Public Meeting Notice

May 13, 2021

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 at the location set forth below.

Topics of the meeting will include a vice president's report with a review of the financial dashboard and updates on the Higher Education Coordinating Commission as well as a discussion of legislative impacts. The committee will review a board reserve policy draft and a draft of the Fiscal Year 2021-22 budget. An update will be offered on federal relief funding.

The meeting will occur as follows:

Thursday, May 20, 2021
2:30 p.m. to 4:00 p.m. (or until business concludes)
To view the proceedings at the time of the meeting, visit:
https://sou.zoom.us/j/83027487429
Visit governance.sou.edu for meeting materials.

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 during this period of pandemic protocols. Please send written comments or testimony to the Board of Trustees email address: 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.

If special accommodations are required, please contact Pamela Tomac at (541) 552-8055 at least 48 hours in advance.

Southern OREGON UNIVERSITY

Board of Trustees
Finance and Administration Committee Meeting
May 20, 2021

Call to Order / Roll / Declaration of a Quorum

Board of Trustees
Finance and Administration Committee Meeting

Thursday, May 20, 2021
2:30 p.m. – 4:00 p.m. (or until business concludes)
https://sou.zoom.us/j/83027487429

AGENDA

Persons wishing to provide public comment shall do so in writing during COVID-19 protocols.
Please note: times are approximate and items may be taken out of order.

	1	**Call to Order/Roll/Declaration of a Quorum**	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
	2	**Public Comment**	
5 min.	**3**	**Consent Agenda**	
	3.1	Approval of April 15, 2021 Meeting Minutes	Chair Clough
	3.2	Committee Dashboard	
10 min.	**4**	**Vice President's Report**	Greg Perkinson, SOU, Vice President for Finance and Administration
	4.1	Higher Education Coordinating Commission Update	
	4.2	Legislative Update	
	4.3	Other General Updates	
	5	**Action, Information and Discussion Items**	
20 min.	5.1	Review of Board Reserve Policy Draft	Greg Perkinson
15 min.	5.2	Federal Relief Funding Update	Greg Perkinson
40 min.	5.3	Review of Fiscal Year 2021-22 Budget Draft	Greg Perkinson

Board of Trustees
Finance and Administration Committee Meeting

Thursday, May 20, 2021
2:30 p.m. – 4:00 p.m. (or until business concludes)

AGENDA (Continued)

5.4	Future Meetings	Chair Clough
6	**Adjournment**	Chair Clough

Public Comment

Consent Agenda

Board of Trustees
Finance and Administration Committee Meeting

Thursday, April 15, 2021

MINUTES

Call to Order/Roll/Declaration of a Quorum

Committee Members:

Sheila Clough	Present	Bill Thorndike	Present
Steve Vincent	Present	Lyn Hennion	Present
Shaun Franks	Present	Megan Davis Lightwater	Present

Chair Sheila Clough called the meeting to order at 4:00 p.m. The secretary recorded the roll and a quorum was verified.

Other trustees in attendance: Paul Nicholson, janelle wilson, Daniel Santos, and President Linda Schott.

Other attendees and Zoom webinar panelists included: Greg Perkinson, Vice President for Finance and Administration; Jason Catz, General Counsel; Dr. Neil Woolf, Vice President for Enrollment Management and Student Affairs; Dr. Susan Walsh, Provost; Janet Fratella, Vice President for University Advancement; Jeanne Stallman, Associate Vice President for Government and Corporate Relations; Sabrina Prud'homme, Board Secretary; Steve Larvick, Director of Business Services; Taylor Burke, Dean of Students and Director of Student Life; Michael McKelvey, Director of Development; Josh Lovern, Director of Budget and Planning; Robert Casserly, OLLI Assistant Director; Violet Crain, ASSOU President; Deborah Lovern, Provost's Office; Daniel Tharp, University Housing; Jayne Atkins, Business Services; Susan Dyssegard, Finance and Administration Office; Christina Sanz, Southern Oregon University Foundation; and Pamela Tomac, Office of the Board Secretary.

Public Comment

There were no public comments.

Consent Agenda

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

Vice President's Report

<u>Properties Task Force Update</u>

Taking items out of order, Mr. Perkinson commended President Schott and the task force on a good job looking at more than 30 outlying SOU properties. David Wright assembled a report that identifies properties, provides specific recommendations for each, and provides comparables. The next step will be to share these recommendations with the campus to gather input and feedback, as well as feedback from the community. This feedback will be vetted and returned for the board's review. Trustee Vincent said David Wright did an amazing job and a lot of effort went into the presentation. Board Chair Nicholson concurred and added that it was fascinating to watch the committee work together and discuss what properties SOU should not consider disposing of, what properties SOU should dispose of, and whether perhaps SOU could go into some public or private partnerships with others.

Higher Education Coordinating Commission (HECC) Update

On April 7th, a panel discussion took place with the HECC in order to give commissioners a sense of how institutions are administering federal support. Two community colleges, one large university, and a technical and regional university, SOU, participated in the panel. As Mr. Perkinson understands what peers are doing, he is able to say that Vice President Woolf and Kristen Gast are doing a great job dispersing funds directly to students. Over 2000 students have been supported with direct aid and the average dollar value is $3800 per student. The administration is spending a lot of time working to get the Public University Support Fund (PUSF) to the $900 million level from $887 million, which will bring the universities closer to the current service level. Mr. Perkinson commended Jeanne Stallman and her legislative affairs counterparts for their efforts.

Legislative Initiative Impacts

Jeanne Stallman provided a detailed written report for the next day's meeting, so, Mr. Perkinson did not cover those items. He said an important key takeaway from the session to date is that the Ways and Means Committee's draft budget looks encouraging for the public universities. A late-breaking announcement learned earlier in the day, is that there are two key initiatives the HECC supports and that have advanced to the governor's office for American Rescue Plan Act (ARPA) funding: a micro-credentials initiative and one supporting competency-based education, which are cause for optimism for SOU.

Action, Information and Discussion Items

Budget Update and Financial Relief Impacts

Mr. Perkinson said some of the rules for ARPA funds are emerging. Coronavirus Aid, Relief, and Economic Security Act (CARES), Coronavirus Response and Relief Supplemental Appropriations Act (CRRSSA) and ARPA funds have continued to flow. The fourth source, the Governor's Emergency Education Relief Fund (GEER), is the governor's ability to direct federal discretionary funds provided for Oregon, and it has started to flow as well. The first increment to SOU will be about $70,000. Mr. Perkinson reviewed the chart of all funding to show that $8.9 million flowed directly to students and $12.2 million to the university. The Tuition Advisory Council (TAC) met to reiew the funding processes and the administration provided the federal funding information to the TAC to help shape recommendations on what the rate increases could look like.

Responding to Chair Cloughs questions regarding how students qualify for this aid, Mr. Perkinson shared that SOU has chosen to use the federal Pell Grant criteria as the basis for need. The U.S. Department of Education recognizes the Pell criteria as financial need and is a criterion upon which the SOU financial aid team bases awards. Dr. Woolf added that some students were not FAFSA eligible, so that is where the state dollars helped as with Deferred Action for Childhood Arrivals (DACA) recipients, for example. Each round came with various restrictions, though the university has tried to get the funds out as quickly as possible.

Trustee Franks talked to students who who were previously ineligible due to income level but are on unemployment now, so, they may not meet eligibility on paper but do in real life and may be left behind or falling through the cracks. Dr. Woolf said that those students should certainly reapply and update the FAFSA when a change of income occurs. Financial aid counselors can make adjustments through a professional judgment decision. Not only would the students be eligible to receive more in Pell grants, Stafford loans, and work-study, but the probability of receiving some stimulus dollars also is more likely.

Turning to financial headwinds facing SOU, Mr. Perkinson highlighted costs to date, total costs, and revenue loss to date, which add up to a total revenue loss of $26 million. These costs carry-through as lost enrollment for the four, five, or six years a student would have been with SOU. Taken together, the COVID direct costs and revenue losses are projected to be more than $33 million. The bottom line is the administration foresees revenue challenges and is working to account for them.

Mr. Perkinson then compared year-to-date actuals, the budget approved by the board, and the fiscal year forecast on the pro forma as presented in the materials. The continuation of furloughs has been projected through the end of the year. The $10.4 million figure is one-time federal relief funding that will allow SOU to recover from deep cost-cutting actions. In reviewing labor costs, planned cuts were executed. Previously, the ability to pay expenses and payroll had a run-time of about four weeks; now the federal funding allows SOU the opportunity to build up reserves to 15 percent, which the administration would like to do, as the legacy standard of 10 percent is not tied to the industry or peers. Having two months in reserves (which is what the recommended 15 percent number represents) is a healthier picture and the function of two things: executing the plan and stimulus funding. Chair Clough commented that two months of funds for payroll is a tight situation; other industries have much longer time frames to support operations. The other component to keep in mind is that the university is not out of the woods in terms of revenue streams and recovering from other challenges. There will be a need to weather additional storms.

Mr. Perkinson also explained that the $8.5 million placeholder is for must-pay bills and initiatives that will help SOU strategically. The cabinet will meet to prioritize, identify, and categorize initiatives on how they will impact students, student success, equity, financial sustainability, timing, and whether the expenses are recurring or one-time expenses.

President Schott added that SOU is in a better position than expected and stressed the need to continue working to improve SOU's financial picture. The federal assistance gives SOU additional time to gather more insight on how the pandemic will impact students, their families, and enrollment patterns. There is a bit more time to continue the great campus work to find efficiencies without damaging operations, such as what Tom Battaglia shared at the last meeting. President Schott added that she is grateful to SOU employees for their sacrifices.

Board Chair Nicholson said he echoed the comments from President Schott, Chair Clough, and Mr. Perkinson, deeming it prudent to hold onto larger reserves because erosion can happen quickly. Responding to Board Chair Nicholson's question about when SOU can anticipate the $8.5 million outlay, Mr. Perkinson said the administration is focused on must-pay bills such as housing and dining that suffered significant losses. One element of that would be a transfer this fiscal year (FY) to cover such losses and the expected sports lottery losses that affect athletics.

Student Incidental Fees for Academic Year 2021-22 (Action)

Introducing the topic, Chair Clough said at the March meeting of the Finance and Administration Committee, the ASSOU President, Andrew Zucker, provided an extremely detailed review of the student fee process, the work of the committees, the fee allocation, and items that had been eliminated from the fee. The committee encouraged President Zucker to ensure there would be clear communication with students on those activities that no longer would be funded by the student fee (i.e., child care subsidy). The committee also reviewed the overall budget and other details, though a formal recommendation was not yet ready.

Picking up where Former President Zucker left off, the new ASSOU President, Violet Crain, presented the student fee recommendation, seeking this committee's approval and recommendation to the Board for approval tomorrow.

Ms. Crain signed off on the fee and said she purposefully was left out of the process to prevent bias. She said the important takeaways are: the Student Incidental Fee was raised from $372 to $380, which is a modest 2.1 percent increase. The green tag and the recreation center fees remain unchanged. Ms. Crain thanked the committee for the amazing job that was accomplished and felt confident in the overall student participation and representation in this process. Ms. Crain vouched 100 percent for the proposed student fee budget and proposal to the board.

Concerning the eliminated indexes such as Hannon extra hours, the Student Fee Committee believed that programs that were academic and outside the scope of the incidental fee could be defunded. Before the indexes were eliminated, the committee confirmed that SOU's administration would continue to fund these budgets. The Higher Education Center did not request a budget this year, but ASSOU anticipates one in future years and therefore is advocating to transition two additional academic programs—the Center for the Visual Arts Galleries and Tech Share—off the Student Incidental Fee.

Mr. Lovern added that the process was robust throughout the term and there was considerable student engagement. President Schott thanked Ms. Crain, all the students who worked on this process, and Mr. Lovern for the late nights and detailed work. Dr. Woolf later stated that Mr. Lovern and Taylor Burke both put in extra hours and under their guidance, the incidental fee that was in deficit a few years ago now is in a much better position.

Chair Clough acknowledged that the economic situation for students can be challenging and the as-minimal-as-possible increase will be appreciated by the students.

<u>Tuition and Mandatory Enrollment Fees for Academic Year 2021-22 (Action)</u>
President Schott introduced the topic reminding everyone that the process is taken very seriously each year. This year, many struggled from the pandemic and wildfires. As the Tuition Advisory Council (TAC) began, the president's advice or charge was to do all that can be done to acknowledge the needs of the students and their financial struggles, while ensuring that the institution is viable and will be here for future students. While balancing the desire to be as affordable as possible, there is a need to recognize some yearly uncontrollable increasing costs.

Dr. Susan Walsh began by explaining that the TAC tracks against a compliance document. The TAC does not make the decision, but rather, Dr. Walsh facilitiates the conversation to help the members arrive at a final recommendation. Meetings began in January and ran weekly through last Friday when a unanimous agreement was reached on the recommendation to be sent to the president. Balancing the financial needs of students and of SOU, TAC talked about a 0 percent increase but that was not acceptable to the TAC students, faculty or staff members. The importance of the financial situation was in keeping with the special care the committee showed throughout the entire process. Some of the areas where the burden could be reduced on students were considered, such as open educational resources, and keeping the building as well as the health and wellness center fees flat. A priority was keeping a consistent commitment of affordability to all students. This resulted in the most well thought out recommendation that TAC could offer—a 2.99 percent increase was agreed upon across all categories with the exception of Academic Partnerships Online Masters Programs. The actual dollar amount rounds down to 2.55 percent to maintain whole numbers. The students should be commended as membership changed within ASSOU during this process; at one point ASSOU had 4 new members, but the students hung in there, did the homework, and made the best possible decision.

Responding to Chair Clough, Mr. Perkinson agreed that although SOU is experiencing increased costs for both building and health services costs, those costs will not be passed on to the students. The federal relief funding was able to help absorb those additional costs.

Mr Lovern shared that the fees presented have been incorporated directly onto the pro forma and drive revenue estimates in the pro forma. Mr. Perkinson later added that the housing will be flat for returning students, in an attempt to drive affordability. The total cost of attendance, which is the composite of tuition, mandatory enrollment and incidental fees, housing and meals, will increase 2.69 percent. While the rates are going up, it is much more modest figure than some other Oregon public universities.

Responding to Trustee Thorndike who asked where SOU is relative to competitors and will SOU continue to be in a good position with Western Undergraduate Exchange rates, Mr. Lovern said he doesn't have that information currently, and deferred to Mr. Perkinson for more information. Mr. Perkinson relayed that this data set is not available for this round of discussion though the Oregon schools are being watched closely for comparison. The other Oregon public universities increases range from flat to 4.5 percent. A comparison with California Schools has not yet been completed, but can be researched for tomorrow.

Trustee Thorndike then asked about the income and pricing of micro credentials, badges, etc., and Dr. Walsh explained that the micro credentials are priced per student credit hour. If the typical micro credential is 4 classes, it equates to 16 credits charged as regular tuition. Responding further to Trustee Thorndike's question about how many scholarships were utilized from those made two years ago to all graduating students, President Schott said that only three students had taken advantage of that offer; it was a new concept, a different time, and perhaps after graduation was not the right time to invite offers for further education.

Responding to Trustee Vincent, Mr. Perkinson said that it is possible to take a data set and organize it to reflect SOU's ranking compared to other Oregon institutions based on the percent increase and by per credit hour. President Schott added the SOU ranking used to be at the bottom five years ago, but as of last year SOU was right in the middle and at the top of the technical and regional universities (TRUs).

Chair Clough concurred and added that a lot of time was spent in the last few years putting tuition together, realizing that the escalation was partly due to funding formula inequities and underfunding, items that were out of the college's control. President Schott agreed and said there was a lot of hard work to make changes to the funding model. Unfortunately, success was offset by pandemic, forest fires and the toll these took on enrollment. President Schott appreciated Ben Cannons' willingness to advocate for a bigger funding portion. She said Mr. Cannon praised SOU for being innovative, adding that SOU's funding is 20 percent lower for higher education than the national average, and he was calling upon legislators to increase the funding for all universities.

Chair Clough, as a business person, said she uses the Consumer Price Index (CPI) for pricing as a gauge. The CPI is currently at 2.5 to 3 percent. This a big indicator that the team worked diligently to maintain affordability within the realm of helping students. Another positive gauge for Chair Clough is that this is the lowest increase to students in recent years.

President Schott, based upon the recommendation submitted to her, recommended a tuition and fee increase for resident undergraduates of 2.55 percent with attendant variations, as presented.

Trustee Hennion moved to approve the Student Incidental Fees, and Tuition and Mandatory Enrollment Fees for Academic Year 2021-2022 as presented. Trustee Lightman seconded the motion and it passed unanimously.

<u>Budget Forecast and Review of Pro Forma</u>
Mr. Perkinson reviewed the pro forma charts, as presented in the materials. He said the Ways and Means co-chairs have recommended $887 million, which is $13 million less than requested, so meetings with legislators were important to gain support for the additional $13 million. A $260 thousand decrease is expected in sports lottery funding and enrollment is modeled at negative 3 percent. All of the [tuition and fees] rates discussed today have been incorporated into the pro forma, which is a forecast based on the aforementioned variables and expectations. Revenue is a best guess based on current information and will be firmed up as more information is available.

On the expense side, when comparing actuals including furloughs, freezes, etc., the numbers get closer to labor lines as budgeted. However, there is a $4.1 million disconnect in what SOU would need under this forecast to maintain the 15 percent fund reserve. This forecast will tighten up in May when the committee reviews the draft budget, which will be finalized for the June meetings of the board.

Responding to Trustee Thorndike, Mr. Perkinson said that concerning remissions, the administration is confident that scholarships are being utilized. Thinking back to the $8.9 million in federal aid directly to students, that aid helped students with the greatest need as defined by Pell eligibility and FAFSA. Dr Woolf added that SOU's remissions dollars do not neceesarily have to be applied for; if one qualifies, they will receive the aid, which allows the funds to be put to better use. SOU also sets aside funds for unexpected needs that may arise such as tragedy in a student's life.

Future Meetings
The committee's next meeting will be on Thursday, May 20 at 2:30 p.m. At that meeting, the committee is scheduled to review a draft of the FY 2021-22 budget.

Adjournment
The meeting was adjourned at 5:30 p.m.

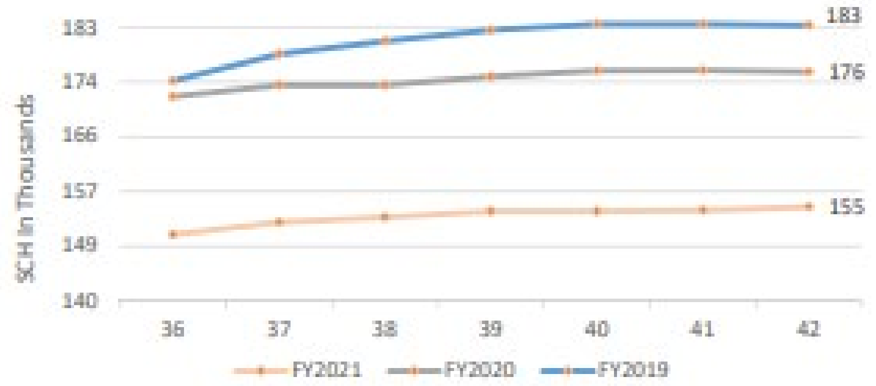
Financial Dashboard

For FY2021

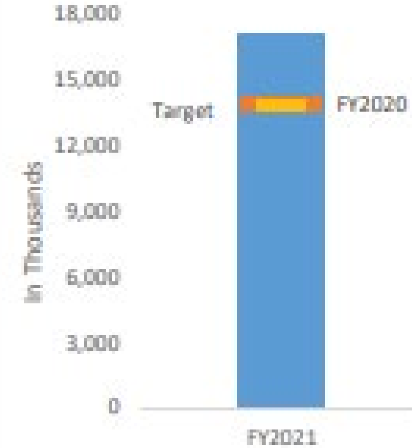
As of April 30, 2021 (prior to close)

Public University Funds Operating Cash

Total Student Credit Hours by Week of the Fiscal Year

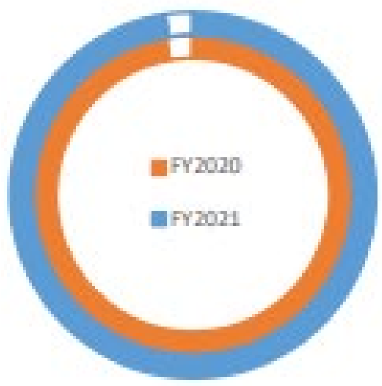


E&G Fund Balance

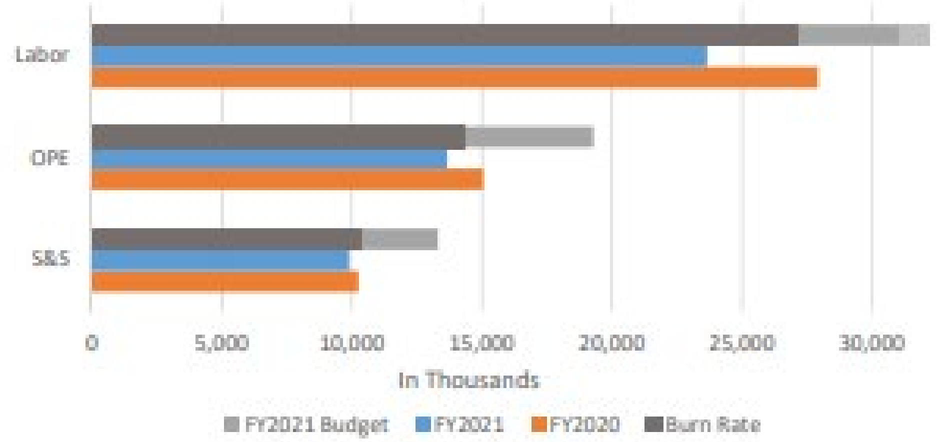


New Federal Funding Supporting Universities

E&G YTD Revenues



E&G YTD Select Expenses



Finance Dashboard

Notes and take-aways (for read ahead file)

- Revenues are better than last month.
  - The HECC provided the remaining $3.7m were delivered in April, whereas in FY20 they had delivered all of the State funding by March.
  - Hence, in March there was a larger "cash gap", which is largely closed here.
- Still down $2.4m, but that can be changed dramatically depending on the timing of the delivery of the federal relief funds.
- Fund Balance: Due to COVID and related enrollment losses, overall revenues are down 4.62% ($2.8m) compared to the prior year. However, this a being offset by substantial cost reductions.
  - S&S (excluding travel) is down 3.63% ($370k).
  - Travel down 98.3% ($480k).
  - Labor costs are down 13.2% (saving of $5.5m), with furloughs being continued through the balance of the year.
- The availability of additional federal resources will result in a substantial increase of resources that will be coming into E&G, depending on how much of the federal funds are directed towards restoring some of the losses in E&G verses other fund groups.

Vice President's Report

Roadmap for Vice President's Report

- Higher Education Coordinating Commission (HECC) Update
- Legislative Update
- Pictures of Taylor Hall project

HECC Update

Funding and Achievement (F&A) Subcommittee focus:

- Tuition Setting (results)
- Capital and Capital Improvement and Renewal (CIR) Funding
  (Note: the following two charts are adapted from F&A showing prioritized listings)
  - Overall HECC list
  - List from Governor's Recommended Budget (GRB)

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

Prioritized 2021-23 Public University Projects

Institition	Rank (points)	Project	XI-Q	XI-G	Institutional Funds	Total Project Cost
WOU*	**91**	Student Success Center	21,340,000	-	660,000	22,000,000
OSU-CC*	**84**	Student Success Center	7,900,000	5,000,000	5,000,000	17,900,000
SOU*	**N/A**	Cascade Hall Demolition	-	-	3,500,000	3,500,000
All	**N/A**	Capital Improvement and Renewal	80,000,000	-	-	80,000,000
PSU	**99**	The Gateway Center Reuse and Extension	45,000,000	5,000,000	5,000,000	55,000,000
OSU	**98**	Cordley Hall Renovation Phase II	61,000,000	25,000,000	57,000,000	143,000,000
EOU	**95**	Inlow Hall Renovation Phase II	17,700,200	564,900	564,900	18,830,000
UO	**94**	Heritage Renovation Project	52,650,000	5,850,000	5,850,000	64,350,000
EOU	**90**	Loso Hall Renovation Phase II	27,006,000	862,000	862,000	28,730,000
SOU	**89**	Music Hall Renovation	13,650,000	-	450,000	14,100,000
WOU	**87**	Health Sciences Remodel	49,500,000	742,500	742,500	50,985,000
SOU	**84**	Britt Hall - Phase 2 DM	4,700,000	-	50,000	4,750,000
WOU	**80**	New P.E. Remodel	19,400,000	300,000	300,000	20,000,000
OSU	**76**	Collaborative Innovation Complex	-	50,000,000	50,000,000	100,000,000
OIT	**73**	Learning Resource Center Rehabilitation	19,035,000	607,500	607,500	20,250,000
OSU	**35**	Phase 2 Remediation & Campus Infra.	15,830,000	835,000	835,000	17,500,000
OIT	**22**	Campus Infrastructure	18,000,000	-	-	18,000,000
		TOTALS	**452,711,200**	**94,761,900**	**131,421,900**	**678,895,000**

* Holdover project from 2019-21 biennium not included in ARB. SOU's Cascade Hall demolition is ineligible for bonding.

Note: Three projects recommended by Ways and Means during 2020 but not funded during the special session were added to the list of projects for 2021-23 to be considered for the GRB.

HIGHER EDUCATION COORDINATING COMMISSION

Public University Capital Request (GRB)

2021-23 Biennium, in $ millions						
Priority and University		**Project**	**XI-Q Bonds**	**XI-G Bonds**	**Institutional Funds**	**Total Project**
1	All	Capital Improvement and Renewal	$80.0	-	-	$80.0
2	OSU-CC*	Student Success Center	$7.9	$5.0	$5.0	$17.9
3	PSU*	Gateway Center Reuse and Extension	$45.0	$5.0	$23.0	$73.0
4	OSU	Cordley Hall Renovation, Phase II	$61.0	$25.0	$57.0	$143.0
5	EOU	Inlow Hall Renovation, Phase II	$17.7	$0.6	$0.6	$18.9
6	UO	Heritage Renovation Project	$52.6	$5.9	$5.9	$64.4
		TOTALS	**$264.2**	**$41.5**	**$91.5**	**$397.2**

Notes: For OSU, the GRB mistakenly included the OSU Phase II remediation project but intended to include the OSU-Cascades Student Success Center project instead. The PSU Gateway Center Project includes a request for XI-F bonds that was not included in the GRB but represented in institutional funds above.

HIGHER EDUCATION COORDINATING COMMISSION

Legislative Update

- Budget Updates (a lot going on with Ways and Means)
- Revenue Forecast (to be presented 5/19)
- Capital Construction Update
- Policy Updates

HIGHER EDUCATION COORDINATING COMMISSION

Taylor Hall Remodel

Men's Restroom Before

Men's Restroom After

Taylor Hall Remodel

Taylor – Renovated Main Hall

Taylor – Renovated Basement Hall

Taylor Hall – Renovated Stairwells

East Stairwell – New Finishes

Exterior Stairwell Windows

HIGHER EDUCATION COORDINATING COMMISSION

Review of Board Reserve Policy Draft

Roadmap for Reserve Policy Discussion

- Reminder of the Financial Health Key Performance Indicators used by the HECC
- Defined in the draft policy: Proposed Reserve Fund Structural Relationships
- Graphic portrayals of the six reserve funds
- Discussion of how this will affect (improve) our financial sustainability (if we “seed” these reserves, then protect our ability to operate)
- Summary of Reserve Funds (comparing present to target)

Ratios of Financial Health

- Are resources sufficient and flexible enough to support the mission?
  - Primary Reserve Ratio
- Are debt resources managed strategically to advance the mission?
  - Viability Ratio
- Does asset performance and management support the strategic direction?
  - Return on Net Assets Ratio
- Do operating results indicate the institution is living within available resources?
  - Net Operating Revenues Ratio

Ratios of Financial Health (Cont'd)

Are resources sufficient and flexible enough to support the mission?

Primary Reserve Ratio

$$\frac{\text{Expendable Net Assets}}{\text{Total Expenses}}$$

This ratio measures the financial strength and flexibility of the institutions by comparing expendable net assets to total expenses, providing a snapshot of how long the institution could continue operating without additional revenue. A decline in the primary reserve ration indicates expenses are growing faster than revenues and certainly faster than the growth in expendable net assets.

RESERVES MANAGEMENT POLICY

Southern Oregon University's ability to fulfill its mission for the benefit of current and future students depends on sound fiscal management and the maintenance of adequate University reserves. University operations are susceptible to the volatility of primary revenue streams, operational cost drivers beyond the University's control, contractual obligations that are difficult to minimize during periods of financial distress, the business cycles of disparate business enterprises, and the risk of complete or partial interruption of University services.

The Board finds that adequate reserves are necessary for:

- the long-term health and sustainability of University operations;
- the proper custodianship of all physical plant assets necessary for operations;
- the delivery of University services;
- the prudent coverage of outstanding debt;
- to enable the University to make strategic investments;
- to ensure that the University can perform day-to-day operations in the event of unforeseen shortfalls and
- to better position the University in the event of a catastrophic interruption of services

This policy sets forth the principles governing the establishment and maintenance of University reserves. This policy describes the framework for establishing those reserves through the set-aside or restriction of financial assets. While this is a stand-alone policy, the Reserves Management Policy should be considered in conjunction with other University budgets, debt, and financial management policies and procedures.

I. Definitions

A. **"Board"** means the Southern Oregon University Board of Trustees or the Executive and Audit Committee when authorized to act on behalf of the Board.

B. **"Capital Reserves"** means funds restricted for the repair or replacement of existing physical plant and equipment.

C. **"Central Reserve"** means the unallocated E&G Fund balances held centrally and managed by ~~the~~ Finance and Administration ~~division~~.

D. **"Direct Expenses"** means those expenses directly attributable to revenue generating schools and colleges of the university.

E. **"Debt-Paying Entity"** means a department of the University directly responsible for the generation of revenues for the payment of principal and interest on a distinct issuance of University-paid debt.

F. **“Educational and General (E&G) Fund”** means the family of funds utilized for the core mission of the University—including funds appropriated by the state, tuition and fees, indirect cost recovery, and other miscellaneous income derived through the normal course of business.

G. **“Indirect Expenses”** means those expenses attributable to the administration and infrastructure supporting revenue generating schools and colleges of the university.

H. **“Maximum Annual Debt Service”** means the greatest amount of principal and interest required to be paid during any fiscal year for a department’s current debt portfolio and existing debt service schedule.

I. **“Operating Reserves”** means E&G fund balances held and managed at the divisional level.

J. **“Primary Reserve Ratio”** is a ratio measuring the financial strength of the University by comparing expendable net assets to total expenses. Expendable net assets represent those assets that the University can access quickly and spend to satisfy its debt and operating expense obligations. This ratio provides a snapshot of financial strength and flexibility by indicating how long the University could operate using existing expendable funds only (where “expendable” represents liquid or unencumbered funds).

K. **“Risk Management Claims Reserve”** means the fund through which the University’s property and casualty claim expenses are paid, within any applicable deductible.

L. **“Treasury Reserve”** means the fund through which all University-Paid Debt services and associated treasury fees are processed for payment to outside agencies. Additionally, this fund acts as the repository for cash balances equal to the Maximum Annual Debt Service for each Debt Paying Entity.

M. **“University-Paid Debt”** means borrowings that are expected to be repaid from revenues of the University. This includes Article XI-F (1) Bonds, certain Article XI-Q Bonds, certain Certificates of Participation (COPs), certain State Energy Loan Program (SELP) loans, revenue bonds, bank products, commercial paper, and alternative financing structures, such as public-private partnerships, that would be included in the University’s balance sheet or considered on-credit by rating agencies.

N. **“Working Capital”** means current assets minus current liabilities.

II. <u>Roles and Responsibilities</u>

The Board retains authority and responsibility for:

A. Reviewing annual reports on the University’s Primary Reserve Ratio and component reserves.

B. Approval of the set-aside and restriction of cash to achieve the goals and requirements of this Policy, generally as part of the annual budget process.

C. Establishment and approval of a plan to increase the Primary Reserve Ratio, generally as part of the annual budget process, if the Primary Reserve Ratio is below the minimum required by this Policy.

D. Reviewing this policy at least every five years and amending the policy whenever necessary.

The Board delegates to the President, who may further delegate to other University officials, authority and responsibility for:

A. Implementing this policy and overseeing the management of daily activities related thereto.

B. Establishing a comprehensive program for Central, Operating, Working Capital, Capital, Treasury, and Risk Management Claims Reserve establishment, management, and reporting. Such a program is to assign responsibilities within the University and require regular monitoring to satisfy reserve requirements.

C. During annual budget processes, recommending corrective action when reserve levels are below the minimum target.

D. Recommending appropriate action and use of reserve balances if unforeseen events and economic factors require short-term deficit spending and a reduction to the Primary Reserve Ratio.

E. Analyzing and presenting recommendations to the Board regarding Operating and Capital Reserve levels and their emergency use.

III. Reserve Goals & Objectives

The Primary Reserve Ratio is the measure by which the Board monitors the University's long-term financial sustainability and the adequacy of University reserves. The Board establishes 0.25 as the target minimum Primary Reserve Ratio for the University. This is equal to maintaining expendable net assets adequate to cover at least three months of University expenses.

The Board recognizes that the National Association of College and University Business Officers (NACUBO), an organization representing more than 2,500 colleges, universities, and higher education service providers with a mission to advance the economic viability, business practices, and support of higher education institutions, recommends a Primary Reserve Ratio of 0.4 or greater. The Board establishes 0.4 as an aspirational Primary Reserve Ratio.

IV. Component Reserve Standards

A. Central Reserve

As a target minimum, for the Central Reserve managed by the Finance and Administration division, the University will hold in fund balance:

- 15% of the annual E&G Fund budgets of direct expenses and additionally
- 15% of the annual E&G Fund budgets of central University indirect expense budgets.

B. Operating Reserves

Each University division within the E&G Fund shall, on behalf of their units, establish 10% of their respective annual E&G Fund expenditure budget as an Operating Reserve target minimum.

The University may, if necessary, transfer some or all funds from Operating Reserves if Central Reserves are inadequate to meet University needs.

C. Working Capital for Auxiliary Enterprises and Service Departments

Auxiliary enterprises and service departments shall maintain sufficient Working Capital to promote the efficient and effective operation of the unit, avoid significant fluctuations in fees charged for services, and minimize the potential for unanticipated financial shortfalls that may impact other funds of the institution. As a target minimum, auxiliary enterprises and service departments are to hold **three months** of total annual departmental expense as a Working Capital balance (based on actual expenditure data excluding depreciation).

D. Capital Reserves for Auxiliary Enterprises, Service Departments and Self-Liquidating Activities

Auxiliary enterprises, service departments, and other self-liquidating activities shall maintain building/Improvements Other Than Building (IOTB) repair and equipment replacement reserves to fund the repair or replacement of depreciable assets. Such reserves shall be sufficient to promote the efficient and effective operation of the related operating unit, avoid significant fluctuations in fees charged for services, and minimize the potential for unanticipated financial shortfalls that may impact other funds of the University. Each auxiliary enterprise, service department, and self-liquidating activity with capital assets of $150,000 (recorded cost) or more shall prepare and adhere to a plan to implement the requirements of this paragraph, as directed by the Vice President of Finance and Administration.

E. Treasury Reserves

All Debt-Paying Entities, having been assigned the responsibility to direct revenues towards some portion of the annual principal and interest requirements of University-Paid Debt, shall set aside and restrict cash balances equal to their respective Maximum Annual Debt Service. Cash balances equal to Maximum Annual Debt Service are to be set aside and restricted within four fiscal years of the issuance of any new University-Paid Debt and its assignment to a Debt-Paying Entity. This requirement shall continue until all outstanding principal balances assigned to the Debt-Paying Entity are fully defeased.

F. Risk Management Claims Reserve

The University shall maintain sufficient funds, set aside within the Risk Management Claims Reserve, necessary to pay anticipated property and casualty claims, within any applicable deductible. This amount shall be determined annually, in the course of the University's budget process, based on prior years' claims experience and actuarial forecasts of anticipated claims expenses.

V. Measurement Principles

All ratio or reserve measurements and calculations will use a fiscal year ending June 30 and be based on industry standards and generally accepted accounting principles (GAAP). Calculations will utilize the information contained in annual financial statements and/or data available from the University's Enterprise Resource Planning software system, concurrent to the release of the University's independently audited financial statements.

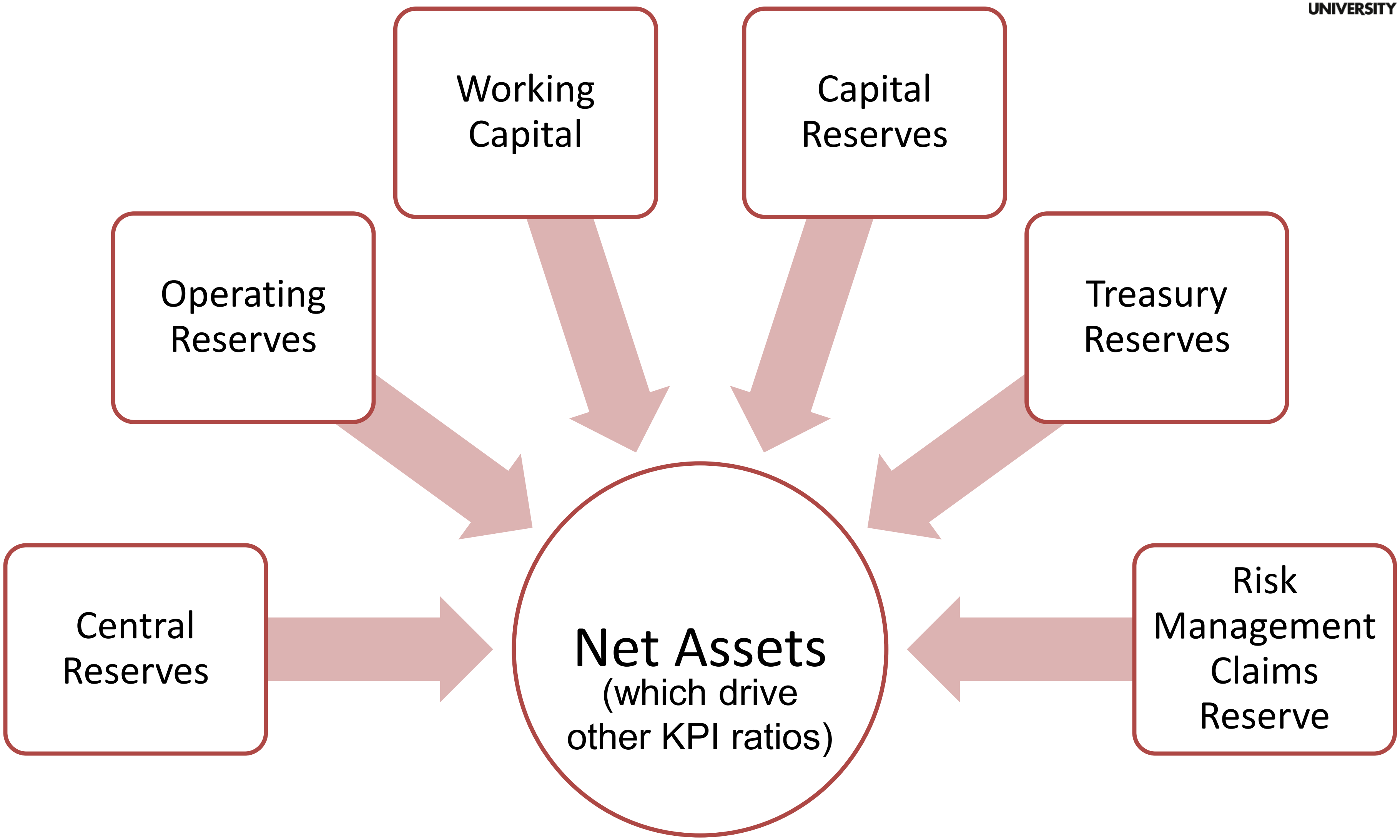
VI. Reporting Requirements

Upon release of the University's annual audited financial statements, the Finance and Administration Committee and the full Board are to be provided a report regarding the University's Primary Reserve Ratio as identified in Section III above.

At least annually, and when additionally requested, the Finance and Administration Committee is to be provided a report regarding the status of each of the component reserves detailed above.

4

Reserves Schematic



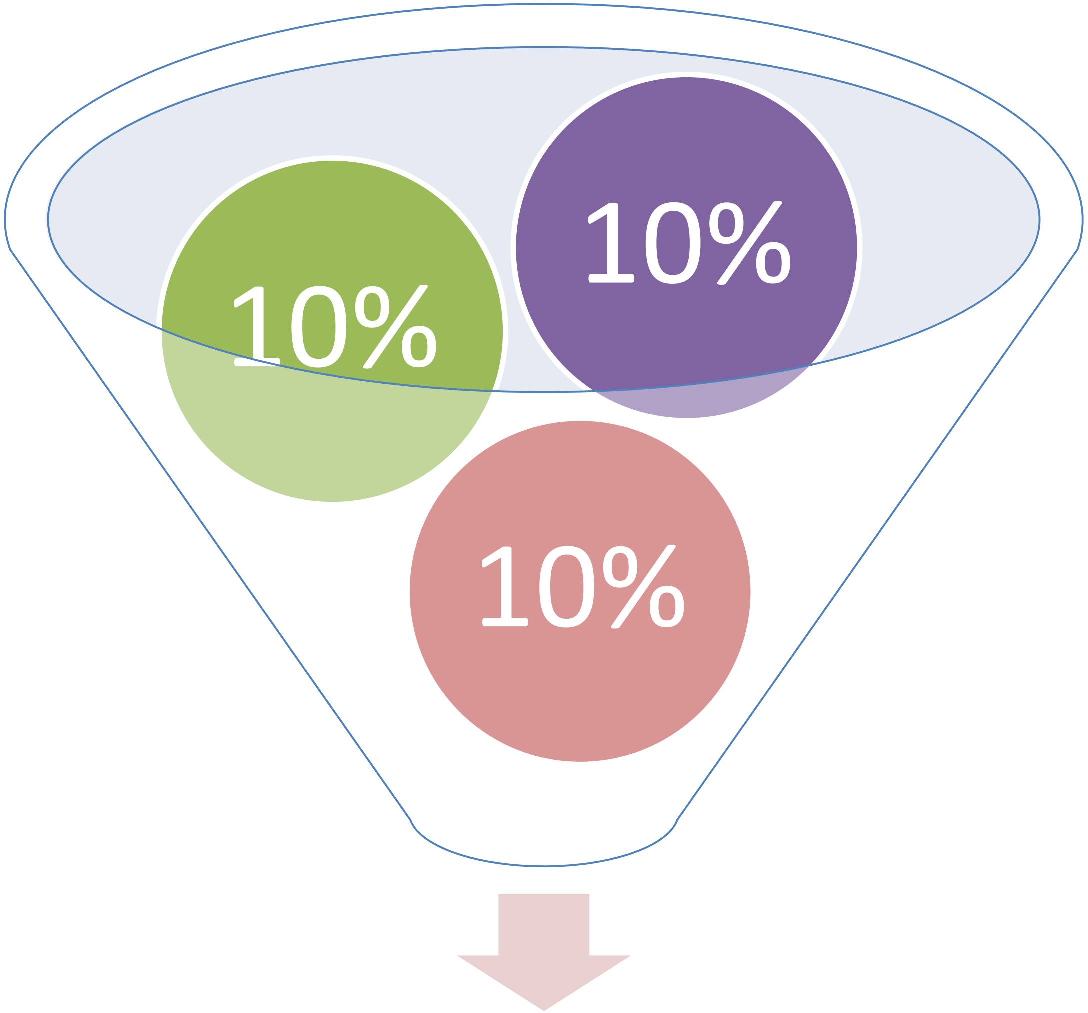
15%
E&G
Divisional
Operations
Budgets

+

15%
E&G
Central
Operations
Budgets

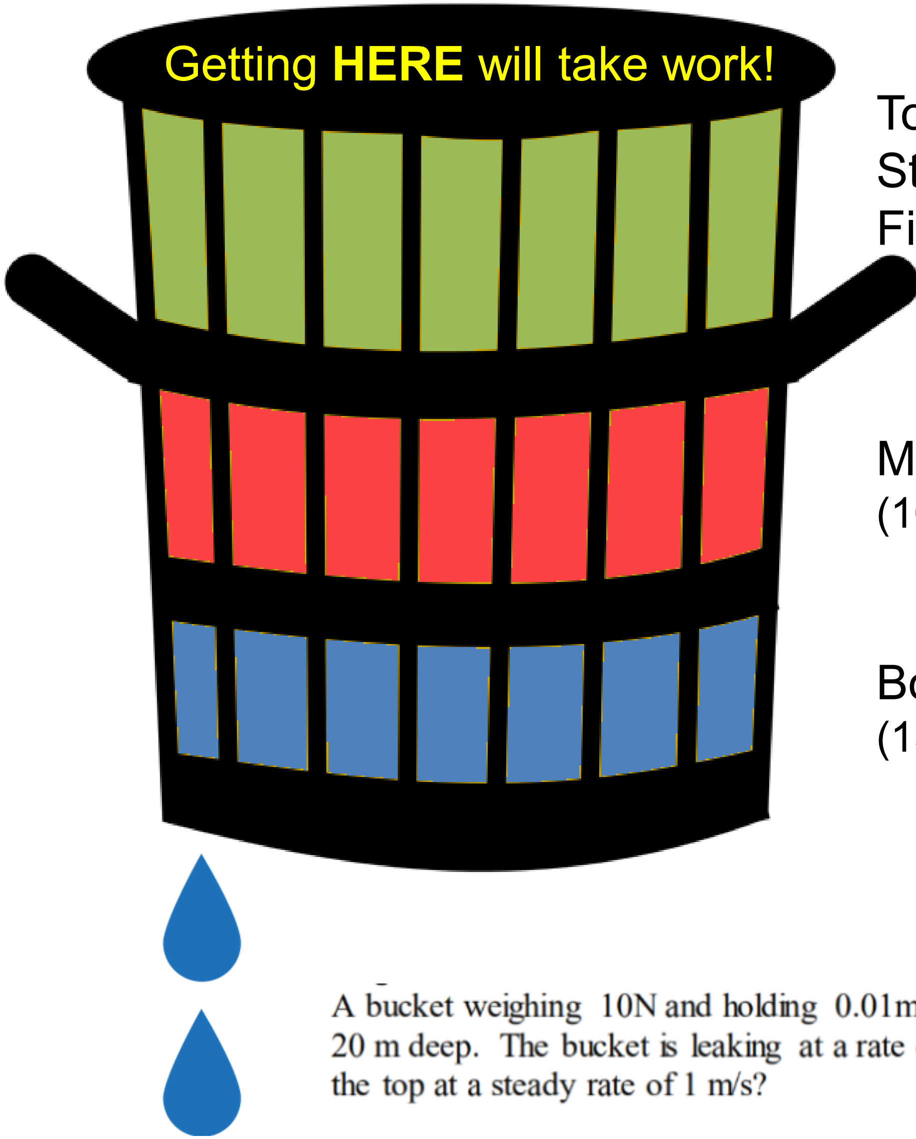
→

Central
Reserves



E&G Operating Reserves

E&G Reserves Summary



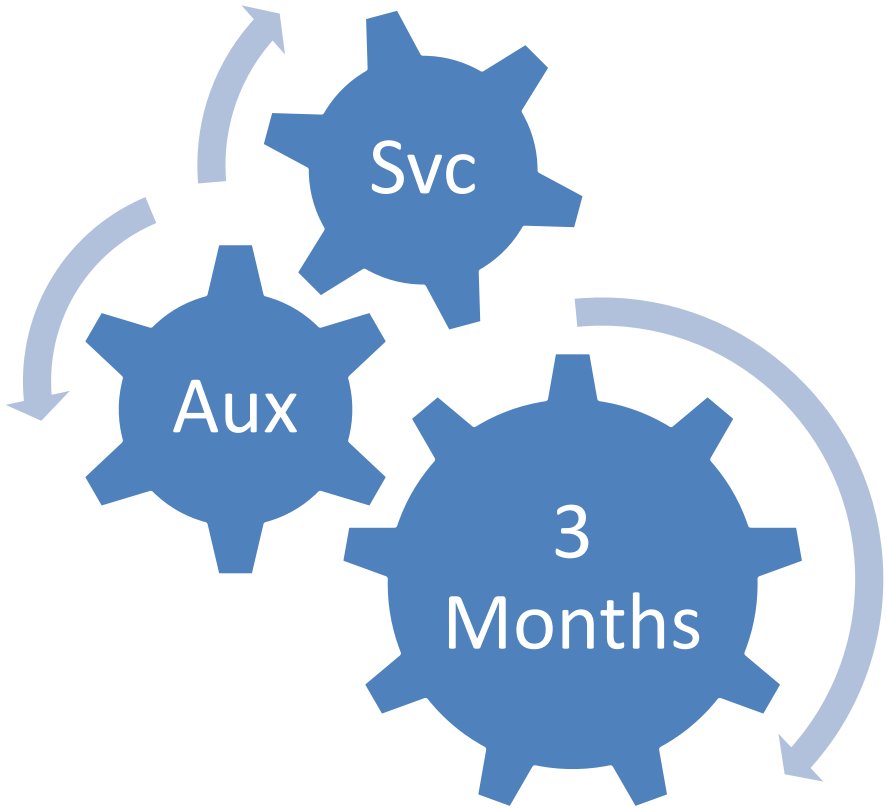
Top Layer = "Carry Forward" for Strategic Spending the following Fiscal Year per each Academic Unit
(>10% Operational Reserves)

Middle Layer = Operational Reserves
(10% in each Academic Division Unit)

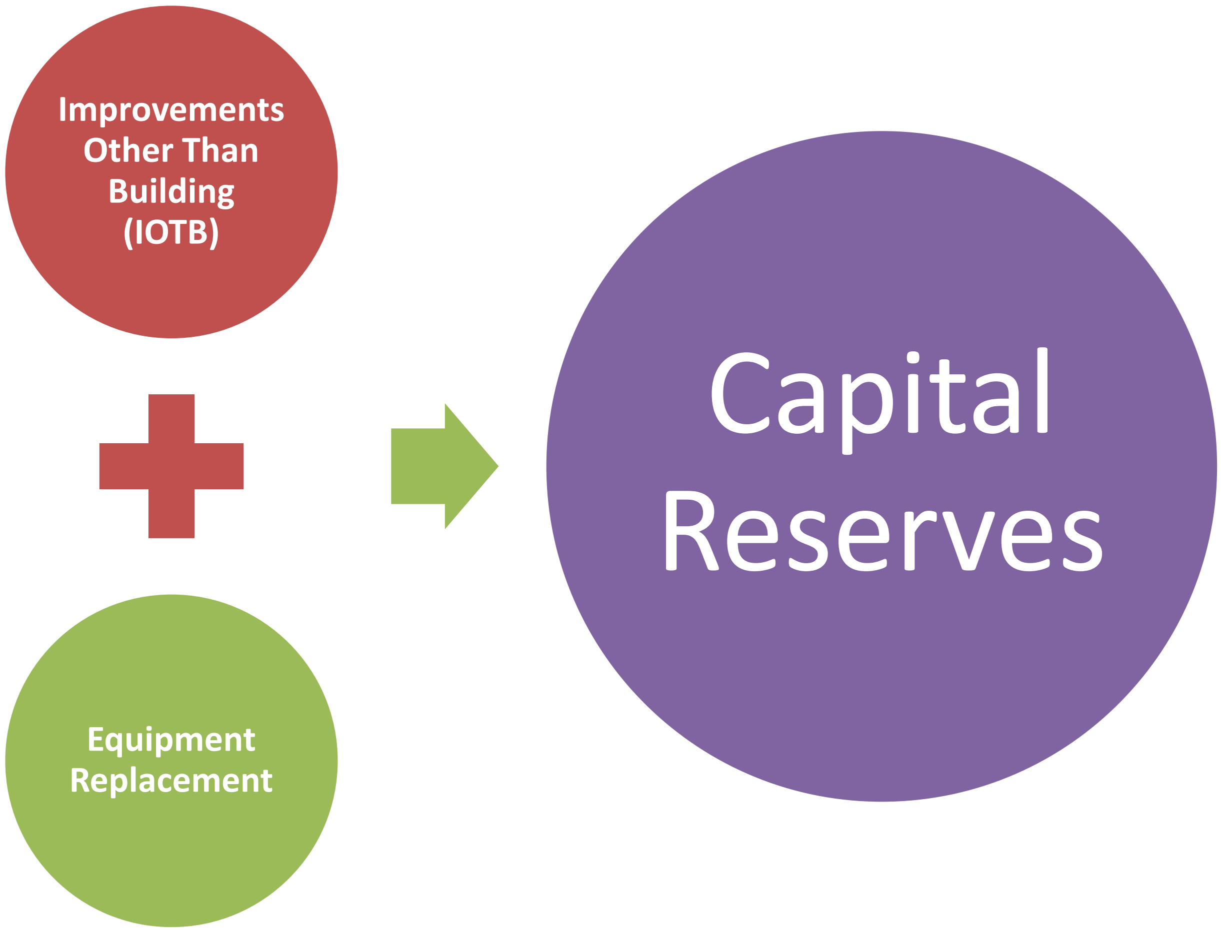
Bottom Layer = Central Reserves
(15% each Direct/Indirect Expense Areas)

A bucket weighing 10N and holding 0.01m^3 of water is suspended by a rope weighing 5N/m in a well 20 m deep. The bucket is leaking at a rate of $0.0002\text{m}^3/\text{s}$. How much work is necessary to raise it to the top at a steady rate of 1 m/s?

Working Capital for Auxiliary Enterprises and Service Departments

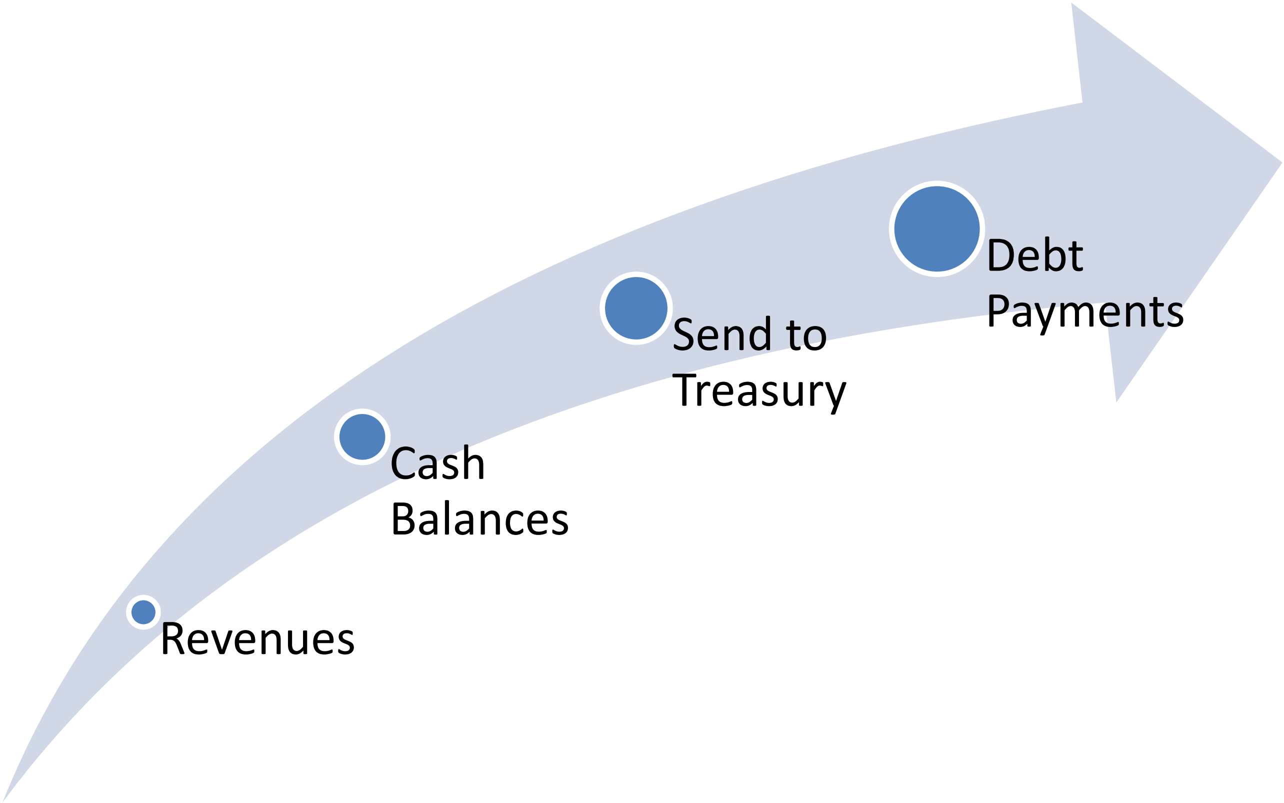


Capital Reserves for Auxiliary Enterprises, Service Departments and Self-Liquidating Activities

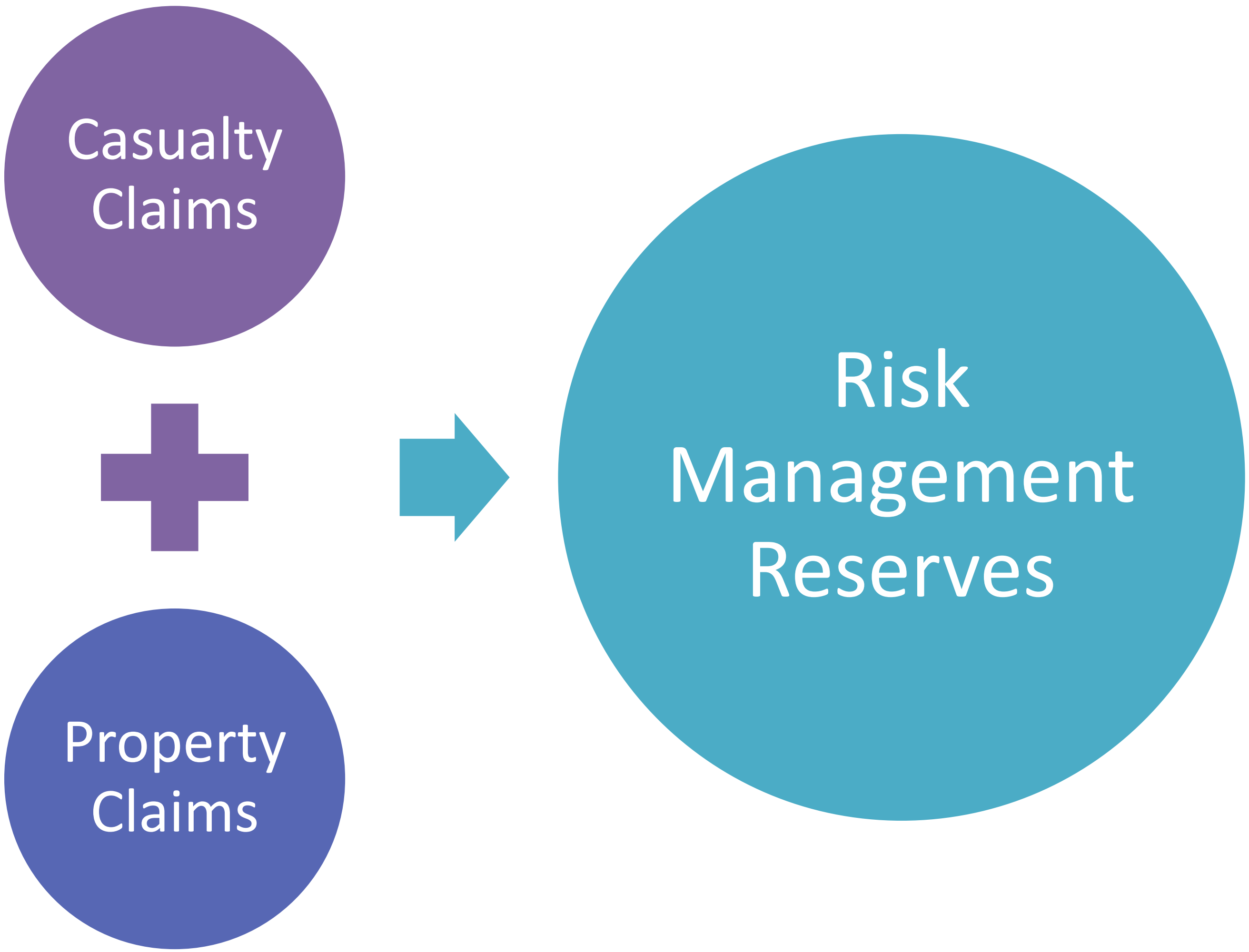


Treasury Reserves

Ensuring at least one-year of principal and interest for debt service



Risk Management Claims Reserve



Discussion

- Let's talk about how this will affect (improve) our financial sustainability (if we "seed" these reserves, then protect our ability to operate)
- "Map" showing health of reserve accounts (next chart)
- Goal: Add an annual "dashboard" (leveraging PSU's product)
- Issues? (eg. Communication and training w/ campus)
- Risks?
- Opportunities?

Chart of Reserve Funds

Fund	Current Value ($000)	Target value ($000)	Remarks
Central Reserves	$7.6m	$9.0m	15% of total expenses
Operating Reserves	$0	$3.0m	10% of direct expense (Academic Units)
Working Capital	$100k	$4.0m	Impacted by pandemic and fires. Federal relief pending.
Capital Reserves	$4.7m	*	* Defined by each Auxiliary or Service Center
Treasury Reserves	$2.5m	$2.5m	Funds held in preparation for deposit at Treasury for upcoming Bond payments
Risk Management Claims Reserve	$100k	All Deductibles	Would cover 20 claims. PURMIT has reserves.

HIGHER EDUCATION COORDINATING COMMISSION

FINANCIAL CONDITION ANALYSIS OF OREGON PUBLIC UNIVERSITIES

2020

TABLE OF CONTENTS

Note: Introduction left intact, other schools removed. GMP

OVERVIEW

This report contains a broad financial evaluation of each of Oregon's seven public universities. The objective of this report is to identify institutions in which the potential for financial stress exists.

Two perspectives are provided. The oversight perspective looks at all institutional funding, including foundation assets, and employs financial ratios to calculate a composite financial index (CFI) to provide an overall assessment of the institution's financial health. The governance perspective is limited to the education and general (E&G) fund, sometimes called the general fund, of the institution in which the financial activity related to instruction, research and public service is collected.

For the oversight perspective, the process starts with the identification of relevant financial indicators after which standards are then defined. The extent to which an institution meets all the standards will then provide insight as to whether or not the institution could potentially experience financial stress in the future. The best approach is to compare an institution to itself over time, rather than comparing peer to peer.

> Two perspectives are provided. An oversight perspective, focused on all funds including foundation assets and a governance perspective focused solely on the general fund.

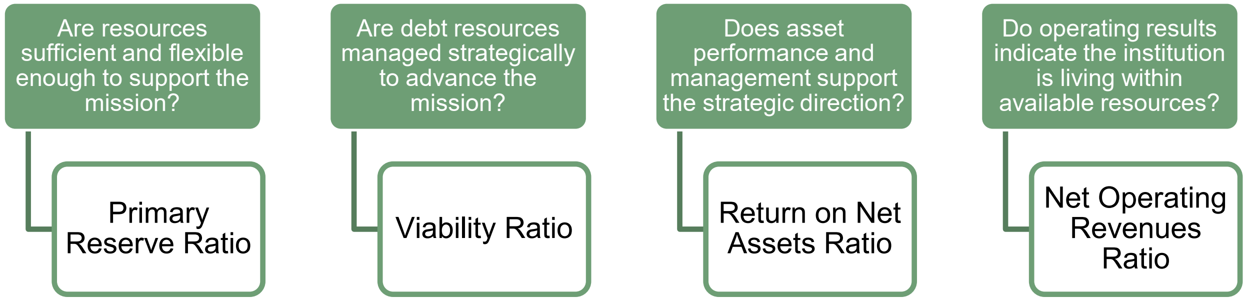
As such, this analysis considers each institution across all funds (i.e. general fund, plant fund, auxiliary fund, etc.) and includes component units (i.e. a foundation) that are included in the university's annual financial report. The framework for this analysis is a book called *Strategic Financial Analysis for Higher Education* written by KPMG and Prager, Sealy & Co. It has been in use since its first publication in the 1980's and is widely used by trustees, senior managers, financial analysts, and credit analysts to properly assess institutions of higher education. A version of this framework is also used by the US Department of Education in their financial responsibility score currently used to assess private institutions.

The governance perspective is a bit narrower in scope in that it only considers the E&G, or general fund, of the institution. The other funds are considered self-balancing, and although transfers between funds can and do occur, the general fund is often where governing board decision making is concentrated since it represents the majority of the institution's financial activity.

Information related to the governance perspective is presented for each institution alongside the calculations for the financial rations and CFI. The remainder of this section discusses the calculation of the financial ratios and other qualitative metrics used to consider an institution's financial health.

FINANCIAL ANALYSIS IN HIGHER EDUCATION

The overall financial health of an institution can be assessed via two dimensions of inquiry. First, is the institution financially capable of successfully carrying out its current programs? Second, is the institution able to carry out its intended programs well into the future? Along those two dimensions, four key financial questions need to be asked. A financial ratio is designed to measure the answer for each question.



Primary Reserve Ratio

$$\frac{\text{Expendable Net Assets}}{\text{Total Expenses}}$$

This ratio measures the financial strength and flexibility of the institution by comparing expendable net assets to total expenses, providing a snapshot of how long the institution could continue operating without additional revenue. A decline in the primary reserve ratio indicates expenses are growing faster than revenues and certainly faster than the growth in expendable net assets.

Viability Ratio

$$\frac{\text{Expendable Net Assets}}{\text{Long-Term Debt}}$$

The viability ratio measures one of the most basic elements of financial health: debt coverage. It considers what expendable net assets are available to cover long-term debt should the institution need to immediately settle its obligations. This ratio is similar to a coverage ratio used in the private sector to indicate the ability of an organization to cover its long term debt.

Expendable net assets, in this circumstance, are those resources that are readily available to the institution. Typically this includes unrestricted assets plus those assets that are restricted but expendable. Assets that are restricted but not expendable, like capital assets, are excluded. Donor assets are typically restricted but included if they are expendable. An example is endowment assets. The restricted but expendable portion is the current year earnings while the restricted but not expendable portion is the corpus of the endowment.

Return on Net Assets Ratio

$$\frac{\text{Change in Net Assets}}{\text{Total Net Assets}}$$

This ratio measures total economic return during the fiscal year. It answers the question "are they better off financially than they were a year ago?" It shows an institution's total economic return. A positive return on net assets means an institution is increasing its net assets and is likely to have increased financial flexibility and ability to invest in strategic priorities. A negative return on net assets ratio may indicate the opposite, unless the negative ratio is the result of strategic investments. A temporary decline in this ratio could be reasonable should it reflect a strategy to improve the institution's financial condition.

Net Operating Revenues Ratio

$$\frac{\text{Net Operating Income}}{\text{Total Operating Revenue}}$$

The net operating revenues ratio indicates whether total operating activities for the fiscal year generated a surplus or created a deficit. It attempts to demonstrate whether an institution is living within its available resources. Continuing negative operating revenues ratios may indicate that an institution does not currently have capacity to develop a stronger fund balance or make strategic operating investments without the use of existing fund balance, expense reductions, or revenue enhancements.

Composite Financial Index

A widely accepted metric called the Composite Financial Index (CFI) is often used to address these four key questions. The CFI blends the four core financial ratios into one metric, providing a more balanced view of an institution's finances. Measuring the index over time provides a glimpse as to the progress institutions are making toward achieving financial goals.

This report includes calculated CFIs for Oregon's seven public universities for the past three fiscal years including 2017, 2018, and 2019.

BENCHMARKS

Ratio	Benchmark
Primary Reserve Ratio	>0.4
Viability Ratio	>1.0
Return on Net Assets	>6%
Net Operating Revenues	>4%
Composite Financial Index	No Benchmark
Adjusted Composite Financial Index*	>3.0
*adjusted to remove pension and OPEB related liabilities	

ACCOUNTING CHANGES

Changes in accounting practice can affect the calculations. For example, Governmental Accounting Standards Board (GASB) Statements No. 68, 71 and 75 attempt to improve financial reporting by accounting for pension-related and other postemployment benefit (OPEB) liabilities. The impact of these statements was the reduction in expendable net assets leading to a reduction in both the primary reserve and viability ratios as well as higher benefits expense leading to a reduction in the net operating revenues ratio. The additional liability is significant, accounting for approximately one third of total liabilities.

This report includes the CFI calculated both with these liabilities and also adjusted to remove them. The value of pension and OPEB liabilities is actuarially determined and subject to a number of assumptions driven by demographics and other factors. The discount rate assumption is particularly sensitive; each 1% change equals a 25-30% change in net liability.

Effective for FY2019, new guidance was issued by the Financial Accounting Standards Board (FASB) in Accounting Standards Update (ASU) 2016-14 (topic 958) which altered the categories of net assets presented for the foundations. Consequently, the calculation of expendable net assets was affected. Two ratios use the expendable net assets.

ADDITIONAL INDICATORS

In addition to the CFI, a more robust understanding is obtained through a number of additional, qualitative indicators. These include enrollment fluctuations, the dependency of revenues, audit findings and accreditation sanctions.

Enrollment Fluctuations

Consistent enrollments are integral to financial health. Net tuition revenue is typically the largest source of E&G revenue. The distribution of state funding is also influenced by enrollments. Extraordinary fluctuations in enrollment can cause volatility within these primary revenue sources. Credit rating agencies rely on enrollment data to determine student demand and market position both of which are factors in ratings analysis.

Enrollment data for all seven of the public universities is included in the appendix. This data looks at fall fourth week full-time student equivalent (FTE) enrollment going back to the 2002-03 academic year. Across all institutions, enrollment between 2002-03 and 2009-10 grew 14.3% with all but one of the institutions experiencing growth during that time. The trend has been decidedly different in the past decade. Since 2010-11, enrollment has declined 1.8% across all institutions will only two experiencing growth during that time. Future demographics of Oregon suggest enrollments will struggle to increase as the number of 18-25 year old residents stagnates.

Dependency of Revenues

The over reliance on any one source of revenue can subject an institution to volatility and risk should that revenue source substantially change. Considering each revenue source's percentage of total revenue gives some indication of an over dependence. There is no universally excepted benchmark for this metric or definition of over dependence.

Looking at the FY2019 E&G fund financial data included in the appendix for all seven public universities, net revenue is expressed as a percentage of the total of all E&G revenue. For all seven, 67% of E&G fund revenue comes from tuition with four at 60% with one institution near 80%. With such a dependence on net tuition revenue, the sensitivity of the institution's overall financial health to enrollment is magnified.

Audit Findings

The institutions are required to have an external audit performed of their annual financial reports every year. The auditor expresses an opinion of the financial statements, control systems, and other management issues. A qualified audit opinion, meaning the auditor was unable to establish to their satisfaction a proper determination, would lead to further scrutiny. Any material weaknesses identified by the auditor would also raise the level of concern about the institution's financial condition. All seven universities received an unqualified opinion for their FY2019 annual financial reports.

Accreditation Sanctions

Actions taken by the regional accrediting body are also considered. Oregon is served by the Northwest Commission on Colleges and Universities (NWCCU). The 2020 accreditation standards, specifically 2.E.1 through 2.E.3, used by NWCCU include reference to the financial stability and control expected of each institution and represent good practice. Accreditation is a prerequisite for an institution to participate in federal financial aid programs and is therefore fundamental to an institution's financial viability. The HECC is not aware of any current accreditation sanctions affecting the public universities.

DATA SOURCES AND APPENDIX

Data for the calculations in this report came from the Audited Financial Reports published by each institution, as well as the Audited Financial Statements published by each university's foundation(s). Enrollment data came from HECC's Office of Research and Data. General fund activity and tuition collection information came from survey data provided by the institutions.

Financial ratio calculations and general fund data is included within the body of the report for each individual institution. Summary financial data across all seven of the institutions is included in the appendix including more detail on tuition collections.

THE IMPACT OF COVID-19

The COVID-19 pandemic has had an extraordinary impact on both institutions and students. The California Student Aid Commission surveyed 76,000 students on the impact of the pandemic and found that:

- 71% of students lost some or all of their income
- About half have experienced disruption to their housing situation
- A quarter reported needing to drop one or more courses during the Spring 2020 term

The public universities have reported a financial impact of just over $140 million during the spring and summer terms. This figure includes almost $73 million in lost or foregone revenue mostly due to auxiliary activities including housing, dining, retail and athletics. The remaining $67 million is due to direct, additional costs including $42 million in tuition/fee refunds along with $6.5 million in distance delivery and student support, $6.5 million in cleaning, testing and personal protection equipment, and $12 million in personnel and other costs.

The current, unprecedented level of anxiety amongst institutional leadership centers on fall term enrollment. Enrollments may or may not be affected in the fall term largely based on student behavior. A number of organizations are conducting student research to provide insight in to students' intent. The California Student Aid Commission survey found that 15% of existing students were unsure about where they were going to attend college in the fall. This creates a number of potential headwinds for the institutions with varying impacts.

The vast majority of existing students are reporting they would like to continue their education. However, most have also reported the spring distance learning experience to be less than ideal. If they chose to sit out the fall term, that could have dire financial consequences. The existing E&G fund balance of most institutions is not sufficient to backfill a 15% drop in net tuition revenue. Additional uncertainly revolves around the intentions of new students.

Also, whether or not out of state students feel comfortable enough to travel to attend an Oregon institution could be an issue. According to the National Center for Education Statistics (NCES), Oregon is a net importer of students with over 3,100 students coming to Oregon for college in the fall of 2018. That represents roughly 3% of headcount enrollment. If those students chose to attend college closer to home in the fall, that could have an outsized impact on those institutions who enroll more than a third of their students from out of state including EOU, SOU, OSU and UO.

Although not related to enrollment, another headwind could be athletics. Should the major athletic programs in the state not be able to compete under normal conditions, the resulting revenue impact could create substantial financial challenges for the institutions.

FINANCIAL RATIOS 2017-2019

Ratio	FY19	FY18	FY17	Benchmark
Primary Reserve Ratio	0.03	0.08	0.10	>0.4
Viability Ratio	0.07	0.16	0.21	>1.0
Return on Net Assets	2.9%	15.3%	11.2%	>6%
Net Operating Revenues	-9.3%	-3.7%	-4.1%	>4%
Composite Financial Index	-0.86	1.59	1.25	No Benchmark
Adjusted CFI*	1.17	3.53	4.24	>3.0
*adjusted to remove pension and OPEB related liabilities				

PRIMARY RESERVE RATIO

Are resources sufficient and flexible enough to support the mission?

Amounts in $ Thousands	2017	2018	2019
Expendable Net Assets	$10,275	$7,553	$3,137
University/Foundation	*$1,861/$8,414*	*($3,480)/$11,033*	*($8,560)/$11,697*
Expenses	$98,187	$95,756	$101,930

SOU's primary reserve has fallen substantially over the past three years and is now just above zero in FY19. A low primary reserve ratio indicates that available resources may be not sufficient or flexible enough to support the institution's mission. In SOU's case, they had less than half a month's worth of primary reserve at the end of the last fiscal year.

VIABILITY RATIO

Are debt resources managed strategically to advance the mission?

Amounts in $ Thousands	2017	2018	2019
Expendable Net Assets	$10,275	$7,553	$3,137
Total Long-Term Debt	$48,679	$45,935	$43,580

The value of total expendable net assets has declined 69.5% since FY17. As a result, SOU's viability ratio has declined from FY 17 to FY 19 to the point where they can only cover seven cents of every dollar owed for debt with expendable assets. This is primarily due to a combination of increasing expenses and declining revenues.

RETURN ON NET ASSETS RATIO

Does asset performance and management support the strategic direction?

Amounts in $ Thousands	2017	2018	2019
Total Change in Net Position	$11,419	$17,415	($3,728)
Total Beginning Net Position	$130,289	$113,648	$130,289

The return on net assets ratio demonstrates whether an institution is financially better off than in previous years. It shows an institution's total economic return. A positive return on net assets ratio means an institution is increasing its net assets and is likely to have increased financial flexibility and ability to invest in strategic priorities. A negative return on net assets ratio may indicate the opposite, unless the negative ratio is the result of strategic investment in strategies that will enhance net assets in the future.

SOU's performance on this ratio had been positive, and above the benchmark in FY 17 and FY 18, but was slightly negative in FY 19 due to substantial expense increases coupled with revenue declines. If this ratio is negative in future years, it could limit SOU's financial flexibility going forward.

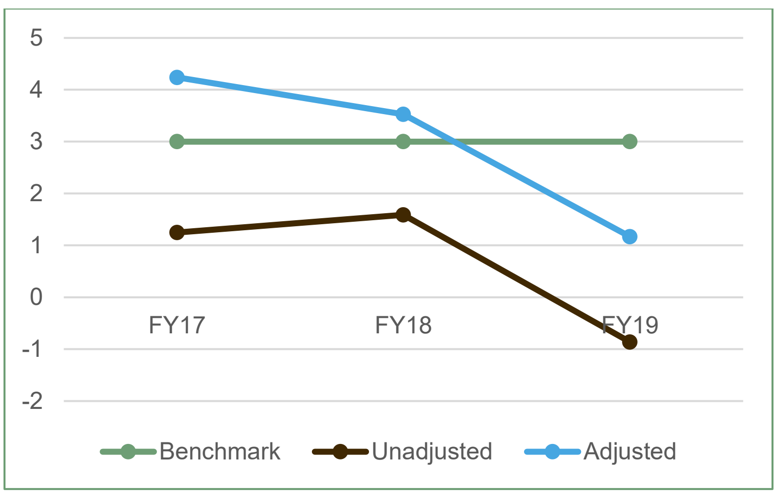
NET OPERATING REVENUES RATIO

Do operating results indicate the institution is living within available resources?

Amounts in $ Thousands	2017	2018	2019
Net Operating Income	($3,851)	($3,454)	($8,655)
Total Operating Revenues	$93,151	$92,302	$93,275

The net operating revenues ratio indicates whether total operating activities for the fiscal year generated a surplus or created a deficit. It attempts to demonstrate whether an institution is living within its available resources. SOU's net operating revenues ratio has been increasingly negative the past three years even with sizable tuition increases. Continued negative operating revenues may indicate an institution does not have the capacity to develop a stronger fund balance or make strategic operating investments without the use of existing fund balance, expense reductions, or revenue enhancements.

COMPOSITE FINANCIAL INDEX



RATIO ANALYSIS SUMMARY

Overall, SOU faces a challenging financial future with limited flexibility. Given declining enrollment and increasing expenses, the need remains clear to further reengineer the institution to identify opportunities while preserving academic quality. Hopefully the current proposed 4% cut in spending and Presidential Task Force on Financial Sustainability will allow SOU to make some much needed headway.

GENERAL FUND FINANCIAL DATA

	FY2017	FY2018	FY2019
Revenues			
Gross tuition and fees	37,698,244	41,003,792	41,003,163
Less fee remissions	(3,586,840)	(4,243,385)	(3,637,765)
Net tuition	34,111,404	36,760,407	37,365,398
State operating appropriations	21,360,666	21,093,467	21,471,767
State debt service appropriations	179,160	179,160	179,160
Indirect cost recovery	200,424	206,958	150,967
All other	3,113,341	2,597,260	2,862,313
Total revenues	**58,964,995**	**60,837,252**	**62,029,605**
Expenses			
Salary & Wages	31,008,806	31,763,153	33,013,914
Benefits: Health	6,878,403	7,331,563	7,305,707
Benefits: Retirement	5,703,198	6,841,000	7,007,008
Benefits: Other	2,674,014	2,838,967	3,018,151
Supplies & Services	8,907,896	9,093,321	11,555,647
Capital Expenditures	193,507	193,744	176,436
Institutional Student Aid	-	-	-
Net Fund Transfers	2,266,381	2,481,400	1,738,814
Total expenses	**57,632,205**	**60,543,147**	**63,815,677**
Net Income (Loss)	**1,332,790**	**294,105**	**(1,786,072)**
As a % of Revenue	2%	0%	-3%
Fund Balance Information			
Beginning Fund Balance	6,876,000	8,208,790	8,502,895
Ending Fund Balance	8,208,790	8,502,895	6,716,823
Balance as a % of Revenue	14%	14%	11%
Months of Operating Balance	1.7	1.7	1.3
Additional Information			
% of Revenue that is Tuition	58%	60%	60%
Remission Rate	10%	10%	9%
Wages and Benefits as % of Total:	80%	81%	79%

Public Universities Enrollment

FTE Count, All Students, Fall Fourth Week

	EOU	OIT	OSU	PSU	SOU	UO	WOU	TOTAL	
2002-03	2,551	2,380	18,124	15,564	4,243	19,128	4,380	66,369	
2003-04	2,412	2,413	18,310	16,362	4,312	19,301	4,324	67,433	
2004-05	2,342	2,410	18,141	16,348	4,021	19,750	4,140	67,151	
2005-06	2,424	2,316	18,172	16,812	3,853	19,697	4,106	67,378	
2006-07	2,332	2,212	18,205	16,981	3,762	19,609	4,011	67,111	**+14.3%**
2007-08	2,294	2,267	18,381	17,299	3,765	19,496	4,201	67,703	
2008-09	2,389	2,381	18,767	18,753	3,850	20,762	4,412	71,315	
2009-10	2,647	2,588	20,304	19,996	3,930	21,689	4,697	75,851	
2010-11	2,838	2,576	21,994	20,476	4,524	22,631	5,049	80,090	
2011-12	2,906	2,624	23,066	20,459	4,678	23,450	5,127	82,309	
2012-13	2,903	2,809	23,957	20,226	4,573	23,378	5,106	82,953	
2013-14	2,694	2,941	25,023	20,270	4,351	23,230	4,974	83,483	
2014-15	2,392	2,905	25,431	20,214	4,347	22,832	4,761	82,883	**+1.8%**
2015-16	2,274	3,108	25,878	20,162	4,408	22,598	4,513	82,941	
2016-17	2,221	3,239	26,527	19,721	4,293	22,629	4,529	83,159	
2017-18	2,152	3,236	26,865	19,563	4,383	22,207	4,452	82,857	
2018-19	2,171	3,218	26,779	19,252	4,204	22,081	4,310	82,015	
2019-20	2,133	3,247	27,120	18,816	4,029	22,105	4,068	81,520	

	EOU	OIT	OSU	PSU	SOU	UO	WOU	TOTAL
Change from 2002-3 to 2009-10								
	3.8%	**8.8%**	**12.0%**	**28.5%**	**-7.4%**	**13.4%**	**7.2%**	**14.3%**
10 Year Change (10-11 to 19-20)								
	-24.9%	**26.0%**	**23.3%**	**-8.1%**	**-10.9%**	**-2.3%**	**-19.4%**	**1.8%**
1 Year Change (18-19 to 19-20)								
	-1.7%	**0.9%**	**1.3%**	**-2.3%**	**-4.1%**	**0.1%**	**-5.6%**	**-0.6%**

FY2019 Annual Financial Report Data

(Amounts in $ Thousands)

	EOU	OIT	OSU	PSU	SOU	UO	WOU	Total
Net Tuition and Fees	17,598	27,352	340,451	193,994	30,812	385,387	32,253	1,027,847
Govt Appropriations	21,452	29,401	238,422	158,058	22,107	74,397	25,929	569,766
Grants and Contracts	11,278	11,366	290,097	122,703	12,617	159,769	22,318	630,148
Sales/Services/Auxiliary	6,634	14,868	236,345	94,551	15,666	226,072	20,713	614,849
Gifts	3,738	19,503	132,658	6,343	7,870	141,230	8,556	319,898
Investments and Other	531	416	9,917	22,676	1,125	72,712	3,788	111,165
Total Revenues	**61,231**	**102,906**	**1,247,890**	**598,325**	**90,197**	**1,059,567**	**113,557**	**3,273,673**
Instruction	15,968	32,568	321,792	184,996	35,909	293,053	39,915	924,201
Research	604	4,601	216,199	42,248	416	81,412	810	346,290
Public Service	3,008	154	145,034	23,138	3,733	50,695	360	226,122
Academic Support	7,520	10,070	90,234	39,672	7,859	68,384	10,245	233,984
Student Services	3,260	6,427	33,651	21,900	5,860	48,299	7,410	126,807
Auxiliary Programs	8,248	11,698	181,288	83,346	15,176	209,328	23,527	532,611
Institutional Support	9,691	13,133	91,279	53,825	12,556	74,681	7,377	262,542
O&M of Plant	3,747	4,713	40,401	22,219	5,759	53,072	5,371	135,282
Student Aid	4,040	5,135	29,988	34,238	4,082	37,247	6,007	120,737
Other Expenses	3,732	3,519	63,556	22,624	3,974	51,658	6,882	155,945
Total Expenses	**59,818**	**92,018**	**1,213,422**	**528,206**	**95,324**	**967,829**	**107,904**	**3,064,521**
Net Income (Loss)	**1,413**	**10,888**	**34,468**	**70,119**	**(5,127)**	**91,738**	**5,653**	**209,152**
As a % of Revenue	**2%**	**11%**	**3%**	**12%**	**-6%**	**9%**	**5%**	**6%**

FY2019 E&G Fund Financial Data

(Amounts in $ Thousands)

	EOU	OIT	OSU	PSU	SOU	UO	WOU	TOTAL
Revenues								
Gross tuition and fees	23,377	35,791	421,775	240,675	41,003	462,632	44,901	1,270,152
Less fee remissions	(2,734)	(3,946)	(42,746)	(21,101)	(3,638)	(44,177)	(5,097)	(123,439)
Net tuition	20,642	31,845	379,028	219,574	37,365	418,454	39,804	1,146,713
State operating appropriations	20,357	28,812	135,687	96,604	21,472	71,911	24,966	399,808
State debt service appropriations	638	134	1,073	2,182	179	801	382	5,389
Indirect cost recovery	261	297	41,471	11,622	151	24,644	740	79,187
Other	1,059	6,770	30,442	19,411	2,862	16,440	4,317	81,302
Total revenues	**42,958**	**67,857**	**587,701**	**349,394**	**62,030**	**532,250**	**70,209**	**1,712,399**
Expenses								
Salary & Wages	21,485	32,200	295,552	179,464	33,014	267,860	39,172	868,747
Benefits: Health	5,361	7,878	58,364	28,919	7,306	58,928	8,852	175,607
Benefits: Retirement	4,943	6,275	55,502	35,539	7,007	53,011	8,521	170,798
Benefits: Other	1,770	1,912	40,769	20,693	3,018	44,145	3,007	115,314
Supplies & Services	7,938	18,234	114,123	62,943	11,556	96,089	7,555	318,438
Capital Expenditures	453	766	9,995	1,973	176	5,216	454	19,033
Institutional Student Aid	-	2	1,707	711	-	7,500	0	9,920
Net Fund Transfers	(173)	3,444	22,513	1,391	1,739	11,830	4,834	45,578
Total expenses	**41,777**	**70,711**	**598,524**	**331,633**	**63,816**	**544,577**	**72,396**	**1,723,434**
Net Income (Loss)	**1,180**	**(2,854)**	**(10,822)**	**17,761**	**(1,786)**	**(12,327)**	**(2,187)**	**(11,035)**
As a % of Revenue	3%	-4%	-2%	5%	-3%	-2%	-3%	-1%
% of Revenue that is Tuition	48%	47%	64%	63%	60%	79%	57%	67%
Remission Rate	12%	11%	10%	9%	9%	10%	11%	10%
Wages and Benefits as % of Total:	80%	68%	75%	80%	79%	78%	82%	77%

FY2019 Tuition Collections and Related Information

Institution	Resident Tuition	Nonresident Tuition	Other Tuition*	Total Tuition	Remissions	Net Tuition
Eastern Oregon University	18,702,624	3,278,412	1,395,553	23,376,589	2,734,316	20,642,273
Oregon Institute of Technology	16,749,085	8,936,738	10,104,765	35,790,588	3,945,695	31,844,893
Oregon State University	155,908,594	141,440,346	124,425,613	421,774,553	42,746,333	379,028,220
Portland State University	138,008,752	77,456,326	25,209,746	240,674,824	21,100,540	219,574,284
Southern Oregon University	20,762,823	15,093,504	5,146,835	41,003,162	3,637,765	37,365,397
University of Oregon	151,758,496	315,057,820	1,803,298	468,619,614	81,372,850	387,246,764
Western Oregon University	20,995,809	11,689,804	12,215,226	44,900,839	5,097,159	39,803,680
TOTAL	**522,886,183**	**572,952,950**	**180,301,036**	**1,276,140,169**	**160,634,658**	**1,115,505,511**

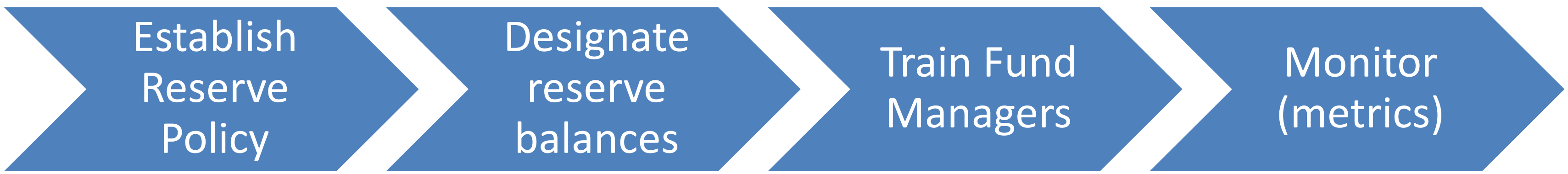
*Other tuition includes online, CTE, professional development, etc.

				Net Tuition per FTE		Split by Type	
Institution	Resident FTE	Non-Resident FTE	Total FTE**	Resident	Non-Resident	Resident	Non-Resident
Eastern Oregon University	1,594	738	2,332	11,733	4,442	68%	32%
Oregon Institute of Technology	2,572	780	3,352	6,512	11,461	77%	23%
Oregon State University	16,150	11,971	28,121	9,654	11,815	57%	43%
Portland State University	15,299	4,936	20,234	9,021	15,693	76%	24%
Southern Oregon University	2,637	1,632	4,269	7,873	9,251	62%	38%
University of Oregon	11,343	11,343	22,687	13,379	27,775	50%	50%
Western Oregon University	3,648	987	4,634	5,756	11,847	79%	21%
TOTAL	**53,242**	**32,386**	**85,628**	**$ 9,821**	**$ 17,691**	**62%**	**38%**

**annualized FTE number including data from all terms during an academic year

HIGHER EDUCATION COORDINATING COMMISSION

Relationship between Reserves and Fund Balance



Federal Relief Funding Update

Timeline and Key Milestones

CRSSAA
- 6/30/21 Lost Revenue calculation
- 7/15/21 Pull funds from G5

ARPA
- 7/21/21 FY 21 “soft close”
- 7/31 Pull funds from G5

SOU All Funds
- 8/1 Allocation target
- 8/30 Execution strategy

- **ARPA rules require FY21 financial data for “lost revenue” calculations**

Relief Allocation Table for OPUs

Southern OREGON UNIVERSITY

HEERF II Allocations for Public and Nonprofit Institutions under CRRSAA section 314(a)(1)

1/13/2021

OPEID	Institution Name	School Type	State	Total Award	CARES Act Minimum Amount for Emergency Financial Aid Grants to Students	Section 314(a)(1)(E) & Section 314(a)(1)(F) Allocation	Minimum Amount for Student Aid Portion (CFDA 84.425E Allocation)	Maximum Amount for Institutional Portion (CFDA 84.425F Allocation)
00319300	Eastern Oregon University	Public	OR	$ 2,679,451	$ 579,164	$ 266,511	$ 579,164	$ 2,100,287
00320900	Western Oregon University	Public	OR	$ 7,059,841	$ 2,140,842	$ 25,507	$ 2,140,842	$ 4,918,999
00321000	Oregon State University	Public	OR	$ 26,602,486	$ 7,779,999	$ 808,598	$ 7,779,999	$ 18,822,487
00321100	Oregon Institute of Technology	Public	OR	$ 4,145,176	$ 903,637	$ 78,105	$ 903,637	$ 3,241,539
00321600	Portland State University	Public	OR	$ 30,740,104	$ 8,320,203	$ 353,301	$ 8,320,203	$ 22,419,901
00321900	Southern Oregon University	Public	OR	$ 6,202,456	$ 1,711,040	$ 54,374	$ 1,711,040	$ 4,491,416
00322300	University of Oregon	Public	OR	$ 24,150,869	$ 8,047,973	$ 18,342	$ 8,047,973	$ 16,102,896

HEERF III Allocations for Public and Nonprofit Institutions under ARP section 314(a)(1)

OPEID	Institution Name	School Type	State	Total Award	Minimum Amount for Student Aid Portion (CFDA 84.425E Allocation)	Maximum Amount for Institutional Portion (CFDA 84.425F Allocation)
00319300	Eastern Oregon University	Public 4 Yrs or More	OR	$ 4,436,054	$ 2,463,392	$ 1,972,662
00320900	Western Oregon University	Public 4 Yrs or More	OR	$ 12,311,114	$ 6,186,570	$ 6,124,544
00321000	Oregon State University	Public 4 Yrs or More	OR	$ 46,096,991	$ 23,797,683	$ 22,299,308
00321100	Oregon Institute of Technology	Public 4 Yrs or More	OR	$ 7,334,562	$ 3,734,703	$ 3,599,859
00321600	Portland State University	Public 4 Yrs or More	OR	$ 54,053,154	$ 27,338,293	$ 26,714,861
00321900	Southern Oregon University	Public 4 Yrs or More	OR	$ 10,973,048	$ 5,529,397	$ 5,443,651
00322300	University of Oregon	Public 4 Yrs or More	OR	$ 42,815,719	$ 21,425,659	$ 21,390,060

Review of Fiscal Year 2021-22 Budget Draft

Overview of All Funds

1. Budgeted Operations (also called E&G)
   - Academic Units
   - Support Areas
2. Auxiliaries
   - Housing
     - Excludes: NCV (Agency)
   - Student Health and Wellness Center (SHWC)
   - SRC
3. Designated Operations & Service Centers
   - Copy & Print Center
   - Jefferson Public Radio (JPR)

1. E&G Budget
Key Assumptions and Observations

- Labor increases appear magnified due to furloughs and hiring freeze during pandemic
- S&S increases
  - IT cost increases incurred during pandemic
    - (i.e. ZOOM, Firewall, etc.)
  - Legacy review of contra-expense accounts
  - 2.25% S&S Increase to address CPI
- Transfers
  - Athletics forecasting decreases in portions of Lottery funding and fee support from Incidental fee
  - Housing transfer still TBD…

2. Auxiliaries Budget Key Assumptions and Observations

- Fee revenues projected to be down; some auxiliary fund balance use may be necessary for operations
- Lottery support decreasing more than expected…TBD
- Labor increases appear magnified due to furloughs and hiring freeze during pandemic
- S&S increases
  - Largely travel and equipment replacement cycle
  - Athletics return to normal sports operations &
  - Cost escalations for health & safety
- Housing losses magnified by pandemic; support from relief acts will be necessary

3. Designated Operations and Service Centers
Key Assumptions and Observations

- Labor increases appear magnified due to furloughs and hiring freeze during pandemic
- S&S scaling back some as programs reduce need
- Largely stable but some concern around revenue generation coming out of the pandemic will require careful monitoring

Summary of Expenditures by Fund

Fund	2019 Actuals	2020 Actuals[1]	FY21 Estimate to Complete[2]	FY22 DRAFT Budget
Budgeted Ops (Fund Type 11)	$63,815,682	$64,366,628	$57,419,053	$70,066,848
Auxiliary Ops (Fund Type 20)	$14,825,608	$14,175,726	$10,963,410	$14,732,882
Designated Ops & Service Centers (Fund Types 12 & 13)	$5,386,667	$5,272,345	$3,888,146	$5,433,879
Combined Ops	$84,027,957	$83,814,699[1]	$72,270,609[2]	$90,233,609

- Draft Budget may change as final decisions on Initiatives are made

[1]FY20 is exceptional due to furloughs and S&S savings in Qtr 4 stemming from start of COVID pandemic in March 2020
[2]FY21 is exceptional due to furlough and S&S savings from pandemic 7/1/20 – 6/30/21

FY22 E&G Draft Budget w/o Federal Relief

- Year to date actuals; and
- Estimate to complete FY21
- Furlough savings YTD (including new savings thru end of FY)

- Does not include projected CRRSSA or ARP federal relief (ROE)

- Outcome: Roughly 15 days "run time" (making payroll), drains all fund balance gains made in FY21

- Revenues will not keep pace with expenses as we return to normal Face-2-Face operations

- Projected $2.8M ending fund balance and 4.32% KPI (NACUBO recommendation is 40%)

Education and General (in thousands of dollars)	2019-21 Biennium		2021-23 Biennium
	2019-20 ACTUAL (000's)	2020-21 FY Forecast (000's)	2021-22 DRAFT BUDGET (000's)
Revenue			
State Appropriations: SSCM	22,696	23,559	24,495
One-time Funding Changes			
Total State Funding (SSCM,ETSF,SELP)	23,074	23,937	24,873
Tuition	39,365	35,965	37,167
Fees	3,167	3,427	3,293
Raider Aid	(3,965)	(3,296)	(3,345)
Oth tuition & fee adjustments			
Tuition, net of Raider Aid	38,567	36,096	37,115
Misc. Other Revenue	2,453	1,053	2,108
TOTAL REVENUES	64,095	61,086	64,097
Personnel Services			
Faculty	(16,083)	(14,473)	(17,000)
Admin	(9,617)	(7,856)	(10,221)
Classified	(6,362)	(5,077)	(6,892)
Student (& Other)	(1,445)	(1,002)	(1,614)
Salaries Total	(33,508)	(28,408)	(35,727)
Retirement (PERS + ORP)	(7,881)	(6,901)	(8,327)
PEBB	(7,312)	(7,056)	(7,730)
Other	(3,275)	(2,807)	(3,597)
OPE	(18,469)	(16,764)	(19,654)
Vacancy Adj.			
Other Adj. to Labor			504
Net Personnel	(51,977)	(45,173)	(54,877)
Supplies & Services	(10,477)	(10,479)	(12,211)
Capital Expenses		(121)	(260)
Program Investment			
S&S Adjustments			
Total Supplies & Services, Capital Expenses	(10,477)	(10,600)	(12,471)
Cost Reductions and Savings			
TOTAL EXPENDITURES	(62,454)	(55,773)	(67,348)
Net from Operations Before Transfers	1,641	5,314	(3,251)
Budgeted Transfers	(1,913)	(1,647)	(2,178)
Transfers Adjustments			(549)
NET TRANSFERS	(1,913)	(1,647)	(2,726)
Change in Fund Balance	☑ (273)	3,667	(5,978)
Fund Additional (Deductions) 4 hitting Target EFB			
Beginning Fund Balance	5,354	5,081	8,748
Ending Fund Balance	5,081	8,748	2,771
% Operating Revenues	**7.92%**	**14.32%**	**4.32%**

FY22 E&G Draft Budget w/ CRRSAA & ARP

- Year to date actuals; and
- Estimate to complete FY21
- Furlough savings YTD (including new savings thru end of FY)

- INCLUDES projected CRRSSA and ARP federal relief

- Outcomes: one-time funding provides shock absorber for next biennium and 75 days "run time" (making payroll); coverage for Auxiliaries losses

- Projected $13.1M ending fund balance and 17.63% KPI
(NACUBO recommendation is 40%)

	2019-21 Biennium		2021-23 Biennium
Education and General (in thousands of dollars)	2019-20 ACTUAL (000's)	2020-21 FY Forecast (000's)	2021-22 DRAFT BUDGET (000's)
Revenue			
State Appropriations: SSCM	22,696	23,559	24,495
One-time Funding Changes			10,358
Total State Funding (SSCM,ETSF,SELP)	23,074	23,937	35,231
Tuition	39,365	35,965	37,167
Fees	3,167	3,427	3,293
Raider Aid	(3,965)	(3,296)	(3,345)
Oth tuition & fee adjustments			
Tuition, net of Raider Aid	38,567	36,096	37,115
Misc. Other Revenue	2,453	1,053	2,108
TOTAL REVENUES	64,095	61,086	74,455
Personnel Services			
Faculty	(16,083)	(14,473)	(17,000)
Admin	(9,617)	(7,856)	(10,221)
Classified	(6,362)	(5,077)	(6,892)
Student (& Other)	(1,445)	(1,002)	(1,614)
Salaries Total	(33,508)	(28,408)	(35,727)
Retirement (PERS + ORP)	(7,881)	(6,901)	(8,327)
PEBB	(7,312)	(7,056)	(7,730)
Other	(3,275)	(2,807)	(3,597)
OPE	(18,469)	(16,764)	(19,654)
Vacancy Adj.			
Other Adj. to Labor			504
Net Personnel	(51,977)	(45,173)	(54,877)
Supplies & Services	(10,477)	(10,479)	(12,211)
Capital Expenses		(121)	(260)
Program Investment			
S&S Adjustments			
Total Supplies & Services, Capital Expenses	(10,477)	(10,600)	(12,471)
Cost Reductions and Savings			
TOTAL EXPENDITURES	(62,454)	(55,773)	(67,348)
Net from Operations Before Transfers	1,641	5,314	7,107
Budgeted Transfers	(1,913)	(1,647)	(2,178)
Transfers Adjustments			(549)
NET TRANSFERS	(1,913)	(1,647)	(2,726)
Change in Fund Balance	(273)	3,667	4,380
Fund Additional (Deductions) 4 hitting Target EFB			
Beginning Fund Balance	5,354	5,081	8,748
Ending Fund Balance	5,081	8,748	13,129
% Operating Revenues	7.92%	14.32%	17.63%

Sample Budget Detail for June

Southern Oregon University
Budgeted Operations

	2020 Actuals	FY21 Adopted + Adjustments	2021 Projection	FY22 DRAFT Budget
REVENUES				
Enrollment Fees	38,567,336	36,870,222	36,095,768	37,114,840
Gov't Resources and Allocations	23,073,821	23,666,814	23,937,470	24,872,618
Misc. Other Revenues	2,453,413	2,146,475	1,053,225	2,107,975
REVENUES Total	64,094,570	62,683,511	61,086,463	64,095,433
LABOR				
Unclassified	(25,627,230)	(24,064,050)	(22,329,249)	(26,927,242)
Classified	(6,362,496)	(5,605,001)	(5,076,607)	(6,681,355)
Grad Assist	(197,735)	(194,220)	(137,149)	(166,490)
Student Labor	(1,247,413)	(1,293,282)	(865,206)	(1,447,901)
Benefits & OPE	(18,541,274)	(19,291,727)	(16,764,352)	(19,654,052)
LABOR Total	(51,976,148)	(50,448,280)	(45,172,563)	(54,877,040)
SUPPLIES AND SERVICES	(10,377,890)	(10,926,424)	(10,478,728)	(12,211,072)
CAPITAL EXPENSES	(99,152)	(253,251)	(121,257)	(260,013)
TRANSFERS				
Transfers In	60,988	105,807	715,219	105,807
Transfers Out	(1,974,426)	(1,867,666)	(2,361,724)	(2,283,458)
TRANSFERS Total	(1,913,438)	(1,761,859)	(1,646,505)	(2,177,651)
Total Expenditures	**(64,366,628)**	**(63,389,814)**	**(57,419,053)**	**(69,525,776)**
Cost Reductions and Savings				**???TBD???**
FY22 Net Expenditures				
Total Revenue - Expenses	**(272,058)**	**(706,303)**	**3,667,410**	**(5,430,343)**

Future Meetings

Adjournment