection:

1. **Revenues**
   a. **Gross Tuition & Fees:** No changes from the July report
   b. **Less Remissions:** No changes from the July report
   c. **Net Tuition & Fees:** No changes from the July report
   d. **State Operating Appropriations:** No changes from the July report
   e. **State Debt Service Appropriations:** No changes from the July report.
   f. **All Other:** No changes from the July report.

2. **Expenses**
   a. **Salary & Wages:** No changes from the July report.
   b. **Benefits (Health, Retirement & Other categories):** No changes from the July report.
   c. **Supplies & Services:** Small (-$5k) change from the July report.
   d. **Capital Expenditures:** No changes from the July report.
   e. **Institutional Student Aid:** No changes from the July report.
   f. **Net Fund Transfers:** No changes from the July report.

3. **Net Income and Fund Balance**
   a. **Net Income (Loss):** FY2026 remains projected at ($4.02M) loss; a positive change of 0.13% compared to the loss reported in July.
   b. **Ending Fund Balance:** There are no changes to the Additions/Deductions from the July submission; the nominal roughly $5k increase is attributable to small coding updates.

Southern OREGON UNIVERSITY

	Final Prior FY	FY2026 BUDGET, YTD ACTUALS, END-OF-YEAR PROJECTIONS						
	FY2025	FY2026 BUDGET	FY2026 YTD Actuals (as of 9.15.2026)	YTD Actuals % of Budget	Last Reported Projection (as of 8.18.2026)	Current FY2026 Projection (as of 9.15.2026)	$ Changes from Last Projection	% Change from Last Projection
Revenues								
Gross tuition and fees	37,008,351	37,945,000	36,834,902	97%	36,834,902	36,834,902		0.0%
Less fee remissions	(5,294,416)	(5,162,000)	(5,393,970)	104%	(5,393,970)	(5,393,970)		0.0%
Net Tuition & Fees	31,713,936	32,783,000	31,440,932	96%	31,440,932	31,440,932		0.0%
State operating appropriations	28,625,062	29,301,951	28,929,606	99%	28,929,606	28,929,606		0.0%
State debt service appropriations	179,160	179,160	179,160	100%	179,160	179,160		0.0%
Indirect cost recovery	308,132	310,000	379,326	122%	379,326	379,326		0.0%
All other	2,003,312	3,690,000	3,574,976	97%	3,574,976	3,574,976		0.0%
Total revenues	**62,829,601**	**66,264,111**	**64,504,001**	**97%**	**64,504,001**	**64,504,001**		**0.0%**

	Final Prior FY	FY2026 BUDGET, YTD ACTUALS, END-OF-YEAR PROJECTIONS						
	FY2025	FY2026 BUDGET	FY2026 YTD Actuals (as of 9.15.2026)	YTD Actuals % of Budget	Last Reported Projection (as of 8.18.2026)	Current FY2026 Projection (as of 9.15.2026)	$ Changes from Last Projection	% Change from Last Projection
Expenses								
Salary & Wages	32,615,263	32,300,000	31,805,842	98%	31,805,842	31,805,842	-	0.00%
Benefits: Health	7,979,990	7,483,379	8,142,453	109%	8,142,453	8,142,453	-	0.00%
Benefits: Retirement	8,444,131	7,918,635	8,616,043	109%	8,616,043	8,616,043	-	0.00%
Benefits: Other	3,248,898	3,046,712	3,315,041	109%	3,315,041	3,315,041	-	0.00%
Supplies & Services	14,378,648	14,313,497	14,148,942	99%	14,154,047	14,148,942	(5,104)	-0.04%
Capital Expenditures	-	12,681	26,248	207%	26,248	26,248	-	0.00%
Institutional Student Aid	77,764	-	47,842	0%	47,842	47,842	-	0.00%
Net Fund Transfers	3,118,725	2,496,260	2,428,068	97%	2,428,068	2,428,068	-	0.00%
Total expenses	**69,863,419**	**67,571,164**	**68,530,478**	**101%**	**68,535,583**	**68,530,478**	**(5,104)**	**0.0%**

