



OFFICE OF THE BOARD OF TRUSTEES

Public Meeting Notice

January 13, 2022

TO: Board of Trustees of Southern Oregon University, 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.

Action items on the agenda include a consent agenda consisting of a past meeting minutes and a financial dashboard. There is a discussion and action item on the process of setting tuition and mandatory fees.

Information and discussion items include a vice president's report with updates on the Banner enterprise resource planning and student information system; the Higher Education Coordinating Commission; federal funding; and the state funding model. Additional items include a budget update; the student fee process; and "employer of choice" updates.

The online meeting will occur as follows:

Thursday, January 20, 2022

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

Visit governance.sou.edu for meeting materials.

To join or view the proceedings, visit <https://sou.zoom.us/j/87393884752> at the time of the meeting.

Public Comment

Members of the public who wish to provide public comments for the meeting are invited to submit their comments in writing at least 24-hours in advance of the meeting during this period of pandemic protocols. Please send written comments to the board's email address: 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, or hand delivered to Churchill Hall, Room 107, at this address.

If special accommodations are required, please contact Pamela Tomac at (541) 552-8055 at least 72 hours in advance.



**Board of Trustees
Finance and Administration Committee Meeting
January 20, 2022**

Call to Order / Roll / Declaration of a Quorum



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

Thursday, January 20, 2022
4:00 p.m. – 6:00 p.m. (or until business concludes)
<https://sou.zoom.us/j/87393884752>

AGENDA

Persons wishing to provide public comment shall do so in writing.
Please note: timings 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 | November 19, 2022 Meeting Minutes | Chair Clough |
| | 3.2 | Financial Dashboard | |
| 15 min. | 4 | Vice President's Report | Greg Perkinson, SOU, Vice
President for Finance and
Administration |
| | 4.1 | Banner Enterprise Resource Planning /Student
Information System Update | |
| | 4.2 | Higher Education Coordinating Commission
Update | |
| | 4.3 | Federal Funding Update | |
| | 4.4 | State Funding Model Updates | |
| | 4.5 | Facility Planning and Utilization Committee
Update | |
| | 5 | Action, Information and Discussion Items | |
| 30 min. | 5.1 | Budget Update | Greg Perkinson; Josh
Lovern; SOU, Director of
Budget and Planning |

Board of Trustees
Finance and Administration Committee Meeting
Thursday, January 20, 2022
4:00 p.m. – 6:00 p.m. (or until business concludes)

AGENDA (continued)

10 min.	5.2	Budget Committee Update	Josh Lovern
35 min.	5.3	Process for Setting Tuition and Mandatory Fees (Action)	Greg Perkinson; Josh Lovern; Dr. Susan Walsh, SOU, Provost and Vice President for Academic Affairs
20 min.	5.4	Student Fee Process	Josh Lovern
15 min.	5.5	“Employer of Choice” Updates	Alana Lardizabal; SOU, Director, Human Resources
	5.6	Future Meetings	Chair Clough
	6	Adjournment	Chair Clough

Public Comment

Consent Agenda

**Board of Trustees
Finance and Administration Committee Meeting
Thursday, November 18, 2021**

MINUTES

Call to Order/Roll/Declaration of a Quorum

Committee Members:

Sheila Clough	Present	Shaun Franks	Present
Lyn Hennion	Present	Mimi Pieper	Present
Bill Thorndike	Present	Steve Vincent	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: Daniel Santos, Jonathon Bullock, Paul Nicholson, and President Linda Schott.

Other attendees and Zoom webinar panelists included: Greg Perkinson, Vice President for Finance and Administration; 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; Josh Lovern, Director of Budget and Planning; Staci Buchwald, Director of Housing; Noah Hurley, Assistant Director for Conferences and Operations; and Pamela Tomac, Office of the Board Secretary.

Public Comment

No public comments have been received.

Welcome to the fall meeting of the Finance and Administration Committee of the Board of Trustees. Welcome to our newest committee member, trustee and student, Mimi Pieper, and to special guests presenting to the committee today, Staci Buchwald, Director of Housing; and Noah Hurley, Assistant Director for Conferences and Operations. Thanks to trustees and staff for their attendance and preparation for today's meetings.

Consent Agenda

Trustee Vincent motioned to approve the consent agenda as presented. Trustee Hennion seconded the motion, and it passed unanimously.

Vice President's Report

Organizational Updates

Greg Perkinson updated committee on the payroll department turnover, giving thankful recognition to the many folks that stepped in to weather the storm. Having now replaced the vacant roles, technology changes were also adopted to improve efficiency.

Budget Committee Formation and Financial Reserves Policy Update

From the president's task force on financial sustainability emerged the need for a budget committee, which Josh Lovern has now built-out. The first meeting will be held on Dec 10, and the

top priority is how to operationalize the reserves policy.

HECC Update

The Higher Education Coordinating Commission's (HECC) Funding and Achievement subcommittee is focused on HECC's strategic roadmap. The outlook is good for the revenue forecast from the state. The Student Success and Completion Model (SSCM) chart provided is a good reminder for trustees and concisely summarizes the three different categories of funding, the data, and then other calculations. Chair Clough remarked that this makes a handy reference item for the future and should be included in new trustee orientation.

Federal Relief Funding

Mr. Perkinson shared the federal relief chart showing dollars that have flowed from the various awards and highlighting the difference between the institutional portion of funding and the direct aid to students. The administration has drawn down federal dollars and the detail of how the proposal to allocate the institutional dollars will be shown later in the pro forma.

Responding to Chair Clough, Mr. Perkinson replied that no additional phases of the CARES act funding have been seen yet, only what is illustrated in the meeting materials.

Action, Information and Discussion Items

Enrollment Update and Revenue Forecast

Dr. Neil Woolf said the national enrollment picture is down, which is more concerning for freshmen, and will impact SOU in the next few years. HECC just released 4th-week data, showing a sharp dive for community colleges, flat enrollment for Oregon Public Universities (OPUs), and the full-time equivalent/student credit hours (FTE/SCH) funding shows precipitous declining enrollment. During the past few years, the Technical Regional Universities (TRUs) have jockeyed for the largest enrollment, but SOU is now the largest TRU by headcount. In looking at high school graduates going to college, Oregon ranks 41st in the nation. Responding to Chair Clough's inquiry on underrepresented students, Dr. Woolf replied that SOU is incentivized to capture these Oregon students. Higher education is still something the more well-to-do have access to, but Dr. Woolf noted that there is still a high proportion of funding available for students. He further responded that students with \$0 expected family contribution are the neediest and receive the highest amounts of the federal funding distributions.

Dr. Woolf also discussed graduate enrollment, decreases in the enrollment of students continuing from fall 2020 to 2021, returning students who got recruited back, and non-admitted student enrollment including the effects of the fires on Advanced Southern Credit (ASC). He also discussed the return to normal of international student numbers, the loss of California students from that state's university investments, and that by race/ethnicity, these students, nationally, have been impacted [during the pandemic] at higher rates. Responding to Chair Clough, Dr. Woolf said the actions the administration takes to help with barriers for these students is always financial leveraging, applying it to a more diverse student range, and then applying those leveraged college scholarship awards. Additionally, more support services have been provided as well. Overall though, mixed message is headcount is up by 0.8 percent, but with some students only taking one or two classes, it affects FTE and SCH most.

The fall funnel for 2022 shows some nice early returns and has expanded the capacity with demand builder, increasing the prospective pool and seeing good numbers in admissions.

Budget Forecast and Review of Pro Forma

Connecting this item to enrollment, Josh Lovern showed the sharp decline of SCH in the last few years, and Mr. Perkinson reminded the trustees that since SCH generates revenue, this shows the impact on revenue.

Chair Clough informed the trustees that because there was no meeting in October and the team saw what was happening with enrollment, President Schott engaged Vice Chair Bullock, Board Chair Santos, and Trustee Clough into a conversation to assure these board leaders that the administration is working diligently and proactively and to ask for thoughts on what SOU might like to see as a board. Vice Chair Bullock acknowledged looking at university infrastructure to ensure the appropriate management of infrastructure for the students that are being served.

Board Chair Santos and Trustee Clough met in a separate session to talk about some available levers, but likely not a single lever to fix and put the university on the right track. The institution was encouraged to think about the various revenue and expense levers that could be pulled. The fund balance is important to the board. Knowing that federal funds are available, a decision was made to save as much of that as possible for a rainy day, as it is not uncommon for an organization to see some financial headwinds. The university is not in a panic stage and will not make changes that harm strategic directions nor make short-term decisions. Board Chair Santos added the takeaway was that the budget needs to be right-sized, and not be overly optimistic or pessimistic, but realistically look at and discuss the available opportunities.

Mr. Perkinson went over the assumptions, saying the revenue projections are softer than those shown in June. The building fee debt service—which is the \$1M that was borrowed from that fund to ride through liquidity challenges a few years ago—will be exhausted in 2032. The health of that fund will continue to be monitored, but may need to be modulated later. The other highlighted area is of labor expenses; assumptions are that vacant positions are backfilled, but one lever is to delay filling positions. Miscellaneous revenue was increased due to the ballooning of student loans debt liability, as the administration chose not to charge interest or late fees to provide grace for students, and now this liability will be about twice the normal amount. It is an unintended consequence of the pandemic and may need to be a future write-off. The last item is the reduction of housing ground lease income since occupancy went down to about 25 percent and the normal revenue of \$600-800K was not realized.

Mr. Lovern explained the assumptions for the coming biennium, with an update for SSCM now configured into the model. The tuition increase is an assumption—not a decision made—of 4.99 percent for each of the next three years. Labor expenses show an increase of 3 percent, with actual rates to be determined by contract negotiation outcomes. When seeking state funding, the state requests a mandatory upgrade to the supplies and services (S&S) budget to achieve the continuing service level (CSL); the state came back at 5.4 percent, with a return to 2.25 percent for the future years. This increase is due to supply chain issues resulting from the pandemic. Public Employee Retirement System shows an increase of 3.4 percent and for Public Employees Benefits Board it's 3.2 percent for CSL.

Responding to Trustee Vincent, Mr. Lovern replied that a CSL working group headed by the Oregon Council of Presidents recommended a 5.4 percent increase to S&S. Mr. Perkinson added that from a process perspective, this data will inform the combined funding request to the HECC that becomes the agency requested budget, which is a lengthy process.

President Schott reviewed the financial guidelines by which the administration is operating in the Short Term. These are: 1) Allocate federal relief funding to provide the new President time to analyze, plan, and implement; 2) Continue to leverage investments aimed at the strategic increase of enrollment; 3) Identify and balance the expense and revenue levers, then develop a plan. The long term goal would be to construct a budget true to the expected student population without losing talent.

Mr. Perkinson said the first pro forma is shown with no aid, to show a realistic view of the financial condition. Back in June, the administration expected to close the FY at \$8.8M but closed at \$7.8M, due to compensated absences of less vacation usage that resulted in a higher liability. Another highlight is what was added to the bottom which is days of operations to make visible that if the university does nothing, there is only half of a month of run time, which is clearly not wanted. Next, the same picture is shown with the addition of \$3.3M in federal aid and the notion of creating decision space for the new president by splitting the \$9.9M of federal aid into three years. The \$1M represents the expected savings that can be driven by pulling some levers, bringing the KPI up to almost 12 percent, which provides about 1.5 months of run time.

Mr. Perkinson reviewed the cost levers to help create “runway,” or decision space, which could include a continuation of the austerity measures from January of 2020. There is pain in not backfilling positions but can be managed at the VP level. Responding to Trustee Vincent, Mr. Perkinson replied that voluntary furloughs, for example, would let managers exercise reductions from full time down to 80-90 percent with an amendment to the HR contract. Chair Clough said it is fair to say that as the team is looking toward these savings, to monitor with an equity lens, any unintended consequences that could possibly harm SOU’s underserved students, which Mr. Perkinson agreed with and said it’s part of the research and conversations.

Responding to Trustee Vincent who was impressed with incoming President Bailey’s purchase power agreements and asked how SOU could utilize its land, Mr. Perkinson said that the lens is wide open, pointing to the example of possibilities at the Cascades site. Mr. Perkinson encouraged thinking of revenue as a three-legged stool of state and federal funding; tuition and fees; and gifts, grants, and partnerships. He also said the administration believes opportunities should be more aggressively pursued in the future for additional sources of revenue.

The committee concluded the pro forma discussion noting that the university is recovering from the pandemic, and the path forward is continued austerity. Transparency with the campus is critically important.

Facilities and Capital Projects Updates

The first highlight is Britt Hall and looking forward to a tour when Phase 1 is complete. Planning is underway for the Cascades building demolition, SOU received the Architecture & Engineering proposal for Central Hall and planning is underway for ‘swing space’, with some cost escalations that will bring the approved \$6M project to over \$10M. Regarding the Master Plan, Phase 1 of updating existing conditions is complete and Phase 2 is in the planning/acquisition phase. Additionally, Mr. Perkinson is pleased with the recent work of the Native American Studies (NAS) student sustainability proposal of a Learning Garden adjacent to the Science building. This also includes the development of a cultural center that supports Native American programs.

University Properties Task Force Update

VP Perkinson updated the committee on the current status of the work the task force started last spring. The two principal objectives of the work were to generate funds and help address the affordable housing shortage. Staci Buchwald and Noah Hurley are working with a realtor and focusing first on the Henry Street properties and the open space on Roca Street. Community conversations are taking place with the Oregon Shakespeare Festival regarding possible partnering, as well as the city's Housing and Human Services committee to provide updates as well as commitments to staying engaged as the work continues. Responding to President Schott, Mr. Hurley said that the timeline will be a few months away as the realtor is still working on getting comparisons, and about a month away from listing property.

Responding to Trustee Vincent, Mr. Perkinson replied that the neighbors are aware of the work, with some favorable and some less-favorable comments. President Schott added that SOU has been transparent with the process, and the webinar on the matter available for anyone to watch. She said there were a lot of sentiments of, "oh thank goodness something is being done with those ugly houses," and no one came marching up with pitchforks.

