



OFFICE OF THE BOARD OF TRUSTEES

Public Meeting Notice

October 13, 2022

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

FROM: Sabrina Prud'homme, University Board Secretary

RE: Notice of Regular Meeting of the Finance and Administration Committee

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

Topics of the meeting will include a vice president's report including an organizational update, a Higher Education Coordinating Commission (HECC) update, and transitions in Business Affairs Council. The committee will discuss financial sustainability including a revenue forecast and cost management efforts; a budget forecast and review of the financial pro forma; and the Core Information System Project update. Additional items will include a fall 2022 enrollment forecast and a budget forecast with a review of the pro forma; an update on the Core Information System Replacement Project; and a year-end investment report for the 2022 fiscal year.

Action items on the agenda include a consent agenda consisting of meeting minutes and the committee's financial dashboard; a Central Hall Phase 1.a contract award as well as Phase 1.b project expenditures; and a proposed 2023-2024 meeting schedule.

The meeting will occur as follows:

Thursday, October 20, 2022

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

Meese Room, Hannon Library, SOU Campus

Members of the public may view the proceedings at <https://sou.zoom.us/j/82034136519> at the time of the meeting.

Materials for the meeting are available at governance.sou.edu.

The Hannon Library is located at 1290 Ashland Street, on the Ashland campus of Southern Oregon University. **If special accommodations are required, please contact Christina Martin at (541) 552-8055 at least 72 hours in advance.**

Public Comment

Members of the public who wish to provide public comments for the meeting are invited to sign up to speak or to submit their comments in writing at least 24 hours in advance of

the meeting to the Board of Trustees email address: trustees@sou.edu. Public comments also may be delivered by hand or mailed to SOU Board of Trustees, 1250 Siskiyou Boulevard, Churchill Hall, Room 107, Ashland, OR 97520.



Board of Trustees
Finance and Administration Committee Meeting
October 20, 2022

Call to Order / Roll / Declaration of a Quorum



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

**Thursday, October 20, 2022
4:00 p.m. – 6:00 p.m. (or until business concludes)
Meese Room, Hannon Library, SOU Campus
Zoom: <https://sou.zoom.us/j/82034136519>**

AGENDA

Persons wishing to provide public comment in the meeting or in writing may sign up at trustees@sou.edu.
Please note: times are approximate and items may be taken out of order.

- | | | | |
|---------|----------|---|--|
| | 1 | Call to Order/Roll/Declaration of a Quorum | Chair Shaun Franks |
| | 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 Franks |
| | 2 | Public Comment | |
| 5 min. | 3 | Consent Agenda (Action) | |
| | 3.1 | May 19, 2022 | Chair Franks |
| | 3.2 | June 17, 2022 | |
| | 3.3 | Finance Committee Dashboard | |
| 10 min. | 4 | Vice President's Report | Greg Perkinson, SOU, Vice
President for Finance and
Administration |
| | 4.1 | Organizational Updates | |
| | 4.2 | Higher Education Coordinating Commission
Updates | |
| | 4.3 | Transitions in Business Affairs Council | |
| | 5 | Action, Information and Discussion Items | |

**Southern Oregon University
Board of Trustees
Finance and Administration Committee Meeting
Thursday, October 20, 2022**

AGENDA (Continued)

35 min.	5.1 Financial Sustainability	President Bailey; Greg Perkinson; Josh Lovern, SOU, Director, Budget and Planning
	5.1.1 Revenue Forecast	Greg Perkinson; Dr. Neil Woolf, SOU, Vice President for Enrollment Management and Student Affairs; Josh Lovern
	5.1.2 Cost Management Update	Greg Perkinson; Janet Fratella, SOU, Vice President for University Advancement and Executive Director of SOU Foundation
15 min.	5.2 Budget Forecast and Review of Pro Forma	Greg Perkinson
10 min.	5.3 Core Information System Replacement Project Update	Greg Perkinson; Tom Battaglia, SOU, Chief Information Officer
20 min.	5.4 Fiscal Year 2022: Year-End Investment Review	Penny Burgess, USSE, Executive Director and Treasury Management Services Director
20 min.	5.5 Facilities and Capital Projects Update	Greg Perkinson; Leon Crouch, SOU, Director, Facilities Management & Planning
	5.5.1 Central Hall Phase 1.a Contract Award and Phase 1.b Project Expenditures (Action)	
5 min.	5.6 Proposed 2023-2024 Meeting Schedule (Action)	Chair Franks
	5.7 Future Meetings	Chair Franks
	6 Adjournment	Chair Franks

Public Comment

Consent Agenda

**Board of Trustees
Finance and Administration Committee Meeting
Thursday, May 19, 2022**

MINUTES

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

Committee Chair Sheila Clough called the meeting to order at 4:02 p.m. She welcomed everyone to the meeting and thanked presenters and special guests including Tom Battaglia, Toya Cooper, Ashley King, Josh Lovern, student Sarah Ross, Jill Smedstad, Patricia Syquia-McCarthy, and Rebecca Walker.

Vice President Greg Perkinson read the SOU Land Acknowledgment.

Board Secretary Sabrina Prud'homme called the roll and a quorum was verified.

Committee Members:

Sheila Clough	Present	Bill Thorndike	Present
Shaun Franks	Present	Steve Vincent	Present
Lyn Hennion	Present		
Mimi Pieper	Absent		

Other trustees in attendance: Daniel Santos, Paul Nicholson, President Rick Bailey

Public Comment

No members of the public provided comments.

Consent Agenda (Action)

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

Vice President's Report

Vice President Greg Perkinson first discussed state revenues, noting that it was an "astronomical tax season," with \$2.3 billion more than was forecasted in March. A discussion followed about the importance of advocating for a share of this money.

Mr. Perkinson reported on the Higher Education Coordinating Commission (HECC) meeting and the Oregon Public Universities' consolidated funding request. He provided capital updates including that HECC's scoring rubric for the capital projects SOU submitted should be finished in early June and that the deferred maintenance allocation is increasing to about \$90 million. He expects around \$5 million for SOU if it is approved. Trustee Vincent advised that deferred maintenance can support underrepresented and disadvantaged students by improving family housing and increasing ADA compliance, thereby, improving SOU's goals in the areas of equity, diversity and inclusion (EDI) and improving SOU's scoring.

Enterprise Resource Planning (ERP) and Student Information System (SIS) Update

Vice President Perkinson highlighted key concepts of the ERP software and implementation as well as transitioning from SOU's legacy system, Banner. The transition will cost \$7.4 million that would be spread over 3.5 years. Board approval will be necessary because of the cost of the contracts.

Mr. Perkinson emphasized that he was not asking for Board approval now but was setting the foundation for the Board's thinking. Discussion ensued regarding how to finance the project and what benefits will be realized. Board Chair Santos noted that a special meeting will be necessary.

Perkinson reviewed the ERP financing strategy which included HECC support, taking out a "bridge loan" of \$3.2 million for year-one, requesting \$6.4 from the legislature, and tracking estimated savings of \$8 million over ten years.

Integrating Equity, Diversity, and Inclusion into the Supply Chain

Mr. Perkinson stated that he would refer to a panel of experts to help with this discussion and encouraged trustees to ask questions. He set the stage for this discussion by stating that about 2.5 years ago, when the Business Affairs Council established the wildly important goal of financial sustainability, the number one sub-goal of that was tied to studying and improving the procurement process. This study led to the information system replacement project. He and the aforementioned meeting guests reviewed slides pertaining to sustainable purchasing. He then asked Vice President Cooper for a high-level sense of EDI and its relation to the supply chain.

Vice President Cooper summarized that it signals to the outside world what is important, meaningful, and tangible—and touches people through the pocketbook. Supply chain diversity is not new but has come to light more over the last few years due to the civil unrest our country has faced. It is how companies indicate how black lives matter, for example, and how to support other businesses owned by women, minorities, and others.

Mr. Perkinson stated that SOU developed a sustainability and procurement policy and asked that the panelists talk about that process and how to enact it. Ashley King in purchasing explained how the policy will help the team and the members of campus to be more mindful about purchasing. She talked about educating campus and vendors on how to work with SOU. Patricia Syquia McCarthy in contracts, risk management, and the EDI team spoke about the process of requests for proposals, including language that speaks to SOU's values, and asking vendors to include their mission as it relates to SOU's values. She also spoke about building relationships with vendors. Becs Walker in sustainability discussed environmental sustainability in purchasing and stated that procurement and consumerism are about paying for the world you want to see. Chief Information Officer Tom Battaglia described how Workday aligns with the university's EDI values.

