



Southern Oregon University

Public Meeting Notice

April 16, 2015

TO: Finance Committee
FROM: Craig Morris, Vice President for Finance and Administration
RE: **Notice of Finance Committee Meeting**

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

Topics of the meeting will include the Periodic Management Report, Reserve Report, Enrollment Report, Revenue Budget, Shared Services, and Outcome Based Funding.

The meeting will occur as follows:

Monday, April 27, 2015
4:00 p.m. to 6:00 p.m. (or until business is concluded)
Hannon Library, DeBoer Boardroom, 3rd Floor (Room 303)

The Hannon Library is located at 1290 Ashland Street, on the campus of Southern Oregon University. **If special accommodations are required, please contact Jennifer Athanas at (541) 552-6111 at least 72 hours in advance.**

Board of Trustees

1250 Siskiyou Boulevard, Ashland, OR 97520 T (541) 552-6111



**Southern Oregon University Board of Trustees
Finance & Administration Committee
Monday, April 27, 2015
DeBoer Boardroom, Hannon Library, 3rd Floor, #303
4:00pm – 6:00pm (or until business is concluded)**

Agenda

- | | |
|--|----------------|
| Call to Order – Paul Nicholson, Chair | 4:00PM |
| Roll Call | |
| Welcome & Introductions - Paul Nicholson, Chair | |
| Public Comment | 4:05 PM |
| 1. Approve March 23rd Finance Committee Meeting Minutes
ACTION ITEM
Paul Nicholson, Chair | 4:20PM |
| 2. Periodic Report
Steve Larvick, Director of Business Services | 4:25PM |
| 3. Reserve Report
Steve Larvick, Director of Business Services | 4:35PM |
| 4. Enrollment Report
Chris Stanek, Director of Institutional Research | 4:50PM |
| 5. Revenue Budget
Mark Denney, Associate Vice President for Budget | 5:00PM |
| 6. Shared Services
Craig Morris, Vice President for Finance & Administration | 5:40PM |
| 7. Outcome Based Funding
Craig Morris, Vice President for Finance & Administration | 5:50PM |
| Adjourn | |

Finance Committee
March 23, 2015
Meeting Minutes

The meeting was called to order at 4:03 p.m. by Chair Paul Nicholson.

Introductions & Roll Call

Present:

Paul Nicholson, Chair
Lyn Hennion
Jeremy Nootenboom
April Sevcik
Dennis Slattery
Steve Vincent

Absent:

Les Aucoin

Guests:

Craig Morris, VP for Finance & Administration
Mark Denney, AVP for Budget & Planning
Chris Stanek, Director of Institutional Research
Dylan Bloom, ASSOU Representative
Treaa Sprague, Administrative Services Coordinator, Finance & Administration
Sue Walsh, Provost
Roy Saigo, SOU President
Karen Stone, AVP for Curricular Management
Victor Chang, Director of Counseling
Tim Robitz, Director of Housing

Public Comment

March 2, 2015 Minutes

April Sevcik moved to approve the minutes from the March 2, 2015, meeting. Dennis Slattery seconded. Approved. Is the detail in the minutes in keeping with other institutions? It has not been discussed. This is new territory. Place it on the agenda for the board meeting to discuss. The meetings are being recorded, so detail is available to the public. The minutes represent the recordings. Treaa Sprague will pass on suggestion to Liz Shelby to include a discussion at the full board meeting.

Tuition & Fees

Mark Denney presented tuition and mandatory fees. They need to be approved by this committee and then go to the full board on March 27th. They will be submitted as our submission to the fee

book to go to the CO and then the OSBHE for this year. Next year they will go to this board only.

ACTION: Chair Nicholson called for a motion to approve a recommendation to the full board to accept the tuition, mandatory fees, and housing dining rates. Steve Vincent and Dennis Slattery moved and seconded, respectively. Motion passes.

Retrenchment Plan

Chris Stanek provided information on the various studies and analyses conducted prior to the retrenchment plan.

Karen Stone talked about the reorganization of the Academic Departments and creation of the Service Center prior to retrenchment.

A new OUS policy was put in place to record the liability on uncollected student debt. It was decision made by OUS. It was implemented by OUS and supported by auditors. That transaction was \$2+ million for SOU. It had to be put into a restricted fund. That caused us to go below 5%. We still had the same amount of cash, but it was not operational cash. The transfer caused SOU to fall below the fund balance minimum of 5%. OSBHE then required a plan for SOU to get to a 10% fund balance.

In response to getting back to a 10% fund balance, we wrote the retrenchment plan. The retrenchment plan is what HECC expects us to achieve. We have to report at the April State Board meeting and then to HECC.

Declaring retrenchment allowed us to reduce academic programs, which in turn reduced faculty positions. Retrenchment is Collective Bargaining Agreement terminology. The process is outlined in the CBA. We are on track with the plan.

Faculty get a one-year notice for layoff. That had to be calculated into the plan. We committed to students to teach out their programs. The programs identified graduated approximately 2-3 students a year.

OUS has required us to set quarterly targets out to 2017 that measure our progress in successfully implementing the retrenchment plan. We are meeting or exceeding those targets right now. It will be discussed further at the full Board meeting on Friday.

All 7 universities are committed to continuing the staff tuition discount. We will have to create a process to settle up each year.

Other

Next meeting is April 27th, 4:00 p.m., SOU Hannon Library DeBoer Room.