Trustee Thorndike said he hoped that SOU could consider a satellite facility for the Rogue Valley Manor in the Cascades area. If building a Community Residential Care (CRC) from scratch, then it must be with advanced care components, but a satellite center would not need the medical sides of the equation. This could have the potential of the tremendous value of the land acting with a long-term lease agreement with Pacific Retirement Services (PRS) that would generate a new revenue stream. Much discussion ensued among trustees about this and related ideas. President Schott added that with the continuously rising cost of housing in Ashland, SOU employees will not be able to afford to live in this community and this changes the nature of this university and its relationship with the region.

Proposed 2022-2023 Committee Meeting Schedule (Action)

Last year, the committee approved the 2022 schedule, and today is being asked to approve the 2023 schedule so the board can maintain a projected 2-year calendar. Trustee Vincent moved to approve the committee meeting schedule as presented, adding that the schedule can always be adjusted later. Trustee Hennion seconded the motion, and it passed unanimously.

Future Meetings

The next meeting of the committee is scheduled to take place on January 20, 2022.

If any trustees have any suggestions for items to have on the agenda, please send those to the board secretary or Chair Clough.

Adjournment

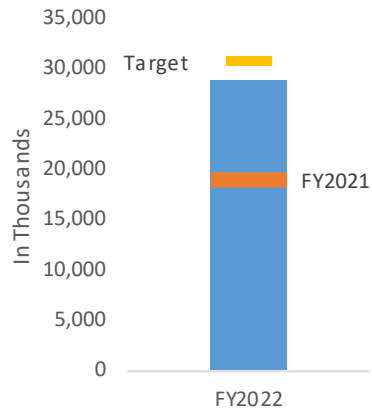
The meeting adjourned at 5:38 p.m.

Financial Dashboard

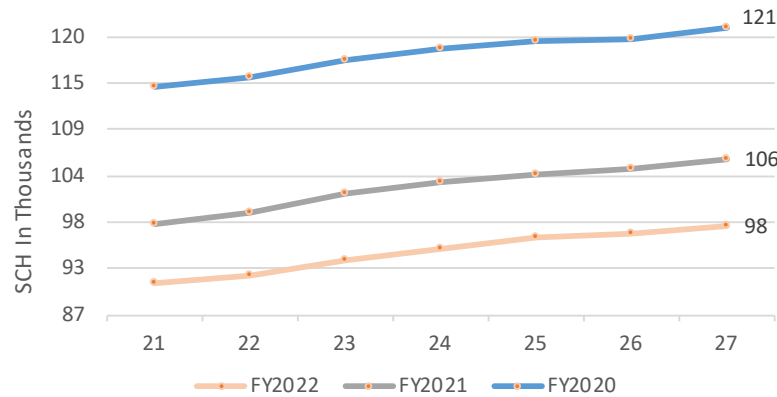
For FY2022

As of December 31, 2021

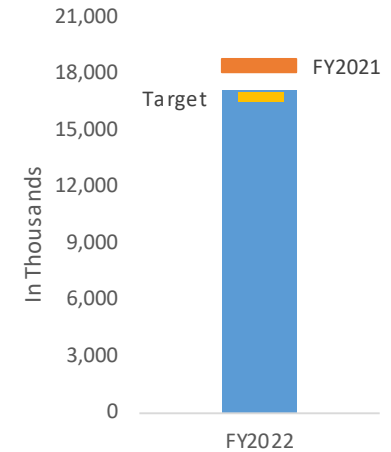
Public University Funds Operating Cash



Total Student Credit Hours by Week of the Fiscal Year

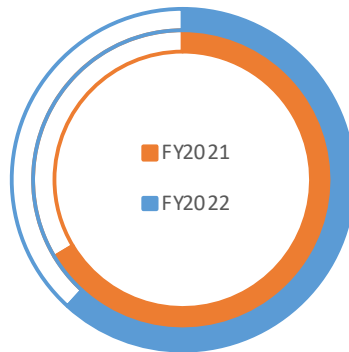


E&G Fund Balance

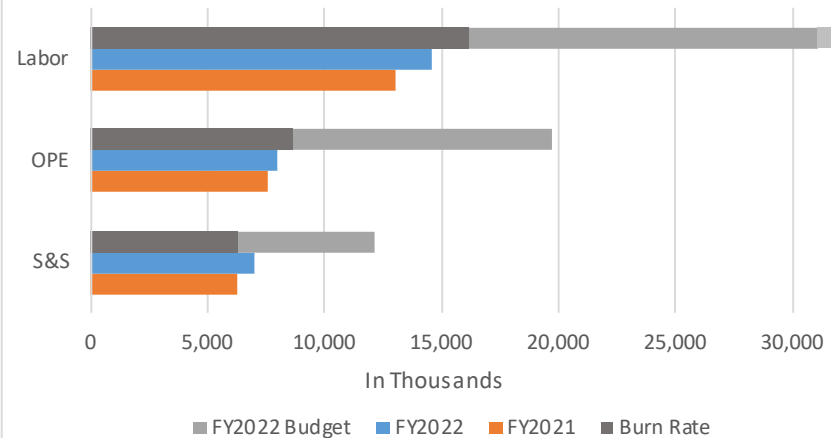


**"Institution" portion of
Federal Relief Funds
to be allocated**

E&G YTD Revenues



E&G YTD Select Expenses



Finance Dashboard

Notes and take-aways (for read ahead file)

- Cash (all funds): up substantially from the prior year.
 - The increase in cash is largely tied to increased occupancy in Housing, as well as the University receiving remaining \$9.5m federal relief.
 - Federal Student Aid: Through the end of December, approximately \$5.4m of the \$5.5m has been awarded to students, with approximately \$1m being applied to student account balances, at the request of the students.
- Student Credit Hours: Enrollment declines continue largely due to COVID-19.
 - Fall 2021: Enrollment finished down 5.4% over the prior year. This is an improvement from being down 7.2% at the start of the term.
 - Winter 2022: Enrollment starting down 7.1%
- E&G total revenues predominantly down due to COVID. Excluding State funding, revenues currently trailing last year by about 7.6% (\$2m)
- Expenses: Overall, total labor costs (YTD) are up 9%; and Supplies and Services (S&S) spending is up 9.4% (about \$415k).

Vice President's Report

Roadmap for Vice President's Report



- Prelude to Banner replacement (full board presentation)
 - ✓ Student Information System (SIS)
 - ✓ Enterprise Resource Planning (ERP) – Payroll, HR and Finance
- Higher Education Coordinating Commission Update
- Federal Relief Funding
- SSCM Update (tie to Presidential Task Force)
- Facility Planning and Utilization Committee update (including city of Ashland planning approval action)

Banner Enterprise Resource Planning/ Student Information System Update

Banner Replacement “Trailer” (prelude)

- The ERP-SIS or “core system” used at SOU is old, cumbersome and expensive...and does NOT lend itself to transformation (of process)
- Over the course of 2021, we did a market evaluation to see how this system, Banner, compares to competitors
- We looked at price, functionality, sustainability and other parameters
- Our current Banner system from the dark ages...and has fallen way behind the competition--it is wasting both time and money for SOU
 - Executive Summary: <https://sou.box.com/s/76yb0ltucmoilenrlsralqug25vyvfsv>
 - To see the full report, follow this link:
<https://sou.box.com/s/dytkzmcch793mqt90dd9fankkcgrkdga>

Higher Education Coordinating Commission Update

HECC Update

- The biannual HECC evaluation is in process
- Financial Conditions Report should be provided by HECC to VPFAs for all seven OR Public Universities on / about 1/15/22
- HECC meeting and recordings at:
<https://www.oregon.gov/highered/about/Pages/current-materials.aspx>

Federal Funding Update

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:

	Total
Federal Funds (excluding funds being issued directly to students)	\$ 11,646,106
Federal GEER Funding	\$ 145,597
Federal Funds (Strengthening Institutional Programs)	\$ 435,254
	\$ 12,226,957
Additional CARES Act funding being received through the CPB, in support to JPR	\$ 224,272
Total CARES Act Funding	\$ 12,451,229
Student Direct Aid Support	\$ 8,951,477
Total Support	\$ 21,402,706

- American Rescue Plan (ARP) funding for ‘direct aid’ to students is being distributed (\$5.4M of \$5.5M to date)
- Implementing approved allocation strategy (create runway for President Bailey)...allocate \$3.3M to E&G now and hold remainder in reserve.

State Funding Model Update

Student Success and Completions Model (SSCM)

State Funding Model Updates

Change the definition of STEM, update bilingual education measure, and one degree per student

Apply transfer weighting to all transfer students alike and then also apply CC transfer bonus

Simplify mission differentiation funding with more objective design

Make the area of study bonus additive rather than multiplied by the cost weight

Modernize the cost weights and apply graduate education adjustment

Budget Update

Roadmap

- Reminder: Observations and Assumptions
- Approved Financial Planning Guidelines
- Pro Forma: Year to date status update w/no federal aid
- Pro Forma: Year to date status update w/federal aid
- Reminder: Cost levers – “create runway”
- Reminder: Revenue levers – “be creative”
- Pro Forma: conservative data set (with aid and controls)
- Trend Analysis: Ending fund balance as % of operating revenue over time
- Path forward

E&G Budget Key Assumptions and Observations

Observations

- Revenues projections softer than budgeted; reductions across multiple areas
- Building Fee debt service impacted by pandemic; 2032 into deficit
- 1st quarter labor savings from furloughs realized
- Labor cost estimates assume filling vacant positions; **SEIU labor costs will be adjusted next pro forma, after payroll actuals occur in February**
- Large cost increases in some key S&S categories
 - Utilities (Water, Sewer, Electric), Data Processing Services, Mgmt Consulting, Insurance Rates
- Miscellaneous Revenue impacted by:
 - Increased liability for bad debt on student accounts
 - Reduced housing ground lease income

E&G Budget Key Assumptions and Observations

Modeling Assumptions FY23 – FY25 (preliminary)

- State funding per recent SSCM updates
- 4.99% Tuition Increase modeled; Fee revenues modeled against historic actuals
- Enrollment modeled in coordination w/VPEMSA
- Labor 3% for each group (actual rates **to be updated per contract negotiations for SEIU**)
- S&S 5.4% increases per recent guidance (return to 2.25% for future years)
- PERS retirement – 3.4% | PEBB Healthcare 3.2% for Continuing Service Levels

Approved Financial Planning Guidelines (from last board meeting)

SHORT TERM

1. Allocate federal relief funding to “create runway,” giving the new President time to analyze, plan and implement (using federal funding to cushion cost reductions in the next few years)
2. Continue to leverage investments
3. Identify and balance the expense and revenue levers, then develop a plan

LONG TERM

True up the budget to expected student population--right-size without losing talent

FY22 E&G Budget Forecast (w/Aid)

- Year to date actuals and Estimate to complete FY22
- FY21 Ending Balance adjusted
 - Audited Financial Statements TBD
- Revenues **are not keeping** pace with expenses
- Expenses in Green **do not** account for labor negotiations
 - Existing contract language for this fiscal year projection
- Targeted reductions of \$1M
- Projected \$7.2M ending fund balance leveraging \$3.3M of Federal funding for nearly 12% KPI and roughly 1.5 months of operations
 - NACUBO recommendation is 40%
 - Treasury requires 30 days of available cash on hand

Education and General <input type="checkbox"/>	2020-21	2021-22	2021-22
	Actual (000's)	FY22 BUDGET (000's)	FYE Forecast (000's)
Revenue			
State Appropriations: SSCM	23,559	24,864	25,720
Total State Funding (SSCM,ETSF,SELP)	23,937	25,242	26,098
Tuition	36,451	36,340	34,381
Fees	3,457	3,293	3,404
Raider Aid	(3,245)	(3,276)	(3,650)
Tuition, net of Raider Aid	36,663	36,358	34,135
Misc. Other Revenue	481	2,101	893
TOTAL REVENUES	61,081	63,700	61,126
Personnel Services			
Faculty	(14,691)	(17,118)	(16,005)
Admin	(8,127)	(10,261)	(9,990)
Classified	(5,309)	(6,900)	(6,559)
Student (& Other)	(1,005)	(1,615)	(1,441)
Salaries Total	(29,132)	(35,894)	(33,996)
Retirement (PERS + ORP)	(7,050)	(8,355)	(7,675)
PEBB	(7,026)	(7,780)	(7,322)
Other	(3,172)	(3,612)	(3,212)
OPE	(17,249)	(19,747)	(18,209)
Net Personnel	(46,381)	(55,184)	(52,205)
Supplies & Services	(10,337)	(12,160)	(11,193)
Capital Expenses	(124)	(260)	(136)
<i>S&S Adjustments</i>			1,000
Total Supplies & Services, Capital Expenses	(10,461)	(12,420)	(10,329)
Cost Reductions, Savings, Outside Support		8,178	3,312
TOTAL EXPENDITURES	(56,842)	(59,427)	(59,222)
Net from Operations Before Transfers	4,239	4,274	1,905
Budgeted Transfers	(1,526)	(2,513)	(2,455)
NET TRANSFERS	(1,526)	(2,513)	(2,455)
Change in Fund Balance	2,713	1,761	(550)
Beginning Fund Balance	5,081	7,794	7,794
Ending Fund Balance	7,794	9,555	7,244
% Operating Revenues	12.76%	15.00%	11.85%
Days of Operations	48.74	56.31	42.87
Months of Operations	1.62	1.88	1.43

Cost Levers – “Create Runway”

- Continued Austerity - \$1+M savings

Labor Savings

- Continue hiring restraint (\$300K - \$1+ M)
- Study organization structure (\$200K - \$2M)
- Consider COLA increase freeze for Admin (\$300K)
- Offer voluntary furloughs (\$100K)

Supplies & Services

- Travel restrictions (VP approval (\$350K)
- Spending and access limits (TBD)
- Limit food on campus (\$100K)
- Limit off-campus events (\$100K - \$200K)
- Energy reduction plan (\$50K)

- Analyzing other levers

Revenue Levers – “be creative”

- Near-term opportunities - \$1M generation

State and Federal Funding

- Implement SSCM initiatives from Pres Task Force
- Develop ERP “ask” for short session

Tuition and Fees

- Pipeline enhancements; e.g., “Strong Start Program”
- Add four athletic teams
- Grad student program refinement (GA program)

Gifts, Grants & PPP

- In silent phase of comprehensive campaign
- Explore Walker and Ashland (mixed use)
- Cascades site P3 for affordable housing
- Liquidate properties