Trustees commended these efforts, committed to work alongside the university, and appreciated the triple bottom line approach. Trustee Thorndike asked if SOU's process required vendors to identify as B-corps. Ms. King said no but it could easily be implemented and Mr. Perkinson said he would explore the possibility.

Financial Sustainability

Vice President Perkinson reminded the committee of Strategic Direction 5 which is to "maintain financial stability and invest for institutional vitality." President Bailey added that long-term financial stability does not mean "let's rely on tuition." He stated that this is an intentionally diverse set of enterprises to answer the call for this strategic direction. Mr. Perkinson offered cost management as the first example and cited SOU's 97 vacant positions and the sobering conversations about which ones need to be filled. He stated that

cost management is just one of the four activities proposed and others include alternative revenue streams. President Bailey talked about grants and his belief that there is an opportunity to leverage a lot more federal funding by incentivizing employees to secure grants. He also talked about how to leverage philanthropy to support financial stability. He said that although it's not an exhaustive list, there are four activities every stakeholder has to be a part of. These include: 1) enrollment, we all have to be recruiters; 2) student success, we all need to ensure students are thriving; 3) culture, there needs to be unity and kindness; and 4) fiscal responsibility.

Looking at Education and General revenue and expenses over time, Mr. Perkinson noted that the future forecast assumes that the vacant positions are filled. Josh Lovern talked about expenses over time, with student credit hours (SCH) over time, which is declining.

Draft Budget for Fiscal Year 2022-23

Transitioning to the budget and pro forma, Greg Perkinson focused on bad debt and noted that increase from \$800,000 to \$1.2 million makes a difference. He reminded the committee that the financial grace given to students during the pandemic contributed to this and that only 20 percent of the \$10 million dispersed to students was returned to SOU. He expressed the delicacy of collecting this revenue while still keeping students engaged. Vice President Woolf clarified that students could not use the federal money they received for institutional debt or account balances until the third iteration of the program.

Continuing coverage of the pro forma, Vice President Perkinson explained that SOU has about \$1 million from the sale of three houses in miscellaneous revenue that is sitting in a reserve account until a decision is made on how to allocate it. He also pointed out that supplies and services (S&S) is exceeding projections. These and other factors contribute to closing the year with an 8.53 percent fund balance.

Vice President Perkinson and Josh Lovern gave further details on the pro forma and draft budget showing the summary of expenditures by fund: \$67,988,300 in budgeted operations; \$15,002,274 in auxiliary operations; and \$5,538,012 in designated ops and service centers for total expenditures of \$88, 528,286. They talked about the significant expense savings during the pandemic that were a result of furloughs, restrictions on travel, and vacancies in 2020 and 2021, which would not continue. They also reviewed the assumptions and key observations underlying the budget, as presented in the materials.

Chair Clough observed that revenues are lower than expenses, which is a scary. Discussion ensued regarding the employee vacancy factor, the accessibility of other fund reserves, the Workday project, last year's deficit budget, and the overall shortfall. Trustees expressed serious concerns about the draft budget and hoped to see one in June that is better than a \$4M deficit. Vice President Perkinson liked the idea of bringing scenarios to the board and said one scenario could be where SOU allocates cost reduction targets similar to three years ago. Trustees supported the idea and expressed confidence in the SOU team.

Future Meetings

Chair Clough said the next Finance and Administration Committee Meeting will take place on Thursday, June 16, 2022.

Adjournment

With no further business proposed, Chair Clough adjourned the meeting at 6:00 p.m.

**Board of Trustees
Finance and Administration Committee Meeting
Thursday, June 16, 2022**

MINUTES

Call to Order/Roll/Declaration of a Quorum

Committee Chair Clough called the meeting to order at 4:00 p.m. She welcomed everyone to the meeting and thanked presenters and guests. She announced that Trustee Hennion would be unable to participate on the committee going forward, expressed deep appreciation for her, and wished her the best.

Board Secretary Sabrina Prud'homme called the roll and a quorum was verified.

Committee Members:

Sheila Clough	Present	Bill Thorndike	Present
Shaun Franks	Present	Steve Vincent	Present
Lyn Hennion	Absent		
Mimi Pieper	Present		

Other trustees in attendance: Daniel Santos, Jonathon Bullock, President Rick Bailey

Public Comment

No members of the public provided comments.

Consent Agenda (Action)

Due to issues of capacity, there were no minutes to approve. Trustee Franks moved to approve the consent agenda as presented. Trustee Vincent seconded the motion and it passed unanimously.

Vice President's Report

Vice President Greg Perkinson reviewed the financial dashboard and noted that \$3.3 million of federal relief funds were placed in the Education and General fund (E&G) in March. With these federal funds and some additional labor savings, it is anticipated that SOU's ending fund balance will come in at just over \$5 million. He reported that funds are up substantially from the prior year because of increased occupancy in housing and the \$9.5 million in federal relief, which are offset by declines in enrollment revenue, which was attributed to COVID. He also discussed expenses and the overall cost increases which included labors costs, other personnel expenses (OPE), and supplies and services.

The vice president reported on a reorganization and promotion of Robert Gibson in Campus Public Safety to shore up that department's vacancy in the director position. He updated the committee on the Higher Education Coordinating Commission and the positive economic outlook for revenues as well as anticipated cost escalations of 8.7 percent in order to maintain current service level. He also updated the committee that SOU's projects scored as numbers 5 and 6 in the capital projects prioritization, which is good. This means that as the legislature considers capital investment, they would need to appropriate enough authority to sell bonds to get to this level on the list. Regarding the information system replacement, there was a question from the committee on whether this funding could be used for technology upgrades and President Bailey said that IT projects would be at a disadvantage in the scoring rubric.

Action, Information and Discussion Items

Core Information System Replacement (CISR)

It was noted that the committee and the board have been discussing the Banner replacement for about six months. Both the Enterprise Resource Planning and Student Information System sides of the information system are scheduled to be replaced. The committee needs to make a recommendation to the board on three actions: Workday Product Contract Award; Workday Implementation Contract Award; and Workday Project Financing Authorization.

Vice President Perkinson quickly reviewed prospective outcomes, anticipated costs, and return on investment resulting from a transition to Workday. The annual cost for the ten-year contract is an estimated \$832,000 per year with an annual uplift of 2 percent per year. This contract has a conservative annual savings of more than \$700- to 800,000 annually.

Term sheets have been requested from several financial institutions for scenarios of \$10 million in funding. These included potential conservative amortization schedules that were modeled at 4.5 percent for which the savings would begin in 2026. Summarizing the financing strategy, Mr. Perkinson noted that SOU would seek a loan for \$10 million over 10 years and in parallel, request \$7.4 million from the legislature for years two through four. The university also would track savings over 10 years and repay the loan.

Of the bids received on the project, Chief Information Officer Tom Battaglia affirmed that Alchemy was second lowest; performed the most successful higher ed conversions; and is most mature at these implementations. It is a time and materials bid and the implementation is nearly as expensive as the software itself. He noted that there are no penalties for early payment.

President Bailey acknowledged that the timing is challenging for this conversation considering SOU's budget and fiscal challenges. However, he asked that the committee consider Workday and the implementation as a cost management project and to consider the cost of not doing the project and staying with an antiquated system for ten more years. Mr. Battaglia estimated that the savings would be roughly \$12 million. Discussion continued around the funding and cost savings of the project, length of the transition, concerns about how to finance it, the amortization and cost savings schedule, use of savings and loan proceeds to pay the obligations, and early payoff. The committee shared significant concerns about financing this project given SOU's current financial condition.

The committee did not act on the agenda item and it was decided that a special meeting of the board would need to be called to approve the Workday contract, implementation of Workday with Alchemy, and the terms and conditions of financing, once it has been secured.

Financial Sustainability

Vice President Perkinson reviewed Strategic Direction five: to maintain financial stability and invest for institutional vitality. President Bailey said the key to success would be to attack both sides of the revenue and expense equation. Similar to past meetings, the highlights of this strategy included cost management; working the four alternative revenue sources, and refocusing on grants and philanthropy.