Adjourn – 6:07 pm

	Budget Forecast					Notes
	FY2014 Final Results	FY2015 Initial Budget	% Change	FY2015 Forecast Budget	Variance from Initial Budget	
EDUCATION & GENERAL						
State General Fund	\$ 13,762	\$ 16,779	22%	\$ 16,986	\$ 207	1% (1)
Tuition & Resource Fees, net of Remissions	33,278	31,974	-4%	33,064	1,090	3% (2)
Other	3,008	2,101	-30%	2,047	(54)	-3%
Total Revenues	\$ 50,048	\$ 50,854	2%	\$ 52,097	\$ 1,243	2%
Personnel Services	\$ 43,948	\$ 43,794	0%	\$ 43,001	\$ (793)	-2% (3)
Supplies & Services & Capital Outlay	7,229	7,231	0%	7,969	738	10% (4)
Total Expenditures	\$ 51,177	\$ 51,025	0%	\$ 50,970	\$ (55)	0%
Net from Operations	\$ (1,129)	\$ (171)		\$ 1,127	\$ 1,298	
Net Transfers	1,855	2,530	36%	1,551	(979)	-39% (5)
Fund Additions/(Deductions)	0	0		0	0	
Change in Fund Balance	726	2,359		2,678	319	
Beginning Fund Balance	1,018	1,744		1,744	0	
Ending Fund Balance	1,744	4,103		4,422	319	
Ending FB as a % Operating Revenues	3.5%	8.1%		8.5%		
Student FTE Enrollment	4,421	4,306	-3%	4,386		2%
AUXILIARY ENTERPRISES						
Enrollment Fees	\$ 5,125	\$ 5,521	8%	\$ 5,272	\$ (249)	-5% (6)
Sales & Services	12,725	11,483	-10%	10,919	(564)	-5% (7)
Other	1,466	1,725	18%	1,479	(246)	-14%
Total Revenues	\$ 19,316	\$ 18,729	-3%	\$ 17,670	\$ (1,059)	-6%
Personnel Services	\$ 6,453	\$ 6,533	1%	\$ 6,169	\$ (364)	-6% (8)
Supplies & Services & Capital Outlay	11,642	10,981	-6%	10,921	(60)	-1% (9)
Total Expenditures	\$ 18,095	\$ 17,514	-3%	\$ 17,090	\$ (424)	-2%
Net from Operations	\$ 1,221	\$ 1,215		\$ 580	\$ (635)	
Net Transfers	(746)	(3,135)	320%	(2,144)	\$ 991	-32% (5)
Transfers In	1,557	946	-39%	5,539	4,593	486%
Transfers Out	(2,303)	(4,081)	77%	(7,683)	(3,602)	88%
Additions/(Deductions) to Unrestricted Net Assets	227	0		(40)	(40)	
Change in Unrestricted Net Assets	702	(1,920)		(1,604)	316	
Beginning Fund Balance Available for Operations	3,109	3,811		3,811	0	
Ending Fund Balance Available for Operations	3,811	1,891		2,207	316	
Ending FB as a % Operating Revenues	19.7%	10.1%		12.5%		

	Budget Forecast				Notes		
	FY2014 Final Results	FY2015 Initial Budget	% Change	FY2015 Forecast Budget		100.0%	Variance from Initial Budget
DESIGNATED OPERATIONS, SERVICE DEPARTMENTS, CLEARING FUNDS							
Enrollment Fees	\$ 721	\$ 1,078	50%	\$ 908	\$ (170)	-16%	(10)
Sales & Services	1,669	1,870	12%	1,966	96	5%	(11)
Other	1,534	1,847	20%	1,538	(309)	-17%	(12)
Total Revenues	\$ 3,924	\$ 4,795	22%	\$ 4,411	5.9%	5.9%	(8%)
Personnel Services	\$ 2,355	\$ 2,888	23%	\$ 2,575	\$ (313)	-11%	(13)
Supplies & Services & Capital Outlay	1,875	1,998	7%	2,202	204	10%	(14)
Total Expenditures	\$ 4,230	\$ 4,886	16%	\$ 4,777	\$ (109)	-2%	
Net from Operations	\$ (306)	\$ (91)	-232%	\$ (366)	\$ (275)		
Net Transfers	(115)	152		315	163	107%	(13)
Additions/(Deductions) to Unrestricted Net Assets	75	0		30	30		
Change in Unrestricted Net Assets	\$ (346)	\$ 61		\$ (21)	\$ (82)		
Beginning Fund Balance Available for Operations	872	526		526	0		
Ending Fund Balance Available for Operations	\$ 526	\$ 587		\$ 505	\$ (82)		
Ending FB as a % Operating Revenues		12.2%		11.5%			

ALL CURRENT UNRESTRICTED FUNDS:

Beginning Fund Balance Available for Daily Operations	\$ 4,999	\$ 6,081	\$ 6,081	\$ -
Revenues	73,288	74,378	74,178	(200)
Expenditures	73,502	73,425	72,837	(588)
Transfers	994	(453)	(278)	175
GL Additions & Deductions	302	-	(10)	(10)
Ending Fund Balance Available for Daily Operations	\$ 6,081	\$ 6,581	\$ 7,135	\$ 554
Ending FB as a % Operating Revenues	8.3%	8.8%	9.6%	

Notes

- (1) Difference in State funding as compared to last year, is tied to the tuition buy down plus the added costs associated with the University Shared Services Enterprise.
- (2) Initial budget anticipated a revenue decrease of about 2.6%. Actual student FTE is trending flat to last year, actual dollars are also up due to shifts in enrollment mix.
- (3) Savings partially from the restructuring of Academic Affairs, and less reliance on the use of adjunct instructors.
- (4) Projected increased utilities and legal costs.
- (5) Reduction in timing of the amount be transferred from the North Campus Village Project (\$400k), and reduction of the transfer to come from other Housing Operations (\$500k).
- (6) Lower than anticipated Day Care Center revenue, lower Housing revenues due to lower than budgeted occupancy, and increased Residence Hall fee remissions.
- (7) Food Service trending lower
- (8) Savings in labor costs largely in Housing operations.
- (9) Savings also largely in Housing operations.
- (10) Growth primarily in Non-credit programs, but not to the levels initially budgeted.
- (11) Growth in support coming in from the JPR Foundation.
- (12) Trending in line with the prior fiscal year.
- (13) Growth in Non-credit programs, plus change in accounting for JPR General Fund support.
- (14) Growth in support coming in from the JPR Foundation.

Reserve Report

As of March 31, 2015
Fiscal Year Ended June 30, 2015

(in thousands)	Beginning Fund Balance	At Fiscal Year End		Notes
		Projected End Fund Balance	% Change	
Formal Reserves	\$ 2,150	\$ 2,252	5%	
Renewal and Replacement Funds	2,150	2,252	5%	
Building	1,126	1,046	-7%	
Equipment	1,024	1,206	18%	
Informal Reserves	\$ 6,964	\$ 8,418	21%	
Unrestricted	5,988	7,178	20%	
Budgeted Operations	1,745	4,426	154%	
Designated Operations	316	95	-70%	
Service Centers	210	413	96%	
Auxiliaries	3,717	2,244	-40%	
Housing	3,648	2,409	-34%	
Health Center	255	381	49%	
Parking	190	326	71%	
Subtotal Student Activities/Other	(377)	(872)	131%	
Student Centers/Activities	339	237	-30%	
Athletics	(639)	(1,049)	64%	(1)
Other Auxiliaries	(77)	(60)	-22%	
Restricted	976	1,239	27%	
Affiliated Foundations Gifts	4	4	1%	
Fndn Interest-Endw Match Elig	308	395	28%	
Restricted for Dept General Use	451	488	8%	
Restricted for Economic Development	2	2	1%	
Restricted for Student Activities	3	1	-63%	
Restricted to Scholarships	208	349	68%	
Total Reserves	\$ 9,114	\$ 10,669	17%	

Notes

(1) Not all-encompassing of athletics in general, only the student portion.