- Analyzing other levers

Pro Forma with Aid & Cuts

Education and General ☐

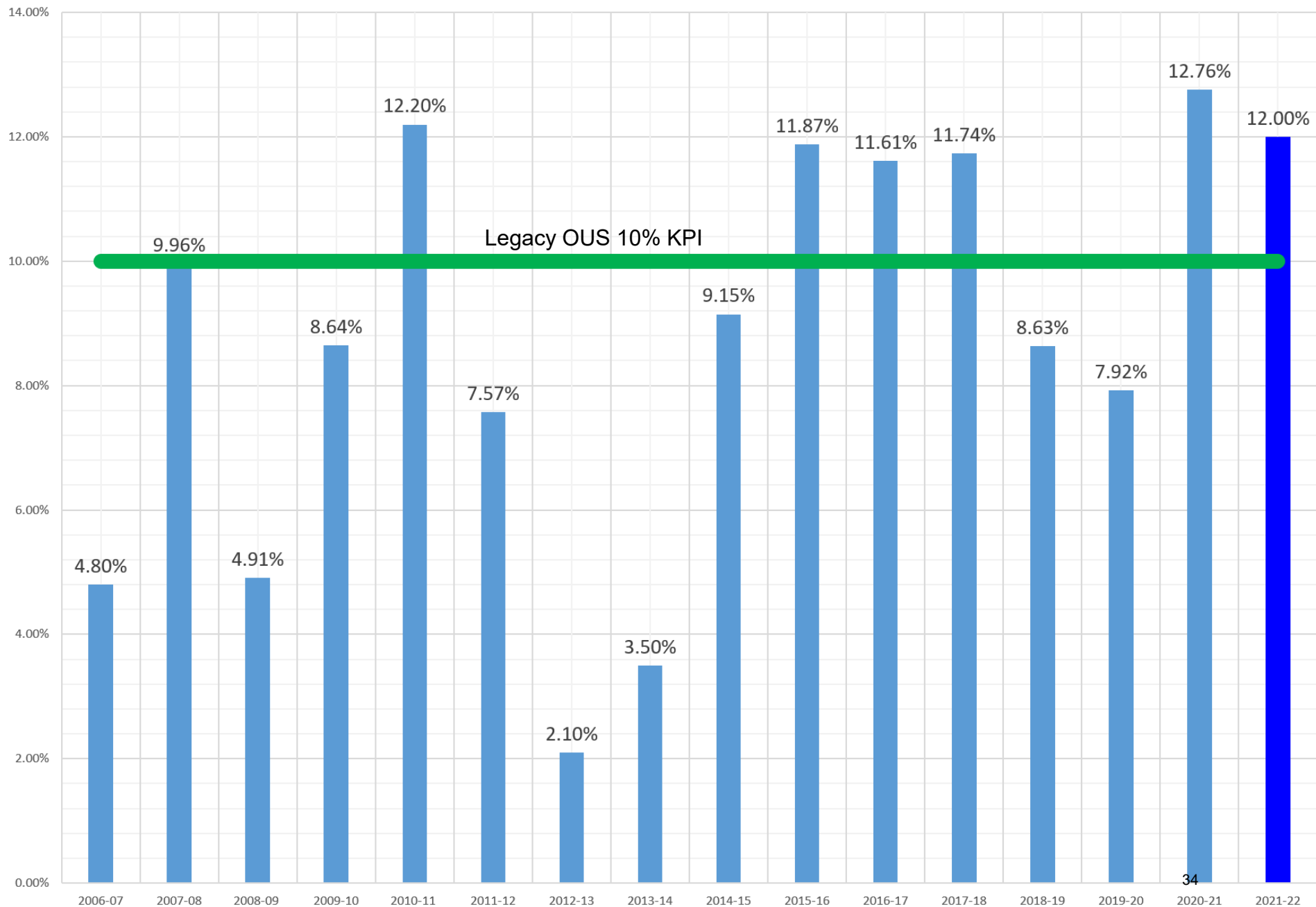
(in thousands of dollars)

2019-21 Biennium			2021-23 Biennium			2023-25 Biennium	
	2019-20 Actual (000's)	2020-21 Actual (000's)	2021-22 FY22 BUDGET (000's)	2021-22 FYE Forecast (000's)	2022-23 FORECAST (000's)	2023-24 FORECAST (000's)	2024-25 FORECAST (000's)
Revenue							
State Appropriations: SSCM	22,696	23,559	24,864	25,720	27,359	27,340	28,394
Total State Funding (SSCM,ETSF,SELP)	23,074	23,937	25,242	26,098	27,737	27,717	28,771
Tuition	39,365	36,451	36,340	34,381	34,005	33,311	32,860
Fees	3,167	3,457	3,293	3,404	2,975	2,915	2,875
Raider Aid	(3,965)	(3,245)	(3,276)	(3,650)	(3,328)	(3,260)	(3,216)
Tuition, net of Raider Aid	38,567	36,663	36,358	34,135	33,652	32,965	32,519
Misc. Other Revenue	2,453	481	2,101	893	2,148	2,197	2,246
TOTAL REVENUES	64,095	61,081	63,700	61,126	63,537	62,879	63,537
<u>Personnel Services</u>							
Faculty	(16,083)	(14,691)	(17,118)	(16,005)	(16,976)	(17,529)	(18,112)
Admin	(9,617)	(8,127)	(10,261)	(9,990)	(10,343)	(10,836)	(11,482)
Classified	(6,362)	(5,309)	(6,900)	(6,559)	(7,127)	(7,541)	(7,773)
Student (& Other)	(1,445)	(1,005)	(1,615)	(1,441)	(1,730)	(1,754)	(1,786)
Salaries Total	(33,508)	(29,132)	(35,894)	(33,996)	(36,176)	(37,661)	(39,154)
Retirement (PERS + ORP)	(7,881)	(7,050)	(8,355)	(7,675)	(7,978)	(9,498)	(9,874)
PEBB	(7,312)	(7,026)	(7,780)	(7,322)	(8,029)	(8,286)	(8,551)
Other	(3,275)	(3,172)	(3,612)	(3,212)	(3,641)	(3,790)	(3,940)
OPE	(18,469)	(17,249)	(19,747)	(18,209)	(19,648)	(21,574)	(22,365)
Net Personnel	(51,977)	(46,381)	(55,184)	(52,205)	(55,824)	(59,235)	(61,519)
Supplies & Services	(10,477)	(10,337)	(12,160)	(11,193)	(12,817)	(13,105)	(13,400)
Capital Expenses		(124)	(260)	(136)	(139)	(142)	(146)
<i>S&S Adjustments</i>				1,000			
Total Supplies & Services, Capital Expenses	(10,477)	(10,461)	(12,420)	(10,329)	(12,956)	(13,248)	(13,546)
Cost Reductions, Savings, Outside Support			8,178	3,312	3,312	3,312	As Modeled
TOTAL EXPENDITURES	(62,454)	(56,842)	(59,427)	(59,222)	(65,468)	(69,170)	(75,065)
Net from Operations Before Transfers	1,641	4,239	4,274	1,905	(1,931)	(6,291)	(11,528)
Budgeted Transfers	(1,913)	(1,526)	(2,513)	(2,455)	(2,542)	(2,646)	(2,748)
NET TRANSFERS	(1,913)	(1,526)	(2,513)	(2,455)	(2,542)	(2,646)	(2,748)
Change in Fund Balance	(273)	2,713	1,761	(550)	(4,473)	(8,938)	(14,277)
Beginning Fund Balance	5,354	5,081	7,794	7,794	7,244	2,771	(6,166)
Ending Fund Balance	5,081	7,794	9,555	7,244	2,771	(6,166)	(20,443)
% Operating Revenues	7.92%	12.76%	15.00%	11.85%	4.36%	-9.81%	-32.17%

Days of Operations	28.81	48.74	56.31	42.87	14.87	-31.34	-95.89
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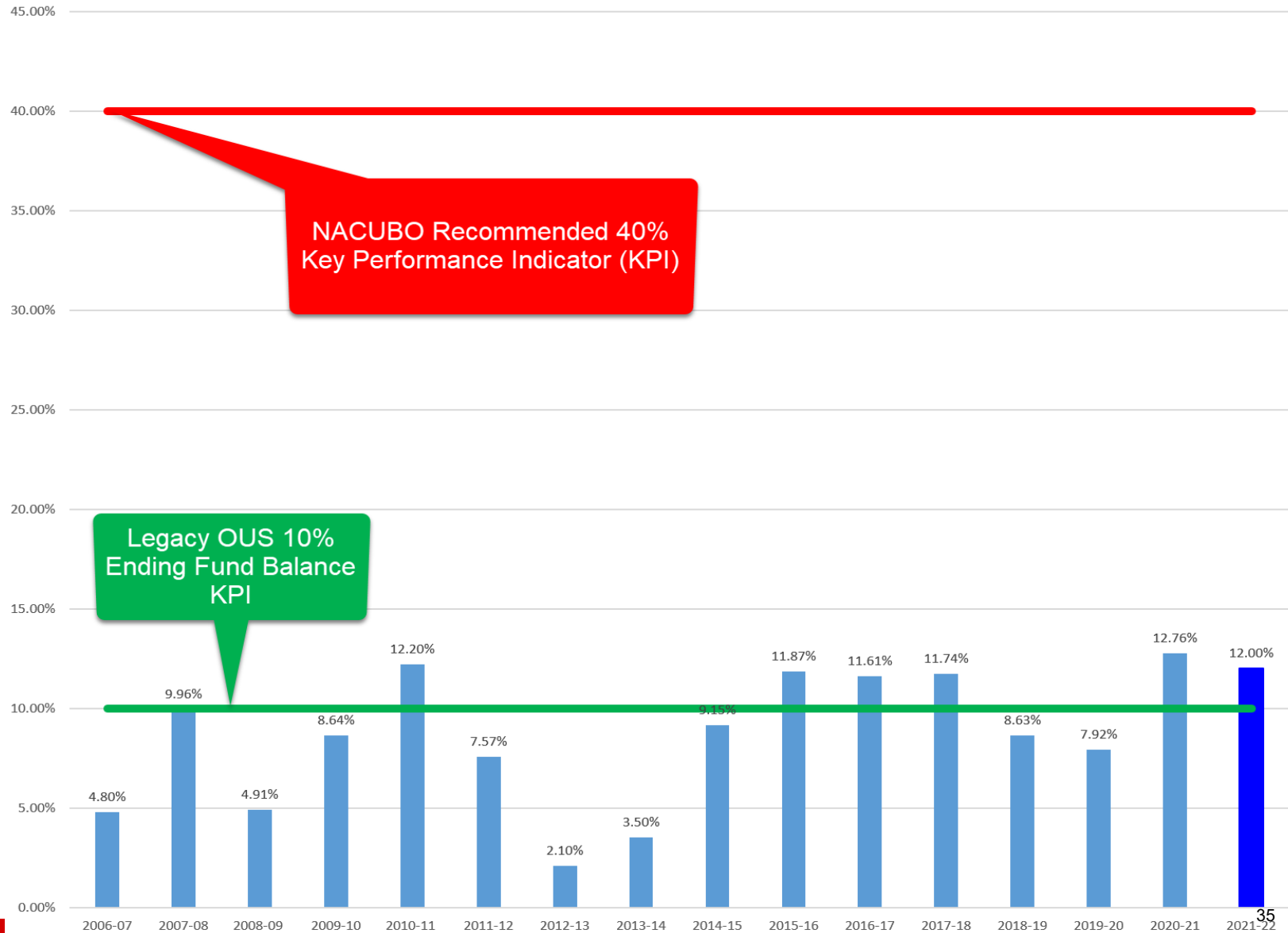
Months of Operations	0.96	1.62	1.88	1.43	0.50	-1.04	-3.20
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E&G Ending Fund Balance as % of Revenue FY07 - FY22



How Does This Compare With Higher-Ed?

E&G Ending Fund Balance as % of Revenue FY07 - FY22 (projected)



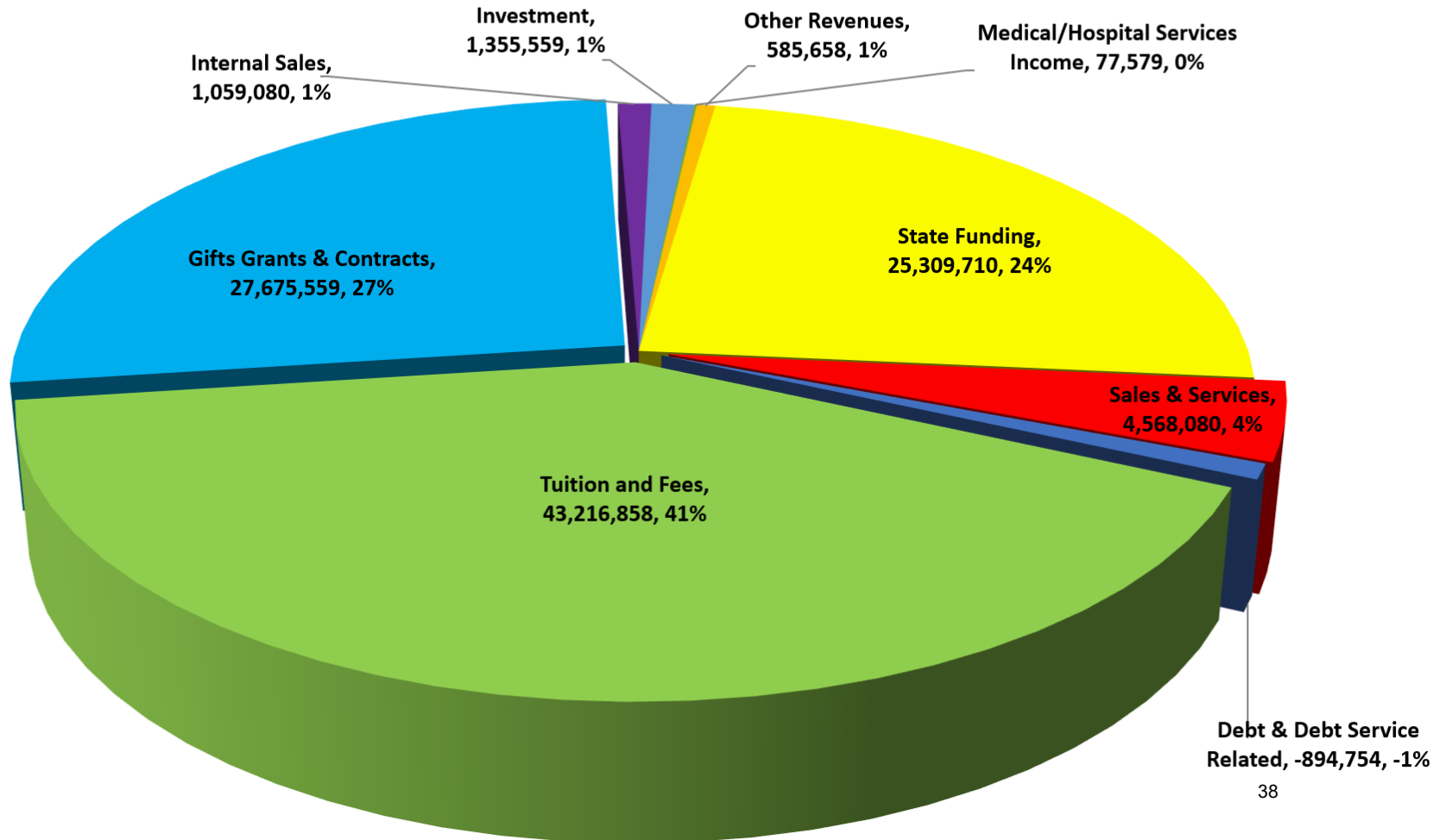
Path Forward

1. Continued austerity (spending restraint) and transparency with campus
2. Long-term—bend the cost curve—continue to innovate and transform
3. Revenue
 - Stabilize after the pandemic (state and tuition/fees)
 - Develop alternative sources (like property sales and P3)