Revenue Update

Vice President Neil Woolf provided an in-depth update on enrollment as a revenue driver. An important takeaway was that total applications and admits are up over the previous year

although overall enrollment is down, impacting revenue. Vice President Perkinson reviewed the distribution of SOU's projected revenue streams for FY 23: 39 percent state funding; 51 percent tuition; 6 percent fees; and 4 percent miscellaneous revenues. President Bailey reminded trustees of the alternative revenue streams that are being considered including: solar energy production; Cascade Housing Project; a University District Business Accelerator, and the Pacific Northwest Workday Training Center.

Lovern reported on the cost drivers and indicated they matched HECC's cost drivers as well. With 78 percent of the total expense portfolio comprised of labor and OPE, and cost escalations in supplies and services, there is very little flexible spending but costs must be managed. Trustee questions centered on how cuts would impact students and where SOU is in the retirement cycle, as that's one of the biggest drivers of costs going forward.

Review of Pro Forma

Vice President Perkinson provided an update on the pro forma noting key differences since the May meeting. There was an improvement in miscellaneous revenue, particularly from a housing transfer, and the ending fund balance is now projected to be \$6.5 million or 10.61 percent. Discussion ensued on what happens to these monies going into the next fiscal year.

Fiscal Year 2022-23 Budget (Action)

Mr. Perkinson presented a summary of FY 23 expenditures by fund, comparing 2021 actuals, the FY 22 adopted budget, the FY 22 year-end projections, and the FY 23 proposed budgets for the three fund types. Vice President Perkinson and Josh Lovern gave further details on the pro forma and draft budget showing the summary of expenditures by fund: \$64,973,761 in budgeted operations; \$13,246,543 in auxiliary operations; and \$5,721,413 in designated operations and service centers for a total expenditure budget of \$83, 941,717, cutting at least \$3.7 million out of the budget

President Bailey acknowledged that as fiduciary agents of the institution, the board charges the university with achieving the targets. Trustees discussed that with this budget, the institution will have to find a combination of revenues and expense management to total \$3.7 million in order to get to an even budget for this year.

Trustee Vincent made a motion to approve the resolution to recommend the adoption of the Fiscal Year 2022-2023 budget. Shaun seconded the motion, and following a roll call vote, the motion passed unanimously.

Future Meetings

The next committee meeting will take place on Thursday, October 20, 2022. Chair Clough asked that if members of the committee have agenda items for to send topics they would like to see on that agenda, please submit them.

Adjournment

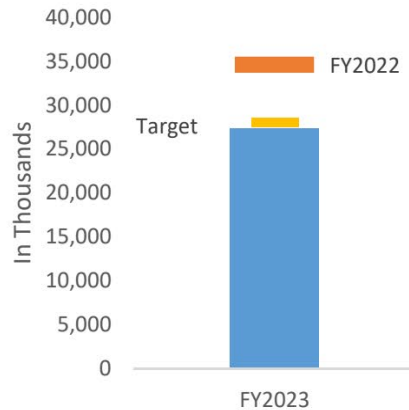
There being no further business, Chair Clough adjourned the meeting at 6:14 p.m.

Financial Dashboard

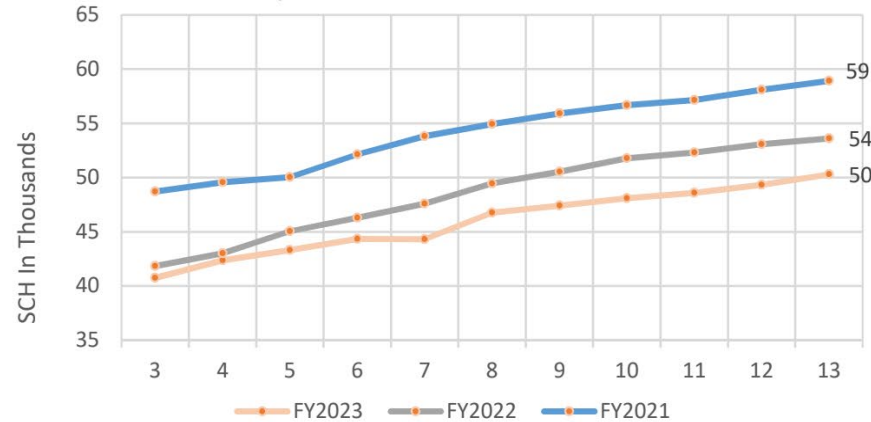
For FY2023

As of September 30, 2022

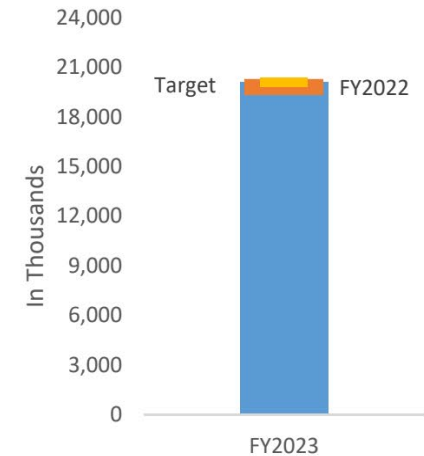
Public University Funds Operating Cash



Total Student Credit Hours by Week of the Fiscal Year



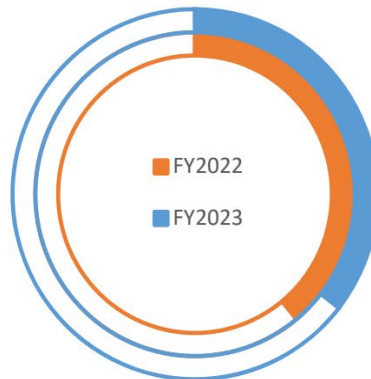
E&G Fund Balance



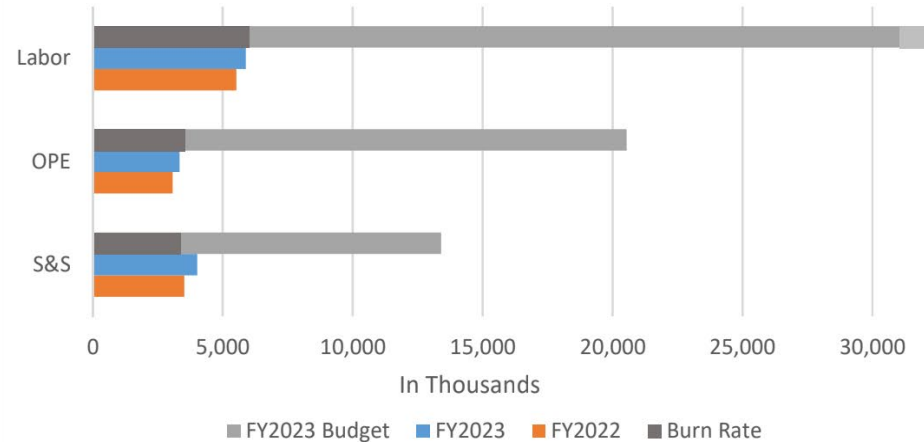
**"Institution" portion of
Federal Relief Funds
in hand.**

\$3.3m allocated to E&G during July.

E&G YTD Revenues



E&G YTD Select Expenses



Finance Dashboard

Notes and take-aways (for read ahead file)

- \$3.3m of federal relief funds were transferred to Education and General fund (E&G) in July (this shows up as a "transfer-in" from the federal fund)
- With federal funds in E&G; cost reduction targets; additional housing transfer and increased revenue projection, anticipate we'll still come in just over \$7.2m ending fund balance (EFB) (around 11% of EFB metric)
- Cash (all funds): not meeting 'target', but partially due to funds being help in reserve by Collegiate Housing Foundation (CHF)—overall down \$7m
 - CHF is sitting on a \$4.6m surplus fund / reserve (as part of the refinancing package for North Campus Village); \$1.8m will be disbursed this year.
 - Occupancy in Housing is strong (exceeding projections)
- Student Credit Hours: Enrollment declines continue, but are 'variable'
- Expenses: Compared to the last year, spending is up due to elimination of furloughs.
 - total labor costs (YTD) expected to increase about 7.4%;
 - OPE is up by 8.6%; and
 - Supplies and Services spending is up approximately 14.3%...expecting to taper off through the year

