



## OFFICE OF THE BOARD OF TRUSTEES

### Public Meeting Notice

April 13, 2020

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

FROM: Sabrina Prud'homme, University Board Secretary

RE: Notice of Regular Committee Meeting by Videoconference

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

Topics of the meeting will include a vice president's report with a review of the financial dashboard; an update on the Higher Education Coordinating Commission; and other general updates. There also will be a discussion of financial metrics, an update on 2020-2021 tuition and fees, and discussion on the current budget with a review of the pro forma.

The meeting will occur as follows:

Monday, April 20, 2020

4:00 p.m. to 6:00 p.m. (or until business concludes)

Visit [governance.sou.edu](https://governance.sou.edu) for meeting materials.

Visit [sou.edu/video](https://sou.edu/video) to stream the meeting proceedings at the time of the meeting.

Zoom Meeting information will be provided for trustees and meeting participants.

If special accommodations are required or to provide written public comment or testimony, please contact Kathy Park at (541) 552-8055 at least 72 hours in advance.

### Public Comment

Members of the public who wish to provide public comments for the meeting are invited to submit their comments or testimony in writing. Please send written comments or testimony to the Board of Trustees email address: [trustees@sou.edu](mailto:trustees@sou.edu). Public comments also may be sent to the board via postal mail addressed to SOU Board of Trustees, 1250 Siskiyou Boulevard, Ashland, OR 97520.



**Board of Trustees**  
**Finance and Administration Committee Meeting**  
**April 20, 2020**

# Call to Order / Roll / Declaration of a Quorum



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

**Monday, April 20, 2020  
4:00 p.m. – 6:00 p.m. (or until business concludes)  
DeBoer Room, Hannon Library**

**AGENDA**

Persons wishing to participate during the public comment period shall sign up at the meeting.  
Please note: times are approximate and items may be taken out of order.

	<b>1</b>	<b>Call to Order/Roll/Declaration of a Quorum</b>	Chair Sheila Clough
	1.1	Welcome and Opening Remarks	
	1.2	Roll and Declaration of a Quorum	Sabrina Prud'homme, SOU, Board Secretary
	1.3	Agenda Review	Chair Clough
	<b>2</b>	<b>Public Comment</b>	
5 min.	<b>3</b>	<b>Consent Agenda</b>	
	3.1	Approval of March 19, 2020 Meeting Minutes	Chair Clough
20 min.	<b>4</b>	<b>Vice President's Report</b>	Greg Perkinson, SOU, Vice President for Finance and Administration
	4.1	Committee Dashboard	
	4.2	HECC Update	
	4.3	Other General Updates	
	<b>5</b>	<b>Action, Information and Discussion Items</b>	
15 min.	5.1	Update on Tuition and Fees for Academic Year 2020-2021	Greg Perkinson; Dr. Susan Walsh, SOU, Provost
30 min.	5.2	Discussion of Financial Metrics	Chair Clough; Greg Perkinson
30 min.	5.3	Budget Update and Review of Pro Forma	Greg Perkinson
	5.4	Future Meetings	Chair Clough
	<b>6</b>	<b>Adjournment</b>	Chair Clough

# Public Comment

# Consent Agenda

**Southern Oregon University  
Board of Trustees  
Finance and Administration Committee Meeting  
Thursday, March 19, 2020**

**MINUTES**

**Call to Order/Roll/Declaration of a Quorum**

Committee Members:

Sheila Clough	Present	Paul Nicholson	Present
Les AuCoin	Present	Bill Thorndike	Present
Shaun Franks	Present	Steve Vincent	Present
Megan Davis Lightman	Present		

Chair Sheila Clough called the meeting to order at 4:02 p.m. in the DeBoer Room of the Hannon Library. The secretary recorded the roll and a quorum was verified.

Other trustees in attendance: Lyn Hennion, Barry Thalden, janelle wilson and President Linda Schott.

Other attendees included: Greg Perkinson, Vice President for Finance and Administration; Jason Catz, General Counsel; Dr. Susan Walsh, Provost; Sabrina Prud'homme, Board Secretary; Josh Lovern, Budget Office; Dr. Lee Ayers, Undergraduate Studies and HECC; Britney Sharp, ASSOU; Sarah Grulikowski, ASSOU; and Kathy Park, Office of the Board Secretary.

President Linda Schott read an email message she received from the parent of an SOU student. The message was "a quick thank you for the incredible job SOU is doing at keeping students on-campus, on track, and well-informed during this crisis. It has been enormously beneficial for my daughter ... to have continued housing and food service in the residence halls while having her mind occupied with her finals rather than being kicked off campus and having classes cancelled like many schools have done... [SOU's] crisis response has truly made a difference for her and us."

**Public Comment**

There was no public comment.

**Consent Agenda**

Trustee Bill Thorndike moved to approve the consent agenda as presented. Trustee Steve Vincent seconded the motion and it passed unanimously.

**Vice President's Report**

Committee Dashboard

Greg Perkinson reviewed the dashboard included in the meeting materials. There is a slight lag in revenue, principally due to timing. He pointed out the total student credit hours is slightly up, which could be a reflection of improved retention. The E&G fund balance is below the target and cost reductions are being driven hard. E&G expenses are below the burn rate, which is good; there are no negative indicators in the expenses.

### Higher Education Coordinating Commission Update and Other General Updates

Greg Perkinson said Jim Pinkard is working with other agencies to support data collection that would forecast the implications of the universities' COVID-19 responses. The data being collected includes tuition and fees, auxiliary revenues, additional costs associated with changing how academic content is delivered, additive costs of cleaning, and other labor costs associated with anticipated responses.

Mr. Perkinson discussed the activation of SOU's Emergency Operations Center. He has been assigned as the incident commander and the team meets twice daily. They are task organized, focusing on medical, academic and student life issues. They are in a planning and preparedness phase right now. Responding to Chair Clough's inquiry, Mr. Perkinson said the administration is tracking COVID-19-related expenses. Mr. Pinkard is closely watching cash management in the public university fund and will remain focused on it through the course of the pandemic.

Turning to the SSCM working group, Mr. Perkinson said there is a bit of a decrease in the energy of the working group regarding changes to the funding model. One of the group members challenged the continued existence of the work group considering the current crisis the universities are working through. The work continues but might carry on a bit longer than originally anticipated.

SOU is in the middle of developing the resubmittal for capital requirements. The Music and Digital Media Center project is the priority, although the submittal is deferred about a month. Mr. Perkinson said the bonds were sold to support the Britt renovation and work is moving forward.

### **Action, Information and Discussion Items**

#### Tuition Advisory Council Update

Taking agenda items out of order, Greg Perkinson said the Tuition Advisory Council (TAC) has been formed and is meeting regularly. One topic of discussion at its last meeting was to spend less time modeling costs given the high level of uncertainty and instead move toward a recommendation that would be under 5 percent. The administration's ability to reasonably forecast revenue and expenses for the spring term and next year is highly uncertain. Dr. Susan Walsh reminded trustees that an increase of five percent or more is the trigger to appear before the HECC. Responding to Chair Clough, Mr. Perkinson and Dr. Walsh said the TAC's timing is on track.

#### Student Fee Process Update

Josh Lovern praised the student team members for their work in the process. Several themes emerged as the team worked through the process this year: transitions, time and turbulence.

Mr. Lovern described the changes ASSOU made in the student fee process. Instead of having a long time to submit budgets, ASSOU defined the pot of money available and went into an allocation period. To make the process move along faster, the subcommittees decreased from three to two. Transparency was a big issue. The revenue projections were revised to show who is paying the fees and how the projections



change based on fluctuations in headcount and fees.

Mr. Lovern stressed the importance of maintaining a timely rhythm and keeping the process on track. ASSOU President Britney Sharp mentioned the benefits the revised bylaws have had on the process this year: overall, it's more effective and takes the whole picture into consideration. ASSOU President Britney Sharp added that folding the Student Recreation Center into the student fee process was turbulent.

Mr. Lovern said budget reductions are always difficult. Through the allocation method, ASSOU defunded some items (e.g., bike program, national student exchange and OSA membership). ASSOU President Sharp said the revised recommendation for the incidental fees is \$372 per term. Even at this rate, \$310,000 still had to be cut from the budget. Discussion ensued on decisions made during the allocation appeal process and the three criteria ASSOU used to evaluate each request (viz cost-benefit ratio, fundraising, and overall community benefit). She clarified that a major benefit of OSA membership is the Oregon Students of Color Conference. Since a non-membership rate is available, SOU still will be able to send students to that conference or to a nationwide conference for students of color.

Mr. Lovern said the next steps are to obtain ASSOU Senate approval of the fee recommendation then present it to President Schott and the Board of Trustees.

#### Budget Update and Review of Pro Forma

Addressing the cost reduction strategy, Greg Perkinson said the divisions are still driving toward the reduction goals. In managing its planning, preparedness and communications with students, faculty and staff, SOU will continue to keep its core principles in the forefront: the academic mission, student success, and driving efficiency and effectiveness. The administration will continue to monitor expense patterns, drive reductions and, at the same time, plan to effectively respond.

Mr. Perkinson mentioned costs that are anticipated to decrease, including those associated with planned reductions in Supplies & Services, position vacancies not being filled, the closure of the recreation center and the elimination of athletic travel. Summarizing the situation, Chair Clough said SOU is on track with its cost reduction strategy and COVID-19 will cause SOU to incur unanticipated costs, will impact revenue and will reduce some costs. Discussion ensued on steps SOU is taking to respond to faculty and students' needs, including reaching an agreement with the City of Ashland to offer free internet to students.

#### Discussion of Financial Metrics

Introducing the agenda item, Chair Clough reminded trustees that the HECC's evaluations of the TRUs included new metrics that did not put SOU in a good light. Jim Pinkard from the HECC visited SOU's campus to discuss the report and the metrics. It became clear the board needed to be thinking about the metrics it should continue monitoring. This is the first of many conversations the committee will have before making a recommendation to the board on the metrics to be used.

Greg Perkinson said there is no one-size-fits-all regarding the data his peers present to

their boards. Monitoring metrics is a key aspect of running a business. The universities are discussing with HECC the data it would like to see. He then reviewed some of the potential metrics to consider, and frequency, in the areas of affordability; efficiency; revenue, spending and financial stability; and outcomes, as included in the meeting materials. Mr. Perkinson said his directors would discuss internally what measures they need to see, as will be done in the academic and student affairs areas. From that information, the committee and the board can identify the high level metrics they would like to see to monitor the health of the institution.

Discussion ensued on potential metrics to use, including the need to have comparative information, the danger of vanity metrics, profit margins, and the importance of student, employee, and the business community's satisfaction.

#### Future Meetings

The next regularly scheduled committee meeting will be on Monday, April 20.

#### **Adjournment**

Chair Clough adjourned the meeting at 5:54 p.m.

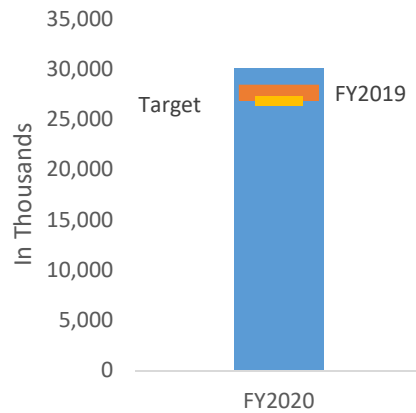
# Vice President's Report

# Road Map

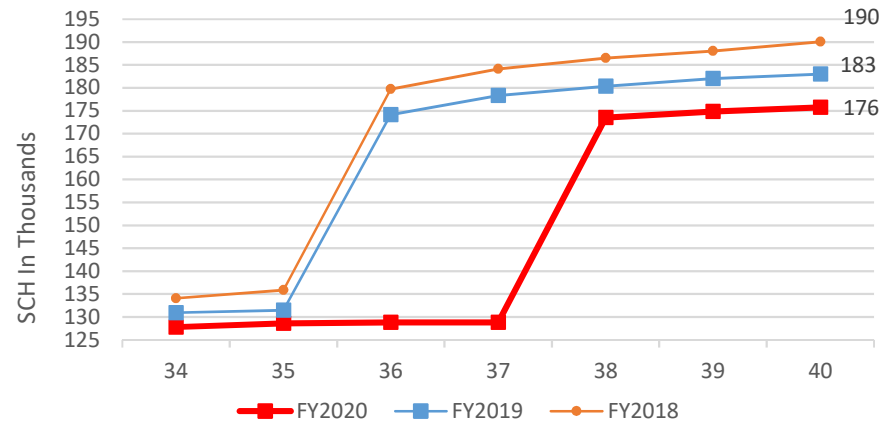
- Committee Dashboard
- HECC Update
- COVID-19 Incident Response Highlights

For FY20  
As of March 31, 2020

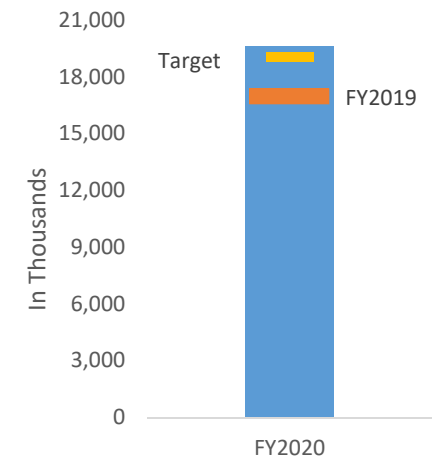
### Public University Funds Operating Cash



### Total Student Credit Hours by Week of the Fiscal Year

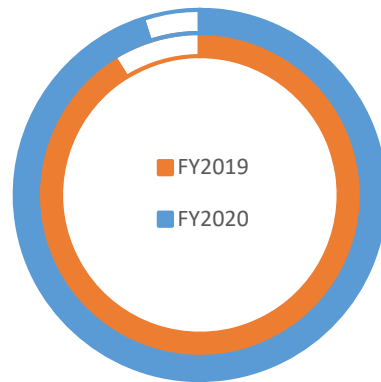


### E&G Fund Balance

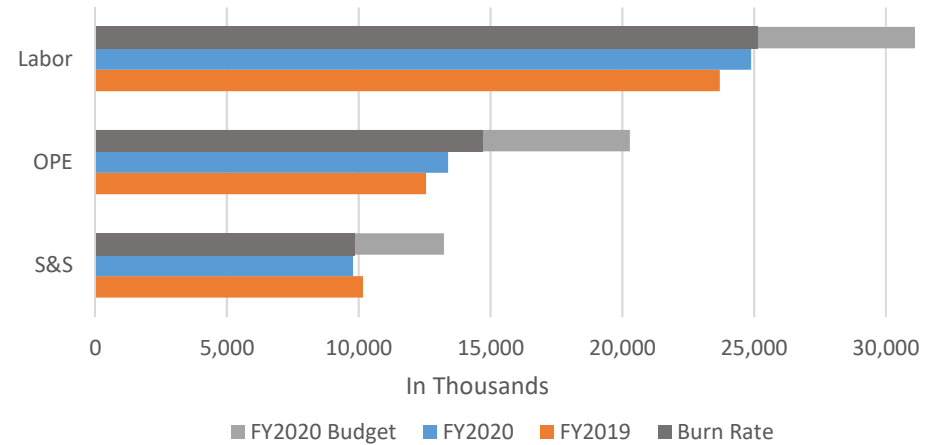


### Assessing COVID-19 Impacts

### E&G YTD Revenues



### E&G YTD Select Expenses



# HECC Update

- SSCM – work group delayed, transitioned to a two-phased approach
  - ([see 4/8/20, docket item 3.0](#))
- Budget Note Report – Potential Metrics and Framework -
  - ([see 4/8/20, docket item 4.0](#))
- COVID-19 Institutional Financial Impact

# COVID-19 Institutional Financial Impact

<https://www.oregon.gov/highered/about/Pages/current-materials.aspx>



Survey - The Potential Financial Impact due to COVID-19			
<b>Institution Name:</b> Southern Oregon University			
<b>General State of Operations</b>			
Our institution is offering all courses online or via remote instruction through Spring Term			
All campus housing and dining services are limited to essential services only.			
All athletic and other events are postponed all Spring Term.			
Additional Questions:			
Tuition/Fee reductions? (Have you reduced charges?)	Yes	Portions of Mandatory fees reduced	
Employment actions? (Union contract changes, layoffs?)	No	Work-at-Home for employees. Reducing	
How many students have withdrawn or not returned?	119 Spring student have withdrawn; 167 Winter students did		
<b>Impact Categories</b>	<b>Short Term Impact</b>	<b>Longer Term Impact</b>	<b>Context</b>
1 - Tuition/Fee Revenue - Reduced Enrollments, Refunds, etc. (Variable)	\$ (956,563)	\$ (9,247,807)	Each 1% drop in
Resident Students	(39,364)	(3,893,737)	
Non-Resident Students	(308,921)	(2,874,502)	
Dual Credit or Non-Credit Students	(124,015)	(325,124)	
Other Students (Loss of Advanced Southern Revenue: High School Credits)	(572)	(24,915)	
Refund of Tuition or Fee Revenue	(483,691)	(2,129,530)	Short Term: Red
Tuition or Fee Adjustments		-	
2 - Auxiliary Revenue - Reduced Activity	\$ (2,860,375)	\$ (8,281,124)	Each 1% drop in
Dining	(784,208)	(2,352,624)	Largely tied to F
Housing	(1,427,292)	(4,281,876)	
Athletics	(266,667)	\$ (500,000)	
Other (Housing Conferences)	(382,208)	\$ (1,146,624)	
3 - Additional Cost of Course Delivery and Student Support	\$ (500,000)	\$ (1,500,000)	Each 1% increas
4 - General Costs of Cleaning, Personnel, etc.	\$ (50,000)	\$ (150,000)	Each \$XX spent
5 - Other Costs - Detailed	\$ (70,000)	\$ -	Emergency Sick
<b>Total Potential Financial Impact</b>	<b>\$ (4,436,937)</b>	<b>\$ (19,178,931)</b>	
<b>Purpose</b>	The purpose of this survey is to collect information about the potential financial impact to institutions resulting from COVID-19.		

# **Update on Tuition and Fees for Academic Year 2020-2021**



# Tuition and Fees Update

- ASSOU Senate approved Fees on 4/10/20
- TAC meeting regularly, working to have recommendation to President week of 5/11/20
- Key milestone: end of Drop-Add – 4/20/20 (for Spring revenue ‘clarity’)
- Next Action: update pro forma on 4/20
  - assess status of current fiscal year estimate-to-complete; and
  - update revenue projection

# Discussion of Financial Metrics

# Metrics Being Considered

- Strategic
  - Affordability
  - Revenue, Spending and Financial Stability
  - Efficiency and ROE
  - Outcomes
- Operational
  - See next slide for HECC framework
- Tactical (Director-level supporting daily operations)
  - FMP – maintenance cost / square foot
  - IT – customer satisfaction survey data
  - Etc.

# The Framework Under Review

## Potential Metrics to Consider

### AFFORDABILITY

- » Tuition and fees
- » Total cost of attendance
- » Net price
- » Financial aid: percentage receiving Pell, federal loans, & institutional grant aid
- » Institutional grant aid per FTE student
- » Tuition discount rate

### REVENUE, SPENDING & FINANCIAL STABILITY

- » Revenue and spending per FTE student
- » Tuition-financed share of spending
- » Compensation per FTE employee and share of total spending
- » Net income ratio
- » Return on net assets ratio

### EFFICIENCY & ROI

- » Faculty throughput (SCH per FTE Faculty)
- » Student-to-faculty ratio
- » Retention
- » Average SCH load
- » Net revenue from 1% change in retention or average SCH load
- » Cost of unproductive credit hours

### OUTCOMES

- » Spending per completion
- » Spending per SCH
- » Completions per \$100K of spending
- » Completions per 100 FTE
- » SCH per completion

# Sample Strategic Metric

<https://www.oregon.gov/highered/about/Documents/Commission/FA/2020/April%208%202020/5.2%20FA%20Docket%20Item%20-%20Draft%20Financial%20Snapshots.pdf>



Fiscal Year 2019  
Southern Oregon University

## MEASURING FINANCIAL HEALTH

The composite financial index is a way to measure the financial health of an institution. Greater than 3.0 is ideal. Less than 1.0 indicates financial stress. The index is a composite of four financial ratios as calculated by a weighted average.

### Return on net assets

Percentage return that measures if an institution is better off now compared to last year.

### Return on net revenues

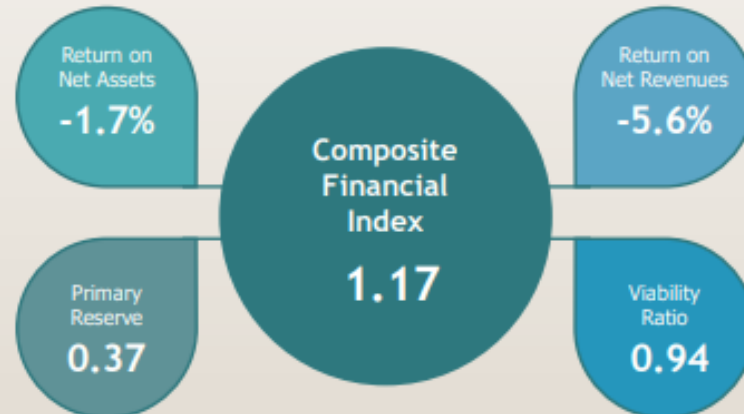
Shows if an institution balanced operating expenses with available revenue.

### Primary reserve

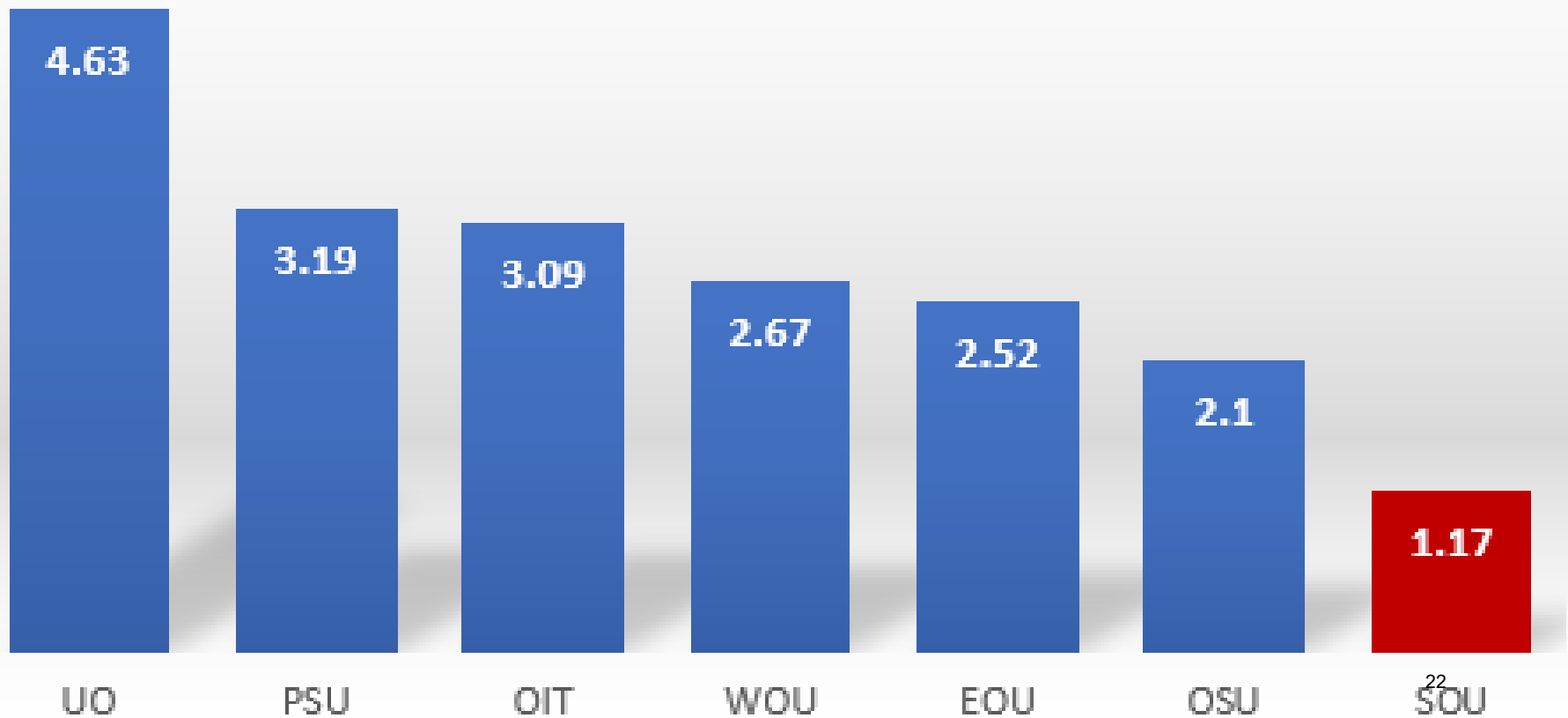
The number calculated displays the portion of a fiscal year the institution can survive without additional funding.

### Viability ratio

The ratio measures the portion of long-term debt the institution can pay off with existing, liquid assets.



## Composite Financial Index



# Sample Strategic Metric

## Who pays the bill?

**Student Share:** The portion of education related spending paid by students through tuition and fees.

**Subsidy Share:** The portion of education related spending paid by other sources including state appropriations, grants and other funding.



32.8% : 67.2%  
Student Share : Subsidy Share

## SSCM degree value

Average value of state appropriations the university earns for each resident degree completed.

## Total E&G spending per Full-time Enrollment

Spending specifically for education and general (E&G) purposes. (including instruction, public service, institutional and academic support).

**\$18,660**

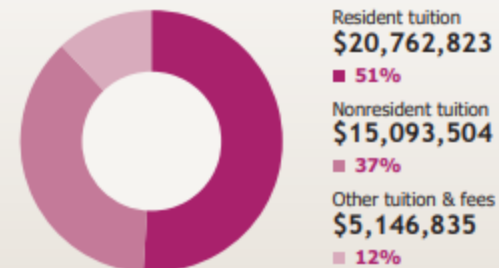
Oregon Average  
**\$24,000**

**\$6,578**

Oregon Average  
**\$8,162**

## ANALYZING TUITION REVENUE

An analysis of tuition revenue reveals the level of dependency on resident versus nonresident enrollment and includes a look at other tuition and fee revenue including continuing education. The level of remissions is noted. Remissions are discounts to the "sticker price" tuition and the main form of institutional financial aid for students.



**\$41,003,163**

Total tuition & fees  
**100%**

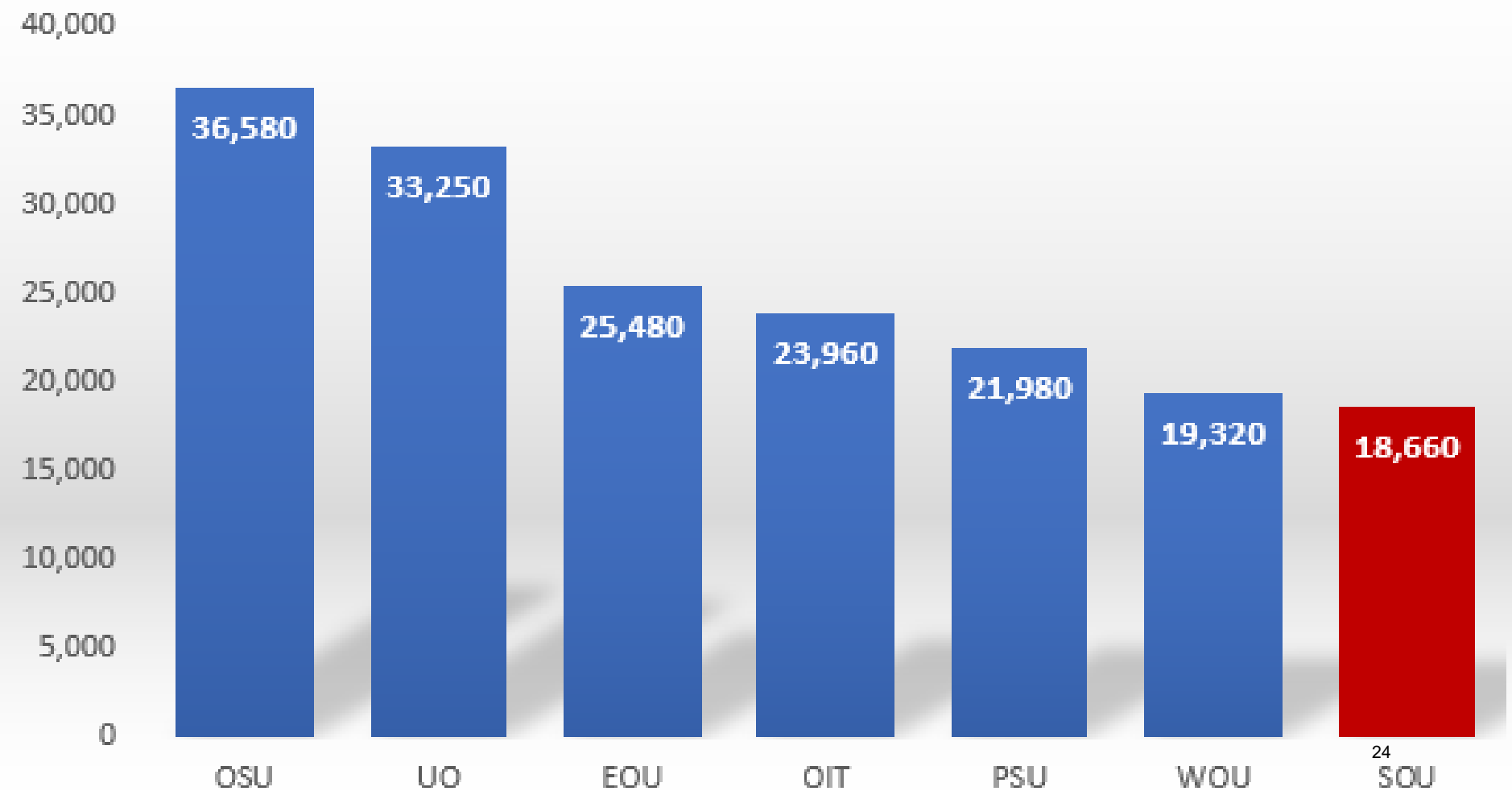
**\$-3,637,765**

Remissions  
**8.9%**

**\$37,365,398**

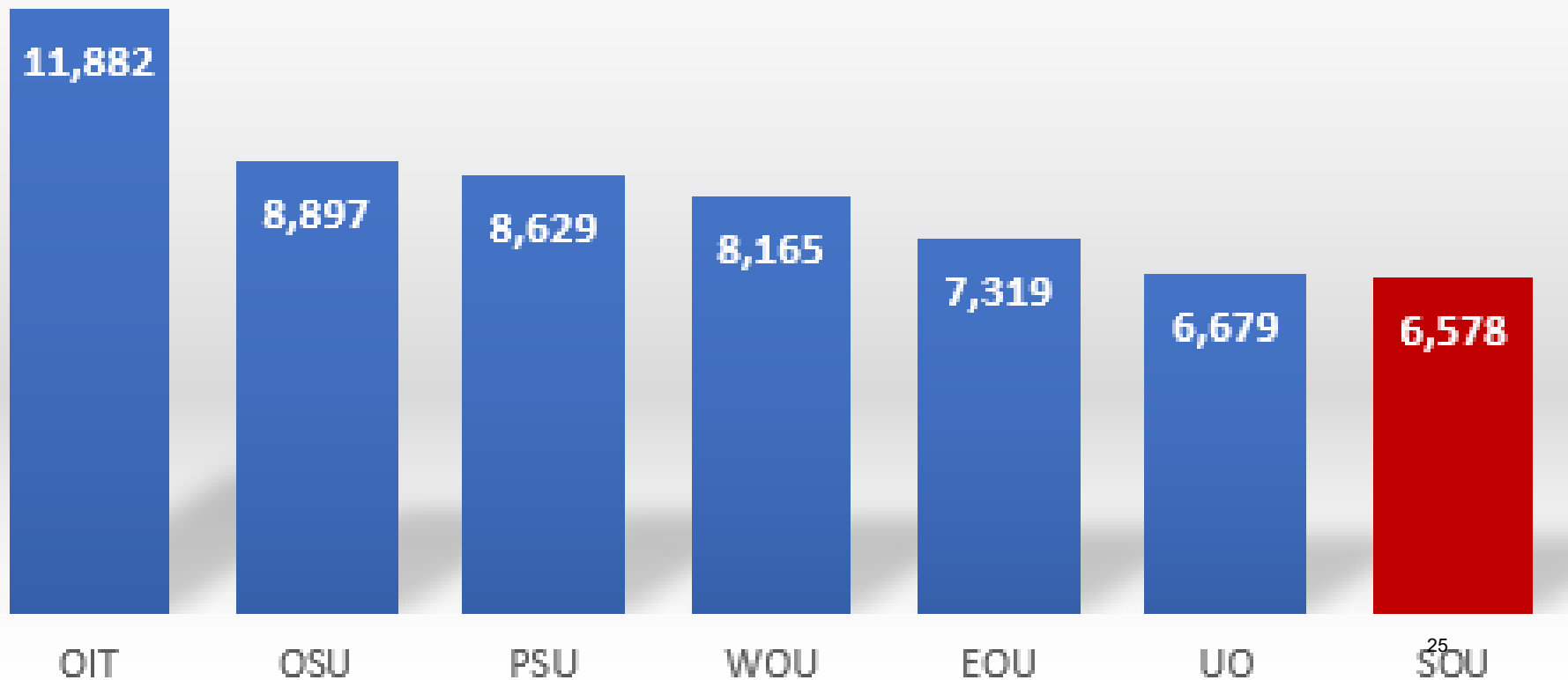
Net tuition & fees  
**91.1%**

## Total E&G Spending Per FTE

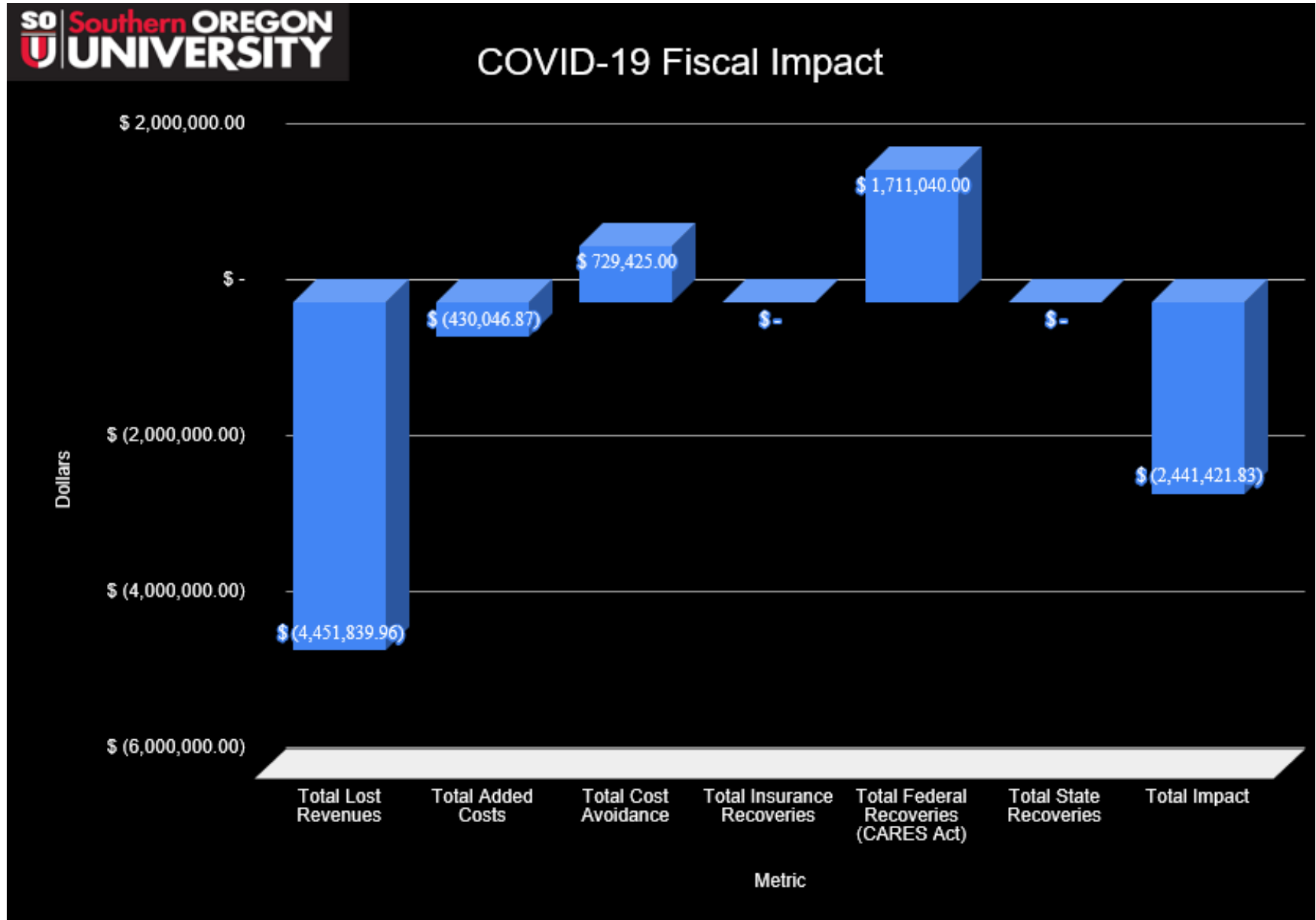




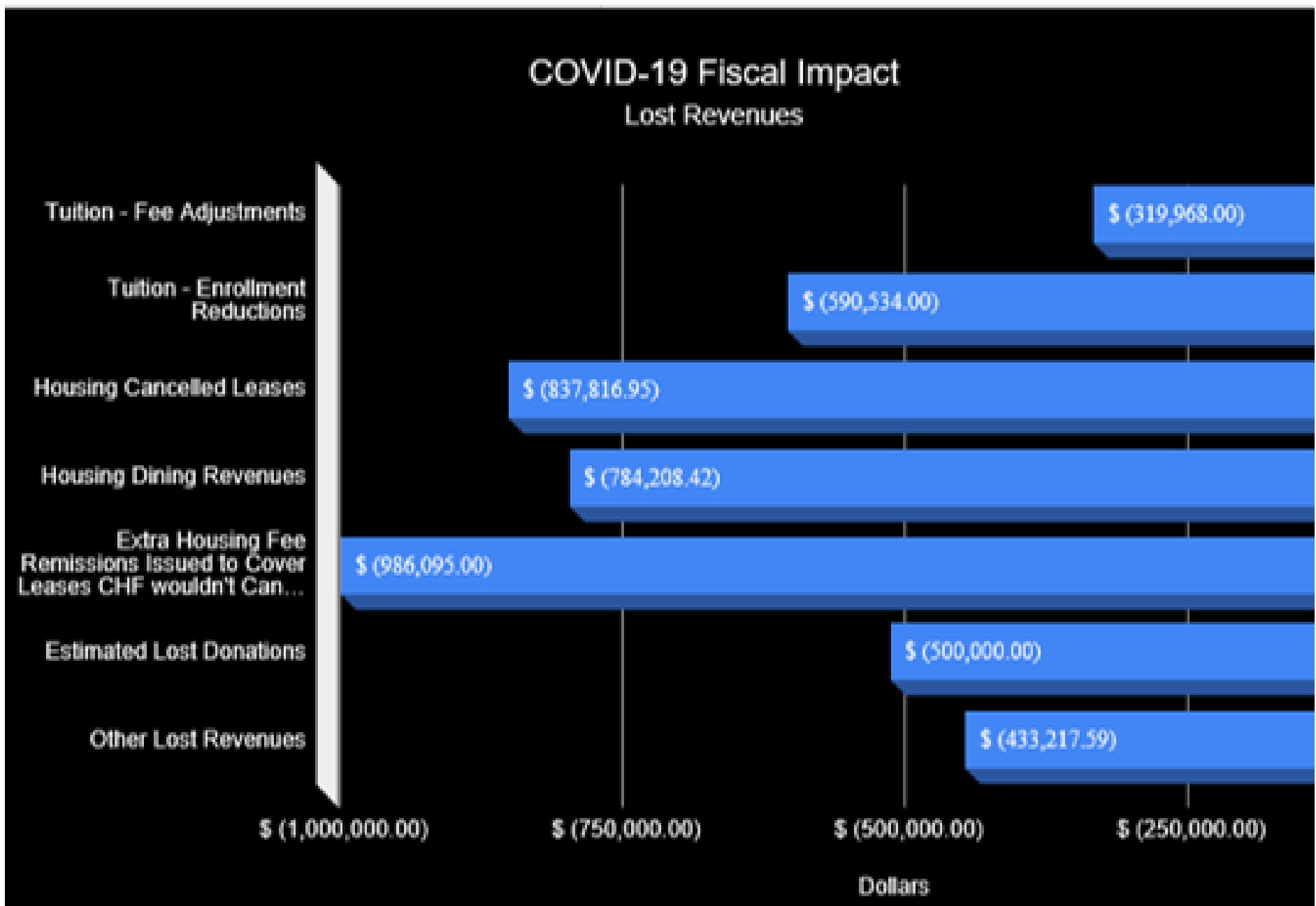
## SSCM Degree Value



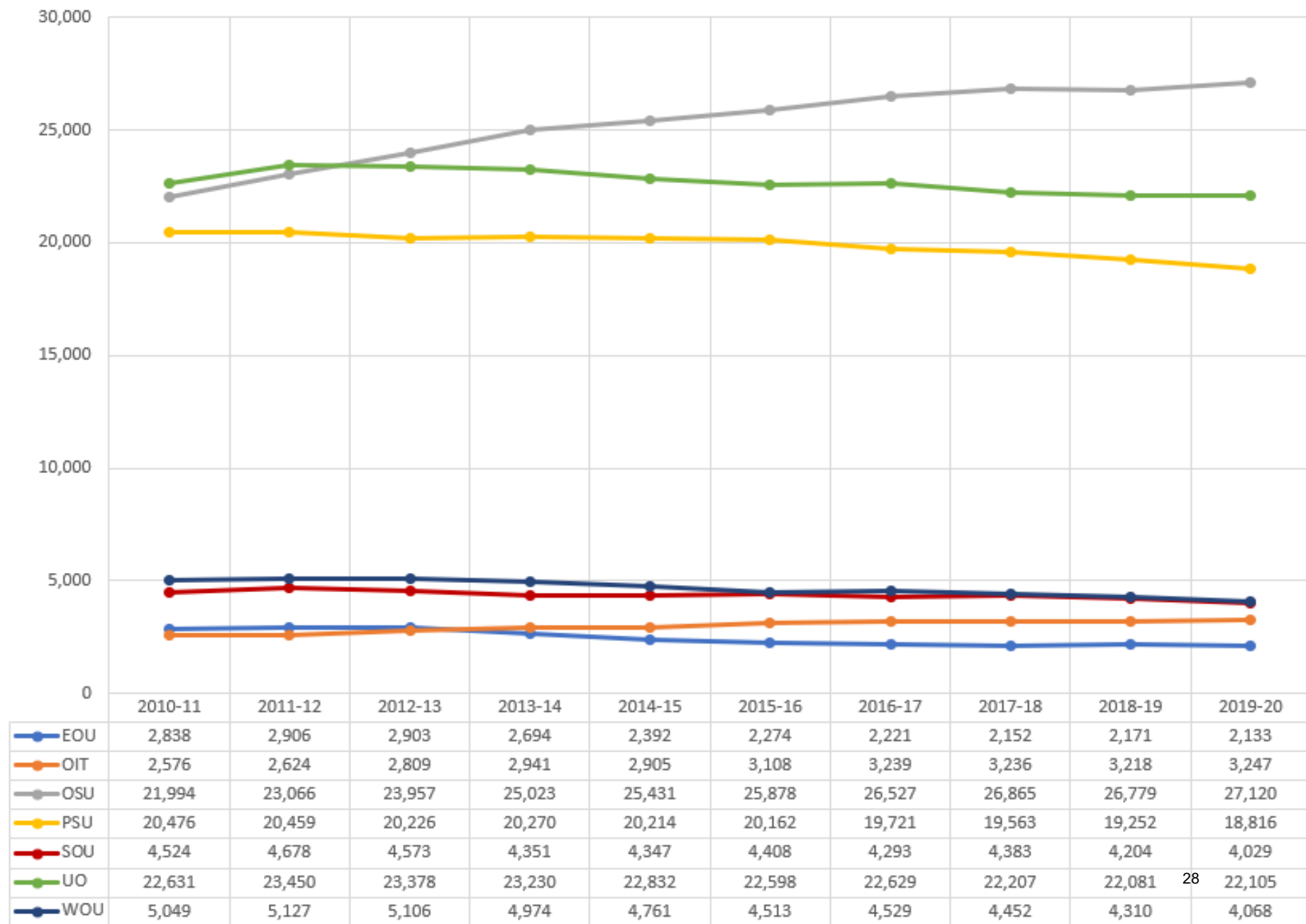
# Sample COVID-19 Finance Metric



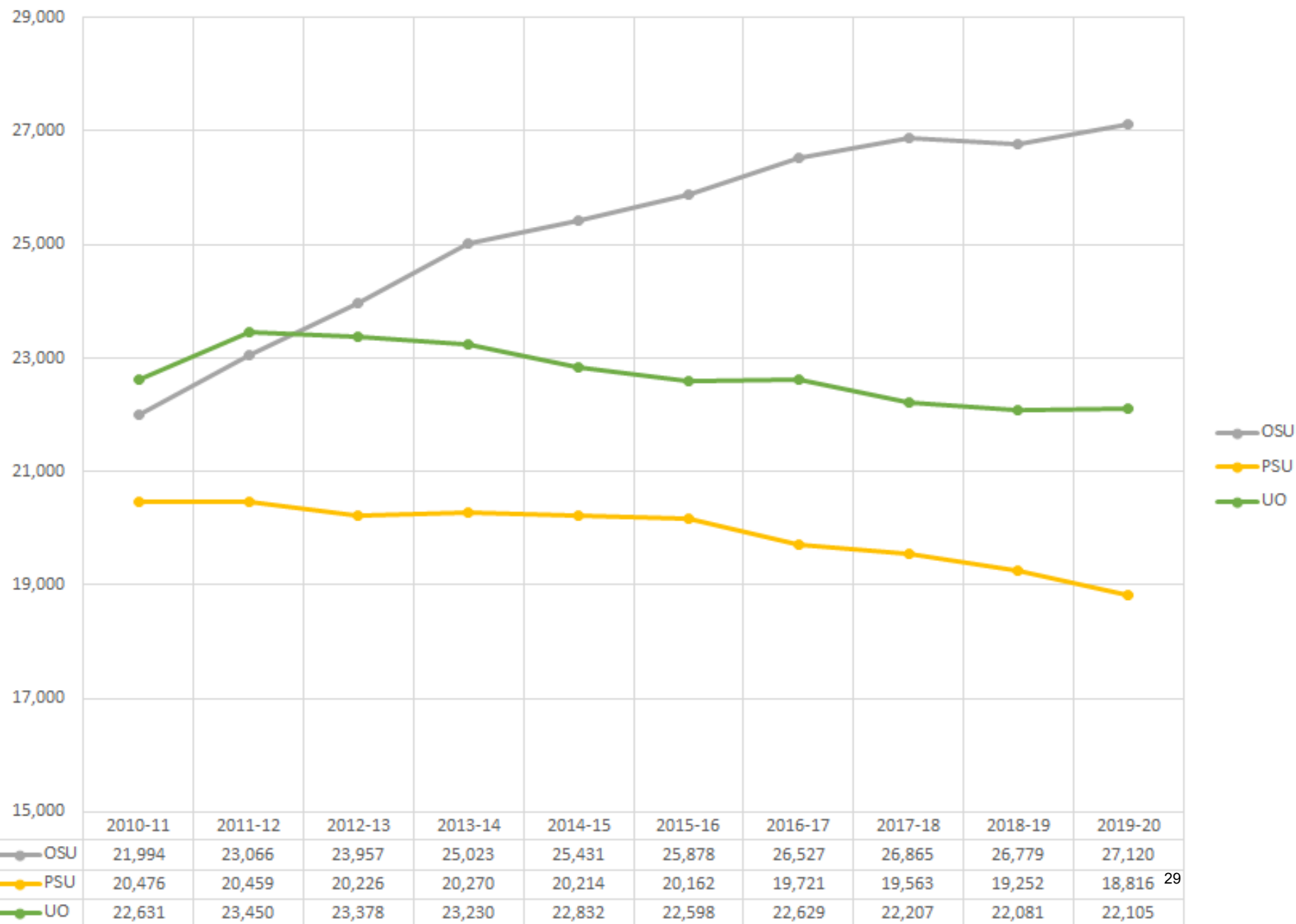
Breakout of the Lost Revenue by Major Category:



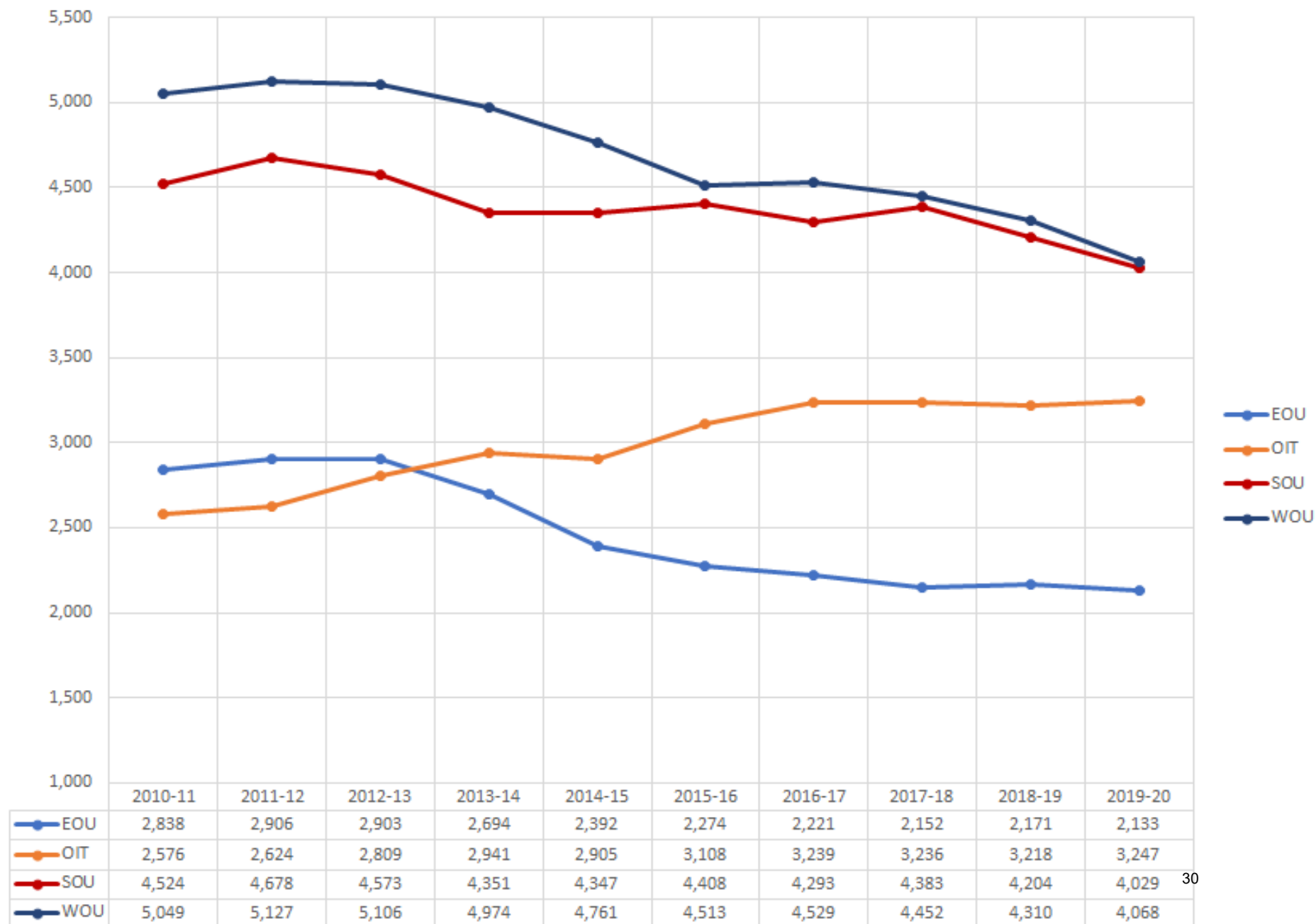
# Enrollment by FTE AY 2010 - 2019



# BIGs Enrollment by FTE AY 2010 - 2019



# TRUs Enrollment by FTE AY 2010 - 2019



# Sample Strategic Metric

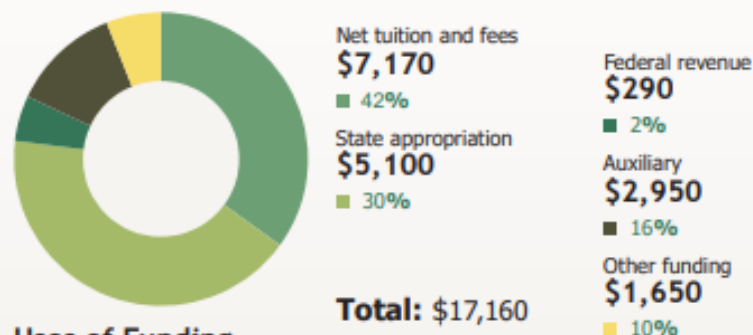
## OREGON HIGHER EDUCATION FINANCIAL SNAPSHOT

### FINANCIAL CHARACTERISTICS

This section includes basic financial data about the institution as derived from audited financial reports. Amounts are calculated per full time equivalent (FTE) and includes all funds.

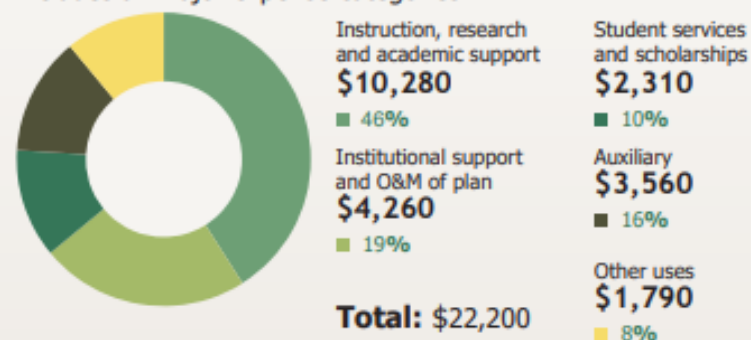
#### Sources of Funding

Includes all major revenue categories and government appropriations.



#### Uses of Funding

Includes all major expense categories.



# Budget Update and Review of Pro Forma



# Road Map

- Budget approved in October 2019
- Pro Forma as of 3/15/2020  
(Review of dynamic pro forma in meeting)
- Summary of Cost Reductions

# Pro Forma

as of  
10/8/19

	2017-19 Biennium		2019-21 Biennium		2021-23 Biennium	
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
<b>Education and General</b>	Actual	Actual	Budget & Projections	FORECAST	FORECAST	FORECAST
(in thousands of dollars)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)
<b>Revenue</b>						
State Appropriations: SSCM	20,840	21,270	22,696	23,880	25,509	26,550
State Appropriations: ETIC/SELP	433	381	376	377	376	376
One-time Funding		0	672	672		
<b>Total State Funding</b>	<b>21,273</b>	<b>21,651</b>	<b>23,744</b>	<b>24,929</b>	<b>25,885</b>	<b>26,926</b>
Tuition	37,759	37,709	40,047	40,128	40,366	40,835
Fees	3,244	3,294	3,547	3,828	4,163	4,552
Raider Aid	(4,243)	(3,638)	(3,600)	(3,612)	(3,633)	(3,675)
Oth tuition adjustments						
Tuition, net of Raider Aid	36,760	37,365	39,994	40,345	40,896	41,711
Misc. Other Revenue	2,804	3,013	2,950	3,016	3,084	3,154
Other Adjustments to Revenue						
<b>Total Revenues</b>	<b>60,837</b>	<b>62,030</b>	<b>66,688</b>	<b>68,290</b>	<b>69,866</b>	<b>71,791</b>
<b>Personnel Services</b>						
Faculty	(15,044)	(15,801)	(16,560)	(17,071)	(17,415)	(18,025)
Admin	(8,854)	(9,230)	(10,053)	(10,311)	(10,591)	(10,763)
Classified	(6,436)	(6,484)	(6,824)	(6,884)	(6,965)	(7,033)
Student (& Other)	(1,430)	(1,500)	(1,615)	(1,723)	(1,832)	(1,940)
Labor	(31,763)	(33,014)	(35,052)	(35,988)	(36,803)	(37,760)
Retirement (PERS + ORP)	(6,841)	(7,007)	(9,143)	(9,387)	(9,603)	(9,853)
PEBB	(7,332)	(7,306)	(7,687)	(8,071)	(8,475)	(8,899)
Other	(2,839)	(3,018)	(3,501)	(3,595)	(3,676)	(3,771)
OPE	(17,012)	(17,331)	(20,331)	(21,053)	(21,754)	(22,523)
<b>Net Personnel</b>	<b>(48,775)</b>	<b>(50,345)</b>	<b>(55,383)</b>	<b>(57,042)</b>	<b>(58,556)</b>	<b>(60,282)</b>
Supplies & Services	(9,287)	(11,732)	(11,116)	(11,366)	(11,622)	(11,883)
<b>Total Supplies and Services</b>	<b>(9,287)</b>	<b>(11,732)</b>	<b>(11,116)</b>	<b>(11,366)</b>	<b>(11,622)</b>	<b>(11,883)</b>
Cost Reductions and Savings			2,435	3,150	3,475	3,750
<b>Total Expenditures</b>	<b>(58,062)</b>	<b>(62,077)</b>	<b>(64,064)</b>	<b>(65,258)</b>	<b>(66,703)</b>	<b>(68,416)</b>
<b>Net from Operations Before Transfers</b>	<b>2,775</b>	<b>(47)</b>	<b>2,624</b>	<b>3,032</b>	<b>3,162</b>	<b>3,376</b>
Net Transfers	(2,481)	(1,739)	(2,643)	(2,722)	(2,784)	(2,866)
Change in Fund Balance	294	(1,786)	(18)	310	379	510
<b>Beginning Fund Balance</b>	<b>6,844</b>	<b>7,138</b>	<b>5,352</b>	<b>5,333</b>	<b>5,643</b>	<b>6,022</b>
<b>Ending Fund Balance</b>	<b>7,138</b>	<b>5,352</b>	<b>5,333</b>	<b>5,643</b>	<b>6,022</b>	<b>6,532</b>
<b>% Operating Revenues</b>	<b>11.7%</b>	<b>8.63%</b>	<b>8.00%</b>	<b>8.26%</b>	<b>8.6%</b>	<b>9.1%</b>

# Mid-year Reductions

	2017-19	2019-21 Biennium			2021-23 Biennium	
		2019-20	2019-20	2020-21	2021-22	2022-23
	Actual	BUDGET	PROJECTION	FORECAST	FORECAST	FORECAST
(in thousands of dollars)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)
<b>Education and General</b>						
<b>Revenue</b>						
State Appropriations: SSCM	21,270	22,696	22,696	23,357	24,312	25,236
State Appropriations: ETIC/SELP	381	376	378	359	359	359
<b>Total State Funding</b>	21,651	23,072	23,074	23,716	24,671	25,595
Tuition	37,709	40,047	39,652	39,176	39,088	39,143
Fees	3,294	3,547	3,187	3,402	3,671	3,986
Raider Aid	(3,638)	(3,600)	(3,519)	(3,526)	(3,518)	(3,523)
<b>Tuition, net of Raider Aid</b>	37,365	39,994	39,320	39,052	39,242	39,606
<i>Growth Opportunities</i>						
<i>Revenue External to modeling</i>			545			
Misc. Other Revenue	3,013	2,950	2,930	3,553	3,633	3,715
<b>TOTAL REVENUES</b>	62,030	66,016	65,869	66,321	67,546	68,915
<b>Personnel Services</b>						
Faculty	(15,801)	(16,560)	(16,629)	(16,730)	(16,953)	(17,369)
Admin	(9,230)	(10,051)	(10,039)	(10,211)	(10,235)	(10,385)
Classified	(6,484)	(6,824)	(6,733)	(7,195)	(7,360)	(7,534)
Student (& Other)	(1,500)	(1,615)	(1,593)	(1,636)	(1,773)	(1,866)
Salaries Total	(33,014)	(35,050)	(34,994)	(35,773)	(36,321)	(37,154)
Retirement (PERS + ORP)	(7,007)	(9,142)	(8,935)	(9,134)	(9,496)	(9,714)
PEBB	(7,306)	(7,687)	(7,693)	(8,078)	(8,482)	(8,906)
Other	(3,018)	(3,502)	(3,469)	(3,574)	(3,629)	(3,712)
OPE	(17,331)	(20,331)	(20,097)	(20,786)	(21,607)	(22,332)
<i>Vacancy Adj.</i>			1,413			
<b>Net Personnel</b>	(50,345)	(55,381)	(53,679)	(56,559)	(57,928)	(59,486)
Supplies & Services	(11,732)	(11,116)	(11,870)	(12,137)	(12,410)	(12,689)
<i>S&amp;S Adjustments</i>			852			
<b>Total Supplies and Services</b>	(11,732)	(11,116)	(11,017)	(12,137)	(12,410)	(12,689)
Cost Reductions and Savings		2,380	602	3,150	3,475	3,750
<b>TOTAL EXPENDITURES</b>	(62,077)	(64,117)	(64,094)	(65,546)	(66,863)	(68,425)
<b>Net from Operations Before Transfers</b>	(47)	1,899	1,775	775	683	490
<b>NET TRANSFERS</b>		(1,971)	(1,859)	(1,899)	(1,928)	(1,980)
<i>Change in Fund Balance</i>	(1,786)	(71)	(84)	(1,124)	(1,245)	(1,490)
<b>Beginning Fund Balance</b>	7,138	5,352	5,352	5,267	4,144	2,898
<b>Ending Fund Balance</b>	5,352	5,280	5,267	4,144	2,898	1,408
<b>% Operating Revenues</b>	8.63%	8.00%	8.00%	6.25%	4.3%	2.0%

# Aspirational Model

	2017-19 Biennium	2019-21 Biennium			2021-23 Biennium	
	2018-19 Actual (000's)	2019-20 BUDGET (000's)	2019-20 PROJECTION (000's)	2020-21 FORECAST (000's)	2021-22 FORECAST (000's)	2022-23 FORECAST (000's)
<b>Education and General</b>						
(in thousands of dollars)						
<b>Revenue</b>						
State Appropriations: SSCM	21,270	22,696	22,696	23,357	24,312	25,236
State Appropriations: ETIC/SELP	381	376	378	359	359	359
<b>Total State Funding</b>	21,651	23,072	23,074	23,716	24,671	25,595
Tuition	37,709	40,047	39,652	39,176	39,088	39,143
Fees	3,294	3,547	3,187	3,402	3,671	3,986
Raider Aid	(3,638)	(3,600)	(3,519)	(3,526)	(3,518)	(3,523)
<b>Tuition, net of Raider Aid</b>	37,365	39,994	39,320	39,052	39,242	39,606
<i>Growth Opportunities</i>				1,000	2,000	3,000
<i>Revenue External to modeling</i>			545			
Misc. Other Revenue	3,013	2,950	2,930	3,553	3,633	3,715
<b>TOTAL REVENUES</b>	62,030	66,016	65,869	67,321	69,546	71,915
<b>Personnel Services</b>						
Faculty	(15,801)	(16,560)	(16,629)	(16,730)	(16,953)	(17,369)
Admin	(9,230)	(10,051)	(10,039)	(10,211)	(10,235)	(10,385)
Classified	(6,484)	(6,824)	(6,733)	(7,195)	(7,360)	(7,534)
Student (& Other)	(1,500)	(1,615)	(1,593)	(1,636)	(1,773)	(1,866)
Salaries Total	(33,014)	(35,050)	(34,994)	(35,773)	(36,321)	(37,154)
Retirement (PERS + ORP)	(7,007)	(9,142)	(8,935)	(9,134)	(9,496)	(9,714)
PEBB	(7,306)	(7,687)	(7,693)	(8,078)	(8,482)	(8,906)
Other	(3,018)	(3,502)	(3,469)	(3,574)	(3,629)	(3,712)
OPE	(17,331)	(20,331)	(20,097)	(20,786)	(21,607)	(22,332)
<i>Vacancy Adj.</i>			1,413			
<b>Net Personnel</b>	(50,345)	(55,381)	(53,679)	(56,559)	(57,928)	(59,486)
<b>Supplies &amp; Services</b>	(11,732)	(11,116)	(11,870)	(12,137)	(12,410)	(12,689)
<i>S&amp;S Adjustments</i>			852			
<b>Total Supplies and Services</b>	(11,732)	(11,116)	(11,017)	(12,137)	(12,410)	(12,689)
Cost Reductions and Savings		2,380	602	3,150	3,475	3,750
<b>TOTAL EXPENDITURES</b>	(62,077)	(64,117)	(64,094)	(65,546)	(66,863)	(68,425)
<b>Net from Operations Before Transfers</b>	(47)	1,899	1,775	1,775	2,683	3,490
<b>NET TRANSFERS</b>		(1,971)	(1,859)	(1,899)	(1,928)	(1,980)
<i>Change in Fund Balance</i>	(1,786)	(71)	(84)	(124)	755	1,510
<b>Beginning Fund Balance</b>	7,138	5,352	5,352	5,267	5,144	5,898
<b>Ending Fund Balance</b>	5,352	5,280	5,267	5,144	5,898	7,408
<b>% Operating Revenues</b>	<b>8.63%</b>	<b>8.00%</b>	<b>8.00%</b>	<b>7.64%</b>	<b>8.5%</b>	<b>10.3%</b>

# Updated Cost Reduction Strategy



	Target or Impact	Reduction or Savings	Result	Status
Original Cost Reductions	(\$3M)			Amended based on less Student Credit Hours (SCH)
• Phase one of plan		\$1M		Realized as of 2/20
• Phase two of plan		\$1.2M		Actionable plan – being implemented
• Contingency (new)		\$ .8M		Hiring Freeze and Short term reorganization
<u>Total</u>			Balanced...	

# Summary of Covid-19 Financial Impacts

Short-Term Impacts, as of 4/17/20

	Impact	Offsets	Result	Status
E&G Tuition and Fees	(\$1M)			Based on 4/17 Student Credit Hour (SCH) data
Auxiliary Revenue (lost)	(\$2.9M)			<ul style="list-style-type: none"> <li>Dining - \$ 780K</li> <li>Housing - \$1.45M</li> <li>Athletic \$ 267K</li> <li>Conferences - \$ 380K</li> </ul>
Transition to Remote Delivery & Student Support	(\$ 500K)			Only \$100k spent so far, diverted technology fee resources
General Cost (cleaning)	(\$ 50K)			
Other costs	(\$ 70K)			Additional FMLA and emergency sick leave
Covid-19 Savings		\$ 500K		Travel restrictions - \$ 500K
CARES Funding		\$1.7M		Assumes loading 100% funding in E&G and none from Governor
Total	(\$4.5M)	\$2.2M	(\$2.3M)*	* - short term only; longer term impacts could exceed \$19M

# Summary of Short-Term Financial Impacts

	Target or Impact	Reduction or Savings	Result	Status
E&G Original Cost Reductions	(\$3M)	\$3M	Balanced...	Amended by on less Student Credit Hours (SCH)
E&G Covid-19 Impacts	(\$2.2M)	\$ 500K	(\$1.7M)	<ul style="list-style-type: none"> <li>Tuition and fees - \$ 960K</li> <li>Estimated transition - \$ 500K</li> <li>Reduced transfer from Housing - \$700K</li> </ul>
CARES Funding		\$1.7M	Could balance E&G	Assumes loading 100% funding in E&G and none from Governor
Auxiliary Cost Impact	(\$2.8M)	TBD	(\$2.8M)	Short Term Risk only

Note: HECC Survey data shows \$19M Risk long-term

# Future Meetings



# Adjournment