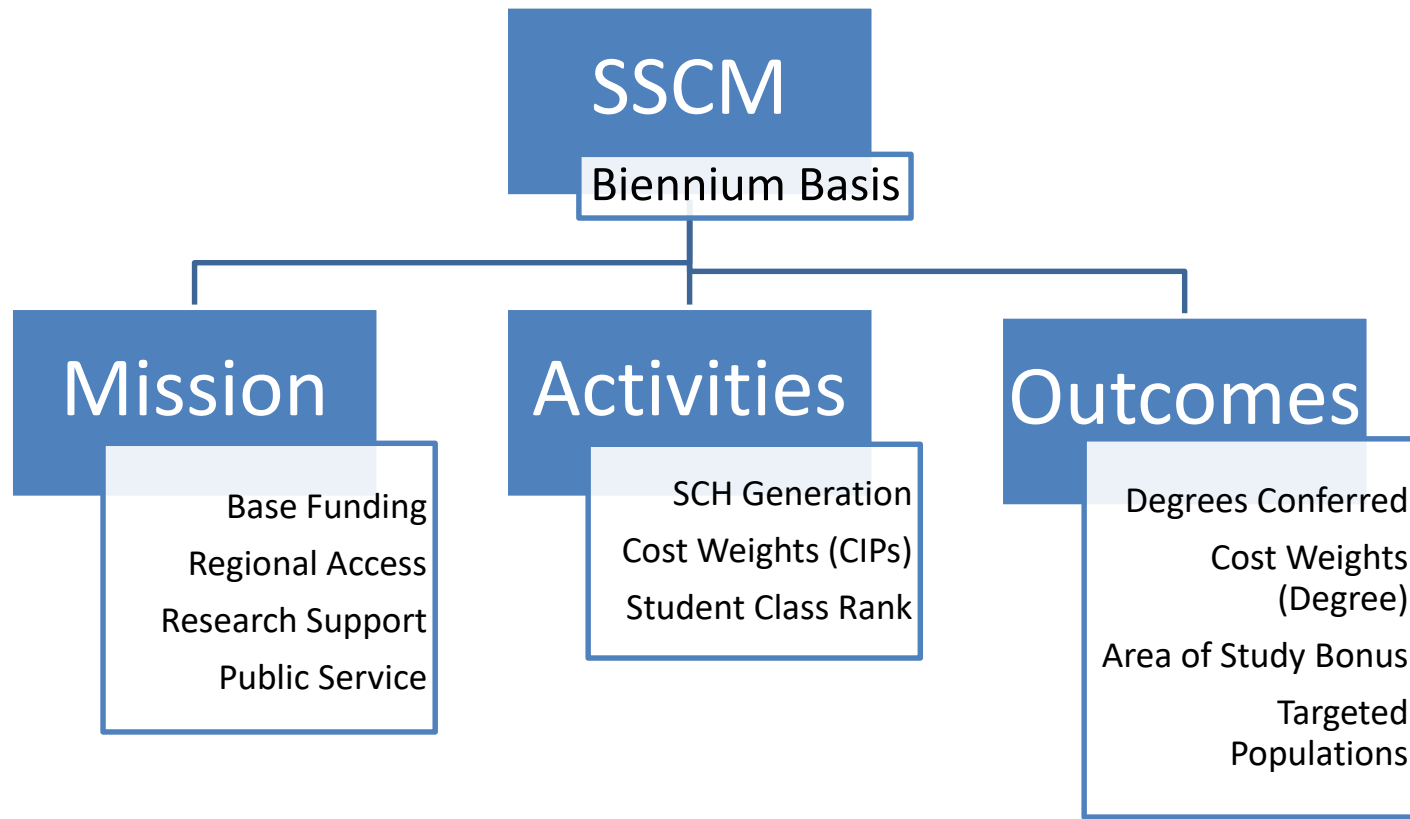
Budget Committee Update

Where Does SOU Get Money to Operate?

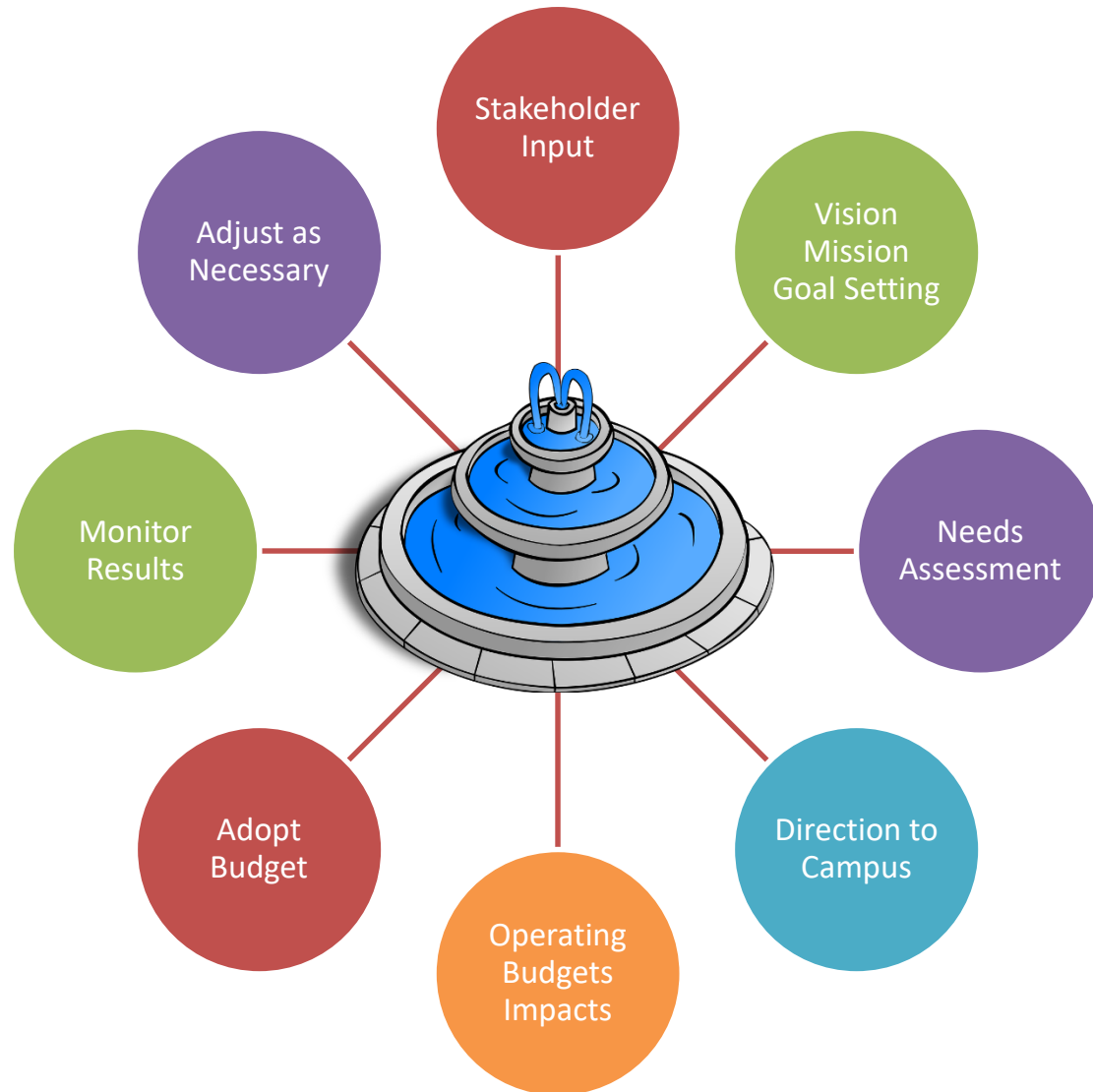
Revenues by Type
Fiscal Year 2021
(Excludes Agency Fund Outside of CHF-Ashland Housing)



Student Success & Completion Model (SSCM) Inner Workings



Budget Models Focus on Increasing Central Reserves



Process for Setting Tuition and Mandatory Fees (Action)

Tuition and Fee Process: HB 4141

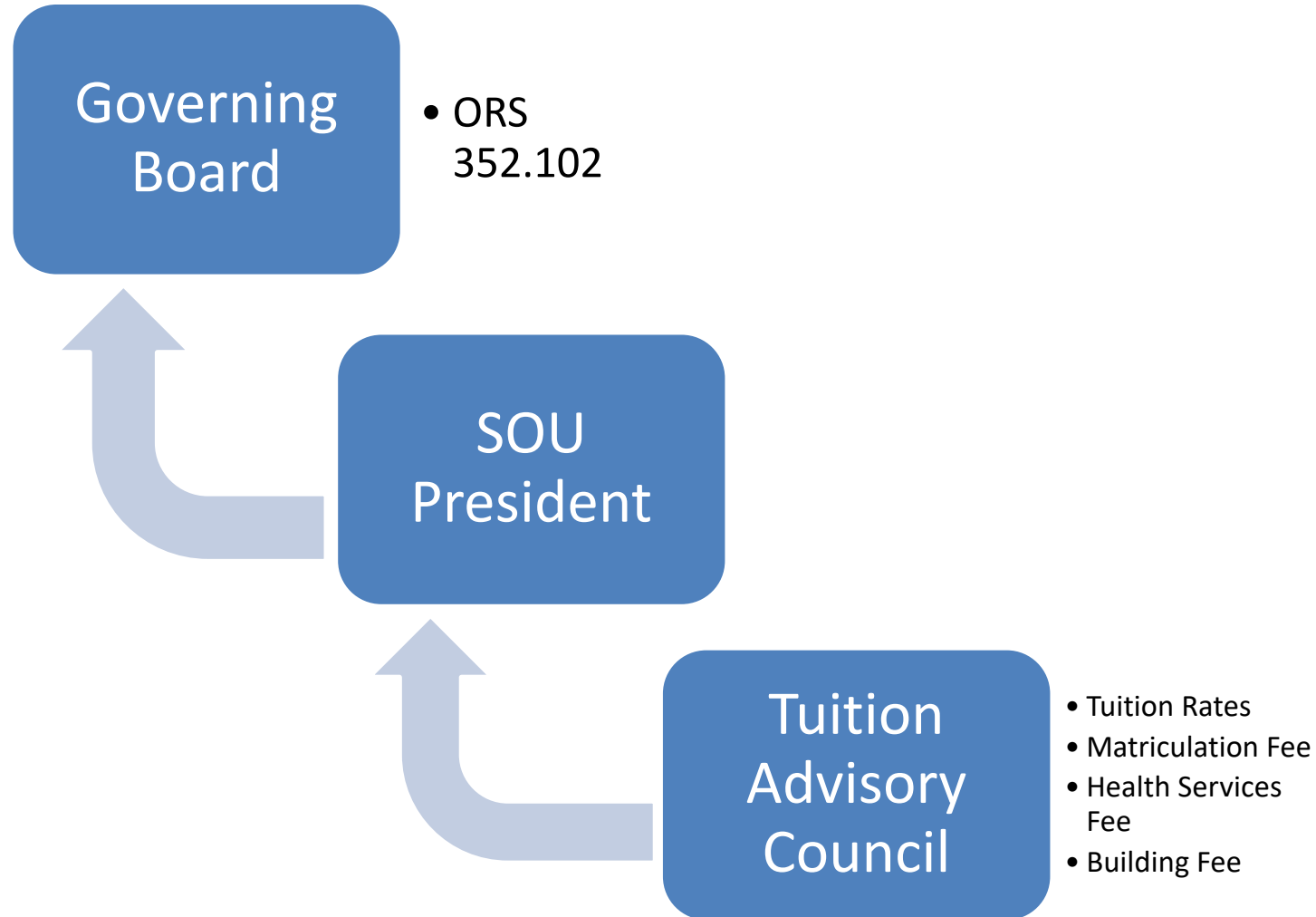
- HB 4141 from 2018: defines how universities are to set tuition and mandatory *enrollment* fees for upcoming academic year (see checklist in materials)
- The Tuition Advisory Council (TAC)
- Engagement opportunity for the student voice
- Presidential charge with advising on all matters that pertain to the cost of attendance for tuition and mandatory fees

HOUSE BILL 4141 COMPLIANCE MEASURES

Each public university listed in ORS 352.002 shall have an advisory body to advise the president of the university on the president's recommendations to the governing board regarding resident tuition and mandatory enrollment fees for the upcoming academic year.

1. That body must provide a written document describing the role of the advisory council and be composed of at least:
 - ☒ a) Two Administrators
 - ☒ b) Two Faculty
 - ☒ c) Two Students representing Student Government
 - ☒ d) Two Students representing historically underserved students
2. The University must provide training on:
 - ☒ a) The budget of the university
 - ☒ b) The legislative appropriation process
 - ☒ c) Data showing the relationship between tuition and fees to state appropriations
3. The University must provide the council with:
 - ☐ a) A plan for managing costs
 - ☒ b) A plan for how tuition and fees *could be decreased* if the university receives extra appropriations
4. If the council feels a recommendation greater than 5% annually is necessary, the council must document its consideration of:
 - ☒ a) The impact of that increase on students, especially historically underserved students
 - ☒ b) The impact of that increase on the mission of the University
 - ☒ c) Alternative scenarios involving smaller increases
5. The council must also:
 - ☒ a) Provide opportunities for students to actively participate in the process and deliberations
 - ☒ b) Provide a written report to the President with recommendations, deliberations and observations about tuition and fees for the upcoming academic year including any sub-reports requested by members of the council or other documentation produced or received by the council
6. The University must ensure that the process is described on the University's website and includes downloadable materials such as:
 - ☐ a) The council's role and relationship to the Board
 - ☒ b) Any documentation, agendas and data considered during deliberations

Tuition and Fee Process: Mandatory *Enrollment* Fees



Tuition and Fee Process:

Mandatory *Enrollment* Fees

- **Matriculation Fee**

- Fee used for on-boarding new students – one-time fee
- Recommended by TAC to the President
- Recommended by the President to the Governing Board
- Adopted by the Governing Board

- **Health Services Fee**

- Recommended by the Director, Student Health and Wellness Center to TAC; then TAC to the President
- Recommended by the President to the Governing Board
- Adopted by the Governing Board – included in HECC review/approval

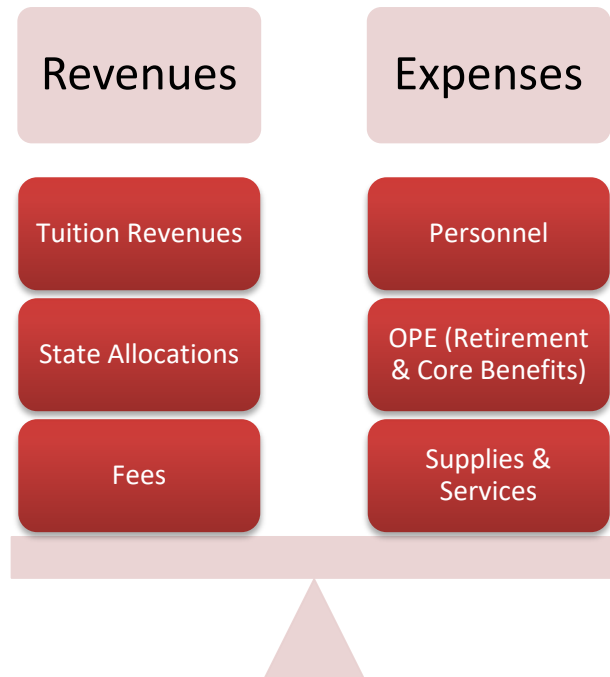
- **Building Fee**

- Recommended by Administration to TAC; then TAC to the President
- Recommended by the President to the Governing Board
- Adopted by the Governing Board – included in HECC review/approval

Part 1: Tuition & Mandatory Fees

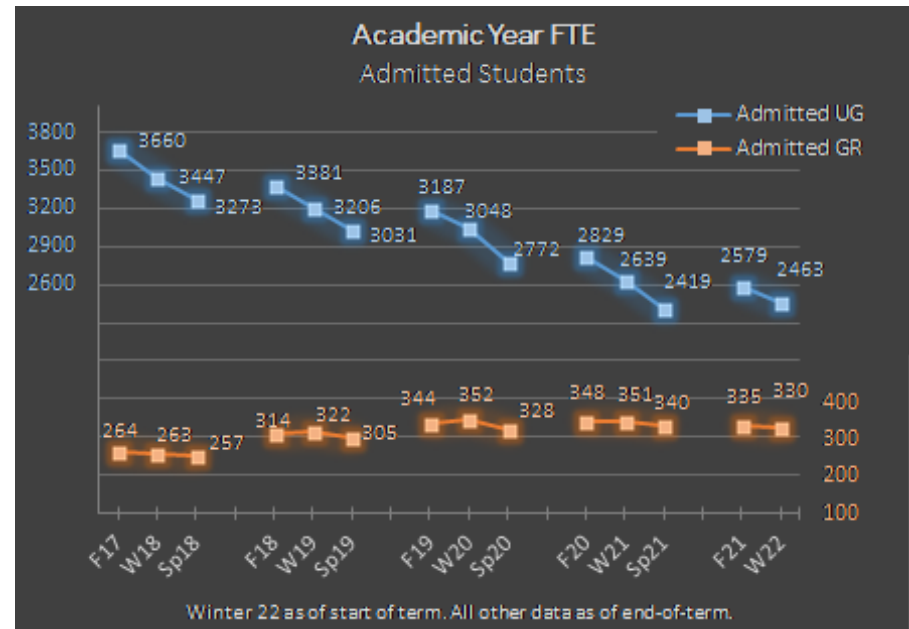
Intro

- Tuition & Fees – What's the TAC's role?
- Budgeting 101 – Overview of budget concepts & recent fiscal year results
- University Revenues & Expenses
- The Pro Forma – A Brief Introduction



Part 2: Competitive Landscape and Enrollment Projections

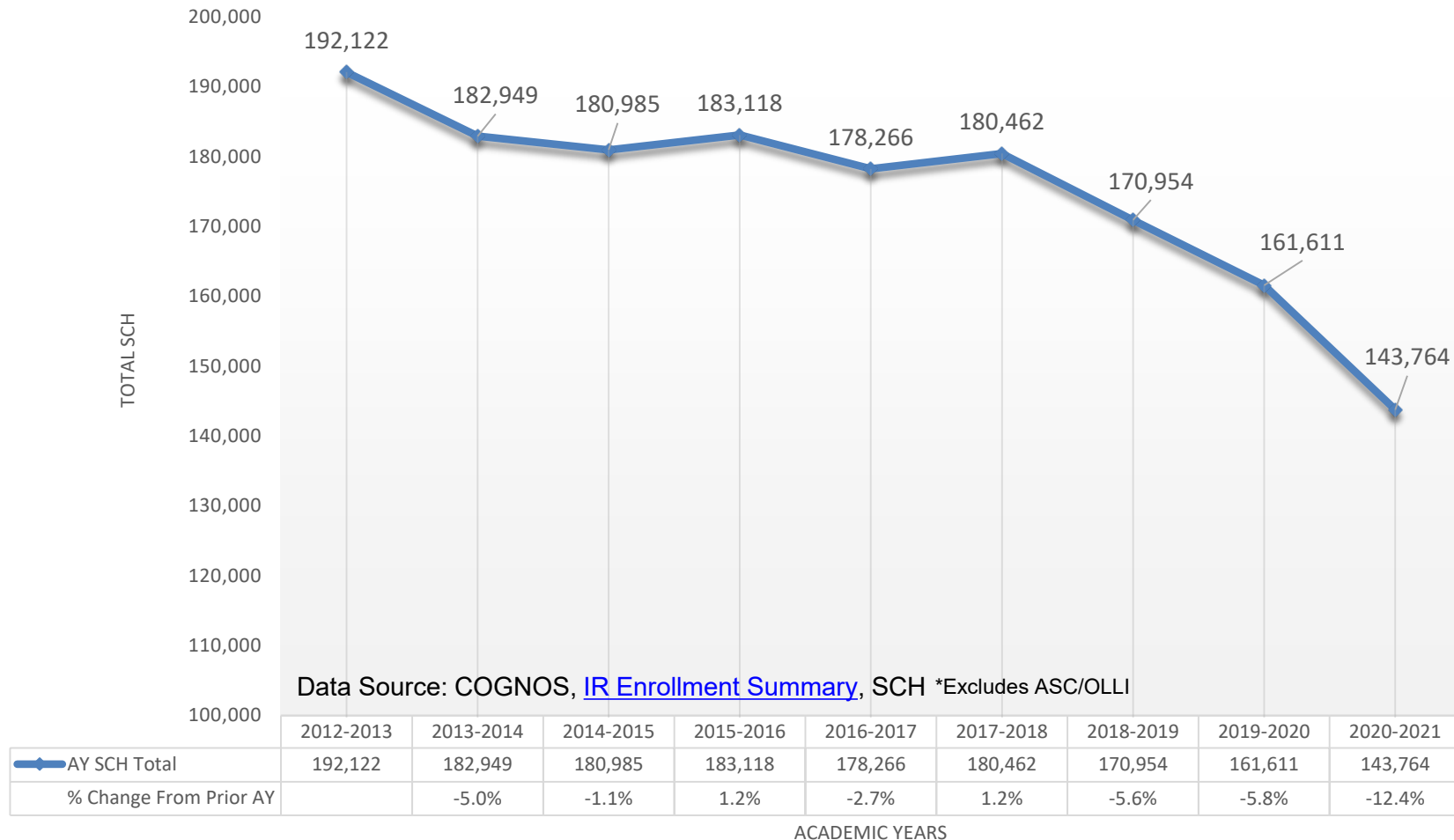
- Terms & Conditions
- Competitive Landscape
 - National
 - Regional
 - State-wide



- Historical analysis and influence on projections
- SCH Projection Modeling for Pro Forma

Enrollment Context, SCH Decline

Total SCH Per Academic Year 2012 - 2020



AY SCH Total

% Change From Prior AY

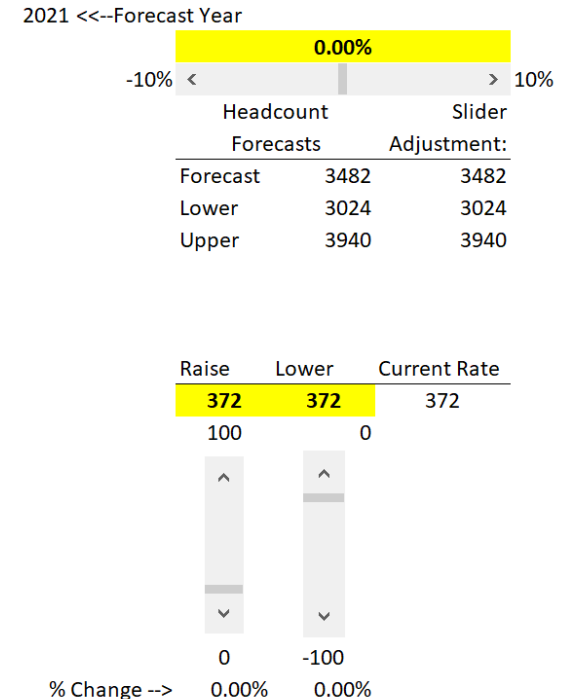
Part 3: Institutional Cost Management and Tuition Modification Options

- HB 4141 requirement
- Cost Management Strategies
- Tuition Modification Scenarios
- Pro Forma Modeling Assumptions
- Live Pro Forma & Scenario building



Part 4: Pro Forma Variables & Interactive Modeling Exercises

- Review Retirement Rates
- Review historical OPU comparison
- Review SCH projection targets
- Discussion: Pending variables in model
- Live Pro Forma modeling and discussion
- Committee requests for information



Student Fee Process

Roadmap

- Tuition and Fee Affordability
- Equity Considerations? Discussion...
- Tuition and Fee Comparators
- Legislative direction and changes
- Student Fee Process Discussion
- Diversity Scholarship
- Next Steps:
 - Discussion about EDI data (what we have and what we don't)
 - Student debt (national picture and current student debt)