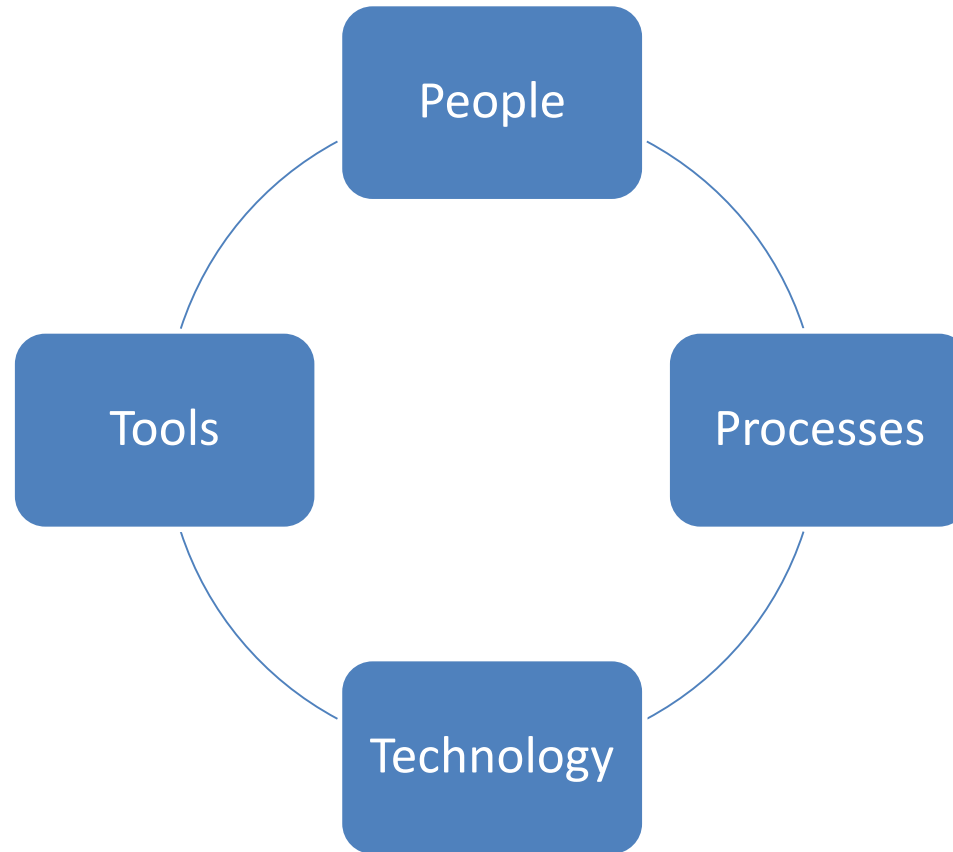
Vice President's Report

Roadmap for Vice President's Report



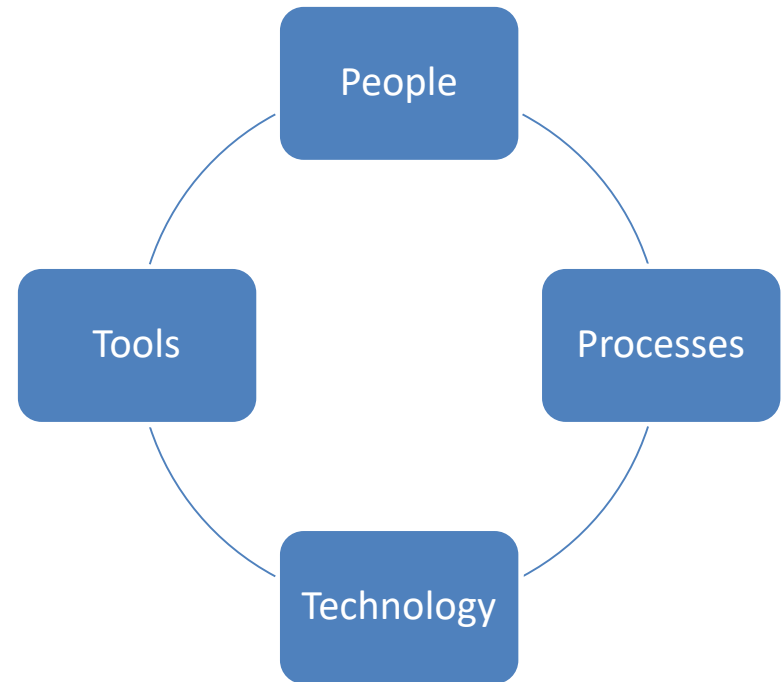
- Organizational Update
 - Sustainability and Facilities Management and Planning (FMP) reorg
- Higher Education Coordinating Commission (HECC) Update
 - Excerpts from Funding and Achievement Subcommittee
 - Student Success and Completion Model (SSCM) updates
- Transformation in Business Affairs Council (BAC)

Model for Transformation



Transforming Business Affairs (BAC)

- Workday is a blueprint...
 - Technology improvement
 - Industry standard processes
 - Optimizing ... creating efficiency
 - New Baseline for KPIs
- BAC People discover, learn and implement...
- Facilities (Physical Plant business model) and Housing (Auxiliary) are next

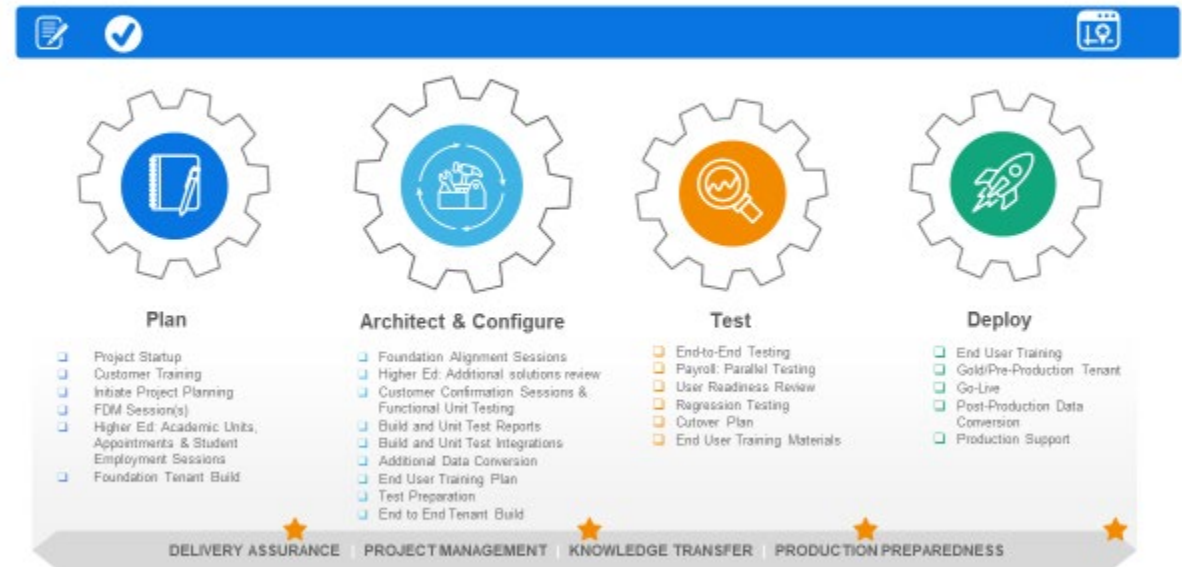


Spoiler Alert...

Workday is a Transformation Enabler

Charts from the 8/17/22 CISR project kickoff meeting are included in the read-ahead materials

Workday Launch



Financial Sustainability

"All hands on deck"

Strategic Direction 5 (SD5)

Reminder



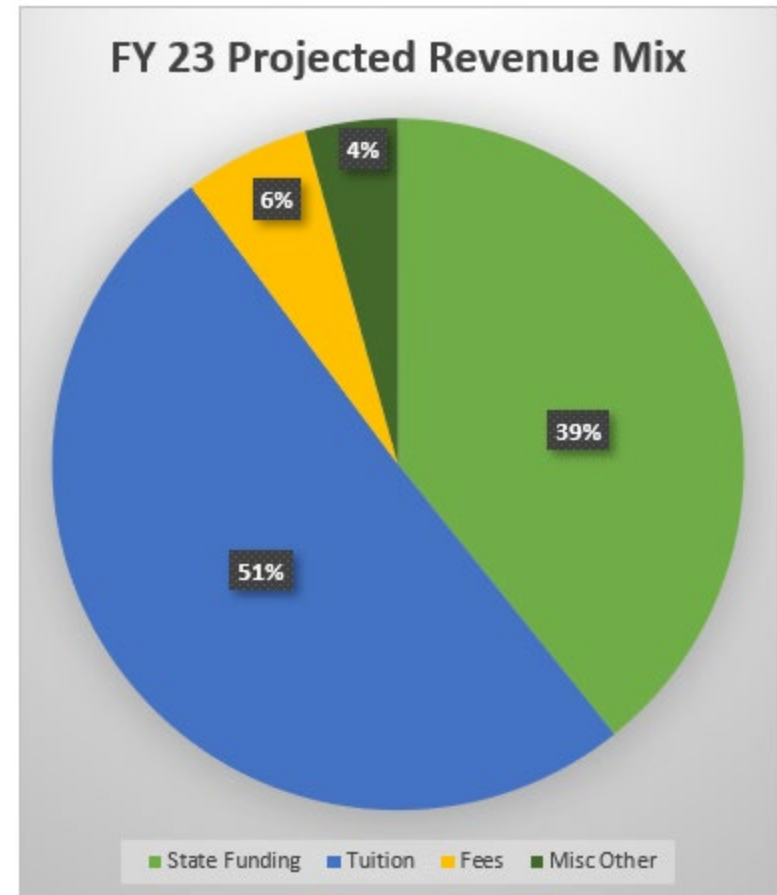
Financial Sustainability

- Definition: **SOU will maintain financial stability and invest for institutional vitality.**
 - Key to our success: attack both sides of the revenue / expense equation
-
- Revenue Forecast
 - Cost Management (Expense side of the equation)...not explicit in the original definition