	Final Prior FY	FY2026 BUDGET, YTD ACTUALS, END-OF-YEAR PROJECTIONS						
	FY2025	FY2026 BUDGET	FY2026 YTD Actuals (as of 9.15.2026)	YTD Actuals % of Budget	Last Reported Projection (as of 8.18.2026)	Current FY2026 Projection (as of 9.15.2026)	$ Changes from Last Projection	% Change from Last Projection
Net Income (Loss)	**(7,033,818)**	**(1,307,053)**			**(4,031,582)**	**(4,026,478)**	**5,104**	**0.13%**
Margin As a % of Revenue	-11.2%	-2.0%			-6.3%	-6.2%		
Fund Balance Information								
Beginning Fund Balance	3,471,769	(3,562,049)			(3,562,049)	(3,562,049)	(0)	0.0%
Additions/(Deductions)		1,500,000			8,840,778	8,840,778	-	0.0%
Ending Fund Balance	**(3,562,049)**	**(3,369,102)**			**1,247,147**	**1,252,251**	**5,104**	

Net Income
Follow one published line across fiscal years, from its reported actuals into the newest projection.
Revenues
Expenses
Totals
Net Tuition & Fees
Total revenues
Total expenses
Net Income
Beginning Fund Balance
Additions/(Deductions)
Ending Fund Balance
$3.00M
$0.00M
($3.00M)
($6.00M)
($9.00M)
Projected after this year
FY2015
FY2016
FY2017
FY2018
FY2019
FY2020
FY2021
FY2022
FY2023
FY2024
FY2025
FY2026
FY2027
FY2028
FY2029

	EST Final Prior FY	FY2027 BUDGET, YTD ACTUALS, END-OF-YEAR PROJECTIONS						
	FY2026	FY2027 BUDGET	FY2027 YTD Actuals (as of 8.31.2026)	YTD Actuals % of Budget	Last Reported Projection (as of 7.31.2026)	Current FY2027 Projection (as of 8.31.2026)	$ Changes from Last Projection	% Change from Last Projection
Revenues								
Gross tuition and fees	36,834,902	34,039,772	2,662,632	8%	34,039,772	34,039,772	-	0.0%
Less fee remissions	(5,393,970)	(4,730,000)	(35,415)	1%	(4,730,000)	(4,730,000)	-	0.0%
Net Tuition & Fees	31,440,932	29,309,772	2,627,216	9%	29,309,772	29,309,772	-	0.0%
State operating appropriations	28,929,606	29,552,520	10,639,747	36%	29,552,520	29,552,520	-	0.0%
	-							
State debt service appropriations	179,160	179,160	44,790	25%	179,160	179,160	-	0.0%
Indirect cost recovery	379,326	395,637	121,148	31%	430,105	430,105	-	0.0%
All other	3,574,976	2,957,723	179,405	6%	2,957,723	2,957,723	-	0.0%
Total revenues	**64,504,001**	**62,394,812**	**13,612,307**	**22%**	**62,429,280**	**62,429,280**	**-**	**0.0%**

	EST Final Prior FY	FY2027 BUDGET, YTD ACTUALS, END-OF-YEAR PROJECTIONS						
	FY2026	FY2027 BUDGET	FY2027 YTD Actuals (as of 8.31.2026)	YTD Actuals % of Budget	Last Reported Projection (as of 7.31.2026)	Current FY2027 Projection (as of 8.31.2026)	$ Changes from Last Projection	% Change from Last Projection
Expenses								
Salary & Wages	31,805,842	30,907,892	3,924,222	13%	30,887,875	30,701,258	(186,617)	-0.60%
Benefits: Health	8,142,453	7,244,435	875,925	12%	7,878,122	7,830,524	(47,598)	-0.60%
Benefits: Retirement	8,616,043	7,665,794	926,872	12%	8,336,338	8,285,972	(50,366)	-0.60%
Benefits: Other	3,315,041	2,949,431	356,616	12%	3,207,424	3,188,045	(19,379)	-0.60%
Supplies & Services	14,148,942	15,114,492	3,617,802	24%	15,527,534	15,388,155	(139,379)	-0.90%
Capital Expenditures	26,248	30,000	332	1%	26,248	26,248	-	0.00%
Institutional Student Aid	47,842	-	-	0%	-	-	-	
Net Fund Transfers	2,428,068	1,286,153	53,509	4%	1,286,153	1,286,153	-	0.00%
Total expenses	**68,530,478**	**65,198,197**	**9,755,278**	**15%**	**67,149,694**	**66,706,355**	**(443,339)**	**-0.7%**

	EST Final Prior FY	FY2027 BUDGET, YTD ACTUALS, END-OF-YEAR PROJECTIONS						
	FY2026	FY2027 BUDGET	FY2027 YTD Actuals (as of 8.31.2026)	YTD Actuals % of Budget	Last Reported Projection (as of 7.31.2026)	Current FY2027 Projection (as of 8.31.2026)	$ Changes from Last Projection	% Change from Last Projection
Net Income (Loss)	**(4,026,478)**	**(2,803,385)**			**(4,720,414)**	**(4,277,075)**	**443,339**	**9.39%**
Margin As a % of Revenue	-6.2%	-4.5%			-7.6%	-6.9%		
Fund Balance Information								
Beginning Fund Balance	(3,562,049)	1,252,251			1,247,147	1,252,251	5,104	0.4%
Additions/(Deductions)	8,840,778	15,000,000			15,000,000	15,000,000	-	0.0%
Ending Fund Balance	**1,252,251**	**13,448,866**			**11,526,733**	**11,975,176**	**448,443**	

SOU Vitality Plan

(Demonstration of Dashboards and Reporting in Meeting)

Exploration of Scope Change Request for Creative Industries Project (Action)

Proposed Capital Project Scope Change
Background Information

Southern Oregon University's Creative Industries/Student Success (CISS) project was developed as a capital project investment for the 2025–2027 biennial Agency Request Budget for the Higher Education Coordinating Commission and the Governor's Recommended Budget. The project proposed renovations to SOU's existing Music Building and Digital Media Center to create a Creative Industries Center and a Student Success and Leadership Center. The Board of Trustees of Southern Oregon University authorized the project for the state's prioritization process; it advanced through the state's higher education capital planning process; and the 2025 Legislature approved approximately $41 million in state-supported bonds. Bond issuance is anticipated in Spring 2027.

The SOU administration seeks the Board of Trustees' approval to explore a strategic scope change for these bond funds. With the board's permission, the university would evaluate using the approved bond funding to acquire the Shasta and McLoughlin student residence halls including the feasibility, process, risks and mitigations, potential advantages, and other factors related to the proposed scope change.

We know that cost matters to our students, and it is a primary enrollment and persistence factor. Among students who withdraw from SOU, cost is the number one reason they leave. Focusing the authorized bond funds toward acquiring these facilities can help SOU address student financial barriers by positioning SOU to lower its on-campus housing costs, particularly in the Shasta and McLoughlin residence halls.

Additionally, in light of the University's broad and strategic transformation efforts, this scope change would help SOU meet the legislative budget note mandates for SOU to "achieve long-term structural fiscal balance" and to "evaluate options for [fiscal] sustainability." If achieved, this scope change and the resulting facility acquisition could also help SOU meet those legislative mandates, preserve the state's existing capital commitment to SOU, eliminate one of the University's largest long-term financial obligations, improve ongoing operational cash flow, and strengthen the University's financial position, further positioning SOU to thrive.

While the CISS project remains an important priority, student affordability and SOU's financial sustainability are also important and require immediate action. Exploring a scope change requires a formal review and state authorization for which, the board's approval is necessary. Using the state's investment to acquire the Shasta and McLoughlin student residence halls can benefit students and provide immediate structural support for SOU's long-term financial sustainability. The administration therefore requests Board approval to engage in the state's formal process to explore and evaluate the curricular, financial, operational, and strategic implications of this scope change.

Southern Oregon University
Board of Trustees
Finance and Administration Committee

Resolution

Exploration of a Strategic Bond Scope Change for the Creative Industries / Student Success Capital Project

Whereas, the Board of Trustees of Southern Oregon University (SOU) previously prioritized and advanced the Creative Industries / Student Success (CISS) capital project, which advanced through Oregon's capital projects review process and received approval for funding by the Oregon State Legislature in 2025; and

Whereas, state bonds for the authorized capital project are currently scheduled to be sold in or around April of 2027, yielding approximately $41 million in proceeds; and

Whereas, the university faces immediate financial challenges including affordability for students and long-term fiscal sustainability for the institution;

Whereas, to address these challenges, the university administration has proposed that SOU explore a strategic scope change request to apply capital bond proceeds previously approved for the CISS capital project to the acquisition of the Shasta and McLoughlin student residence halls on the campus of SOU;

Whereas, the SOU administration requests the board's authorization to investigate and explore the feasibility, process, risks and mitigations, potential advantages, and other factors related to the proposed scope change; and

Whereas the capital asset acquisition of these student residence facilities will offer greater ability to advance SOU's institutional transformation; address student financial barriers by positioning SOU to lower its on-campus housing costs, particularly in the Shasta and McLoughlin residence halls; help SOU meet legislative mandates; preserve the state's existing capital commitment to SOU; eliminate one of the University's largest long-term financial obligations; and strengthen the university's financial position, further positioning SOU to thrive, which all shall be explored in the evaluation; Therefore,

Be it resolved that the Finance and Administration Committee of the Board of Trustees finds that a compelling case exists to explore a scope change for the approved bond funding;

Be it further resolved that the Finance and Administration Committee recommends the Board of Trustees authorize the University President and Administration to undertake the exploratory efforts such as stakeholder engagement and initial procedural steps, including but not limited to submitting preliminary materials to the state's Higher Education Coordinating Commission by November 1, 2026, to initiate the process of thoroughly exploring and evaluating this potential scope change request;

Be it further resolved that the Committee recommends the University President and Administration, in a public meeting, provide to the Board of Trustees not later than January 21, 2027, the following information learned from the proposed exploration: A comprehensive update to the Board of Trustees including findings regarding the process, risk assessments, mitigation strategies, curricular impacts and any unmet needs, benefits anticipated to be realized, stakeholder sentiment, financial modeling related to the acquisition, and a proposal for how the cost reductions will affect students and the university, as well as the continued viability of the CISS project.

2027-2028 Committee Meeting Schedule and Future Meetings (Action)

SOU Board of Trustees 2027-2028 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	Third Fridays
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 21, 2027	January 21, 2027	January 22, 2027	January 22, 2027
		March 18, 2027		March 17, 18 or 19, 2027 Date/Time TBD
	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 16-17, 2027 All Day / Time TBD
	October 21, 2027	October 21, 2027	October 22, 2027	October 22, 2027
	January 20, 2028	January 20, 2028	January 21, 2028	January 21, 2028
		March 16, 2028		
	April 20, 2028	April 20, 2028	April 21, 2028	April 21, 2028
		May 18, 2026		
	June 15, 2028	June 15, 2028	June 16, 2028	June 16, 2028
				Retreat September 21-22, 2028 All Day / Time TBD
	October 19, 2028	October 19, 2028	October 20, 2028	October 20, 2028

DRAFT

* Occurs during the week following Commencement
± In observance of the Juneteenth holiday, June 2027 meetings of the board will occur on Wednesday and Thursday instead of Thursday and Friday

Last updated July 2026

Adjournment