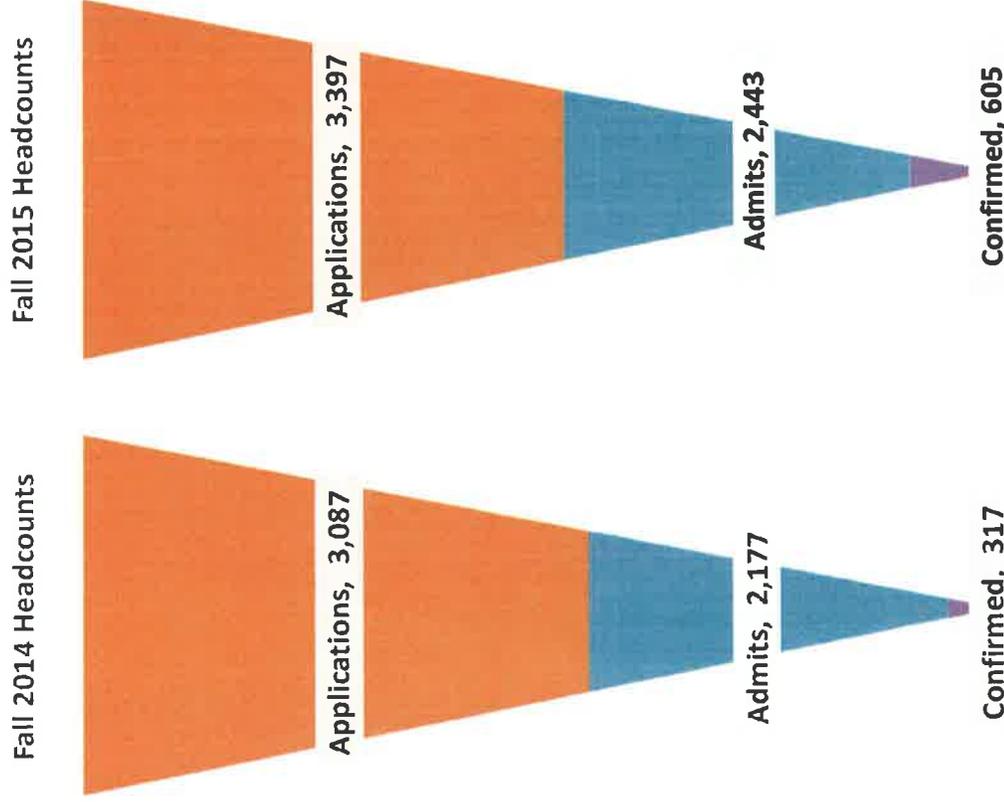
Funnel Report: Category Headcount by Student Type
Fall 2014 Week Ending 4/13/14 vs. Fall 2015 Week Ending 4/12/15
24 Weeks From Start of Term

Applications				
Student Type	Fall 2014	Fall 2015	Change	% Change
Freshmen - Resident	959	1,126	167	17.4%
Freshmen - Nonresident	1,487	1,559	72	4.8%
Transfer - Resident	220	248	28	12.7%
Transfer - Nonresident	271	284	13	4.8%
Postbacs/Grads/Other	150	180	30	20.0%
Total	3,087	3,397	310	10.0%

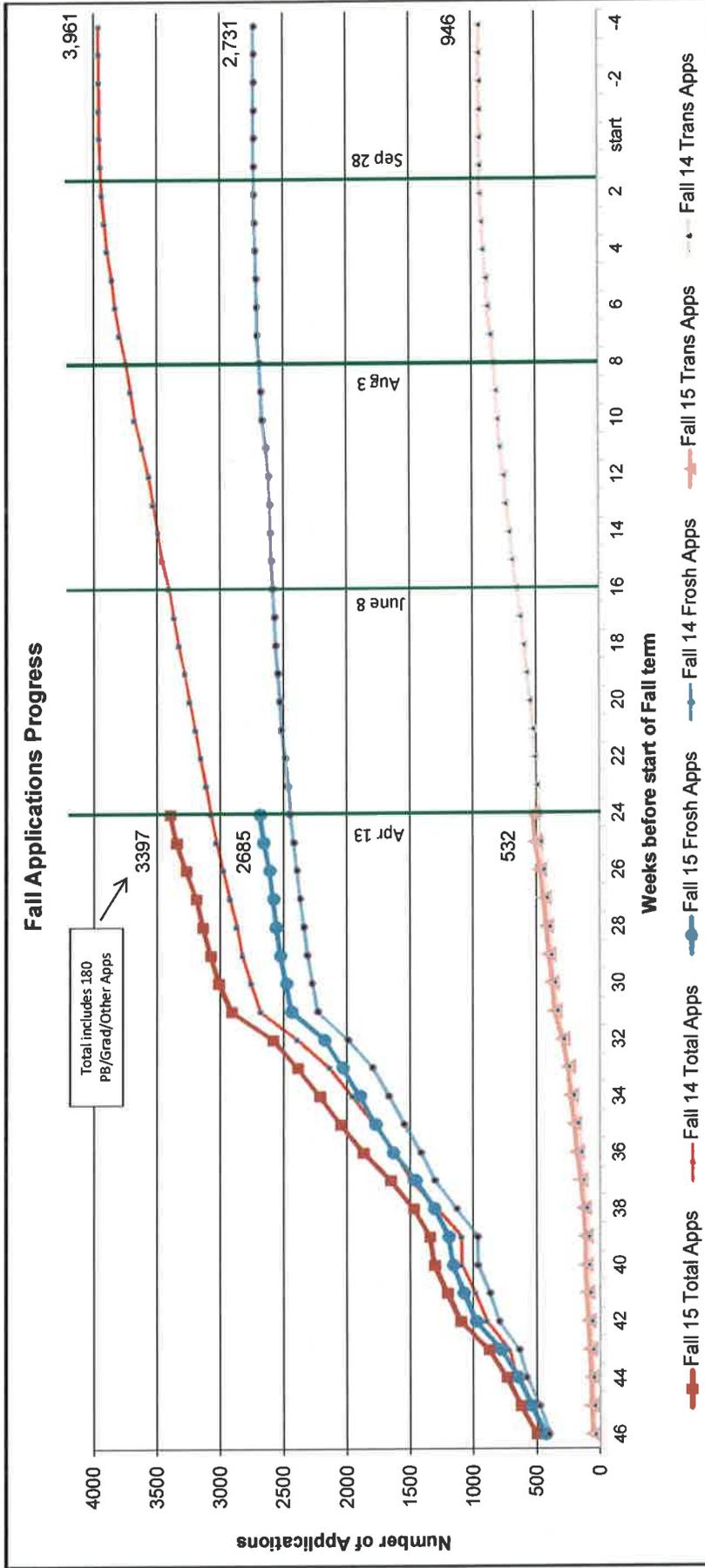
Admits				
Student Type	Fall 2014	Fall 2015	Change	% Change
Freshmen - Resident	708	832	124	17.5%
Freshmen - Nonresident	1,081	1,185	104	9.6%
Transfer - Resident	160	176	16	10.0%
Transfer - Nonresident	185	215	30	16.2%
Postbacs/Grads/Other	43	35	-8	-18.6%
Total	2,177	2,443	266	12.2%

Confirmed (e.g. deposit paid)				
Student Type	Fall 2014	Fall 2015	Change	% Change
Freshmen - Resident	79	192	113	143.0%
Freshmen - Nonresident	132	236	104	78.8%
Transfer - Resident	24	58	34	141.7%
Transfer - Nonresident	42	85	43	102.4%
Postbacs/Grads/Other	40	34	-6	-15.0%
Total	317	605	288	90.9%

Enrolled				
Student Type	Fall 2014	Fall 2015	Change	% Change
Freshmen - Resident	-	-	-	-
Freshmen - Nonresident	-	-	-	-
Transfer - Resident	-	-	-	-
Transfer - Nonresident	-	-	-	-
Postbacs/Grads/Other	-	-	-	-
Total	-	-	-	-



Funnel Report: Fall Application Activity
Fall 2014 Week Ending 4/13/14 vs. Fall 2015 Week Ending 4/12/15
24 Weeks From Start of Term



Revenue:	Prior Year FY14 Actual	Current Year FY15 Forecast	Future Year FY16 Preliminary Budget	Comments
State Appropriations				
02510 State Resource Redistribution	\$ 13,583,195	\$ 15,724,916	\$ 17,744,842	
02510 State Resource Redistribution - 5th Site	\$ -	\$ 1,082,164	\$ 1,681,992	Shared Services, including 5th Site support
02511 State Resource Redist-Debt Service	\$ 179,160	\$ 179,160	\$ 179,160	SELP Loan
02530 Settle up Incentive	\$ -	\$ -	\$ -	
Subtotal: State Appropriations	\$ 13,762,355	\$ 16,986,240	\$ 19,605,994	
Instruction Tuition and Fees				
01101 Resident Undergrad Instruction	\$ 13,127,458	\$ 12,049,384	\$ 11,863,488	Enrollment decline of 6.2%
01102 Nonresident Undergrad Instruction	\$ 2,101,326	\$ 1,972,511	\$ 1,940,433	Enrollment decline of 6.7%
01109 PT Fee Policy Undergrad Instr Fee	\$ -	\$ -	\$ -	
01503 Res UG Tuitt- Honors Prog Diff	\$ 11,500	\$ 15,057	\$ 28,975	3rd cohort JoIns SOU
01515 Res UG Tuitt- Perform Art Diff	\$ 87,579	\$ 88,247	\$ 190,300	Expansion to all courses except MUP, in lieu of course fees
Subtotal Undergrad Tuition	\$ 15,327,863	\$ 14,125,199	\$ 14,023,196	
01107 Online Tuition	\$ 5,362,037	\$ 5,960,733	\$ 6,206,762	Enrollment growth of 7.9%
01180 Course based, Adv Southern Credit, Early Entry	\$ 1,411,190	\$ 1,273,097	\$ 1,257,876	Enrollment decline of 4.1%
Subtotal Online courses	\$ 6,773,227	\$ 7,233,830	\$ 7,464,638	
01104 Resident Grad Instruction Fee	\$ 1,438,507	\$ 1,350,395	\$ 1,264,842	Enrollment growth of 11.1%
01105 Nonresident Grad Instruction Fee	\$ 406,077	\$ 439,169	\$ 234,584	Declining enrollment of 36.9%
01108 PT Fee Policy Grad Instr Fee	\$ -	\$ -	\$ -	
01580 Res Grad Tuitt- Psych Prog Diff	\$ -	\$ -	\$ -	
01587 Res Grad Tuitt- Education Diff	\$ 1,061,284	\$ 1,150,173	\$ 1,229,905	MEDU, projected residence at 74%
01622 NR Grad Tuitt- Education Diff	\$ 331,445	\$ 414,231	\$ 432,129	MEDU, projected non-residence at 26%
Subtotal Graduate Tuition	\$ 3,237,313	\$ 3,353,968	\$ 3,161,460	
01106 Wstrn Undergrad Exch (WUE) Inst Fee	\$ 8,220,728	\$ 8,811,034	\$ 9,082,480	Enrollment growth of 3.3%
01103 Faculty & Staff Instruction Fee	\$ 92,449	\$ 101,559	\$ 155,918	Enrollment growth of 19%
Subtotal WUE and Faculty/Staff	\$ 8,313,177	\$ 8,912,593	\$ 9,238,398	
01103 Faculty & Staff Instruction Fee	\$ -	\$ -	\$ -	
01110 Summer Resid Undergrad	\$ 324,697	\$ 619,725	\$ 331,632	Conservative - not projecting Summer 14 enrollment growth
01111 Summer Nonres Undergrad Tuition	\$ 158,203	\$ (10,334)	\$ 73,154	
01112 Summer Resident Graduate Tuition	\$ 191,813	\$ 166,989	\$ 200,485	
01113 Summer Nonresident Graduate Tuition	\$ 25,770	\$ 25,770	\$ 86,478	
01820 Sum Res Grad Tuitt- Psych Prog Diff	\$ -	\$ -	\$ -	
01827 Sum Res Grad Tuitt- Education Diff	\$ 446,228	\$ 425,725	\$ 480,960	
01862 Sum NR Grad Tuitt- Education Diff	\$ 103,753	\$ 176,733	\$ 168,986	
Subtotal Summer Session	\$ 1,250,464	\$ 1,404,608	\$ 1,341,695	
Subtotal: Instruction Fees	\$ 34,902,044	\$ 35,030,198	\$ 35,229,387	
Study Resources Fees				
01213 Matriculation Resource Fee	\$ 422,048	\$ 477,672	\$ 494,391	Enrollment growth for new freshmen and transfers
Subtotal: Study Resource Fees (Matriculation)	\$ 422,048	\$ 477,672	\$ 494,391	
Subtotal: Tuition & Resource Fees	\$ 35,324,092	\$ 35,507,870	\$ 35,723,778	
Fee Remissions				
019* Fee Remissions	\$ (3,171,158)	\$ (3,458,094)	\$ (3,459,594)	Enrollment Svcs targets for FY16
Subtotal: Fee Remissions	\$ (3,171,158)	\$ (3,458,094)	\$ (3,459,594)	
Subtotal: Tuition, Resource Fees, less Fee Remissions	\$ 32,152,934	\$ 32,049,776	\$ 32,264,184	
Other Student Fees				
01701 International Program Surcharge	\$ 9,300	\$ 9,300	\$ -	
01703 Conference & Short Course Fee	\$ -	\$ -	\$ -	
01705 Special Exam Fee	\$ 4,700	\$ 5,953	\$ 3,900	
01706 Field Trip Fees	\$ 20,558	\$ 23,155	\$ 21,000	
01710 Authorized Course Fees	\$ 406,598	\$ 402,263	\$ 350,000	\$25K increases proposed, \$75K decreases: Performing Arts, net (\$50)K
01715 Authorized Lab Fees	\$ 564	\$ 619	\$ 600	
01721 Application Fee & Late Charge	\$ 209,772	\$ 227,143	\$ 230,000	
01731 Study Abroad Fees	\$ -	\$ -	\$ -	
01722 Late Registration/Pmt Fee	\$ 143,512	\$ 140,153	\$ 140,000	
01725 Degree Application Fee	\$ 94,215	\$ 69,557	\$ 85,000	
01726 Refund Penalty Fee	\$ 1,200	\$ 2,000	\$ 2,500	
01751 Placement Service Fee	\$ 830	\$ 568	\$ 1,500	
01795 Other Special Services Fees	\$ 137,777	\$ 10,129	\$ 125,000	
01799 Miscellaneous Student Fees	\$ 96,389	\$ 123,175	\$ 100,000	
Subtotal: Other Student Fees	\$ 1,125,415	\$ 1,014,015	\$ 1,059,500	
Subtotal: Tuition & Fees, net of Fee Remissions	\$ 33,278,349	\$ 33,063,791	\$ 33,323,684	
Other Revenue				
03000 Gifts Grants & Contracts	\$ -	\$ -	\$ -	
031,03 Contract Revenues	\$ -	\$ 32,184	\$ -	
03650 Campus Affiliated Foundation Gifts	\$ -	\$ -	\$ -	
03302 Financial Aid Admin Cost Recovery	\$ 68,643	\$ 71,561	\$ 90,000	
03303 Pell Grant Admin Cost Recovery	\$ 11,410	\$ 600	\$ 12,000	
03304 Vet Admin Cost Recovery	\$ 3,348	\$ 3,348	\$ 3,500	
034xx F & A Cost Recovery	\$ 189,245	\$ 168,554	\$ 170,000	
036xx Gifts (posting errors)	\$ -	\$ -	\$ -	
04* Tr From Other State Agencies	\$ -	\$ -	\$ -	
05132 Interest Income Investments	\$ 30	\$ 22	\$ 25	
05141 IB Invest Earnings Redistribution	\$ 178,122	\$ 175,480	\$ 170,000	
05150 Royalties Income	\$ -	\$ -	\$ -	
05250 Interest Income	\$ 507,117	\$ 572,948	\$ 600,000	
05251 Bad Debt Write-Off	\$ -	\$ -	\$ -	
05252 Collection Charges	\$ 60,786	\$ 61,000	\$ 65,000	
06* Sales & Services Revenue	\$ 509,010	\$ 611,874	\$ 774,475	
08* Misc Other Revenues	\$ 1,479,968	\$ 350,000	\$ 250,000	
09* Service Reimb (posting errors)	\$ -	\$ -	\$ -	
Subtotal: Other Revenue	\$ 3,007,679	\$ 2,047,571	\$ 2,135,000	Preliminary projections until department budgets are submitted and approved
Subtotal: Other Revenue, & Student Fees	\$ 4,133,094	\$ 3,061,586	\$ 3,194,500	
Total Revenue: All Budgeted Operations (E&G)	\$ 50,048,383	\$ 52,097,602	\$ 55,064,678	

February 23, 2015

Chair Tim Nesbitt
Commission Members
Executive Director Ben Cannon
Higher Education Coordinating Commission

Dear Chair Nesbitt, Commissioners, and Executive Director Cannon,

The seven presidents of Oregon's public universities appreciate the opportunity to provide a recommendation to the Commission about the importance of covering the costs for the Technical and Regional Universities (TRUs) associated with the unbundling of the Oregon University System (OUS).

Each of us is now actively engaged with our institutional governing boards. We are grateful for the opportunity to work with such dedicated education leaders who are committed to guiding our institutions and exercising their fiscal stewardship. Our Vice Presidents of Finance and Administration (VPFAs) have been working diligently with the Higher Education Coordinating Commission staff to transition from the Oregon University System Resource Allocation Model to the Student Success and Completion Model that will promote alignment of university outcomes with the goals of the Governor, the Commission, and the universities. One outstanding issue is the ability of the TRUs to absorb the shared services and operational costs associated with the dissolution of the system, regardless of the outcomes-based funding model.

In 2014, the Legislature reduced the Public University Support Fund by the amount of the remaining funding for Chancellor's Office operations. The 2015-17 Public University Support Fund contains no funding for Chancellor's Office operations as it ceases to exist on 7/1/15. Chancellor's Office operations previously covered a number of activities that now must be borne by the individual universities. The VPFAs have worked together to identify the costs that the TRUs will bear without a dedicated resource for covering these expenses.

For these reasons, we are united in our recommendation to the HECC that ongoing and dedicated funding for the costs in the attached worksheet be added to HECC's Regional Support base allocation for the TRUs in the amount of \$12,097,683 beginning with the 2015-17 biennium. The table itemizes the specific services and operating costs and the associated assumptions. Please note that a key assumption pertains to the \$1.9M per year currently funded in the FY15 allocation to the TRUs. If this funding for the "5th site" does not continue, the request increases from \$12.1M to \$15.9M per biennium.

We would be happy to meet with you to discuss the details of the recommendation, and look forward to hearing from you about how this critical funding may be incorporated into the HECC's allocation formula.

Sincerely,

University Presidents

Cc: Senator Richard Devlin, Co-Chair, Joint Committee on Ways & Means
Representative Peter Buckley, Co-Chair, Joint Committee on Ways & Means

**TECHNICAL & REGIONAL (TRU)
SHARED SERVICES & UNBUNDLED OPERATIONAL COSTS REQUEST**

	EOU	OIT	SOU	WOU	ANNUAL TOTAL	BIENNIAL AMOUNT ¹
Financial Reporting Services	\$92,400	\$92,400	\$92,400	\$92,400	\$369,600	\$751,027,20
Information Technology Services (5th Site)	717,471	709,560	780,750	728,711	2,936,492	5,966,952
Payroll & Related Tax Processing Services	62,770	44,020	44,020	43,270	194,080	394,371
Collective Bargaining Services	47,250	47,250	47,250	47,250	189,000	384,048
Optional Retirement Plan (ORP) Services	14,508	18,507	17,879	23,001	73,895	150,155
Shared Legacy Debt Services	4,320	7,430	7,020	9,450	28,220	57,343
Bank Reconciliation Services	16,290	16,290	16,290	16,290	65,160	132,405
Endowment Services	2,380	450	3,310	120	6,260	12,720
Public University Fund Administration (Treasury Debt Service Charges)	37,335	39,765	43,147	47,849	168,096	341,571
Financial Analyst/IR - 1 FTE per TRU	123,000	123,000	123,000	123,000	492,000	999,744
Cooperative Contracting	9,200	9,200	9,200	9,200	36,800	74,778
Statewide Student Services	37,500	37,500	37,500	37,500	150,000	304,800
Legal Services	250,000	250,000	250,000	250,000	1,000,000	2,032,000
Internal Audit	175,000	175,000	175,000	175,000	700,000	1,422,400
External Audit	125,000	125,000	125,000	125,000	500,000	1,016,000
Capital Construction Services/Analysis	80,000	80,000	80,000	80,000	320,000	650,240
PEBB Composite Rate Increase	222,527	295,759	399,478	113,565	1,031,329	2,095,661
Insurance Premium Increase	22,596	16,458	34,351	26,913	100,318	203,846
Direct Board of Trustee Costs	75,000	85,000	85,000	75,000	320,000	650,240
Total Before Offsets	\$2,114,547	\$2,172,589	\$2,370,595	\$2,023,519	\$8,681,250	\$17,640,300
Less Offset for Cost Reductions & Other Resources						
Chancellor Office Prior Assessments ⁴	47,005	72,947	110,583	185,051	415,586	844,471
IT Fifth Site Funding in Outcome Based Funding Model ⁵	478,020	478,020	478,020	478,020	1,912,080	3,885,347
IT Fifth Site Costs Contributed by University	100,000	100,000	100,000	100,000	400,000	812,800
Total Offsets	\$625,025	\$650,967	\$688,603	\$763,071	\$2,727,666	\$5,542,617
Total Net of Offsets	\$1,489,522	\$1,521,622	\$1,681,992	\$1,260,448	\$5,953,584	\$12,097,683

¹ Includes 3.2% inflation (DAS) increase for second year of biennium 2016-2017

² Does not imply specific service provider

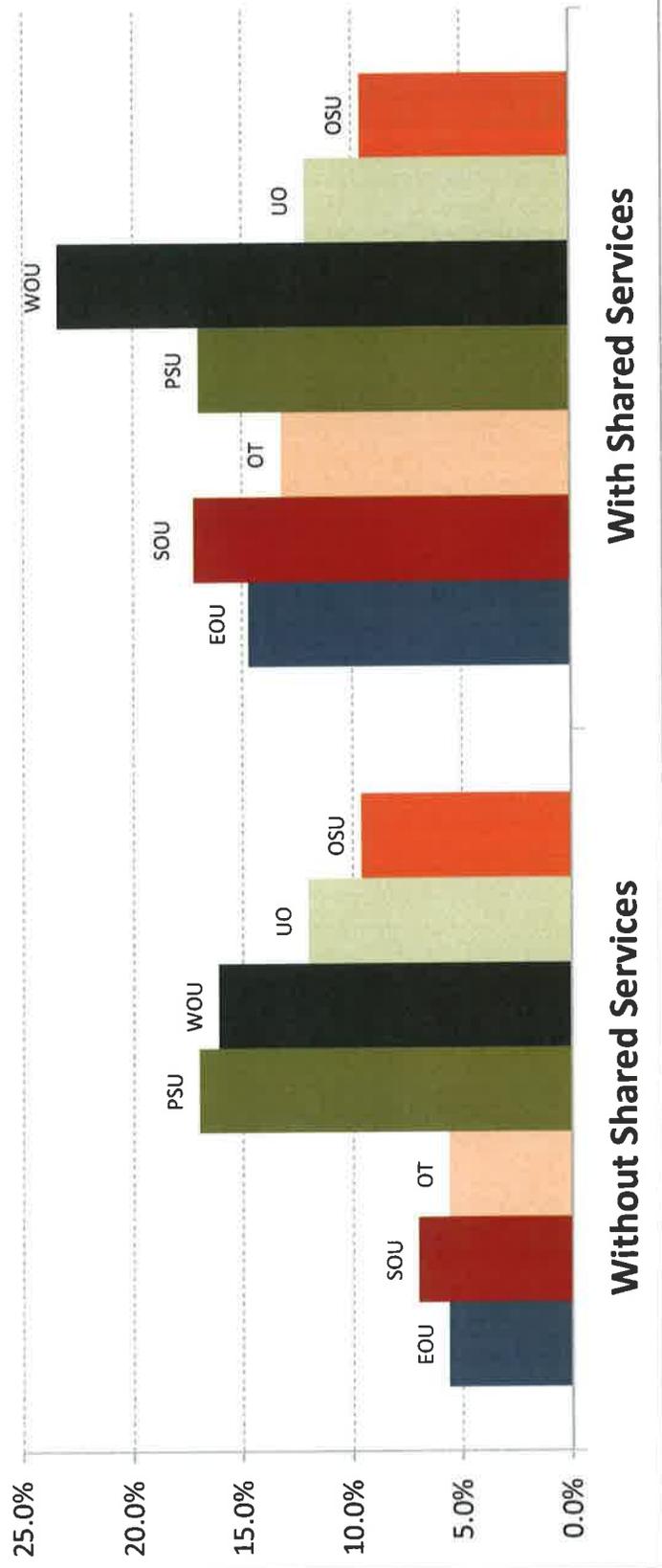
³ Costs associated with unbundling of operating costs previously provided and paid by Chancellor's Office (not funded in university budgets)

⁴ Includes Indirect Cost Recovery & Auxiliary Assessments charged to each institution by Chancellor's Office

⁵ Included in the Mission Support section of the draft HECC Outcome Based Funding Model

% of Funding Increase or Decrease

ver. 59



Co-Chair's proposed budget @\$635M

	Current Year	Retrench Plan	Model	Change Current Yr	Change Plan
Enrollment/Model	15,200	14,624	17,745	2,545	3,121
Incentive	197			-197	0
One-time	500			-500	0
	<u>15,897</u>	<u>14,624</u>	<u>17,745</u>	<u>1,848</u>	<u>3,121</u>
Shared Sevices	<u>1,089</u>		<u>1,682</u>	<u>593</u>	<u>1,682</u>
Total	<u>16,986</u>	<u>14,624</u>	<u>19,427</u>	<u>2,441</u>	<u>4,803</u>

Stop Loss 4.5%
 Stop Gain 17.1%

(in thousands)	Beginning Fund Balance	At Fiscal Year End		Notes
		Projected End Fund Balance	% Change	
Formal Reserves	\$ 5,622	\$ 5,769	3%	
Renewal and Replacement Funds	\$ 2,150	\$ 2,252	5%	
Building	1,126	1,046	-7%	
Equipment	1,024	1,206	18%	
Bad Debt Allowance Reserves	\$ 3,472	\$ 3,517	1%	
General Fund	2,584	2,620	1%	
All other Funds	888	897	1%	
Informal Reserves	\$ 6,964	\$ 8,418	21%	
Unrestricted	\$ 5,988	\$ 7,178	20%	
Budgeted Operations	1,745	4,426	154%	
Designated Operations	316	95	-70%	
Service Centers	210	413	96%	
Auxiliaries	3,717	2,244	-40%	
Housing	3,648	2,409	-34%	
Health Center	255	381	49%	
Parking	190	326	71%	
Subtotal Student Activities/Other	\$ (377)	\$ (872)	131%	
Student Centers/Activities	339	237	-30%	
Athletics	(639)	(1,049)	64%	(1)
Other Auxiliaries	(77)	(60)	-22%	
Restricted	\$ 976	\$ 1,239	27%	
Affiliated Foundations Gifts	4	4	1%	
Fndn Interest-Endw Match Elig	308	395	28%	
Restricted for Dept General Use	451	488	8%	
Restricted for Economic Development	2	2	1%	
Restricted for Student Activities	3	1	-63%	
Restricted to Scholarships	208	349	68%	
Total Reserves	\$ 12,586	\$ 14,186	13%	

Notes

(1) Not all-encompassing of athletics in general, only the student portion.

Southern Oregon University

Academic Year 2014-15

Enrollment Report



Now Accepting Applications
for Fall 2015

Fall 2015 Admissions Data

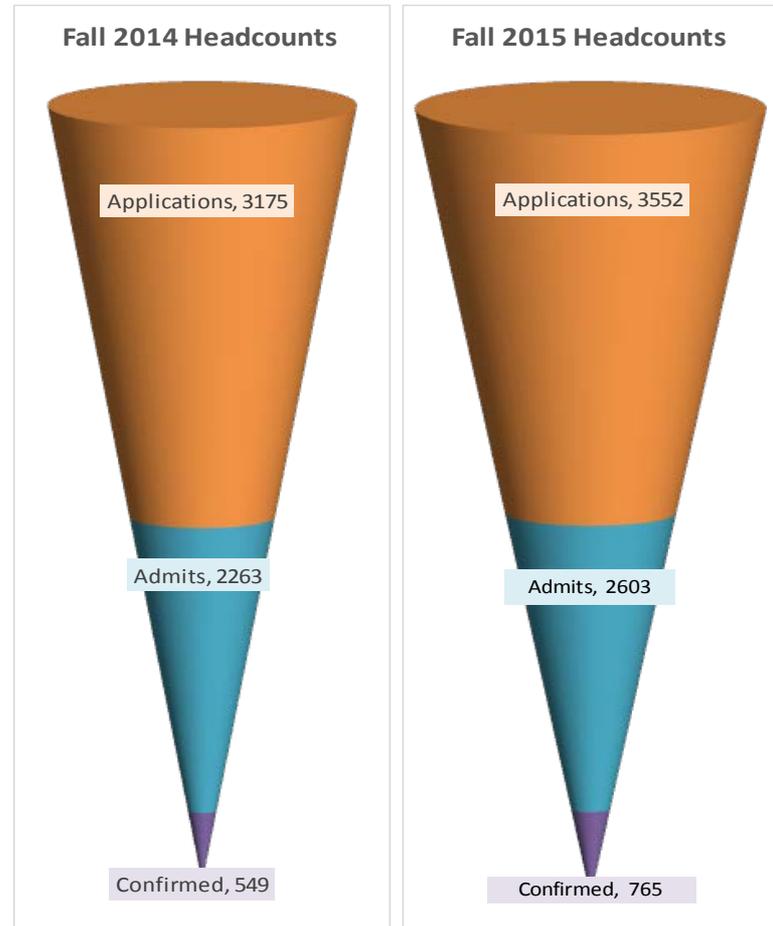
Funnel Report: Headcount by Student Type
Fall 2014 Week Ending 4/27/14 vs. Fall 2015 Week Ending 4/26/15
22 Weeks From Start of Term

Applications				
Student Type	Fall 2014	Fall 2015	Change	% Change
Freshmen - Resident	979	1,167	188	19.2%
Freshmen - Nonresident	1,511	1,607	96	6.4%
Transfer - Resident	237	277	40	16.9%
Transfer - Nonresident	290	314	24	8.3%
Postbacs/Grads/Other	158	187	29	18.4%
Total	3,175	3,552	377	11.9%

Admits				
Student Type	Fall 2014	Fall 2015	Change	% Change
Freshmen - Resident	733	877	144	19.6%
Freshmen - Nonresident	1,108	1,240	132	11.9%
Transfer - Resident	177	198	21	11.9%
Transfer - Nonresident	194	243	49	25.3%
Postbacs/Grads/Other	51	45	-6	-11.8%
Total	2,263	2,603	340	15.0%

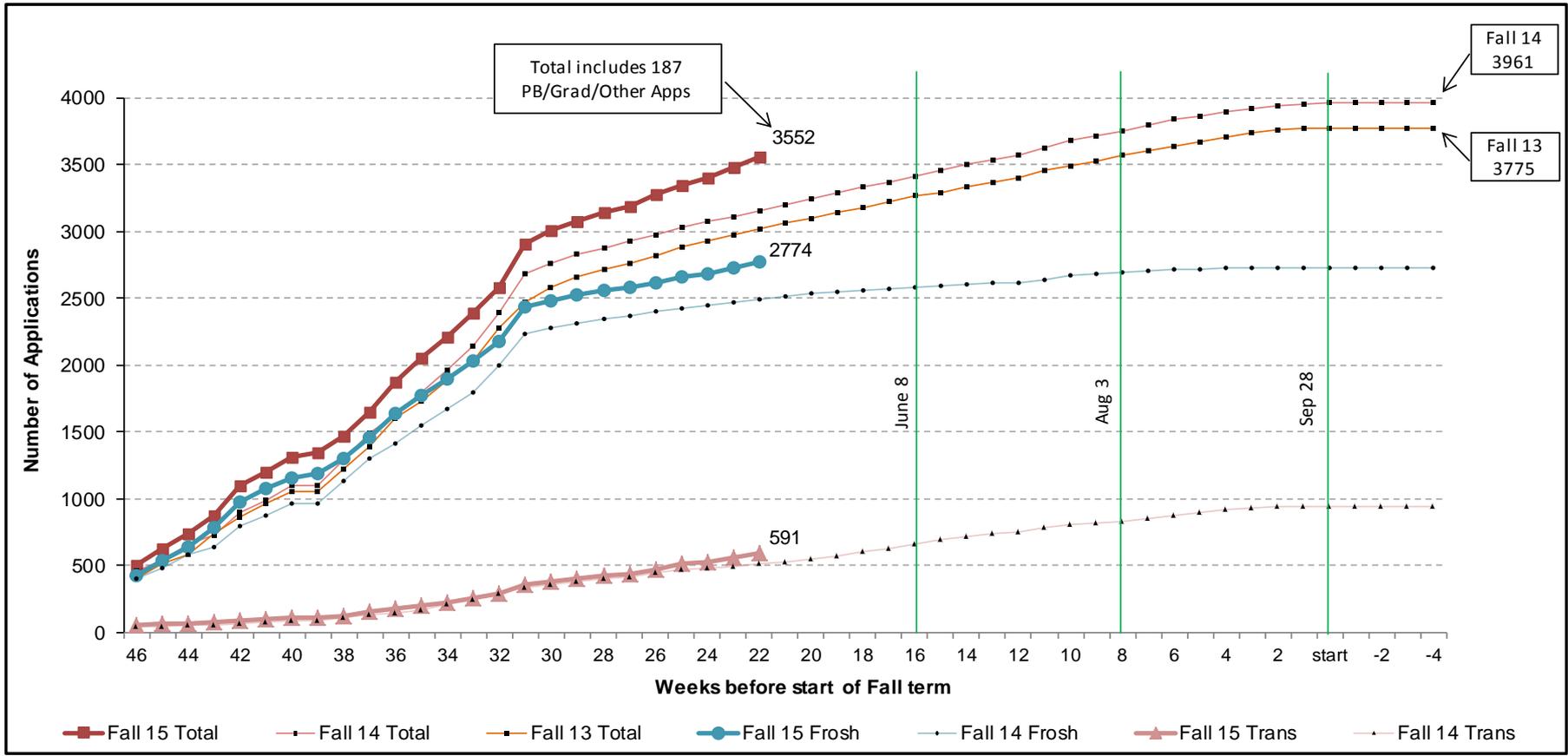
Confirmed (e.g. deposit paid)				
Student Type	Fall 2014	Fall 2015	Change	% Change
Freshmen - Resident	149	234	85	57.0%
Freshmen - Nonresident	210	311	101	48.1%
Transfer - Resident	64	69	5	7.8%
Transfer - Nonresident	79	107	28	35.4%
Postbacs/Grads/Other	47	44	-3	-6.4%
Total	549	765	216	39.3%

Enrolled				
Student Type	Fall 2014	Fall 2015	Change	% Change
Freshmen - Resident	-	-	-	-
Freshmen - Nonresident	-	-	-	-
Transfer - Resident	-	-	-	-
Transfer - Nonresident	-	-	-	-
Postbacs/Grads/Other	-	-	-	-
Total	-	-	-	-



Fall 2015 Admissions Data

Funnel Report: Application Activity
 Fall 2015 Week Ending 4/26/15
 22 Weeks From Start of Term



Fall 2015 Admissions Data

Two Projection Scenarios: New Fall 2015 Students

As of April 27th SOU is running 12% over prior year in new student applications for Fall 15.

- The historical conversion rate of apps to admits has averaged 79%.
- The current 5 year average of yield for admits to enrolled has dropped one point per year.
- Last year's yield rate ended at 44%.

An Optimistic Projection:

- Assume the 12% growth in applications continues resulting in 4436 new applications.
- Applying a 79% conversion rate and 3505 of those become admitted.
- Applying a 43% yield rate and **1507** of those enroll for Fall 2015.

A Conservative Projection:

- Assume the trajectory in applications tails off a bit and results in 4300 new applications.
- Applying a 79% conversion rate and 3397 of those become admitted.
- Applying a 41.5% yield rate and **1410** of those enroll for Fall 2015.

These two projections range from 4.9% to -1.8% vs. prior year's new students (fall 14 = 1436). OUS-IR projected an overall change in enrollment for Fall 2015 at -1.1% vs. the prior year.

Questions?