Major Issues in Managing Affordability



**Decrease
purchasing power
of federal aid**



Rising college costs



**Declining yield
rates**



**Increased family
borrowing**



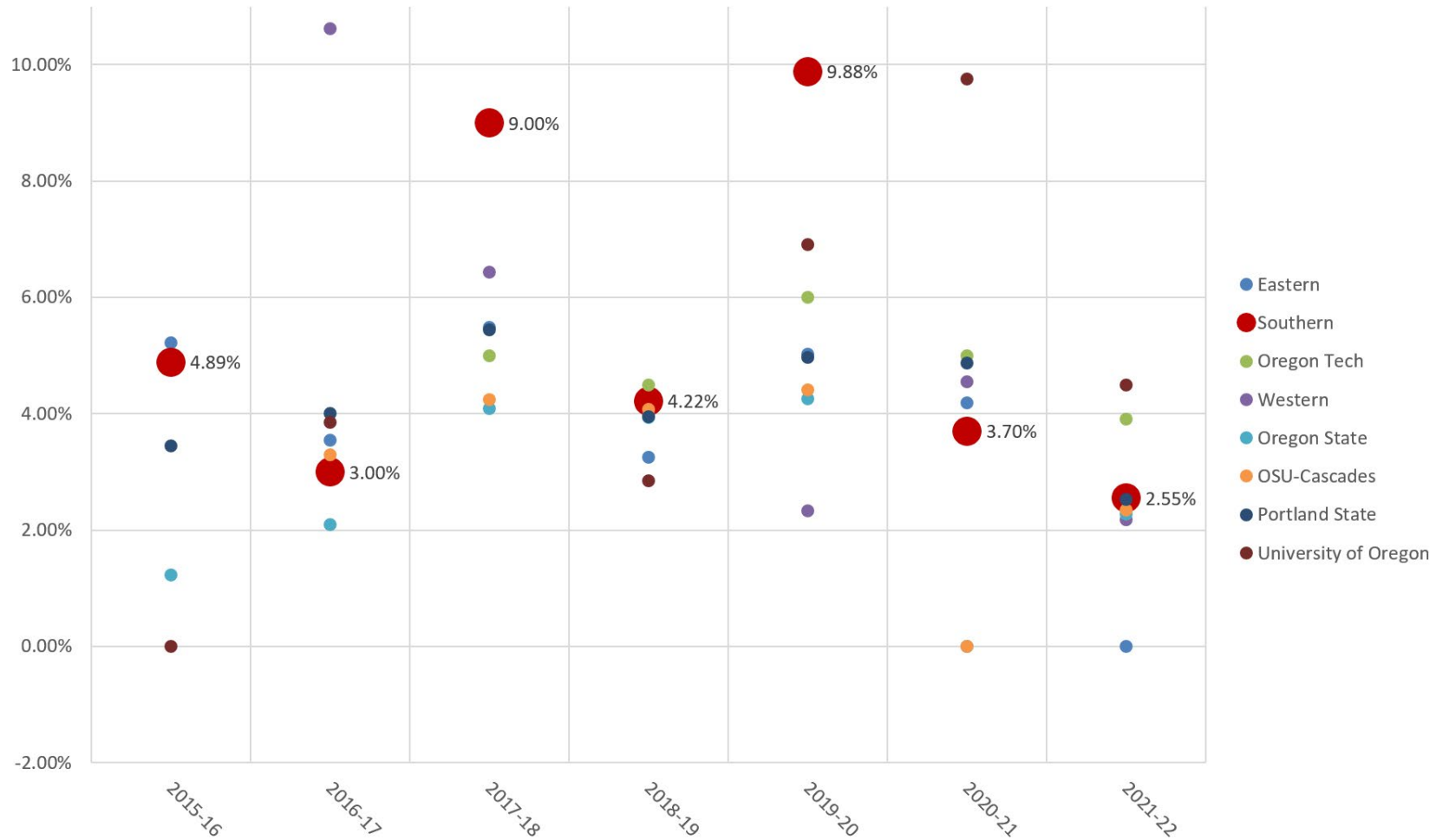
**Shifting
Demographics**



**Increasing
discount rates**

Tuition Comparators Update

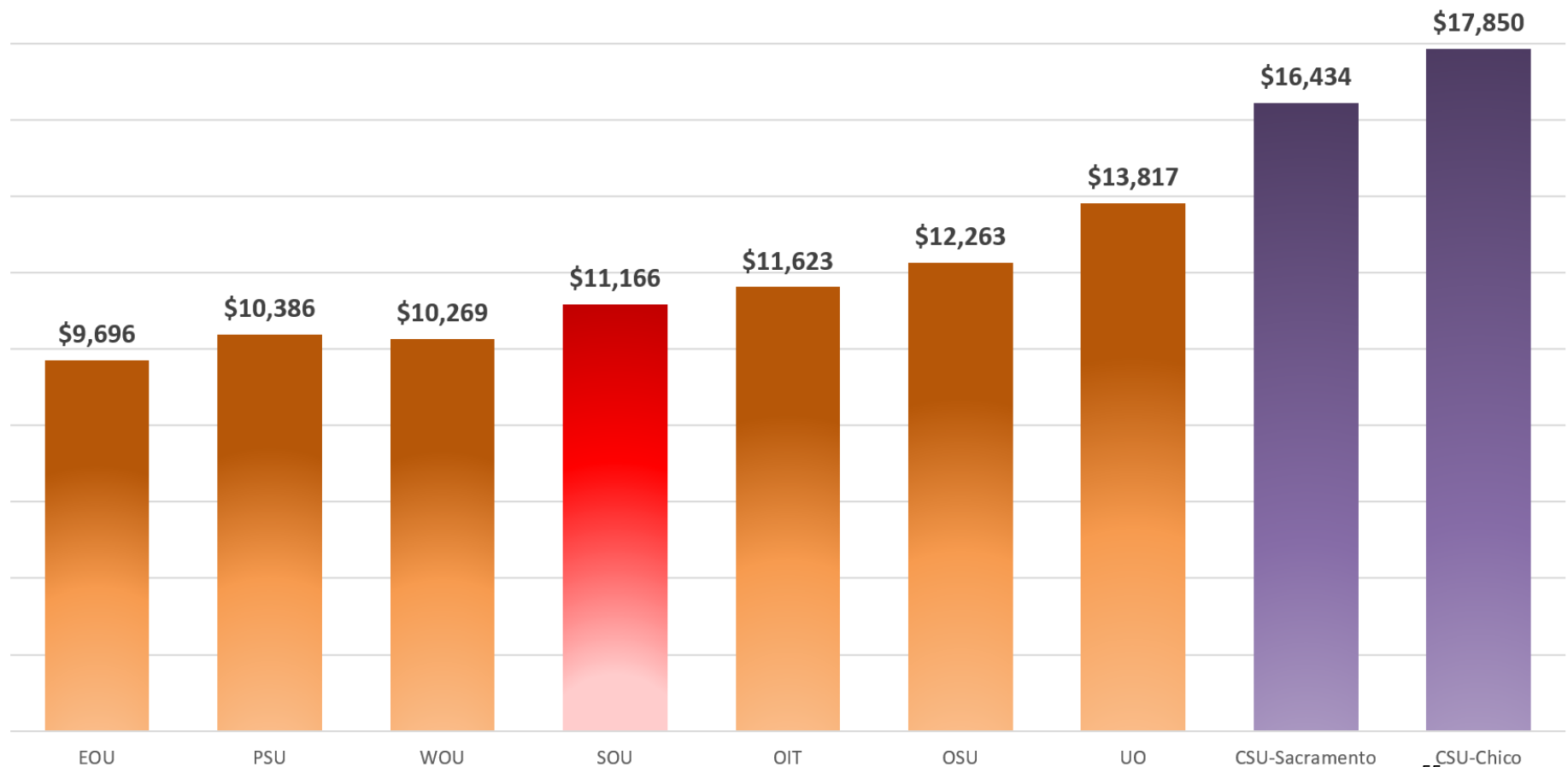
Relative % Change from Prior Academic Year



Tuition Comparators Update

Academic Year Tuition and Mandatory Fees

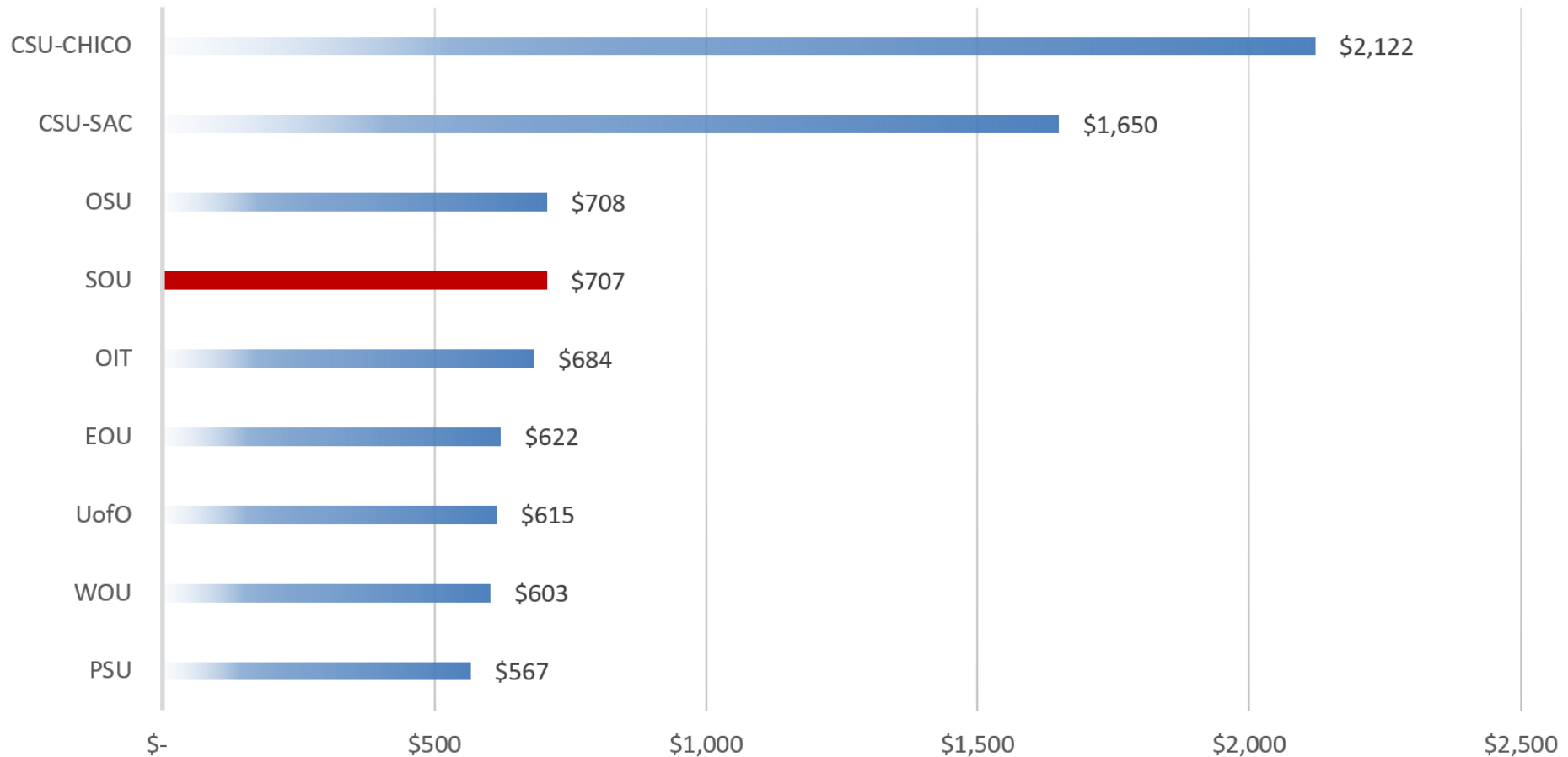
For full-time undergraduates 2021-22 Academic Year



Mandatory Fee Comparators Update

Incidental + Enrollment or Equivalents

Mandatory Fees per term for Academic Year 2021-22



Legislative Changes 2021 Session

Items impacting Tuition & Fees include:

- HB 2542 – Disclosure of Mandatory Fees
- HB 2919 – Course Materials Transparency
- HB 3012 – Student Fee Autonomy

Legislative Changes 2021 Session



HB 2542: DISCLOSURE OF MANDATORY FEES

The bill defines mandatory fee as a fee of general applicability to students, whether full-time or part-time, that is required prior to matriculation or taking courses, including a fee proposed by a recognized student government, and requires public universities and community colleges to prominently display such fee information on a website and online student portal prior to the commencement of the term for which the fee is to be charged. Institutions are required to describe the general purpose of the fee, its allocation, and (if temporary) the duration for which the fee is to be charged. Institutions are required to, by September 1 of each year, report certain fee information to HECC.

Effective Date: January 1, 2022

Legislative Changes 2021 Session



HB 2919: COURSE MATERIALS TRANSPARENCY

Public institutions of higher education are required to display or establish a link to a website that displays cost information for course materials required for no less than 75 percent of courses offered each term. The information must be made available to students at the time course registration for a term begins, though accommodations are made for institutions that enroll students for multiple terms simultaneously. Institutions may manage exceptions to the notification requirement individually, but must prioritize exceptions for cases where instructors have changed or will be assigned after the notification deadline, or where the instructor determines previously used materials are no longer effective.

HECC will adopt rules determining which course materials are excluded from the notification requirement and must submit a report to the Legislature on implementation by December 31, 2023.

Effective Date: January 1, 2022, for courses offered beginning fall 2022.

Legislative Changes 2021 Session



HB 3012: STUDENT FEE AUTONOMY

The bill alters the requirements for the adoption of a student fee and restricts when a university governing board or president may reject that fee by substituting the requirement that the recognized student government collaborate with institutional leadership with the requirement that the student government make a good faith effort to do so. The bill also eliminates a blanket provision allowing an institution to reject a fee request if it is deemed not to be ‘advantageous to the cultural or physical development of students’. A fee rejected by or altered by an institution must be accompanied by a written explanation. An appeal process to HECC is maintained, but HECC is provided 14 days, instead of seven, to hear and decide on a student appeal. The bill also allows a student fee to increase greater than 5% on a year-over-year basis if the base year fee amount was depressed due to a disruption of university activity related to a state of emergency.

Effective Date: January 1, 2022

Enrolled House Bill 3012

Sponsored by Representatives NOSSE, EVANS, Senator FREDERICK; Representatives ALONSO LEON, BYNUM, CAMPOS, GRAYBER, MCLAIN, NERON, REARDON, SALINAS, SOLLMAN, VALDERRAMA

CHAPTER

AN ACT

Relating to student fees at public institutions of higher education; creating new provisions; and amending ORS 341.470 and 352.105.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 352.105 is amended to read:

352.105. (1)(a) The board for each public university listed in ORS 352.002 shall collect mandatory incidental fees upon the request of the recognized student government under a process established by the recognized student government of a university [*in consultation with the board*]. **The recognized student government shall:**

(A) **Make a good faith effort to collaborate with the board and president of the university under the board's control prior to finalizing any process to collect mandatory incidental fees; and**

(B) **Notify the board and president of each process, and any subsequent change to a process, to collect mandatory incidental fees that is established by the recognized student government.**

(b) The process may include a student body referendum conducted under procedures established by the recognized student government. Mandatory incidental fees collected under this section shall be allocated by the recognized student government.

(2)(a) The mandatory incidental fee, use of the fee or decision to modify an existing fee may be refused by the board or the president [*of a university under the board's control*] if the board or president determines that:

(A) The recognized student government assessed or allocated the mandatory incidental fees in violation of applicable local, state or federal law;

(B) The allocation conflicts with a preexisting contractual financial commitment;

(C) **Except as provided in paragraph (b) of this subsection,** the total mandatory incidental fees **proposed is** [*budget is an increase of*] more than five percent **higher than the mandatory incidental fees set for the prior year** [*over the level of the previous year*]; or

(D) The fee request is not **reasonably related to:**

(i) **The education of university students;**

(ii) **The instruction of university students;**

(iii) **Services for university students; or**

(iv) **The recreation of university students** [*advantageous to the cultural or physical development of students*].

(b) The mandatory incidental fee, use of the fee or decision to modify an existing fee may not be refused by the board or the president of a university based on:

(A) Considerations about the point of view that the funding seeks to advance; **or**

(B) Paragraph (a)(C) of this subsection, if the mandatory incidental fees collected or expended in the prior year were abnormally low due to a disruption of university activities related to a state of emergency declared by the Governor under ORS 401.165 or a state of public health emergency proclaimed under ORS 433.441.

(3) The recognized student government and the board shall seek to reach agreement on any dispute involving mandatory incidental fees, if necessary with the aid of mediation, prior to a decision by the board.

(4)(a) If an agreement is not reached, the board shall promptly provide written notice to the recognized student government of how the proposed mandatory incidental fee will be altered or if the proposed mandatory incidental fee will be rejected.

(b) The decision of the board may be appealed to the Higher Education Coordinating Commission by the recognized student government within seven days of the **recognized student government's receipt of the written notice of the board's decision**. The board shall submit its response within seven days of the appeal. The commission shall render its decision within *[seven]* 14 days of its receipt of the board's response.

(5) Mandatory incidental fees are not subject to ORS 352.102.

SECTION 2. ORS 341.470 is amended to read:

341.470. (1) As used in this section, "mandatory student-initiated fee" means a fee that:

(a) Is initiated by the recognized student government of the community college;

(b) Students are required to pay in addition to tuition fees;

(c) Is collected by the board of the community college; and

(d) Is allocated by the recognized student government of the community college.

(2)(a) The board for each community college shall collect mandatory student-initiated fees upon the request of the recognized student government of the community college to the president of the community college under a process established by the recognized student government *[in consultation with the board]*. The recognized student government shall:

(A) Make a good faith effort to collaborate with the board and president prior to finalizing any process to collect mandatory student-initiated fees; and

(B) Notify the board and president of each process to collect mandatory student-initiated fees that is established by the recognized student government.

(b) Mandatory student-initiated fees collected under this section must be allocated by the recognized student government.

(3) If the recognized student government makes a request under subsection (2) of this section for a new or increased mandatory student-initiated fee, the board may require a campus referendum in which the student body votes on whether to approve the fee. If a mandatory student-initiated fee is rejected by the student body in a referendum held under this subsection, the recognized student government may not request another mandatory student-initiated fee for the remainder of the academic year.

(4) A request for a mandatory student-initiated fee, use of the fee or decision to modify an existing fee may be refused by the president if the president determines that:

(a) The recognized student government assessed or allocated the mandatory student-initiated fee in violation of applicable local, state or federal law;

(b) The allocation conflicts with a preexisting contractual financial commitment; **or**

(c) The total mandatory student-initiated fees budget would increase by a percentage that is greater than the percentage increase in tuition and other fees approved by the board for the upcoming academic year[; *or*]

[(d) The fee request is not advantageous to the cultural or physical development of students].

(5) The recognized student government and the president shall seek to reach agreement on any dispute involving mandatory student-initiated fees, if necessary with the aid of a process established by the board, prior to a decision by the president.

(6) If an agreement is not reached, the decision of the president may be appealed to the board, which will render a final decision prior to the adoption, use or modification of a mandatory student-initiated fee.

SECTION 3. The amendments to ORS 341.470 and 352.105 by sections 1 and 2 of this 2021 Act apply to decisions by the recognized student government of a community college operated under ORS chapter 341 or of a public university listed in ORS 352.002 to establish mandatory student-initiated fees or mandatory incidental fees on or after the effective date of this 2021 Act.

Passed by House April 12, 2021

.....
Timothy G. Sekerak, Chief Clerk of House

.....
Tina Kotek, Speaker of House

Passed by Senate May 25, 2021

.....
Peter Courtney, President of Senate

Received by Governor:

.....M.,....., 2021

Approved:

.....M.,....., 2021

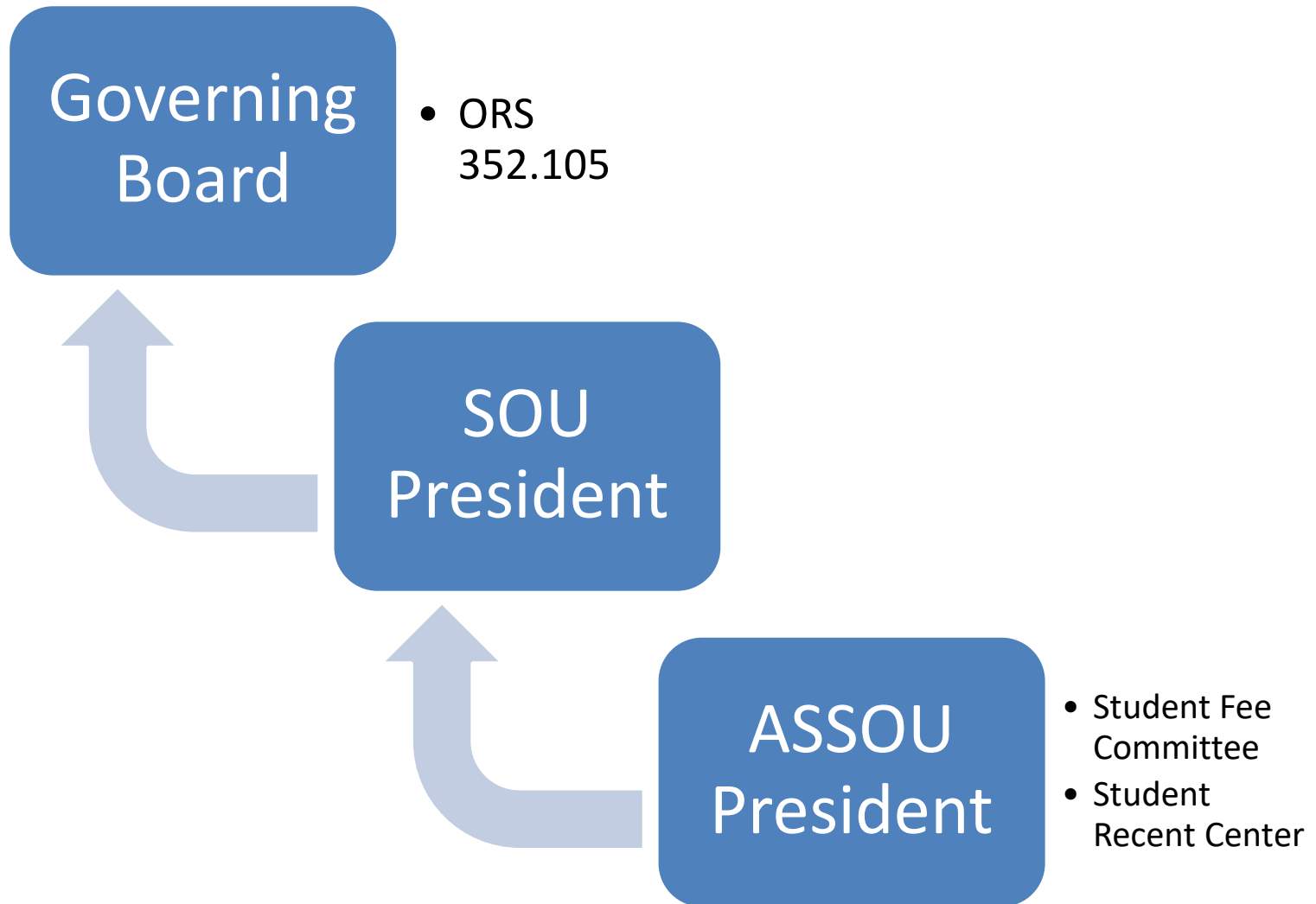
.....
Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2021

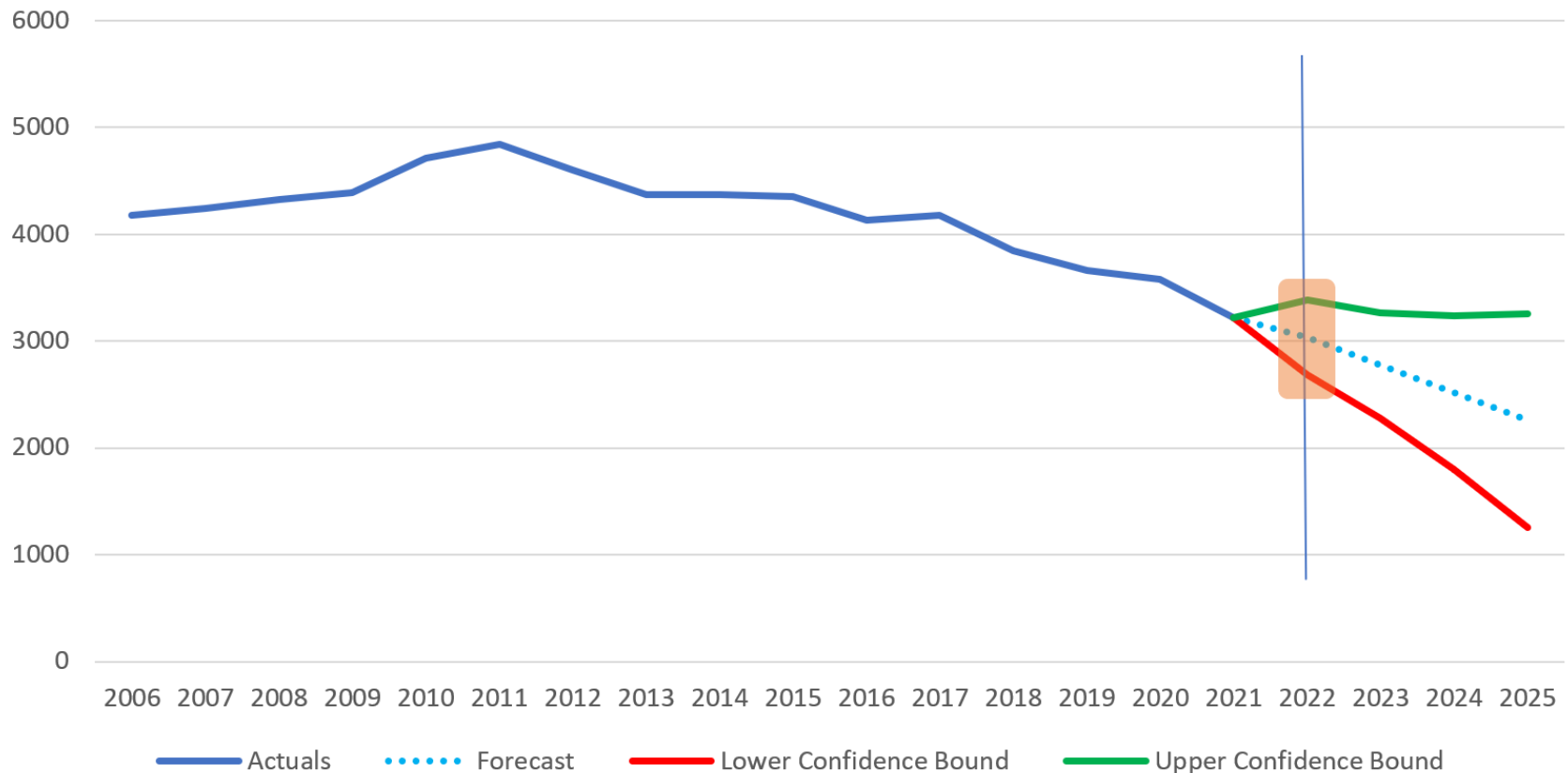
.....
Shemia Fagan, Secretary of State

Student Fee Process: Mandatory *Incidental* Fees



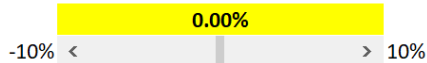
Student Fee Process: Modeling Art & Science of Forecasting

2006 - 2021 Fee Paying Headcounts
(with Projection to 2025)



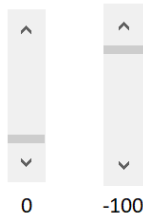
Student Fee Process: Modeling Art & Science of Forecasting

2021 <<--Forecast Year

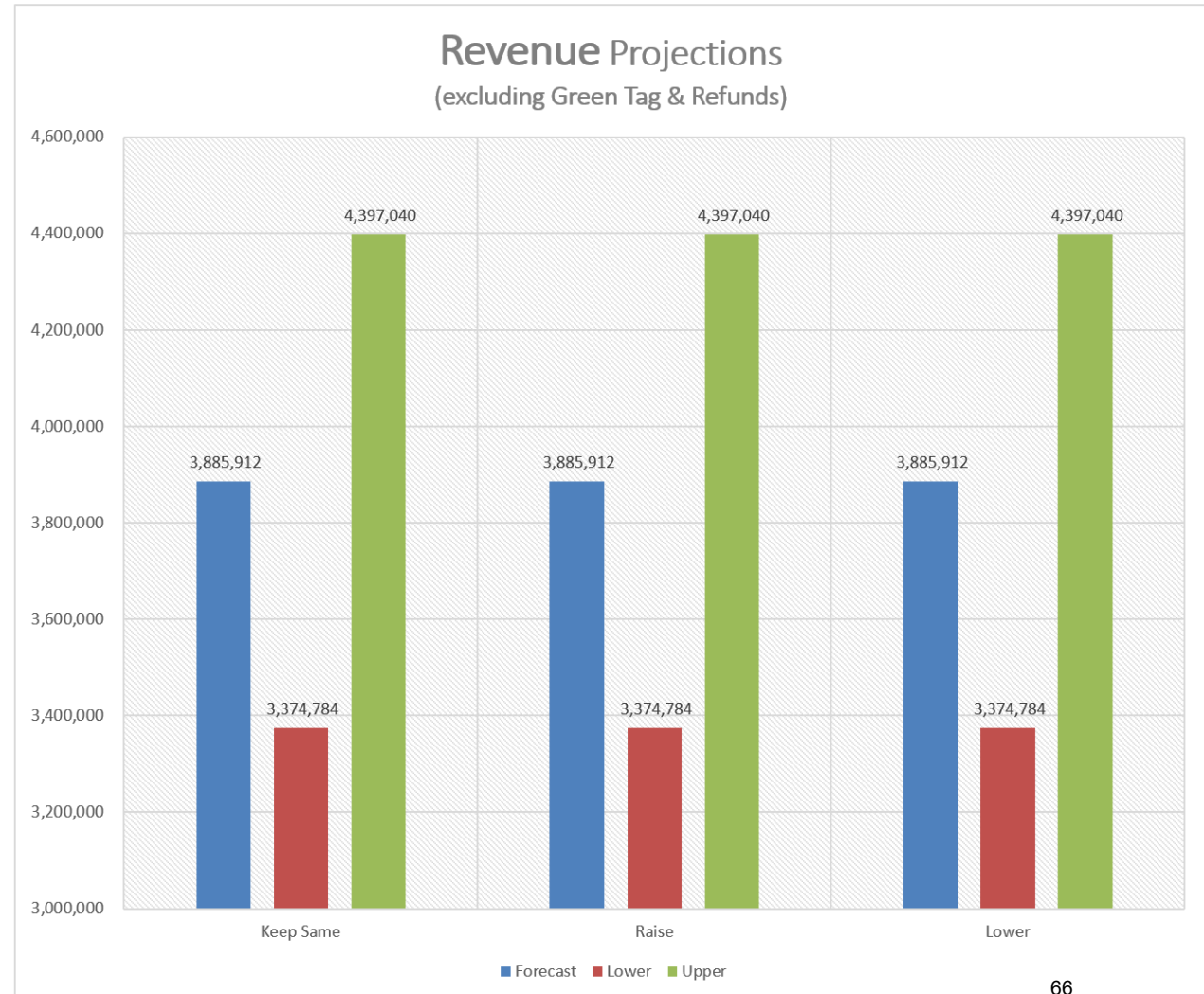


Headcount		Slider
Forecasts		Adjustment:
Forecast	3482	3482
Lower	3024	3024
Upper	3940	3940

Raise	Lower	Current Rate
372	372	372
100	0	



% Change -->



Oregon

The Competition Factor



	In-state Counts	Percentage	Rank
2021-22 High School Seniors*	41,880		30th
Institutions of Higher Education**	72		22nd
College Continuation***	28,882	69.0%	41st
Leave the State to Go to College***	5,514	13.2%	30th

	In-state Freshman***	Estimated Market Share^
Largest Institutions***		
Portland Community College	3,076	10.65%
Oregon State University	2,548	8.82%
University of Oregon	2,100	7.27%
Chemeketa Community College	1,977	6.85%
Clackamas Community College	1,478	5.12%
Total: 11,179		

† In-state institutions receiving the largest number of in-state freshmen.

†† Competition factor equals college continuation rate less number of students migrating and the three in-state institutions receiving the largest number of in-state freshmen.

Remaining Students	Remaining Institutions	Students Per Institution
12,189	67	182



Sources:

*Western Interstate Commission for Higher Education, *Knocking at the College Door: Projections of High School Graduates, 2020*, www.knocking.wiche.edu

**National Center for Education Statistics, IPEDS, 2020

***National Center for Education Statistics. Freshman Migration Data for 2018-19

Student Fee Process:

Mandatory *Incidental* Fees

- **Student Incidental Fee (including Green Tag)**
 - Recommended by ASSOU to the President
 - Recommended by the President to the Governing Board
 - Authorized by the Governing Board
 - Board Authority Modified via HB 3012 in 2021 Legislative Session

- **Student Recreation Center Fee**
 - Created by Student Referendum in 2012
 - Recommended by ASSOU to the President
 - Recommended by the President to the Governing Board
 - Authorized by the Governing Board – not included in HECC review/approval

TAC DOES NOT WORK ON THESE!

**Southern Oregon University
Board of Trustees**

RESOLUTION: Process for Establishing Tuition and Mandatory Fees

Tuition and mandatory fees are established annually by the Southern Oregon University Board of Trustees, in accordance with ORS 352.102, 352.105 and other applicable laws. When setting tuition and fees, the Board considers a number of factors, including the desire to: create access to degree programs and courses; create a diverse student body; maintain quality academic programs; encourage enrollment, retention and graduation of its students; maintain the university infrastructure necessary to support the academic, cultural and physical development of its students; promote sustainability of the university; and support the educational goals of the State of Oregon.

The Board of Trustees' consideration of tuition and mandatory *enrollment* fees will be based on the recommendation of the university President. In developing recommendations to the Board, the President will consider the advice of SOU's Tuition Advisory Council. The President also will consult with Associated Students of Southern Oregon University (ASSOU) and enrolled students in developing the recommendation to the Board. The President shall establish the process for student participation in the development of the recommendation. The President will report to the Board, the nature and outcomes of consultations with students and others, including relevant, significant disagreements, if any, and will share all written reports and minority reports, including recommendations, deliberations, and observations that are provided to the President by the Tuition Advisory Council. The President's recommendation will include considerations of historical tuition and fee trends; comparative data of peer institutions; the university's budget and projected costs; anticipated state appropriation levels; access and affordability, as well as any other factors deemed relevant to providing a recommendation.

With regard to mandatory *incidental* fees, and in accordance with applicable law, the Board of Trustees will collect student incidental fees upon the request of the recognized student government, ASSOU, under a process established by the recognized student government. ~~The President shall consult with ASSOU in their establishment of a process for requesting a recommendation on student incidental fees, and ASSOU shall put changes to such processes before the Board for further consultation. Consistent with applicable law, ASSOU shall: a) make a good faith effort to collaborate with the board and president prior to finalizing any process to collect mandatory student-initiated fees; and b) shall notify the board and president of each process and subsequent change to a process to collect mandatory incidental fees that is established by the recognized student government. Where possible, the board requests that the~~ President of the university ~~shall~~ review ASSOU's recommendation for student incidental fees before the Board authorizes, establishes or eliminates any such fees. Except in those circumstances where ORS 352.105(2) applies, the Board requests that the President and ASSOU submit a joint recommendation to the Board of Trustees of Southern Oregon University with regard to such incidental fees.

Southern Oregon University
Board of Trustees

RESOLUTION: Process for Establishing Tuition and Fees (Continued)

Further, in accordance with the Board Statement on Committees, the Finance and Administration Committee may consider matters pertaining to the financial, capital, and other assets of the university, including matters relating to tuition and mandatory enrollment fees.

Matters determined by the Finance and Administration Committee that require action are referred to the full SOU Board of Trustees for consideration. Now, therefore,

Be it resolved by the Board of Trustees of Southern Oregon University, that tuition and mandatory fees will be established pursuant to this process.

VOTE:

DATE: January 21, 2022

University Board Secretary

Diversity Scholarship Update

- Targeting a full 10% of total remissions dollars – among the largest % in the Western US
- Full use of RNL Financial Aid Leveraging
- Primary focus on OR Resident Students
- Goal of full Tuition & Fee coverage after all other aid applied



Next Steps

- Discussion about EDI data
- Explore and understand student debt (national picture and current student debt)

"Employer of Choice" Updates

Strategic Direction II

SOU will become an employer of choice and provide excellent service to all of its constituents.

Goal One SOU will develop...



An effective orientation,

- **2018** In-person New Employee Orientation
- **2019** Digital Onboarding Paperwork (Employees)
- **2020** Formalized Job Advertising Board & Digital Onboarding Paperwork (Student Employment)



training and professional development programs, as well as,

- **2019** [LinkedIn Learning](#) (online)
- **2019** [Partnership with Outreach & Engagement](#) (in-person)

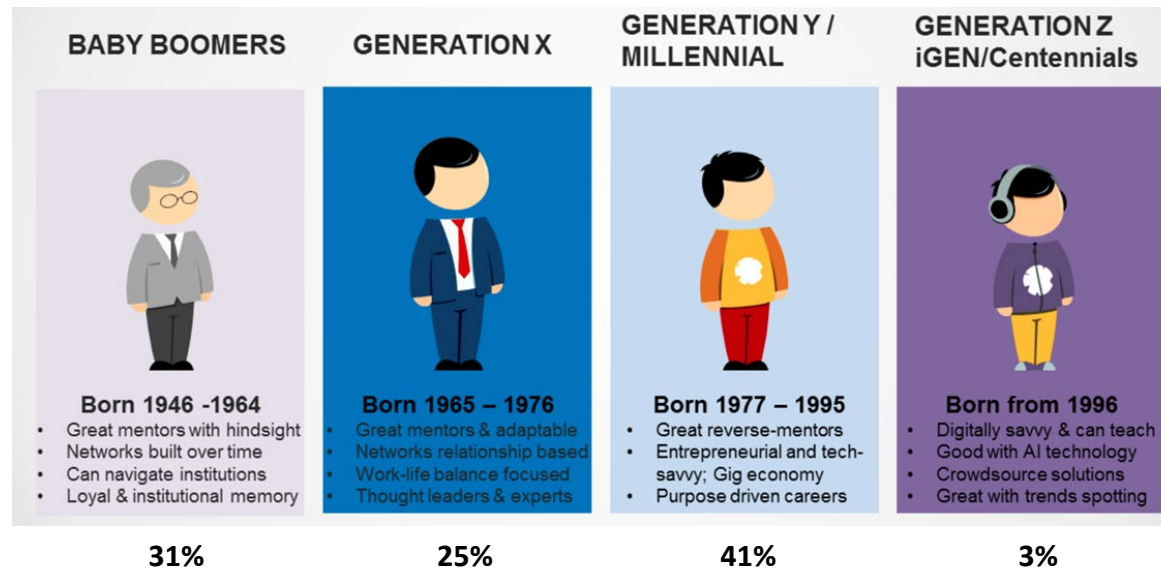


a performance management process that rewards employees for continuous improvement.

- **2018** [Outstanding Staff Award](#)
- **2019** [Culture of Service Excellence](#) (Training/Tools/Coins)
- **2021-2022** Staff Performance Management (PeopleAdmin)

How should SOU Human Resources design a progressive staff performance management program that engages, develops, and retains all staff generations in its workforce?

SOU WORKFORCE



Assessment



Culture

- Progressive discipline hesitancy
- No evaluation = satisfactory performance
- Limited performance evaluation accountability



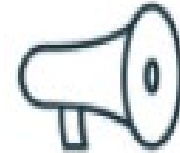
Process

- Performance reviews create stress and anxiety on both sides
- Time consuming
- Inconsistent ratings



Annual Performance Review

- Traditional year-in-review written feedback is far too late
- Completion Rate:
 - 100% when tied to merit (represented employees)
 - < 5% when not tied to merit (unrepresented)



Exit Interviews

- 35% received regular feedback about work
- 40% received written evaluations

Considerations & Resources



EAB

- EAB The Manager's Guide to Accurate Evaluations
- EAB Shift from Annual Performance Management to Continuous Feedback



- Feedback from SOU Employees, Supervisors, and Managers
- Cabinet approval to implement an electronic application to improve the employee and supervisor experience and promote a continuous feedback process that also tracks training and development opportunities.

Improving Employee Engagement Through Continuous Feedback

CURRENT PROCESS	NEW PROCESS (NOW PILOTING)	ADDED BENEFIT
Paper	Digital Process Reminders to Both Employees and Supervisors of Timelines	Environmentally Sustainable Knowing process in advance helps with preparation and reduces stress and anxiety
	Performance Ratings and Definitions Chart	Equitable Process Objectivity
Optional Employee Self-Evaluation	Optional Employee Self-Evaluation	(same)
	Optional Quarterly 3, 6, and 9 Month Check-ins Initiated by the Employee	Frequent/Continuous Feedback Allows for Timely Correction and Goal Setting Adjustments
Encouraged Annual Performance Evaluation When Not Contractually Required	Required Annual Performance Evaluation	Automatic Integration of Duties From Existing Certified Position Description = Less Administrative Time
Optional Employee Rebuttal	Optional Employee Rebuttal	(same)
		Dashboard of Completed Quarterly Check-ins and Evaluations (Reportable to Cabinet)

The Road Ahead

- Collect Feedback from Test Groups (Now Piloting)
 - Digital Staff Performance Management
 - Optional Quarterly Check-in 3, 6, 9 months
 - Annual
 - Internal Paper to Digital Workflow Process
- Design Training Materials
- Assess Any Shift to a New HRIS/ERP System

Employer of Choice Update

January 20, 2022

Finance and Audit Committee

In 2018, Southern Oregon University updated its Strategic Plan to become an inclusive, sustainable university for the future that guides all learners to develop the knowledge, capacities, and audacity to innovate boldly and create lives of purpose. In addition to the vision, mission, and values, seven distinct directions were identified and supported by twenty-two goals.

One area of significant focus has been Strategic Direction II: SOU will become an employer of choice and provide excellent service to all of its constituents, Goal One: SOU will develop effective orientation, training and professional development programs, as well as, a performance management process that rewards employees for continuous improvement.

Although Human Resources was able to quickly accomplish the first two elements of SDII, Goal I, within the first three years of the strategic plan's implementation, the third required more detailed and focus time. During 2021, Human Resources began assessing existing performance review processes and asked themselves "How can we best engage all staff generations in the workforce?" In doing so, several themes arose. First, our employee population is roughly 55% Baby Boomers and Generation Xers who are accustomed to the traditional year-in-review annual approach to performance evaluations, and approximately 45% of Millennials and Centennials who expect regular face-time and frequent goal setting conversations that verify they are on a path with visible upward mobility. Second, there is culture on-campus that if a performance review was not conducted the employee should expect their job was performed well. This resulted in progressive discipline hesitancy and much stress and angst on both sides when a review was given. Third, supervisors perceived the existing process as too time consuming and the data collected during employee exit interviews corroborated that only 35% felt they received regular oral feedback and 40% actually received a written evaluation.

To address these concerns, SOU HR took the current annual year in review process and digitized it by utilizing a third-party vendor. This allowed us to: integrate functionality that auto-populated job duties from the certified position description (which saved time); send reminders to both the employee and supervisor for awareness of the process and timelines (which relieved angst); and monitor a built in dashboard of real-time completion rates (allowing HR to proactively educate and coach accordingly). To meet the preferences of multiple generations in the workforce, SOU HR created a digital Optional Quarterly 3, 6, and/or 9 Month check-in process that is initiated by the employee to signal to their supervisor that they are seeking more frequent and continuous feedback, which begins with the employee providing their own self-assessment of their goals and accomplishments to date.

In addition to support from executive leadership and listening to the voice of our customers, the EAB resources entitled, "The Manager's Guide to Accurate Evaluations" and "The Shift from Annual Performance Management to Continuous Feedback" were instrumental to this program review.

The next step is to continue with the pilot groups and collect feedback on the new digital processes and optional check-ins. Once ready to fully deploy, HR will develop and rollout training sessions and procedural guides that meet supervisors at their comfort level so that the continuous feedback process becomes more of a conversation about meeting/setting goals and less about a year in review.

Future Meetings

Adjournment