Revenue Forecast

FY23 E&G Revenue Streams

- Enrollment Projection
 - No changes to model after Spring Term review
- State Funding
 - 51% of biennium
 - Benefits Navigator
- Miscellaneous Revenues
 - Growth in fees and land lease
 - Offset by bad-debt allowance



Enrollment Update Fall 2022

Student Headcounts Fall 2021 Week Ending 10/10/21 vs. Fall 2022 Week Ending 10/9/22 3 Weeks After Start of Term

	Fall 2021	Fall 2022	Change	% Change
New Freshmen	507	556	49	9.7%
New Transfers	364	282	-82	-22.5%
New PostBacs/Graduates	188	149	-39	-20.7%
Subtotal - New Students	1,059	987	-72	-6.8%
Continuing Students	2297	2105	-192	-8.4%
Returning Students	364	278	-86	-23.6%
Non-Admitted Students	733	649	-84	-11.5%
Grand Total - Headcount	4,453	4,019	-434	-9.7%
Grand Total - FTE	3,162	2,936	-226	-7.1%
Resident	3,066	2,797	-269	-8.8%
Non-resident	1,387	1,222	-165	-11.9%

From Academic and Student Affairs Committee: Revenue Enhancement Projects: Summary & Implications

Introduction:

We've been working diligently for the past year to:

- Enhance understanding of the intricacies of SSCM
- Ensure we're capitalizing on the system and are already getting "credit" for what we do
- Identify and make immediate progress on enhancements to our funding

Focal points thus far:

- State-level SSCM Technical Review Group
- Senior and staff audits
- CIP codes
- Bilingual Education



Summary:

- Increased accuracy/understanding of the model
- Enhanced funding through SSCM
- Leverage funding for activities we're doing regardless
- Effectively use our internal expertise to SOU's advantage
- Additional curricular developments forthcoming



Projected Revenue Increases, FY 23 and 24

Source	FY 23 (\$m)	FY 24 (\$m)	Remarks
Housing transfer to E&G	\$1m	~ \$1m (TBD)	Refinancing North Campus Village (the Project) created liquidity
PERS rate change for E&G		\$ 0.7m	In E&G pro forma
Deferred Maintenance (CI&R) bump for cost escalation	~ \$2m		Plant fund, used for Capital; awaiting final amount
SSCM refinement for E&G	\$ 0.6m	???	Could be recurring...TBD

Alternative Revenue Streams

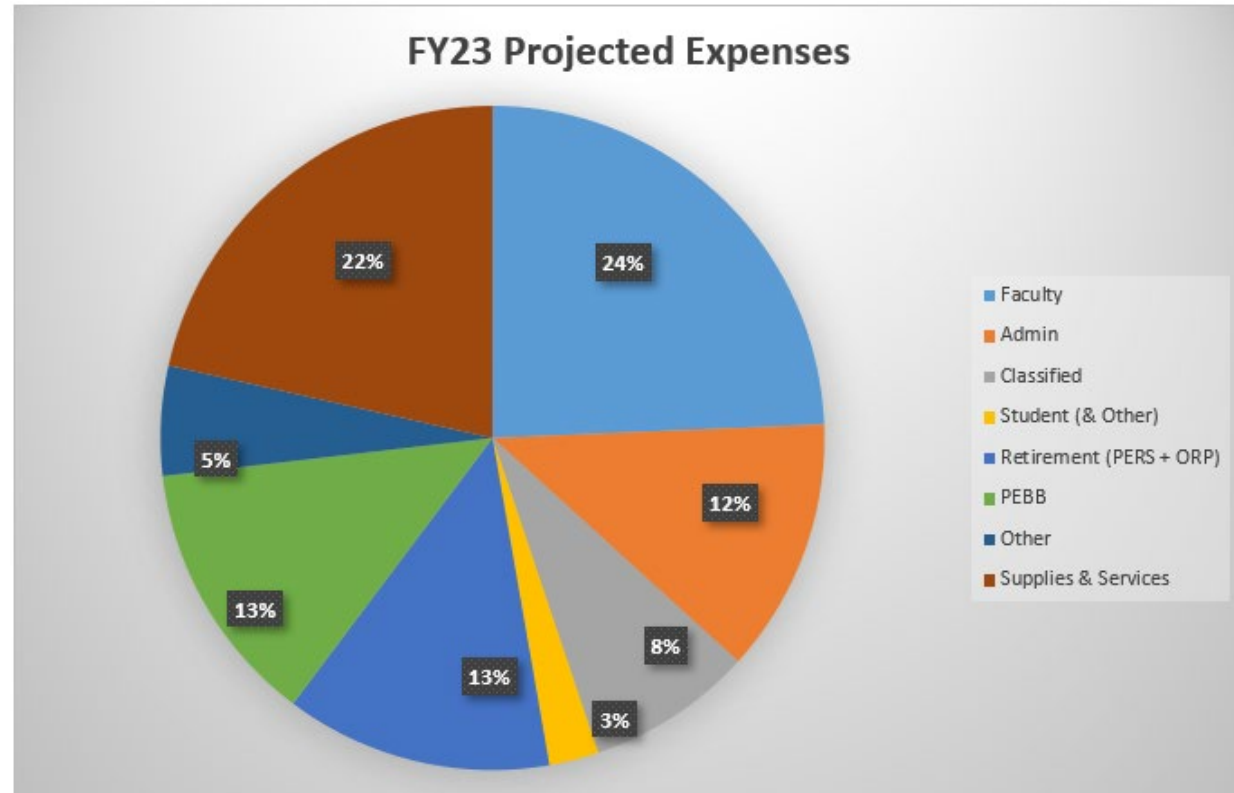
Verbal Update

- ✓ Solar Energy Production
 - Internal Campus
 - External Community Scale
- ✓ Cascade Housing Project
- University District Business Accelerator
- PNW Workday Training Center

Cost Management Update

FY23 E&G Expense Elements

- Labor & OPE
Comprises 78% of
total expense
portfolio
- Very little flexible
spending available
- S&S costs
escalating



Exploring Cost Management

Status:

- ✓ Identified quantitative and qualitative factors for each division
- ✓ Outlined ‘operating rhythm’ for town hall communications and breakout sessions
- ✓ Discussed high-level plan with advisory group (Faculty Senate / ASSOU / Staff Assembly)

Next Steps:

- Formalize programmatic analysis documents / strategy
- Present to board for discussion / consensus

Changing the Cost Model (Road Map)



- Reduce Operating Costs
 - \$1M in electrical savings through solar energy
 - \$700-800K/year in information management system costs through CISR project
- Programmatic Analysis (PA)
 - Changing the recurring cost-base
- Methodology and Discussion

Sample Programmatic Analysis

Business Affairs (VPFA Portfolio)

- Quantitative analysis based on organization size, complexity and seven “workload factors” (see excel file)
- Twenty-three qualitative factors used for academic support programs (see document)
- Workday “discovery” (processes and data) key for HR, Payroll, Finances, Budget, and IT
- Implement new operations (industry best practices) and configure “order of operations” to optimize service

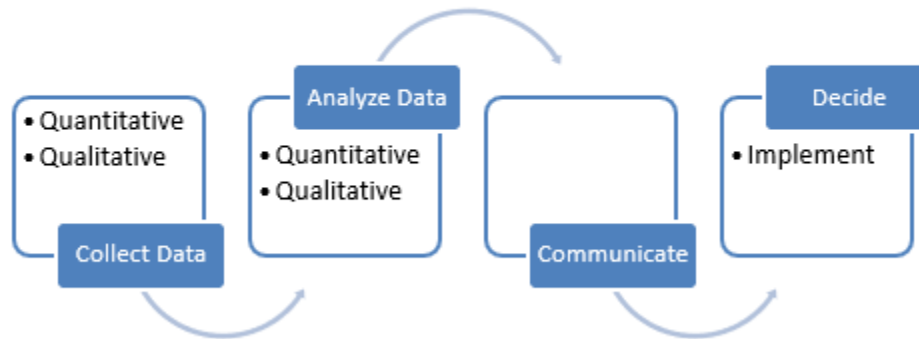
Business Affairs Program Analysis and Cost Management

The paper outlines the process and criteria for determining cost reductions and opportunities for revenue generation in Finance and Administration. Ultimately, our program analysis is about TRANSFORMING how we deliver services in Business Affairs.

The four key elements of the transformation are People, Processes, Technology and Tools. The Core Information System Replacement (CISR) will enable new technology (Workday) to enable or drive process optimization and the re-training of our people who serve the University. See Appendix One for a high-level overview of Workday launch (which summarized the process flow)

As we consider the cost management 'program analysis', it will unfold using this methodology:

High-level process flow

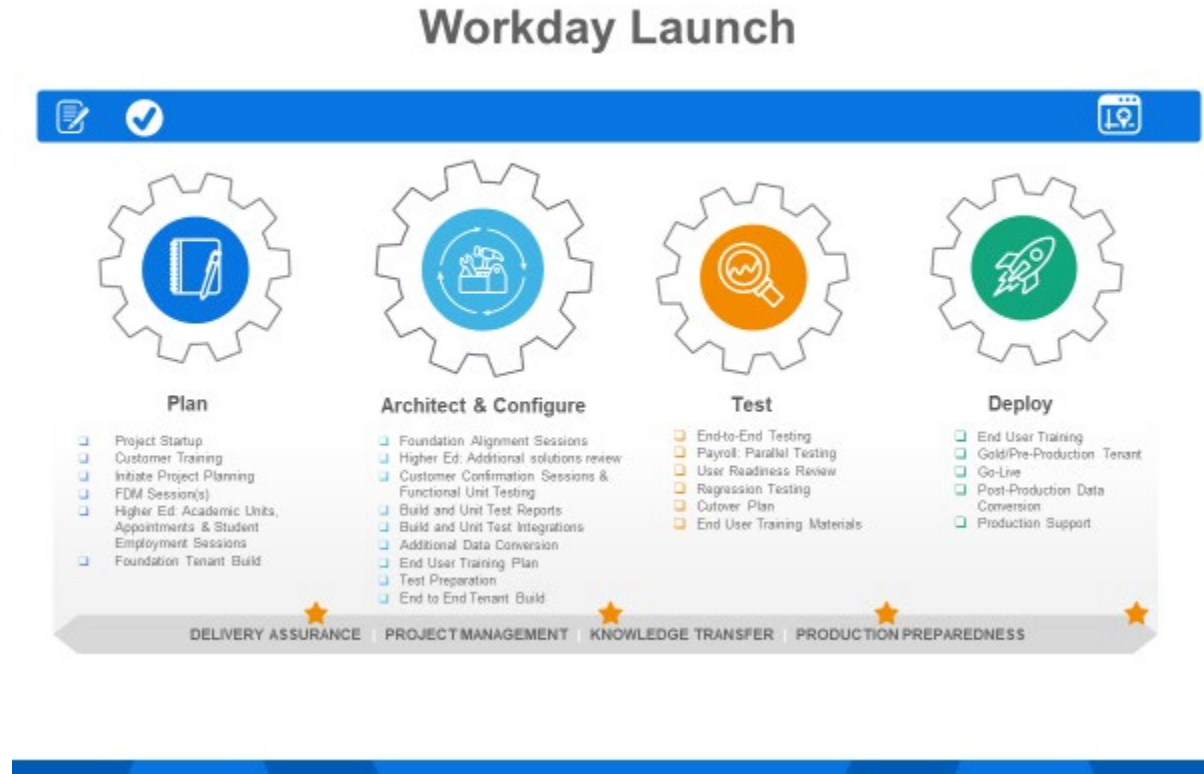


The quantitative and qualitative review has occurred in each Division within BAC and will continue to be refined. Quantitative factors are based on funded positions and the workload factors in each functional area. The qualitative factors are shown on a master spreadsheet (which will be available on a shared BOX file when technical issues are resolved). In addition, an individual word document for each BAC Director will be available, summarizing their analysis. These 23 qualitative factors come from ***Prioritizing Academic Programs and Services*** by Dickeson, Resource C, Criteria for Measuring Administrative Programs (pp 161-163). See Appendix Two for those qualitative criteria.

In summary, analyzing the data, coupled with optimizing processes (using Workday) in Finance, HR and Payroll will create the first opportunities to identify opportunities for saving and continuous improvement.

In parallel, studying the Facilities Management and Planning and University Housing business models will identify other opportunities to reduce cost and increase revenues.

Appendix One: Workday Launch



Division Finance and Administration

Department _____

Employee completing form _____

1. What are the main objectives of your unit, and how do you measure success in achieving them?
2. What are the services that your unit provides and to which customers (students, faculty, staff, donors, others)?
3. List each position in your unit, and briefly describe the responsibilities of each. Include part-time and work-study student hours. Indicate if functionality of the position is tied to federal, state, or institutional compliance.
4. Do you see needs and demands for services that your unit cannot currently meet? If so, what are they, and how do they relate to the university's mission?
5. How could the university help your unit do its job better?
6. In what ways does your unit relate to other units of the university, academic and non-academic? For example, what services do you provide to other units? What services do other units provide to you? On what tasks do you collaborate with other offices?
7. What skill sets and resources does your unit possess that can be shared with other units at slack times?
8. Which individuals in your unit are cross-trained and in what areas?
9. What resources do you need to improve your services to a superior level?
10. What technologies are available to you to provide your services better? What training do you need to be more effective users of the technology?
11. What one thing do you wish you could do differently to improve your effectiveness but have not had the opportunity, time, or resources to do?
12. How do you review and evaluate your department's yearly performance?

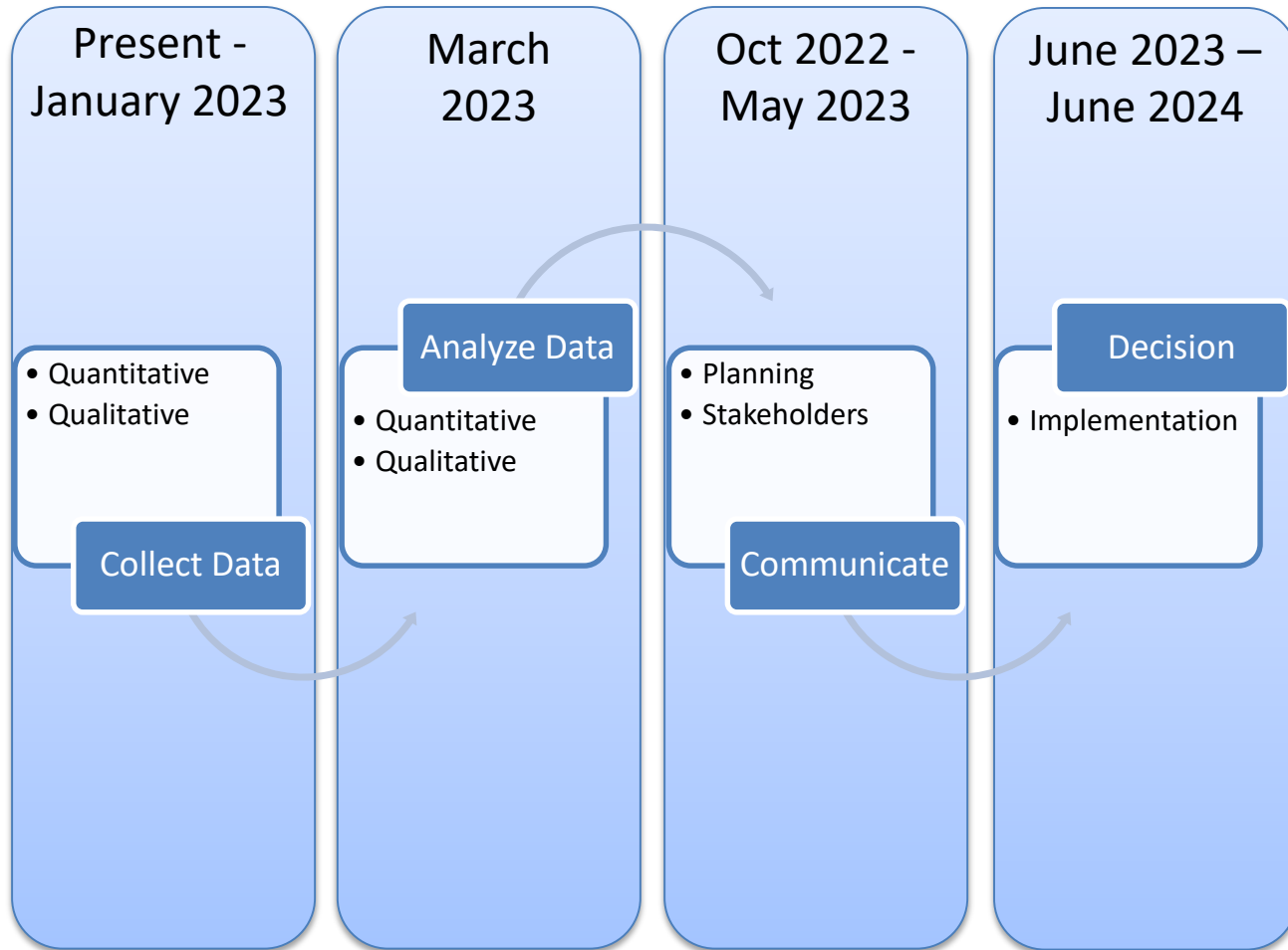
13. Explain how your unit could function with:

- a. A 10 percent reduction to staff
- b. A 20 percent reduction to staff
- c. A 30 percent reduction to staff
- d. A 10 percent reduction to non-personnel resources
- e. A 20 percent reduction to non-personnel resources
- f. A 30 percent reduction to non-personnel resource
- g. What would be the consequences or other effects on service delivery in each case?

What opportunities exist for greater collaboration and team approaches in the delivery of services?

- 14. How many “middle managers” do we have? Are there opportunities to reduce middle stata in the organization and expand the span of control?
- 15. What technological improvements could be made that would result in labor savings?
- 16. How can a service be more efficiently delivered?
- 17. What processes do we have that can be streamlined or eliminated to improve service delivery?
- 18. Restructuring: What efficiencies might be gained by consolidating similar entities?
- 19. Personnel: Have we worked around or structured around non-effective personnel and other personnel issues, and is this the time to stop indulging and start confronting the issue(s)?
- 20. Outsourcing: Are there other opportunities to outsource non-mission-critical services to private contractors who could do it better, faster, cheaper?
- 21. Customer focus: How might our services b structured or delivered to meet the needs of students, faculty, staff, donors, and others better?
- 22. Benchmarking: Compare your unit with similar units at other institutions or national norms.
- 23. What can we stop doing?

Timeline



UNIVERSITY ADVANCEMENT

2022 Quantitative and Qualitative Analysis

Quantitative Measures

1. Number of employees in each department
 - a. Development (gift officers, advancement services, annual giving, finance, admin)
 - b. Community and Media Relations
 - c. Marketing
 - d. Government and Corporate Relations
 - e. Grants & Sponsored Projects
 - f. Alumni Relations
 - g. Osher Lifelong Learning Institute
2. Total compensation per employee
3. Source of compensation (public or private, or both)
4. Service & Supplies budget per department
5. Number of vacancies per department (and vacancy rate)
6. Revenue generated/ROI calculation

Qualitative Measures

1. Main objectives for success (key performance indicators)
 - a. Services provided
 - b. Position analysis
2. Unmet needs or demands
3. Collaboration analysis
 - a. Skills and resources that can be shared (external to Advancement unit)
 - b. Cross training
4. Resources needed to improve service delivery
5. Technology and training needs
6. Annual program and personnel evaluation process

Analysis

Benchmarking against peers

Impact of staff reduction or program elimination

Opportunities for collaboration

Process improvements

Outsourcing

Path Forward

Reminder



1. Continued austerity **this fiscal year** (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 Forecast and Review of Pro Forma

Roadmap

- Pro Forma:
 - Year to date status; then,
 - Out-year projection (conservative data set with aid and controls)
- Reminder of the Path Forward

FY23 E&G Budget with Forecast

- New structure for pro forma!
 - Year to date actuals with estimate to complete
- Revenue forecast is slightly higher but **still barely keeping** pace with expenses
- *Cautious optimism* on revenues: positive indicators based on increased face-2-face activity and ‘returning to normal’
- Academic Partners (AP) on separate line
- Impact of inflation on S&S is TBD
- Target reductions still set to \$3.6M
- \$3.3M transferred into E&G
 - Transfers now positive – normally negative due to higher transfer out
- Marginally higher EFB in FY22 & FY23
- Projected \$7.2M EFB ties to 10.9% KPI and roughly 1.3 months of operations

NACUBO recommendation is 40%
OR Department of Treasury requires 30 days of available cash on hand

Education and General (in thousands of dollars)	2021-23 Biennium		
	2021-22 Actual (000's)	2022-23 FY23 BUDGET (000's)	2022-23 FYE Forecast (000's)
REVENUES			
State Appropriations: SSCM	25,720	26,361	26,361
Total State Funding (SSCM,ETSF,SELP,1-Time)	26,220	26,860	26,860
Tuition	34,281	34,611	36,220
Fees	3,581	4,015	4,010
Raider Aid (remissions)	(3,915)	(3,476)	(3,677)
Tuition, net of Raider Aid	33,947	35,149	36,553
Misc. Other Revenue	1,476	2,964	2,816
TOTAL REVENUES	61,643	64,974	66,229
EXPENSES			
<u>Personnel Services</u>			
Faculty	(15,129)	(15,971)	(15,873)
Admin	(9,922)	(10,532)	(10,374)
Classified	(6,642)	(7,450)	(7,315)
Students, GA's, etc	(1,066)	(1,586)	(1,420)
Salaries Sub-total	(32,760)	(35,539)	(34,982)
PERS & ORP (Retirement Pgms)	(8,042)	(8,524)	(8,900)
PEBB (Healthcare)	(6,786)	(8,473)	(8,473)
Other (FICA, SAIF, etc.)	(2,987)	(3,500)	(3,435)
OPE Sub-total	(17,815)	(20,497)	(20,808)
Net Personnel Services	(50,575)	(56,036)	(55,789)
<u>Supplies & Services (S&S)</u>			
S&S Expenses	(10,503)	(13,835)	(12,118)
AP Program Share (AP)	(1,608)		(1,625)
Capital Expenses (CapEx)	(117)	(263)	(263)
Total S&S, CapEx, AP	(12,228)	(14,098)	(14,006)
Cost Reductions, Savings, Outside Support		3,664	3,664
EXPENDITURES BEFORE TRANSFERS	(62,803)	(66,469)	(66,132)
NET TRANSFERS (In & Out of E&G)	251	192	251
TOTAL EXPENSES & TRANSFERS	(62,552)	(66,277)	(65,881)
FUND BALANCE			
Change in Fund Balance	(909)	(1,303)	348
Beginning Fund Balance	7,794	6,501	6,886
Ending Fund Balance	6,886	5,198	7,234
% Operating Revenues	11.17%	8.40%	10.92%
Days of Operations	40.18	29.63	40.08
Months of Operations	1.34	0.99	1.34

Education and General (in thousands of dollars)		2019-21 Biennium	2021-23 Biennium		2023-25 Biennium		
		2020-21 Actual (000's)	2021-22 Actual (000's)	2022-23 FY23 BUDGET (000's)	2022-23 FYE Forecast (000's)	2023-24 FORECAST (000's)	2024-25 FORECAST (000's)
REVENUES							
State Appropriations: SSCM		23,559	25,720	26,361	26,361	27,340	28,394
Total State Funding (SSCM,ETSF,SELP,1-Time)		23,937	26,220	26,860	26,860	27,839	28,893
Tuition		36,451	34,281	34,611	36,220	35,507	35,258
Fees		3,457	3,581	4,015	4,010	4,120	3,997
Raider Aid (remissions)		(3,245)	(3,915)	(3,476)	(3,677)	(3,566)	(3,533)
Tuition, net of Raider Aid		36,663	33,947	35,149	36,553	36,061	35,722
Misc. Other Revenue		481	1,476	2,964	2,816	2,880	2,944
TOTAL REVENUES		61,081	61,643	64,974	66,229	66,779	67,559
EXPENSES							
Personnel Services							
Faculty		(14,691)	(15,129)	(15,971)	(15,873)	(17,217)	(17,603)
Admin		(8,127)	(9,922)	(10,532)	(10,374)	(10,712)	(11,168)
Classified		(5,309)	(6,642)	(7,450)	(7,315)	(7,673)	(8,154)
Students, GA's, etc		(1,005)	(1,066)	(1,586)	(1,420)	(1,655)	(1,654)
Salaries Sub-total		(29,132)	(32,760)	(35,539)	(34,982)	(37,256)	(38,578)
PERS & ORP (Retirement Pgms)		(7,050)	(8,042)	(8,524)	(8,900)	(9,704)	(10,069)
PEBB (Healthcare)		(7,026)	(6,786)	(8,473)	(8,473)	(8,744)	(9,024)
Other (FICA, SAIF, etc.)		(3,172)	(2,987)	(3,500)	(3,435)	(3,659)	(3,788)
OPE Sub-total		(17,249)	(17,815)	(20,497)	(20,808)	(22,106)	(22,881)
Net Personnel Services		(46,381)	(50,575)	(56,036)	(55,789)	(59,362)	(61,459)
Supplies & Services (S&S)							
S&S Expenses		(9,231)	(10,503)	(13,835)	(12,118)	(12,391)	(12,670)
AP Program Share (AP)		(1,106)	(1,608)		(1,625)	(1,662)	(1,716)
Capital Expenses (CapEx)		(124)	(117)	(263)	(263)	(269)	(275)
Total S&S, CapEx, AP		(10,461)	(12,228)	(14,098)	(14,006)	(14,322)	(14,660)
Cost Reductions, Savings, Outside Support				3,664	3,664	3,312	As Modeled
EXPENDITURES BEFORE TRANSFERS		(56,842)	(62,803)	(66,469)	(66,132)	(70,372)	(76,120)
NET TRANSFERS (In & Out of E&G)		(1,526)	251	192	251	(3,227)	(3,341)
TOTAL EXPENSES & TRANSFERS		(58,368)	(62,552)	(66,277)	(65,881)	(73,599)	(79,461)
FUND BALANCE							
Change in Fund Balance		2,713	(909)	(1,303)	348	(6,820)	(11,902)
Beginning Fund Balance		5,081	7,794	6,501	6,886	7,234	414
Ending Fund Balance		7,794	6,886	5,198	7,234	414	(11,488)
% Operating Revenues		12.76%	11.17%	8.00%	10.92%	0.62%	-17.00%
Days of Operations		48.74	40.18	29.63	40.08	2.05	(52.77)
Months of Operations		1.62	1.34	0.99	1.34	0.07	(1.76)

Path Forward

Reminder



1. Continued austerity **this fiscal year** (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)

Core Information System Replacement Project Update

Road Map

- What is CISR?
- Why are we doing it?
- When did we start? When will it end?
- How are we implementing the project?
- Where are we now? And, what's next?

Core Information System Replacement

Bottom Line Up Front (What is CISR?)

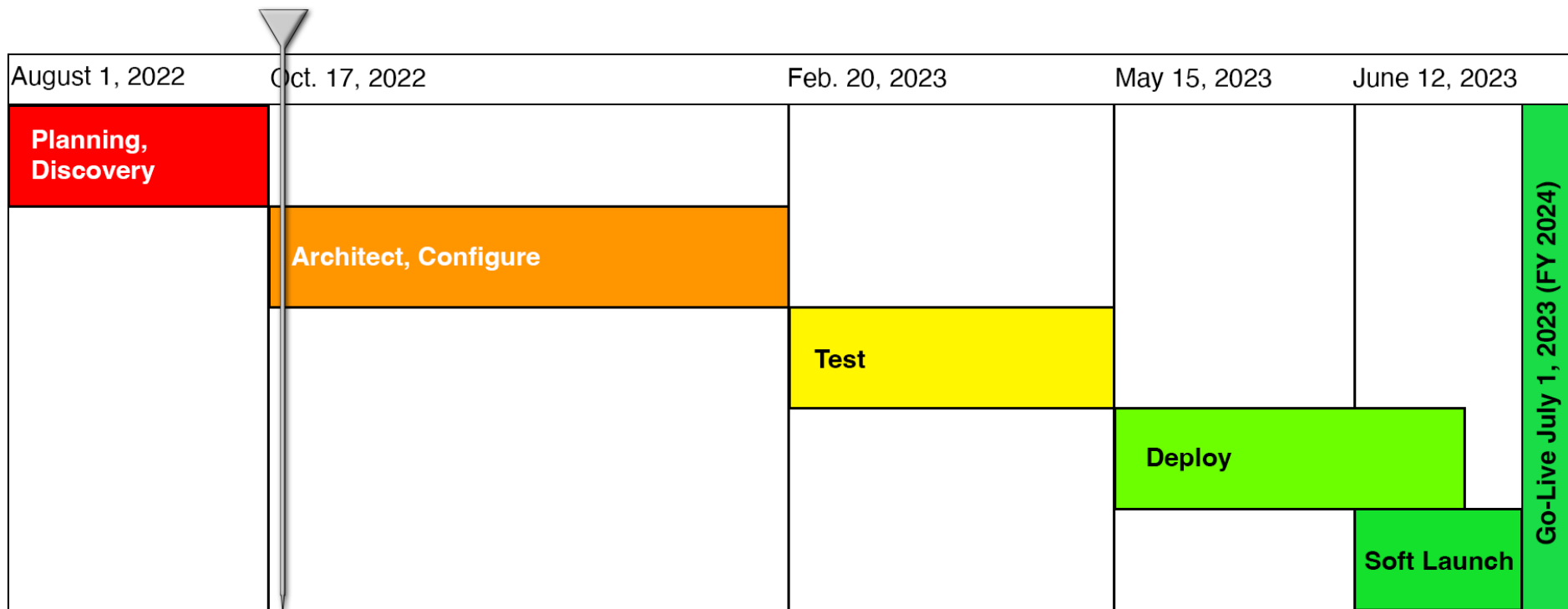
- Transformative
- Replacing (badly) outdated and kluged *Banner ecosystem* (comprised of numerous bolt-ons) IT system with *Workday*
- Workday implementation in two phases
 - HR / Finance / Payroll (year 1)
 - Student Information Systems (years 2 and 3)
- A \$10M work effort
- Key element of Cost Management strategy – saving approx. \$800K/year*
- Driver (enabler) for continuous process improvement and **workload reduction**

Why Are We Doing it?

- Create operating savings (\$800K/year after year 3)
- Process improvement
- Establish industry baseline (for better KPI and program management)
- Better IT implementation and management (fewer “bolt-ons” and fewer integrations)

When Did we Start? When Will it End?

- Started August 1, 2022
- HR / Finance / Payroll “go live” on June 1, 2023 (soft launch)



- Starting Student Information System on or around April 1, 2023
- “Go live” target is registration (May/June) 2025

How are We Implementing the Project?

- Hired *Alchemy* as our implementation partner
- President is executive sponsor
- CIO is Project Manager
- Executive Steering group established (PM and 3 VPs)
- Using existing staff for discovery, data transfer and testing

Where Are we Now? And What's Next?

Status

- Finished “discovery”
- Starting to extract data from existing systems, and upload data into the first ‘instance’ of Workday

Next Actions

- Architect and configure through February
- Ongoing ‘verification and validation’ of data—seeing what our data looks like in the Workday platform

Summary

- So Far, So Good
- A Lot of Appreciation
 - Timely outside Counsel input...
 - Creative Financing
 - Great implementation partner
 - Amazing teamwork (internally and externally)
- Thanks to the Team (for burning the candle at both ends)



100% Workday
100% Higher Ed

Southern Oregon University

Workday Platform Project – Kickoff

August 17, 2022



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Project Team

Project Team Leads

Roles & Responsibilities

Project Managers and Sponsors

Project Executive Sponsors – Rick Bailey, Greg Perkinson, Susan Walsh, Neil Woolf

Technical Lead & Platform PM – