



OFFICE OF THE BOARD OF TRUSTEES

**Public Meeting Notice**

June 10, 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 online location set forth below.

Topics of the meeting will include a consent agenda with minutes from the committee's May meeting and the committee's financial dashboard. The vice president's report will consist of updates on the Higher Education Coordinating Commission, federal relief, SOU's excess properties, and legislative items. There will be discussion and information on a proposed Board Statement on Managing Fund Reserves, a Fall 2021 enrollment forecast as well as an update on the student success and completions funding model. The committee will act on the proposed budget for Fiscal Year 2021-2022.

The meeting will occur as follows:

Thursday, June 17, 2021  
4:00 p.m. to 6:00 p.m. (or until business concludes)  
<https://sou.zoom.us/j/89131571686>  
Visit [governance.sou.edu](http://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's email address: [trustees@sou.edu](mailto:trustees@sou.edu). Public comments also may be sent to the board via U.S. mail addressed to SOU Board of Trustees, 1250 Siskiyou Blvd., Ashland, OR 97520.

If special accommodations are required please contact Pamela Tomac at least 24 hours in advance of the meeting at (541) 552-8055.



**Board of Trustees**  
**Finance and Administration Committee Meeting**  
**June 17, 2021**

# Call to Order / Roll / Declaration of a Quorum



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

**Thursday, June 17, 2021  
4:00 p.m. – 6:00 p.m. (or until business concludes)**  
<https://sou.zoom.us/j/89131571686>

**AGENDA**

Persons wishing to participate during the public comment period shall do so in writing during this period of pandemic protocols. 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,<br>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 May 20, 2021 Meeting Minutes            | Chair Clough   |
|         | 3.2      | Committee Dashboard                                 |  |
| 20 min. | <b>4</b> | <b>Vice President's Report</b>                      | Greg Perkinson, SOU, Vice<br>President for Finance and<br>Administration |
|         | 4.1      | Higher Education Coordinating Commission<br>Updates |  |
|         | 4.2      | Legislative Updates                                 |  |
|         | 4.3      | Federal Relief Update                               |  |
|         | 4.4      | SOU Excess Properties Update                        |  |
|         | <b>5</b> | <b>Action, Information and Discussion Items</b>     |  |

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

**Thursday, June 17, 2021  
4:00 p.m. – 6:00 p.m. (or until business concludes)**

**AGENDA (Continued)**

10 min.	5.1	Board Statement on Managing Fund Reserves	Greg Perkinson; Josh Lovern, SOU, Director of Budget and Planning
20 min	5.2	Fall 2021 Enrollment Forecast	Dr. Neil Woolf, SOU, Vice President for Enrollment Management and Student Affairs; Josh Lovern; Matt Stillman, SOU, University Registrar and Executive Director of Enrollment Management; Chris Stanek, SOU, Director of Institutional Research
10 min.	5.3	Student Success and Completions Model Update	Greg Perkinson
60 min.	5.4	Fiscal Year 2021-2022 Budget (Action)	President Linda Schott; Greg Perkinson; Josh Lovern
	5.5	Future Meetings	Chair Clough
	<b>6</b>	<b>Adjournment</b>	Chair Clough

# Public Comment

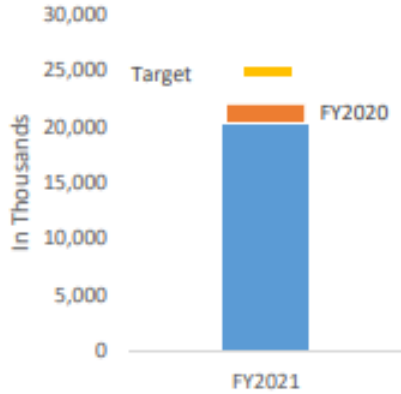
# Consent Agenda

## Financial Dashboard

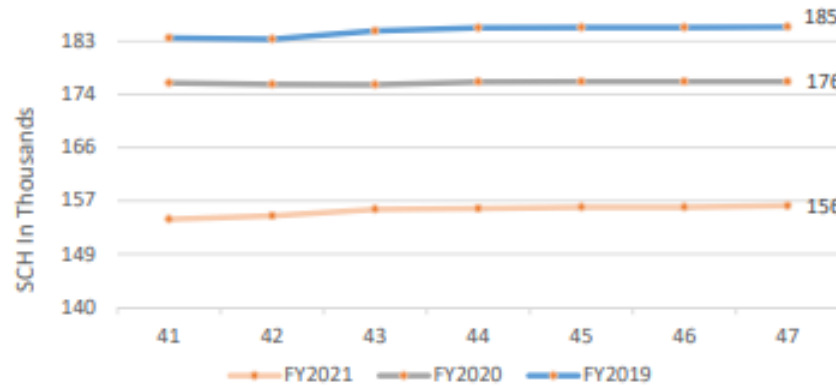
For FY2021

As of May 31, 2021 ( prior to close numbers)

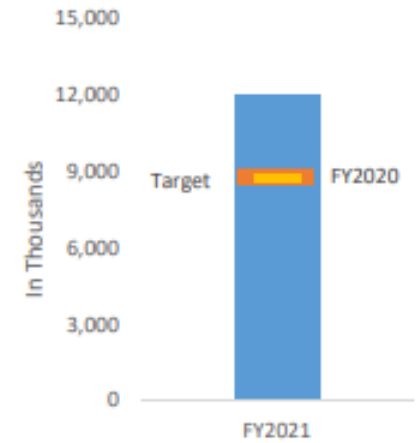
### Public University Funds Operating Cash



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

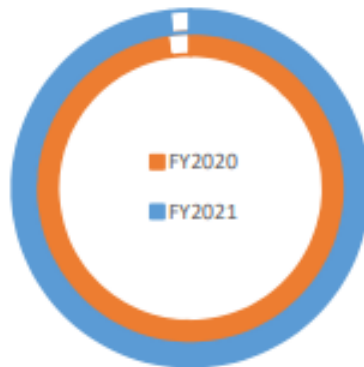


### E&G Fund Balance

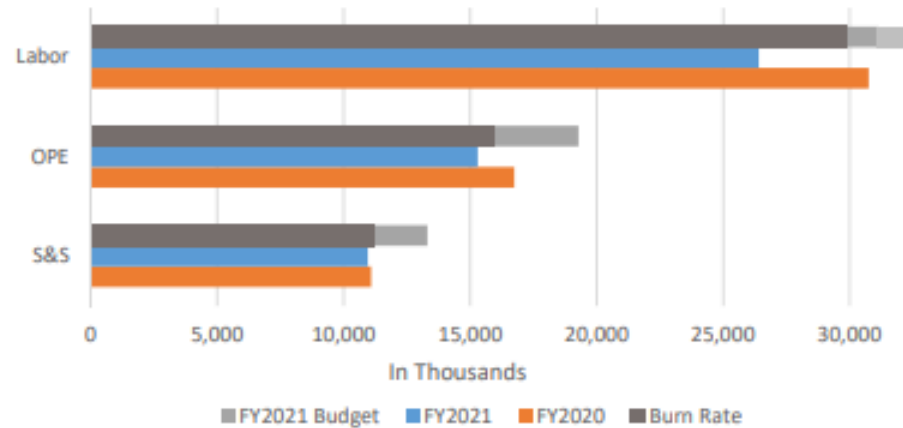


**"Institution" portion of Federal Relief Funds to be largely realized in FY2022**

### E&G YTD Revenues



### E&G YTD Select Expenses





# Finance Dashboard

## Notes and take-aways

- Graphically, very little change from the April report.
- Beginning E&G Fund Balance FY 21 was just over \$5m.
- Projected E&G Ending Fund Balance currently up \$3.2m compared to the end of May 2020.
- Controller sees us maintaining around that level through the end of the year, and having us finish around 14.1 – 14.5%.
- We'll still have savings from furloughs, but it won't be much of a change from June 2020, given that the furloughs were fully in effect at that time last year
  - Hence, not much more in savings compared to the savings already being achieved in June 2020

# Answer to Trustee Thorndike's Question about Financial Transfers



Fund Type Group -->	Budgeted Operations		Designated Operations					Auxiliary Operations							Agency Operations				To Index				
	From Index	General Fund	Grants	DMC	JPR	Outrch/Eng	Sports Camps	Svc Ctrs	Reserves	Athletics	Student Affairs	SRC	Res Halls	Dining	Family	Rentals	Reserves	***North Campus Village***					
																		NCV Rev	NCV Ops	NCV Resv	NCV Surplus		
ATHCRS		300,000							(300,000)														To ATHADM - Profit from Activity Courses
ATHZGF		1,092,454							(1,092,454)														To ATHADM - Athletics Base Support from General Fund
ATHZGF		16,500							(16,500)														To ATHEDR - Depreciation
ATHZGF		173,935							(173,935)														To ATHMNT - Men's 5 yr Post Season travel budget
ATHZGF		200,000							(200,000)														To ATHRES - Athletics Reserve
ATHZGF		63,861							(63,861)														To ATHSBD - Support for Sports Band
ATHZGF		74,687							(74,687)														To ATHWNT - Women's 5 yr Post Season travel budget
GRMRES		105,807	(105,807)																				To SOUGMR - Grant matching funds
JPRGNA		303,471		(303,471)																			To JPRGOA - Support for Jefferson Public Radio
RVTXGF		147,861	(147,861)																				To RTVGAF - Support for Academic program use of DMC
REXCXGF		140,000									(140,000)												To RCNTR - Support for Academic program use of SRC
ECPLRP					18,000																		To ECPSAP - OLLIE Support of SOLIR
ECPSAP					(18,000)																		* From ECPLRP - Support from OLLIE to SOLIR
RESHLS												294,412					(294,412)						To RESBMR - Res Halls Building Maintenance Reserve
RESHLS												11,292					(11,292)						To RESEDR - Res Halls Equipment Depreciation
RESDEX													217,738				(217,738)						To RESDBR - Dining Building Maintenance Reserve
RESDEX													176,488				(176,488)						To RESCDR - Dining Equipment Depreciation
SUFHAD														241,970			(241,970)						To SUFBMR - Family Housing Building Maintenance Reserve
SUFHAD														13,530			(13,530)						To SUFHDR - Family Housing Equipment Depreciation
SURPAD															68,115		(68,115)						To SUREDR - Rental Property Asset replace/Equip Reserve
RESNCR																		1,823,088	(1,823,088)				To RESANC - NCV Mgmt Fee
DUPGOP							12,728	(12,728)															To DUPEDR - Print Copy Equipment Reserve
ITCCOE							11,027	(11,027)															To ITCEDR - IT Equipment Reserve
PPEPOL							150,000	(150,000)															To PPEPDR - FMP Equipment Reserve
PPMPOL							35,000	(35,000)															To PPMPDR - FMP Motor Pool Reserve
RECNR											60,000						(60,000)						To RECBMR - Rec Ctr Building Maintenance Reserve
RECNR											30,823						(30,823)						To RECEDR - Rec Ctr Equipment Reserve
RECNR											52,000						(52,000)						To RESPRG - Rec Ctr support to programming
SUOTDR										93,550							(93,550)						To SUGBEF - Green Tag Projects
Group Total Out/(In)	2,618,576	(105,807)	(147,861)	(303,471)	-	-	208,755	(208,755)	(1,921,437)	93,550	2,823	305,704	394,226	255,500	68,115	(1,259,918)	1,823,088	(1,823,088)	-	-	-	-	
Net Total Out/(In)		2,512,769					(242,577)	(208,755)	(1,921,437)	93,550	2,823				1,023,545	(1,259,918)							Transfers Balance: \$0

\*\*\*NOTE: Transfers Out represented as positive whole numbers; expense accounts of the Index  
Transfers In represented as negatives in parentheses; contra-expense account totals

# Vice President's Report

# Roadmap for Vice President's Report



- Higher Education Coordinating Commission (HECC) Update
- Legislative Update
- Federal Relief Update
- Properties Task Force Update

# HECC Update

- Funding and Achievement Subcommittee focus:
  - Staff Assessment of COVID Financial Outlook
  - Community College Funding Model (info only)
- HECC meeting and recordings at:  
<https://www.oregon.gov/highered/about/Pages/current-materials.aspx>

# Legislative Update

- Ways and Means working to finish budget, optimistic the Public University Support Fund will be at \$900m

# Federal Funding Recap



- Reminder of big picture:



## COVID Losses by Major Fund Type and Area

Excludes the Offset of Cares Act Funds to be received:

	CARES	CRRSAA	ARP	GEER 1	GEER 2	Total
Federal Funds (excluding funds being issued directly to students)	\$ 1,711,039	\$ 4,491,416	\$ 5,443,651			\$ 11,646,106
Federal GEER Funding				\$ 72,755	\$ 72,842	\$ 145,597
Federal Funds (Strengthening Institutional Programs)	\$ 170,780	\$ 264,474	\$ -	\$ -		\$ 435,254
	\$ 1,881,819	\$ 4,755,890	\$ 5,443,651	\$ 72,755	\$ 72,842	\$ 12,226,957
Additional CARES Act funding being received through the CPB, in support to JPR	\$ 224,272	\$ -	\$ -	\$ -	\$ -	\$ 224,272
Total CARES Act Funding	\$ 2,106,091	\$ 4,755,890	\$ 5,443,651	\$ 72,755	\$ 72,842	\$ 12,451,229
Student Direct Aid Support	\$ 1,711,040	\$ 1,711,040	\$ 5,529,397	\$ -	\$ -	\$ 8,951,477
Total Support	\$ 3,817,131	\$ 6,466,930	\$ 10,973,048	\$ 72,755	\$ 72,842	\$ 21,402,706

- American Rescue Plan (ARP) funding for ‘direct aid’ to students is now available

# Status of Funds Issued Directly to Students



## CARES Part 1

- # of Students who applied: 1,202
- # of Students Approved: 1,043
- # of Students Denied: 159
- # of Students who have WD after receiving CARES funding: 109
- **# Amount remaining to spend: \$273,175**

## GEER ( OSAC)

- # total students approved for funding: 27
- # total number of students denied funding: 3
- Average award to students: \$2,100
- **Amount Remaining to spend: \$0**

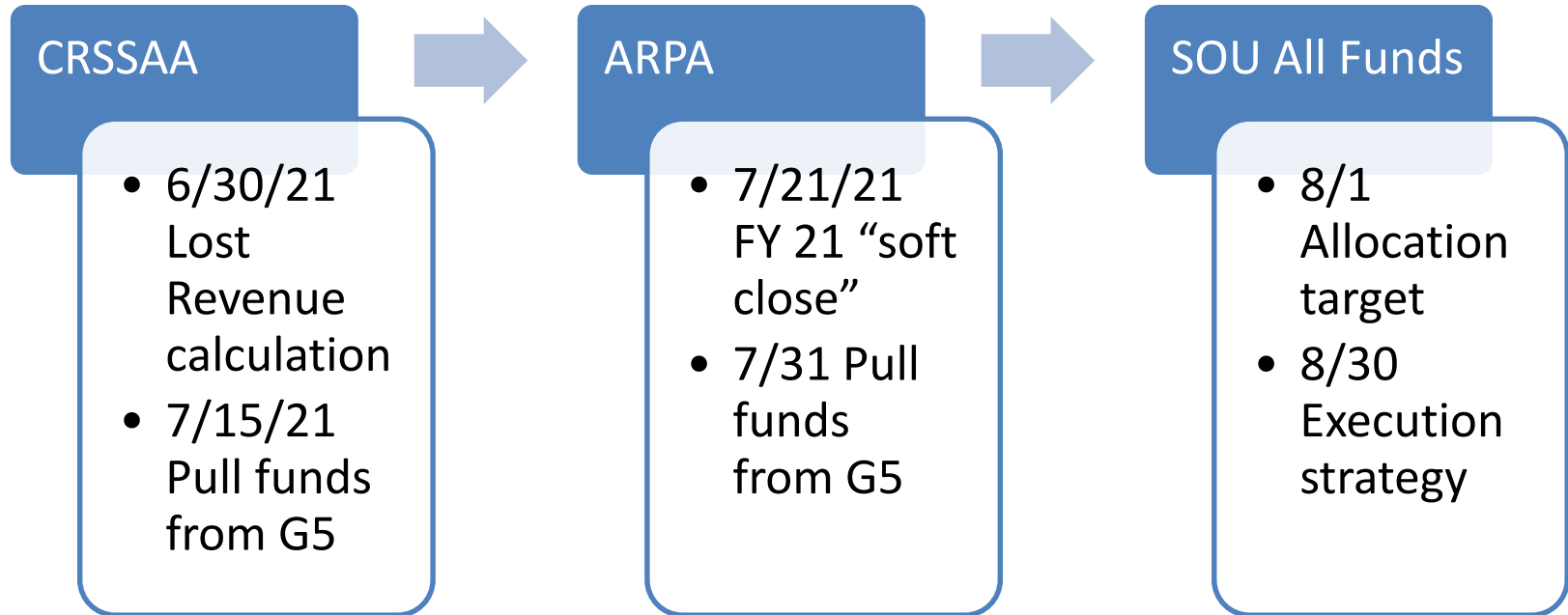
## CRRSAA ( HEERF II)

- # Total number of students who applied: 453
- # Total number of students who we denied: 145
- # Average Award per student: \$3,845
- **Amount remaining: \$340.00**

**ARP Funding:** We have received the funding, have not made any disbursements as of yet.



# Timeline and Key Milestones for Institution's Portion



- ARPA rules require FY21 financial data for "lost revenue" calculations

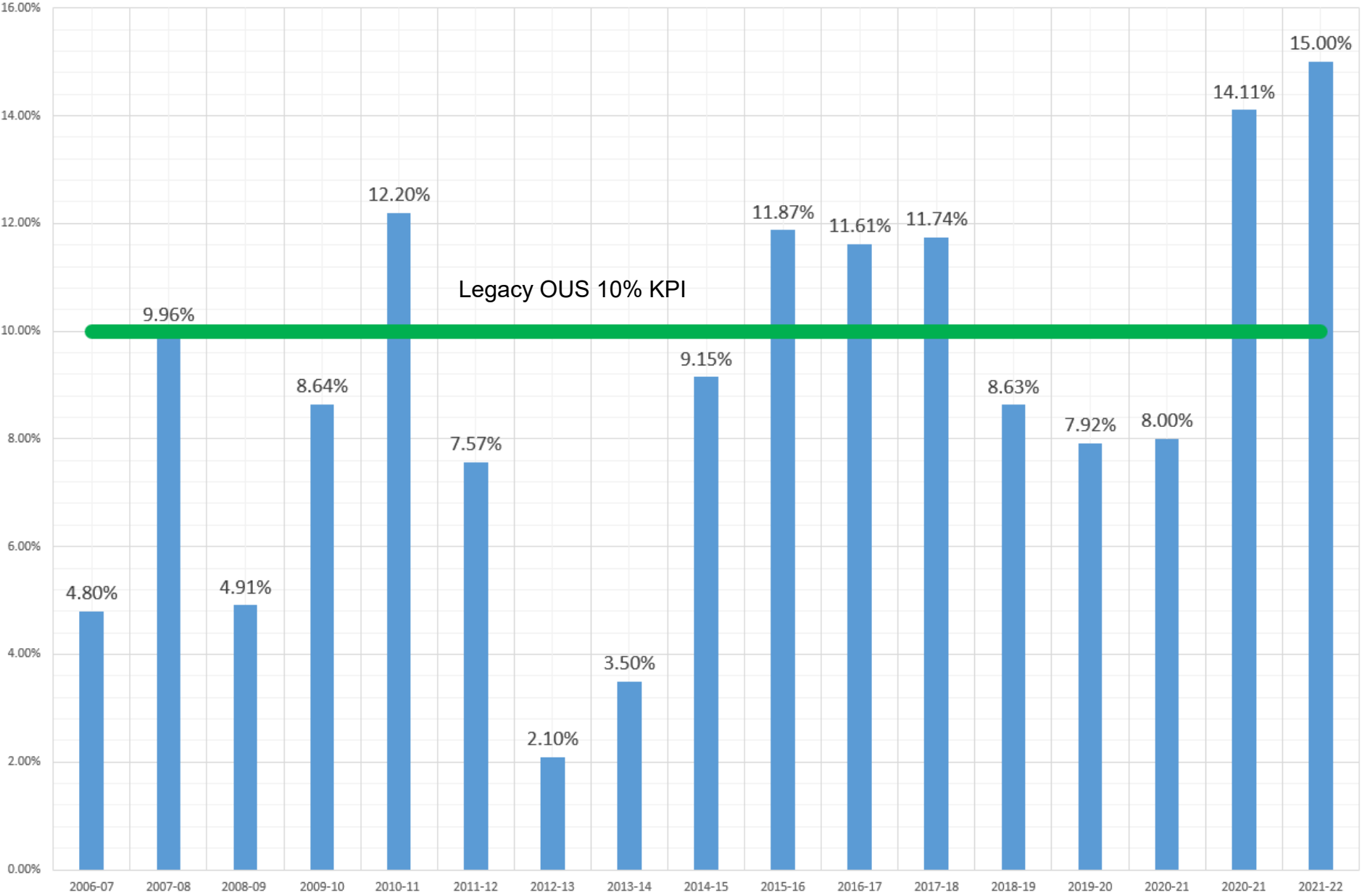
# **SOU Excess Properties Update**

# Board Statement on Managing Fund Reserves

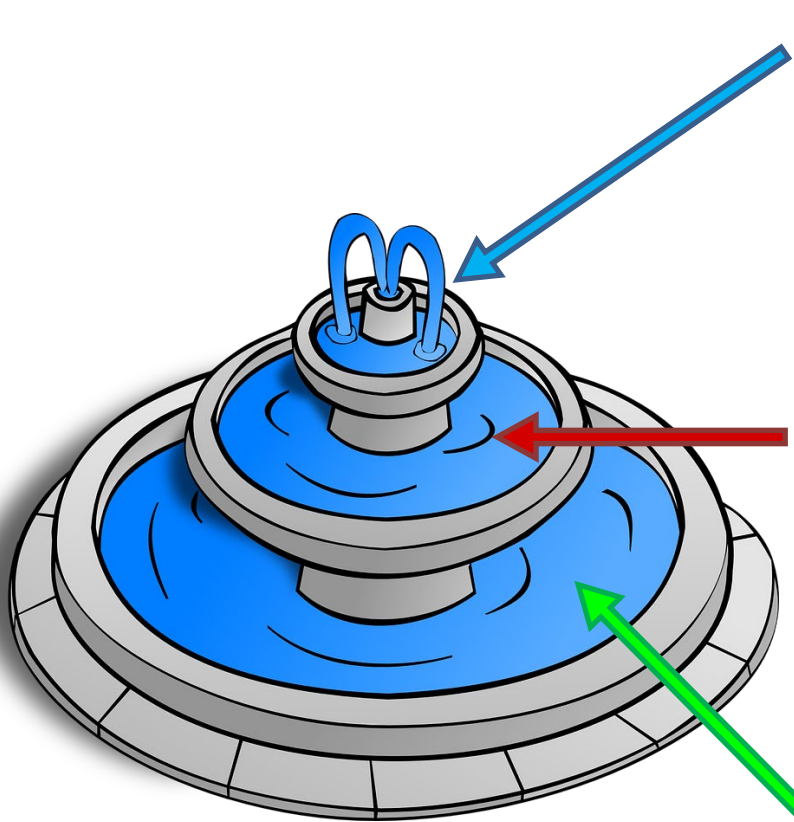
# Roadmap

- Purpose: Review reserve concept and authorize work effort to operationalize (how to implement)
- Update to Draft – Board Statement on Managing Fund Reserves
- How will we operationalize the statement?
- Discussion
  - Reporting?
  - Monitoring?
  - Risks and Unintended Consequences
- Summary

# E&G Ending Fund Balance as % of Revenue FY07 - FY22



# Reserves Summary



- Revenue Streams
  - SSCM (State Support)
  - Tuition & Fees
  - Misc. Revenues
- Central Reserves
  - 15% Target for revenue producing programs and an additional
  - 15% for Indirect support areas
- Operational Reserves
  - 10 – 20% of Expense Budgets
  - Carry Forward ability for larger initiatives and spending goals

Ultimate goal – enable programs to dip into their operational reserve at their discretion

# Discussion

- Previously heard strong support for the concept...is it ready for the board?
  - Issues? (eg. Communication, teaching and training w/ campus)
  - Risks?
  - Opportunities?
- We think the Budget committee can develop the operational parameters (structure, monitoring rhythm, reporting, etc.)
- Bottom line (intent): create “sustainability” and smooth-out the previous fund-balance ups and downs...

## Board Statement on Managing Fund Reserves Board of Trustees of Southern Oregon University

**Commented [JL1]:** Updated to look like the standard board statements/policy per request from Sabrina

### 1.0 Board Vision for Reserves

1.1 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.

1.2 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;
- to shield the University in the event of a catastrophe or natural disaster and
- to safeguard the continued educational access and support the wellbeing of traditionally under-represented student populations.

**Commented [JL2]:** Added per request from Paul; encapsulates broad BIPOC support

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

**Commented [JL3]:** Added to emphasize the importance

### 2.0 Purpose

2.1 The purpose of this Statement on Managing Fund Reserves for Southern Oregon University is to build and maintain an adequate level of net assets, without donor restrictions, to support the organization's day-to-day operations in the event of unforeseen shortfalls. The reserve may also be used for one-time, nonrecurring expenses that will build long-term capacity, such as staff development, research and development, or investment in infrastructure.

2.2 Broadly speaking, the Board maintains that reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. The Board of Trustees intends for reserve funds to be used and replenished within a reasonable period of time. This Statement on Managing Fund Reserves will be implemented in conjunction with other financial policies of the University and is intended to support the goals and strategies contained in those related policies and in strategic and operational plans.

**Commented [JL4]:** Per Shelia's suggestion "Rationale"



## 2.0 Definitions

2.1 Throughout the Statement of Managing Fund Reserves, the following definitions apply:

- **“Board”** means the Board of Trustees of Southern Oregon University or the Executive and Audit Committee when authorized to act on behalf of the Board.
- **“Capital Reserves”** means funds restricted for the repair or replacement of existing physical plant and equipment.
- **“Central Reserve”** means the unallocated E&G Fund balances held centrally and managed by Finance and Administration.
- **“Direct Expenses”** means those expenses directly attributable to revenue generating schools and colleges of the university.
- **“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.
- **“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.
- **“Indirect Expenses”** means those expenses attributable to the administration and infrastructure supporting revenue generating schools and colleges of the university.
- **“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.
- **“Operating Reserves”** means E&G fund balances held and managed at the divisional level.
- **“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).
- **“Risk Management Claims Reserve”** means the fund through which the University’s property and casualty claim expenses are paid, within any applicable deductible.
- **“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.
- **“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.
- **“Working Capital”** means current assets minus current liabilities.

**Commented [JL5]:** This is a new definition that will qualify the 'central reserve'

**Commented [JL6]:** This is a new definition that will qualify the 'central reserve'

**Commented [JL7]:** Maybe add 'liquid' or 'unencumbered' here for clarity of exactly which are being included

**Commented [JL8]:** Confusing...are they saying the deductibles s/b in reserve – 'including all applicable deductibles'?

**Commented [GP9R8]:** Really good question. I think they are. Let's get feedback on whether or not this reserve even exists in our account structure. If not, we could create it.

**Commented [JL10]:** May need to pull this into its own category b/c CHF is technically holding the reserves now...

**Commented [GP11R10]:** I agree. There was an accounting change last year that affected how CHF revenue and expenses hit our books...and we now have <<financial institution>> as a trustee of the reserve account structure.

### 3.0 Roles and Responsibilities **{Authority to Use Operating Reserves}**

3.1 The Board retains authority and responsibility for:

- Reviewing annual reports on the University’s Primary Reserve Ratio and component reserves.
- Approval of the set-aside and restriction of cash to achieve the goals and requirements of this Statement, generally as part of the annual budget process.
- 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 Statement.

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

- Implementing this Statement and overseeing the management of daily activities related thereto.
- 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.
- During annual budget processes, recommending corrective action when reserve levels are below the minimum target.
- 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.
- Analyzing and presenting recommendations to the Board regarding Operating and Capital Reserve levels and their emergency use.

### 4.0 Reserve Goals & Objectives

4.1 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 roughly equal to maintaining expendable net assets adequate to cover at least three months of University expenses.

4.2 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.

**Commented [JL12]:** New title suggestion – section should match what is in BOT delegation of authority statements

Should I try to add in delegation language from this: [Delegation of Authority](#)

**Commented [GP13]:** This could be a key aspect of the Budget Committee’s “work”

**Commented [JL14R13]:** Agreed – each area will require a ‘workgroup’ to define what goes into each respective reserve

**Commented [GP15]:** I just publicly said 15% for E&G and 2 months. Trustee Clough said “that’s still low / minimal...” so maybe we propose a higher # based on trustee input?

## 5.0 Funding of Reserves

5.1 Reserves are to be funded from any operating funds without donor restrictions. The Board may, from time to time, direct that a specific source of revenue be set aside into reserve funds. Examples may include one-time gifts or bequests not endowed to the SOU Foundation, property sales, special grants, special appeals, special federal or state allocations, or monetary awards resulting from litigation.

5.2 The President and/or Vice President of Finance and Administration will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this Statement. Determination of need requires analysis of the sufficiency of the current level of reserve funds, the availability of any other sources of funds before using reserves, and evaluation of the time period for which the funds will be required and replenished.

**Commented [JL16]:** Attempt to address the 'seeding/funding' questions

## 6.0 Component Reserve Standards

### 6.1 Central Reserves

6.1.1 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 direct expense budgets of each revenue generating fund and additionally
- 15% of the annual E&G Fund indirect expense budgets of central University administrative support and service areas.

**Commented [JL17]:** IDEA: This should be 'scraped' from the top before tuition/state revenue redistribution process.

**Commented [JL18]:** Updated the language to address 'central' reserve as distinct and different from just E&G fund balance as they originally had written.

### 6.2 Operating Reserves

6.2.1 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. **[Need to add ceiling to carryover target]**

**Commented [JL19]:** Could be funded in two ways: Overhead expense reallocation and savings from unused S&S and/or Labor.

**Commented [JL20]:** Changed to 10%; easier for units to wrap heads around

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

**Commented [JL21]:** This is a 'sweep' process that will happen annually until such point as the reserves are adequately provisioned. Then, the units will have their own 'carry forward' reserves they can dip into. This is how we can actually LET units use their reserves once all central reserves are adequately full

### 6.3 Working Capital for Auxiliary Enterprises and Service Departments

6.3.1 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. This will be based on actual expenditures in each auxiliary's primary operating fund(s), excluding depreciation, and independent of any balances held in Building or

## Equipment Reserves.

**Commented [JL22]:** Modified to recognize independent nature and how to calculate effectively

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

6.4.1 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.

### 6.5 Treasury Reserves

6.5.1 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 liquidated.

### 6.6 Risk Management Claims Reserve

6.6.1 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.

**Commented [JL23]:** From whom? Our insurers?

**Commented [GP24R23]:** We would probably get this from B&R who help PURMIT manage the trust (and 'shop' the market on our behalf)

## 7.0 Measurement Principles

7.1 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.

## 8.0 Reporting and Monitoring Requirements

**Commented [JL25]:** Expanded & enhanced this section

8.1 The President and/or Vice President of Finance and Administration is responsible for ensuring that the all reserves described herein are maintained and used only as described in this Statement. [May need language around enrollment declines here – to define 'dipping' into reserve] Upon approval of the use of reserves, the President and/or Vice President of Finance and Administration will maintain records of the use of reserve funds and a plan for

replenishment.

8.2 Upon release of the University’s annual audited financial statements, the President and/or Vice President of Finance and Administration will provide to the Finance and Administration Committee and the full Board, a report regarding the University’s Primary Reserve Ratio as identified in Section IV above. This report will include at a minimum, those key factors which influenced the Ratio which occurred in the prior fiscal year.

**Commented [GP26]:** We should define what is in this report (so we don't break our own back...and give the committee and board what they need)

8.3 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.

**Commented [GP27]:** IBID

8.4 Finally, the President and/or Vice President of Finance and Administration will annually discuss what additional risk factors might be considered for the University, the impact of budgeting on reserve levels, and any requirements or changes with external funding sources.

**Commented [JL28R27]:** Not actually – the paragraph above speaks to the Primary Reserve – this one covers ‘the rest of the story’ of campus reserves

## 9.0 Periodic Review of the Statement on Managing Fund Reserves

9.1 This Statement will be reviewed by the Finance and Administration Committee annually at a minimum, or sooner if warranted by internal or external events or changes. Changes to the Statement will be recommended by the Finance and Administration Committee to the Board of Trustees for approval. This Statement, upon revision hereof, must be distributed by the Board Secretary to the following individuals/entities: *[list of officers, staff Collective Bargaining units, advisors, who else?]*

9.2 The Finance and Administration Committee was established by the Board of Trustees of Southern Oregon University to recommend financial policies, strategies, and budgets that support the mission, values and strategic plan of the University. Its purpose is to ensure the continued financial health and integrity of the institution in pursuit of its mission to be “a regionally-engaged learning community committed to being the educational provider of choice for learners throughout their lives.”

**Commented [JL29]:** Added a review clause; per AICPA and NACUBO guidance

Who all will we want this policy sent out to?

# Fall 2021 Enrollment Forecast

# National Picture

- College enrollment down approx. 8% since fall 2016
- Fall 2020 lost 2.5% (400,000) students
- New freshmen down 13% in both 2020 and 2019
- Community College enrollment down 10.1% in fall 2020 and 19% since 2016
  - Source: National Student Clearinghouse Research Center

# National Picture: High School to College

- 22 percent fewer students from the Class of 2020 went to college immediately after high school compared to the Class of 2019
- The overall immediate college enrollment rate fell from 35.3 percent to 27.7 percent, a drop that is 10 times greater than the decline between 2018 and 2019.
- “However, the pandemic impacted high school graduates in their immediate college enrollment, and those from high poverty, low income, and urban high schools have been hit the hardest. The enrollment gaps appear to be widening because of COVID-19.”
  - National Student Clearinghouse Research Center





# Fall 2021 SOU Snapshot: New Freshmen

	Fall 2021 YTD	Fall 2020 YTD	# Change	% Change
<b>Confirm Total</b>	<b>560</b>	<b>611</b>	<b>-51</b>	<b>-8.3%</b>
In-state	330	315	15	4.8%
WUE	202	258	-56	-21.7%
Other Non-Resident	24	32	-8	-25%
International	4	6	-2	-33.3%

# Fall Snapshot: New Transfers

	Fall 2021 YTD	Fall 2020 YTD	# Change	% Change
<b>Confirm Total</b>	<b>235</b>	<b>257</b>	<b>-22</b>	<b>-8.6%</b>
In-state	127	135	-8	-5.9%
WUE	95	102	-7	-6.9%
Other Non-Resident	13	20	-7	-35%
International	0	0		

# Fall Snapshot: Total New Students

	Fall 2021 YTD	Fall 2020 YTD	# Change	% Change
<b>Confirm Total</b>	<b>795</b>	<b>868</b>	<b>-73</b>	<b>-8.4%</b>
In-state	457	450	7	1.6%
WUE	297	360	-63	-17.5%
Other Non-Resident	37	52	-15	-28.8%
International	4	6	-2	-33.3%

# Local Factors

(not controllable)

- Fire (lost estimated 43 FTE; \$900k per year in tuition loss)
- 67% of Medford School District on track to graduate 2021
  - North HS 90% (2020)
  - South HS 89% (2020)
  - Logos 95% (2020)
- Admissions wasn't able to travel / in-person recruiting

# Regional Factors

(not-controllable)

- California Investment
  - No tuition increase for 2021-22 in UC, CSU, and community colleges
  - \$4 billion for college affordable housing
  - \$115 million to eliminate textbook costs
  - \$1 billion to offer career opportunities to students related to their fields of study
  - CSU's
    - Specifically receiving \$514.9 million restoring \$299 million in last year's budget cuts and adding \$215.9 million in mental health and basic services
- UO, OSU, PSU admitting more

# Positive Indicators

- Oregon New Freshmen ahead (up by 4.8%)
- Graduate enrollments growing (up by 5.6%)
- Melt likely to be improved
  - 2020: 23% melt rate (confirm to enroll)
  - Typical melt rate is 12%

# All Students: 16 Weeks from Start of Term

	Fall 2020	Fall 2021	# Change	% Change
Continuing Students	1876	1702	-174	-9.3%
Returning Students	84	109	25	29.8%
Non-admitted	36	14	-22	-61.1%
Grand Total – Headcount	2,038	1,877	-161	-7.9%
Grand Total - FTE	1,668	1,548	-120	-7.2%



# All Students by Residency: 16 Weeks from Start of Term

	Fall 2020	Fall 2021	# Change	% Change
Alaska	23	19	-4	-17.4%
California	516	468	-48	-9.3%
Hawaii	32	20	-12	-37.5%
Idaho	15	16	1	6.7%
Oregon	1,255	1,182	-73	-5.8%
Washington	86	69	-17	-19.8%
All Other States	80	85	5	6.3%

# Student Success and Completions Model Update



# University Formula Funding: Student Success and Completion Model (SSCM)

Postsecondary Finance and Capital

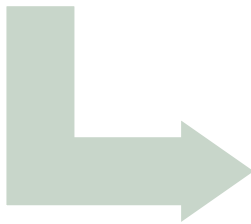
May 2021

# Overview of Funding

\$836.9 Million

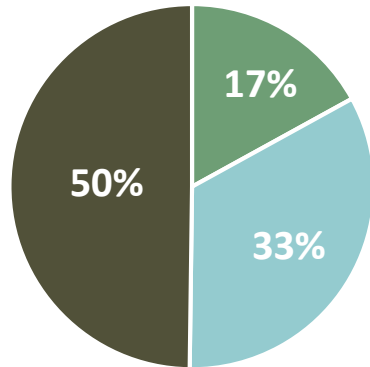
- Appropriated for FY2020-21 biennium
- HB 5024, 2019 Regular Session

**Authority/Rules**  
ORS 350.075  
OAR 715-013-0025  
715-013-0040



\$410.1 Million (FY2020)

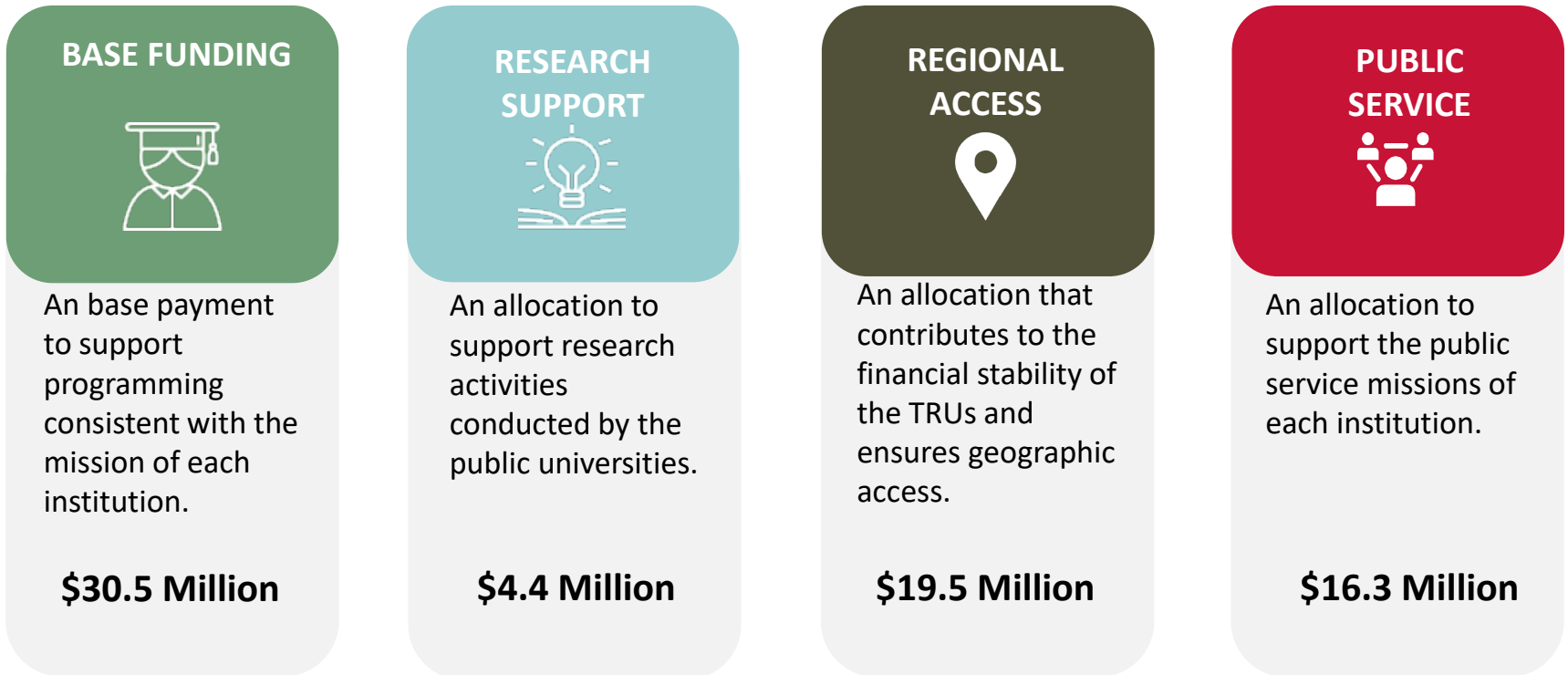
- \$410.1M – 49% of the total for FY2020
- \$426.8M – 51% of the total for FY2021



- Mission Support, \$68.1M, 17%
- Activities, \$136.8M, 33%
- Outcomes, \$205.2M, 50%

# Mission Support

Taken off the top and grows by the lesser of inflation or the growth in the total funding allocated to the public university support fund (PUSF).



35

Note: SOU saw gains in Base Funding and Regional Access

## Funding for Outcomes and Activities – FY2020

\$410.1 million  
(68.1 million)

---

Total Allocation

Mission Support

**\$342 million**

Available for Outcomes and Activities

---

Outcomes

**60%**

\$205.2 million

Activities

**40%**

\$136.8 million

# Outcomes and Activities Data

## OUTCOMES BASED ALLOCATION



- Resident degree completions\* (3-year average)
  - Degrees completed by level and discipline
  - Transfer degree discount
  - Community College transfer degree bonus
  - Underrepresented student completions
- Points are awarded and weighted by:
  - Degree level
  - Academic discipline
  - Targeted population group
  - Area of study bonus (STEM, bilingual education)

\*Doctoral completions for both resident and non-residents are included in the formula data

## ACTIVITY BASED ALLOCATION



- Number of resident student credit hours completed by level and discipline (3-year average)
- Summer, fall, winter and spring quarters for the three prior academic years (2017, 2018 and 2019)
- Cost weights applied by level (baccalaureate, master's, doctoral) and academic discipline to get weighted hours

## Data Collection Example – Activities

- The example below includes hypothetical data.
- All resident student completed hours are collected for all levels of instruction across all disciplines.
- Cost weights are applied for each level/discipline combination.

Course Level	Academic Discipline	Avg Credit Hours	Cost Weight	Weighted Hours
Freshman / Sophomore	Engineering	5,000	1.98	9,900
Junior / Senior	Psychology	2,500	0.92	2,300
Master's	Education	2,250	1.38	3,105
Doctoral	History	1,100	2.96	3,256
<b>Total Points for Institution</b>		<b>10,850</b>		<b>18,561</b>



## Funding by Institution – Activities

- All weighted hours for all institutions are added up.
- The total of weighted hours is divided into the available funding to get a dollar value per weighted hour.
- The dollar value per weighted hour is then multiplied by the total weighted hours for each institution to get the funding for each institution.

**\$136.8 million / 4,413,486 weighted hours = \$30.99 per weighted hour**

### Calculation of Funding (\$30.99 per weighted hour)

Institution	Weighed Hours	Dollars
EOU	109,204	\$3,384,951
OIT	249,383	\$7,730,034
OSU	1,567,496	\$48,586,959
PSU	1,141,424	\$35,380,179
SOU	184,302	\$5,712,715
UO	913,149	\$28,304,442
WOU	248,528	\$7,703,512
<b>TOTALS</b>	<b>4,413,486</b>	<b>\$136,802,792</b>

# Points for the Outcomes Based Allocation

## Degree Weights

Baccalaureate	2.0
Master's	1.0
Professional	1.0
Doctoral	1.4
Certificate	0.2

## Cost Weights

By level of degree and  
academic discipline

## Area of Study Bonus

STEM + Health 20%  
Bilingual Education 120%

## Targeted Populations

Low Income (Pell)  
Underrepresented  
Minority  
Rural  
Veteran

## Data Collection Example – Outcomes

- The example below includes hypothetical data.
- All resident student degrees are collected for all levels of instruction across all disciplines. Degree weights are applied by type of degree.
- Cost weights are applied by level/discipline combination.
- The area of study bonus, transfer discount, transfer bonus and the targeted populations bonus are applied as well.

Type of Degree	Academic Discipline	Avg Degrees	Degree Weight	Cost Weight	Area of Study Bonus	Transfer Discount	Transfer Bonus	Targeted Population	Points
Non-transfer bachelor's	Engineering	1.00	2.00	2.10	0.4	0.00%	0.00%		4.6
PU Transfer	History	1.00	2.00	1.24	0	37.50%	0.00%		1.55
CC Transfer	History	1.00	2.00	1.24	0	37.50%	37.50%		2.48
Master's	Education	1.00	1.00	1.18	0	0.00%	0.00%		1.18
Doctoral	Psychology	1.00	1.40	2.35	0	0.00%	0.00%		3.29
Underrepresented 41		1.00						1.0	1.0
								<b>Score:</b>	<b>14.10</b>

## Funding by Institution – Outcomes

- All outcomes points for all institutions are added up.
- The total points is divided into the available funding to get a dollar value per point.
- The dollar value per point is then multiplied by the total points for each institution to get the funding for each institution.

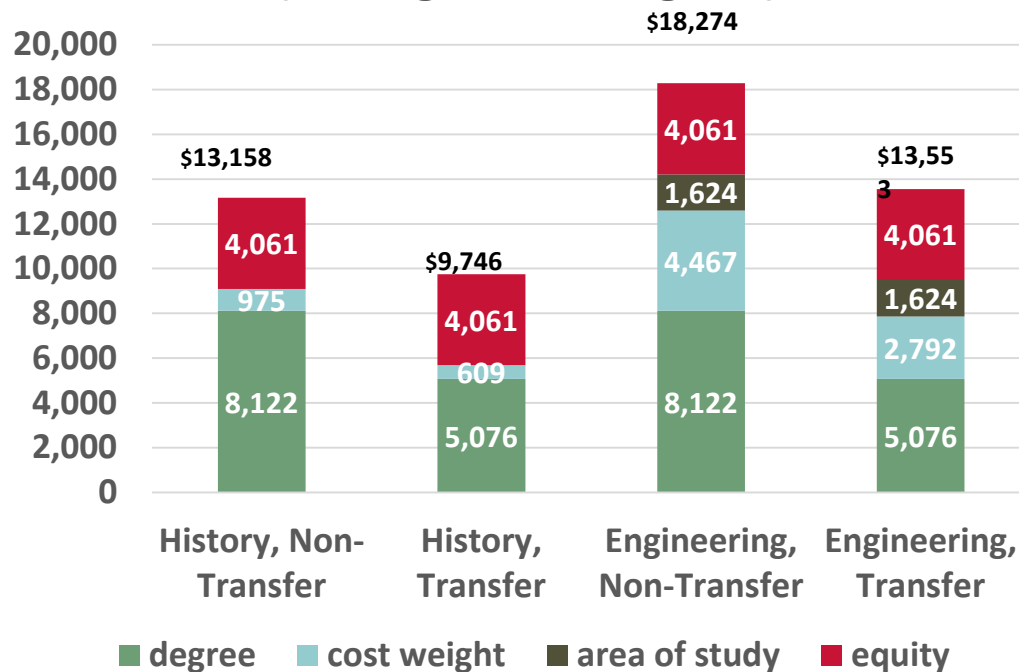
**\$205.2 million / 50,528 points =  
\$4,061.19 per point**

### Calculation of Funding (\$4,061.19 per point)

Institution	Points	Dollars
EOU	1,510	\$6,135,524
OIT	2,667	\$10,832,998
OSU	16,512	\$67,059,238
PSU	14,779	\$60,021,166
SOU	2,069	\$8,403,215
UO	10,156	\$41,246,226
WOU	2,833	\$11,505,820
<b>TOTALS</b>	<b>50,528</b>	<b>\$205,204,187</b>

# What's a degree worth?

## Degree Component Values (Undergraduate Degrees)



- This is for undergraduate, transfer and non-transfer degrees in history and engineering; for transfers from another public university, private institution, or from out-of-state
- The general value of the degree and cost weight is reduced as a result of the transfer discount
- The value of the area of study and equity bonuses remains the same; the equity bonus assumes one characteristic

# SSCM Working Group Recommendations

- Status: Initiatives developed and presented to President and VPs for a “vector check”
- Next steps:
  - Consolidate initiatives, then present to Academic Affairs Division Directors (for feedback)
  - Develop training and education program, reinforcing key observation: ***Retention and Completion are critical***
  - Conduct administrative cross-check on CIP codes (maximize cost weighting changes)
  - Continue to recruit “targeted populations”...then fully engage student services to ensure their success

# Fiscal Year 2021-2022 Budget

# 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
  - See Consent Agenda for detailed transfer breakdown

## 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 *LESS* than expected
- 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
- Some expense offsets in FY21 will not repeat in FY22
- Growth in IT expenses directly tied to pandemic

# Southern Oregon University

## Budgeted Operations



	2020 Actuals <sup>1</sup>	FY21 Adopted + Adjustments	FY21 Year End Est Projection <sup>2</sup>	FY22 Proposed Budget
<b>REVENUES</b>				
Enrollment Fees	38,567,336	36,870,222	36,139,950	36,357,504
Gov't Resources and Allocations	23,073,821	23,666,814	23,937,470	25,238,920
Misc. Other Revenues	2,453,413	2,146,475	1,090,982	2,101,195
<b>REVENUES Total</b>	<b>64,094,570</b>	<b>62,683,511</b>	<b>61,168,402</b>	<b>63,697,619</b>
<b>LABOR</b>				
Unclassified	(25,627,230)	(24,064,050)	(22,576,025)	(27,132,720)
Classified	(6,362,496)	(5,605,001)	(5,188,029)	(6,689,985)
Grad Assist	(197,735)	(194,220)	(174,150)	(166,490)
Student Labor	(1,247,413)	(1,293,282)	(824,397)	(1,448,501)
Benefits & OPE	(18,541,274)	(19,291,727)	(16,865,264)	(19,746,534)
<b>LABOR Total</b>	<b>(51,976,148)</b>	<b>(50,448,280)</b>	<b>(45,627,865)</b>	<b>(55,184,230)</b>
<b>SUPPLIES AND SERVICES</b>	<b>(10,377,890)</b>	<b>(10,926,424)</b>	<b>(10,277,910)</b>	<b>(12,160,282)</b>
<b>CAPITAL EXPENSES</b>	<b>(99,152)</b>	<b>(253,251)</b>	<b>(128,075)</b>	<b>(260,013)</b>
<b>TRANSFERS</b>				
Transfers In	60,988	105,807	620,497	105,807
Transfers Out	(1,974,426)	(1,867,666)	(2,207,285)	(2,618,576)
<b>TRANSFERS Total</b>	<b>(1,913,438)</b>	<b>(1,761,859)</b>	<b>(1,586,788)</b>	<b>(2,512,769)</b>
Total Expenditures	<b>(64,366,628)</b>	<b>(63,389,814)</b>	<b>(57,620,638)</b>	<b>(70,117,294)</b>
Federal Relief, Cost Cutting, Savings				<b>7,345,669</b>
FY22 Net Expenditures				(62,771,625)
<b>Total Revenue - Expenses</b>	<b>(272,058)</b>	<b>(706,303)</b>	<b>3,547,764</b>	<b>925,994</b>

<sup>1</sup>FY20 is exceptional due to furloughs and S&S savings in Qtr 4 stemming from start of COVID pandemic in March 2020

<sup>2</sup>FY21 is exceptional due to furlough and S&S savings from pandemic 7/1/20 – 6/30/21

# Southern Oregon University

## Auxiliary Operations



	2020 Actuals <sup>1</sup>	FY21 Adopted + Adjustments	FY21 Year End Est Projection <sup>2</sup>	FY22 Proposed Budget
<b>REVENUES</b>				
Enrollment Fees	5,791,563	6,525,181	5,525,760	6,431,849
Gov't Resources and Allocations	927,413	1,073,844	1,073,844	1,073,844
Misc. Other Revenues	6,650,731	7,966,633	3,630,386	5,948,737
<b>REVENUES Total</b>	<b>13,369,707</b>	<b>15,565,658</b>	<b>10,229,990</b>	<b>13,454,430</b>
<b>LABOR</b>				
Unclassified	(2,741,800)	(2,907,258)	(2,187,212)	(3,249,713)
Classified	(1,097,492)	(1,113,843)	(812,810)	(1,071,988)
Grad Assist	0	0	0	0
Student Labor	(942,100)	(1,061,851)	(559,796)	(1,196,060)
Benefits & OPE	(2,399,118)	(1,319,962)	(1,966,155)	(2,847,525)
<b>LABOR Total</b>	<b>(7,180,510)</b>	<b>(6,402,914)</b>	<b>(5,525,973)</b>	<b>(8,365,286)</b>
<b>SUPPLIES AND SERVICES</b>	<b>(8,629,331)</b>	<b>(8,429,123)</b>	<b>(6,425,663)</b>	<b>(8,741,161)</b>
<b>CAPITAL EXPENSES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TRANSFERS</b>				
Transfers In	3,987,277	2,355,507	1,700,423	3,321,355
Transfers Out	(2,353,162)	(1,138,545)	(765,656)	(1,259,918)
<b>TRANSFERS Total</b>	<b>1,634,115</b>	<b>1,216,962</b>	<b>934,767</b>	<b>2,061,437</b>
Total Expenditures	<b>(14,175,726)</b>	<b>(13,615,075)</b>	<b>(11,016,869)</b>	<b>(15,045,010)</b>
Federal Relief, Cost Cutting, Savings				<b>2,662,231</b>
FY22 Net Expenditures				(12,382,779)
<b>Total Revenue - Expenses</b>	<b>(806,019)</b>	<b>1,950,583</b>	<b>(786,879)</b>	<b>1,071,651</b>

<sup>1</sup>FY20 is exceptional due to furloughs and S&S savings in Qtr 4 stemming from start of COVID pandemic in March 2020

<sup>2</sup>FY21 is exceptional due to furlough and S&S savings from pandemic 7/1/20 – 6/30/21

# Southern Oregon University

## Designated and Service Center Operations



	2020 Actuals	FY21 Adopted + Adjustments	FY21 Year End Est Projection	FY22 Proposed Budget
<b>REVENUES</b>				
Enrollment Fees	958,136	1,226,517	838,952	1,001,594
Gov't Resources and Allocations	0	0	0	0
Misc. Other Revenues	3,837,579	4,222,365	2,905,201	4,199,365
<b>REVENUES Total</b>	<b>4,795,715</b>	<b>5,448,882</b>	<b>3,744,153</b>	<b>5,200,959</b>
<b>LABOR</b>				
Unclassified	(1,673,126)	(1,705,531)	(1,185,000)	(1,754,121)
Classified	(399,010)	(421,935)	(348,722)	(419,121)
Grad Assist	0	0	0	0
Student Labor	(144,945)	(179,721)	(82,370)	(192,257)
Benefits & OPE	(1,184,705)	(1,228,516)	(913,688)	(1,297,623)
<b>LABOR Total</b>	<b>(3,401,786)</b>	<b>(3,535,703)</b>	<b>(2,529,780)</b>	<b>(3,663,122)</b>
<b>SUPPLIES AND SERVICES</b>	<b>(2,026,045)</b>	<b>(2,212,852)</b>	<b>(1,585,869)</b>	<b>(2,193,800)</b>
<b>CAPITAL EXPENSES</b>	<b>(274,883)</b>	<b>(12,086)</b>	<b>(95,823)</b>	<b>(12,086)</b>
<b>TRANSFERS</b>				
Transfers In	769,558	670,653	1,211,171	678,087
Transfers Out	(339,189)	(226,755)	(775,087)	(226,755)
<b>TRANSFERS Total</b>	<b>430,369</b>	<b>443,898</b>	<b>436,084</b>	<b>451,332</b>
<b>Total Expenditures</b>	<b>(5,272,345)</b>	<b>(5,316,743)</b>	<b>(3,775,387)</b>	<b>(5,417,676)</b>
Federal Relief, Cost Cutting, Savings				<b>350,000</b>
FY22 Net Expenditures				(5,067,676)
<b>Total Revenue - Expenses</b>	<b>(476,630)</b>	<b>132,139</b>	<b>(31,234)</b>	<b>133,283</b>

<sup>1</sup>FY20 is exceptional due to furloughs and S&S savings in Qtr 4 stemming from start of COVID pandemic in March 2020

<sup>2</sup>FY21 is exceptional due to furlough and S&S savings from pandemic 7/1/20 – 6/30/21

# Southern Oregon University

## Combined Operations



	2020 Actuals <sup>1</sup>	FY21 Adopted + Adjustments	FY21 Year End Est Projection <sup>2</sup>	FY22 Proposed Budget
<b>REVENUES</b>				
Enrollment Fees	45,317,035	44,621,920	42,504,662	43,790,947
Gov't Resources and Allocations	24,001,234	24,740,658	25,011,314	26,312,764
Misc. Other Revenues	12,941,723	14,335,473	7,626,569	12,249,297
<b>REVENUES Total</b>	<b>82,259,992</b>	<b>83,698,051</b>	<b>75,142,545</b>	<b>82,353,008</b>
<b>LABOR</b>				
Unclassified	(30,042,156)	(28,676,839)	(25,948,237)	(32,136,554)
Classified	(7,858,998)	(7,140,779)	(6,349,561)	(8,181,094)
Grad Assist	(197,735)	(194,220)	(174,150)	(166,490)
Student Labor	(2,334,458)	(2,534,854)	(1,466,563)	(2,836,818)
Benefits & OPE	(22,125,097)	(21,840,205)	(19,745,107)	(23,891,682)
<b>LABOR Total</b>	<b>(62,558,444)</b>	<b>(60,386,897)</b>	<b>(53,683,618)</b>	<b>(67,212,638)</b>
<b>SUPPLIES AND SERVICES</b>	<b>(21,033,266)</b>	<b>(21,568,399)</b>	<b>(18,289,441)</b>	<b>(23,095,243)</b>
<b>CAPITAL EXPENSES</b>	<b>(374,035)</b>	<b>(265,337)</b>	<b>(223,898)</b>	<b>(272,099)</b>
<b>TRANSFERS</b>				
Transfers In	4,817,823	3,131,967	3,532,091	4,105,249
Transfers Out	(4,666,777)	(3,232,966)	(3,748,028)	(4,105,249)
<b>TRANSFERS Total</b>	<b>151,046</b>	<b>(100,999)</b>	<b>(215,937)</b>	<b>0</b>
<b>Total Expenditures</b>	<b>(83,814,699)</b>	<b>(82,321,632)</b>	<b>(72,412,894)</b>	<b>(90,579,980)</b>
Federal Relief, Cost Cutting, Savings				<b>10,357,900</b>
FY22 Net Expenditures				(80,222,080)
<b>Total Revenue - Expenses</b>	<b>(1,554,707)</b>	<b>1,376,419</b>	<b>2,729,651</b>	<b>2,130,928</b>

<sup>1</sup>FY20 is exceptional due to furloughs and S&S savings in Qtr 4 stemming from start of COVID pandemic in March 2020

<sup>2</sup>FY21 is exceptional due to furlough and S&S savings from pandemic 7/1/20 – 6/30/21

# Summary of Expenditures by Fund Type



Fund	2019 Actuals	2020 Actuals <sup>1</sup>	FY21 Year End Estimate Projection <sup>2</sup>	FY22 Proposed Budget
Budgeted Ops (Fund Type 11)	\$63,815,682	\$64,366,628	\$57,622,802	\$70,117,294
Auxiliary Ops (Fund Type 20)	\$14,825,608	\$14,175,726	\$11,016,869	\$15,045,010
Designated Ops & Service Centers (Fund Types 12 & 13)	\$5,386,667	\$5,272,345	\$3,775,387	\$5,417,676
Combined Ops	\$84,027,957	\$83,814,699 <sup>1</sup>	\$72,412,894 <sup>2</sup>	\$90,579,980

- Relief Funding will offset many expenses in FY22
- Critical 1 year window
- Pathway toward sustainability involves:
  - Continued focus on enrollment growth and retention,
  - Strategic investments where possible,
  - Emphasis on eliminating structural deficit that is hindering success

<sup>1</sup>FY20 is exceptional due to furloughs and S&S savings in Qtr 4 stemming from start of COVID pandemic in March 2020

<sup>2</sup>FY21 is exceptional due to furlough and S&S savings from pandemic 7/1/20 – 6/30/21

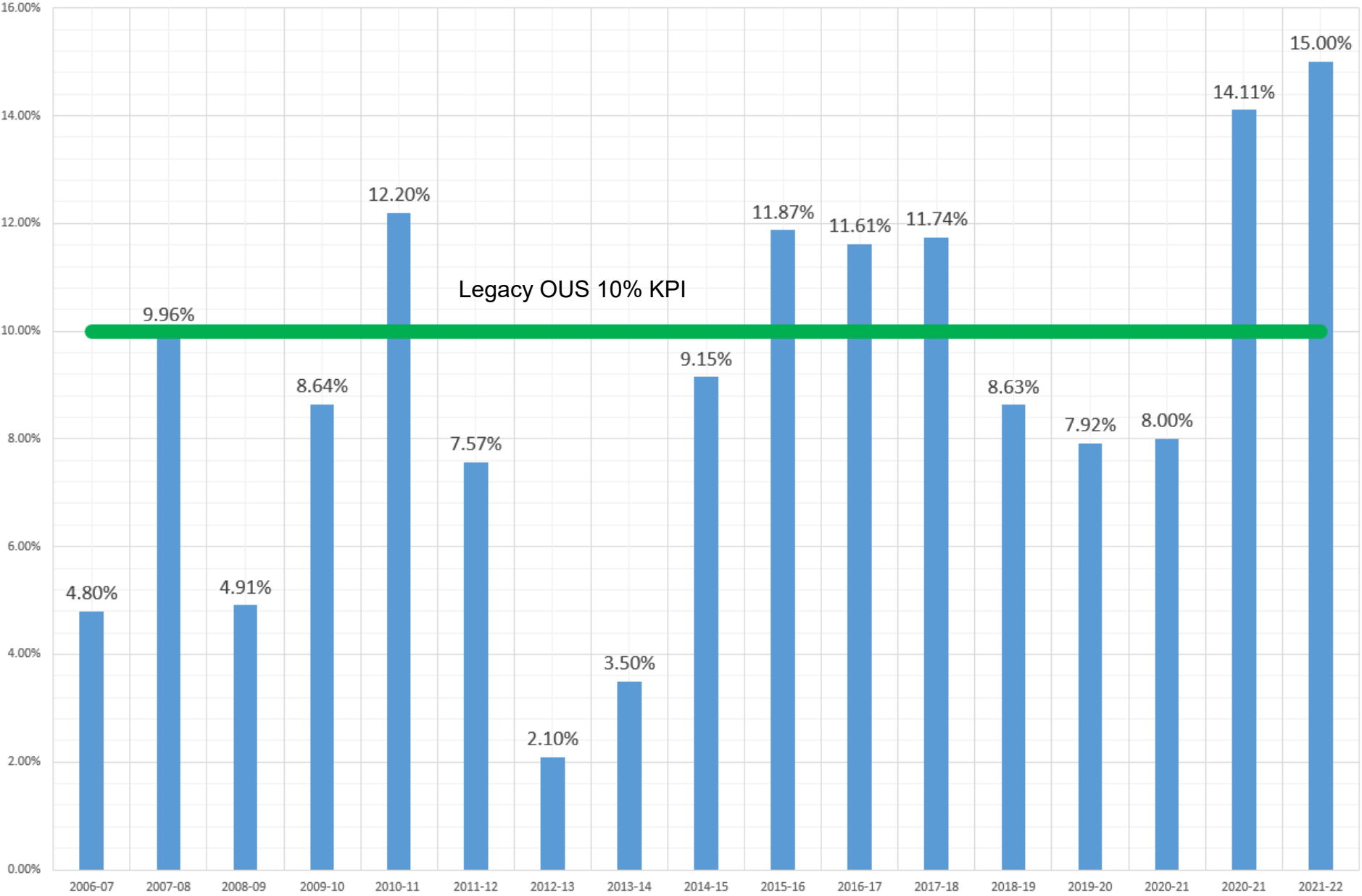


# FY22 E&G Budget w/o Federal Relief

- Year to date actuals and Estimate to complete FY21
- Furlough savings YTD and FY22 budgeted through 9/4/2021
  - Admin and Classified where available
- Does not include projected CRRSSA or ARP federal relief (ROE)
- **Outcome: Roughly 11 days “run time” (making payroll)**
  - **Completely consumes all fund balance gains made in FY21**
- Revenues **will not** keep pace with expenses as we return to normal Face-2-Face operations
- Projected \$2.2M ending fund balance and **3.47%** KPI (NACUBO recommendation is 40%)

	2019-20	2020-21	2021-22
	Actual	FY Forecast	FY22 BUDGET
	(000's)	(000's)	(000's)
<b>Education and General</b> <input type="checkbox"/>			
<i>(in thousands of dollars)</i>			
<b>Revenue</b>			
State Appropriations: SSCM	22,696	23,559	24,861
<i>One-time Funding Changes</i>			
<b>Total State Funding (SSCM,ETSF,SELP)</b>	23,074	23,937	25,239
Tuition	39,365	35,978	36,340
Fees	3,167	3,421	3,293
Raider Aid	(3,965)	(3,259)	(3,276)
<i>Oth tuition &amp; fee adjustments</i>			
<b>Tuition, net of Raider Aid</b>	38,567	36,140	36,358
<i>Growth Opportunities</i>			
<i>Revenue External to modeling</i>			
Misc. Other Revenue	2,453	1,091	2,101
<b>TOTAL REVENUES</b>	64,095	61,168	63,698
<b>Personnel Services</b>			
Faculty	(16,083)	(14,578)	(17,118)
Admin	(9,617)	(7,998)	(10,261)
Classified	(6,362)	(5,188)	(6,900)
Student (& Other)	(1,445)	(999)	(1,615)
Salaries Total	(33,508)	(28,763)	(35,894)
Retirement (PERS + ORP)	(7,881)	(6,983)	(8,355)
PEBB	(7,312)	(7,044)	(7,780)
Other	(3,275)	(2,838)	(3,612)
OPE	(18,469)	(16,865)	(19,747)
<i>Vacancy Adj.</i>			
<i>Other Adj. to Labor</i>			456
<b>Net Personnel</b>	(51,977)	(45,628)	(55,184)
Supplies & Services	(10,477)	(10,278)	(12,160)
Capital Expenses		(128)	(260)
<i>Program Investment</i>			
<i>S&amp;S Adjustments</i>			
Total Supplies & Services, Capital Expenses	(10,477)	(10,406)	(12,420)
Cost Reductions, Savings, Outside Support			
<b>TOTAL EXPENDITURES</b>	(62,454)	(56,034)	(67,605)
<b>Net from Operations Before Transfers</b>	1,641	5,135	(3,907)
Budgeted Transfers	(1,913)	(1,587)	(2,513)
<i>Transfers Adjustments</i>			
<b>NET TRANSFERS</b>	(1,913)	(1,587)	(2,513)
Change in Fund Balance	<input checked="" type="checkbox"/> (273)	3,548	(6,420)
<b>Beginning Fund Balance</b>	5,354	5,063	8,629
<b>Ending Fund Balance</b>	5,081	8,629	2,209
<b>% Operating Revenues</b>	<b>7.92%</b>	<b>14.11%</b>	<b>3.47%</b>

# E&G Ending Fund Balance as % of Revenue FY07 - FY22



# 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 \$7.3M CRRSSA and ARP federal relief**
  - Target for 15% EFB
- Remaining relief funding allocated across other funds
- Outcomes: **one-time funding** provides shock absorber for next biennium and 50 days “run time” (making payroll); and coverage for other operational losses
- Projected \$9.6M ending fund balance and **15.0%** KPI (NACUBO recommendation is 40%)

	2019-21 Biennium		2021-23 Biennium
<b>Education and General</b> <input type="checkbox"/>	<b>2019-20 Actual</b> (in thousands of dollars) (000's)	<b>2020-21 FY Forecast</b> (000's)	<b>2021-22 FY22 BUDGET</b> (000's)
<b>Revenue</b>			
State Appropriations: SSCM	22,696	23,559	24,861
<i>One-time Funding Changes</i>			
<b>Total State Funding (SSCM,ETSF,SELP)</b>	23,074	23,937	25,239
Tuition	39,365	35,978	36,340
Fees	3,167	3,421	3,293
Raider Aid	(3,965)	(3,259)	(3,276)
<i>Oth tuition &amp; fee adjustments</i>			
<b>Tuition, net of Raider Aid</b>	38,567	36,140	36,358
<i>Growth Opportunities</i>			
<i>Revenue External to modeling</i>			
Misc. Other Revenue	2,453	1,091	2,101
<b>TOTAL REVENUES</b>	64,095	61,168	63,698
<b>Personnel Services</b>			
Faculty	(16,083)	(14,578)	(17,118)
Admin	(9,617)	(7,998)	(10,261)
Classified	(6,362)	(5,188)	(6,900)
Student (& Other)	(1,445)	(999)	(1,615)
Salaries Total	(33,508)	(28,763)	(35,894)
Retirement (PERS + ORP)	(7,881)	(6,983)	(8,355)
PEBB	(7,312)	(7,044)	(7,780)
Other	(3,275)	(2,838)	(3,612)
OPE	(18,469)	(16,865)	(19,747)
<i>Vacancy Adj.</i>			
<i>Other Adj. to Labor</i>			456
<b>Net Personnel</b>	(51,977)	(45,628)	(55,184)
Supplies & Services	(10,477)	(10,278)	(12,160)
Capital Expenses		(128)	(260)
<i>Program Investment</i>			
<i>S&amp;S Adjustments</i>			
Total Supplies & Services, Capital Expenses	(10,477)	(10,406)	(12,420)
Cost Reductions, Savings, Outside Support			7,346
<b>TOTAL EXPENDITURES</b>	(62,454)	(56,034)	(60,259)
<b>Net from Operations Before Transfers</b>	1,641	5,135	3,439
Budgeted Transfers	(1,913)	(1,587)	(2,513)
<i>Transfers Adjustments</i>			
<b>NET TRANSFERS</b>	(1,913)	(1,587)	(2,513)
Change in Fund Balance	<input checked="" type="checkbox"/> (273)	3,548	926
<b>Beginning Fund Balance</b>	5,354	5,081	8,629
<b>Ending Fund Balance</b>	5,081	8,629	9,555
<b>% Operating Revenues</b>	<b>7.92%</b>	<b>14.11%</b>	<b>15.00%</b>

# Future Meetings

# Adjournment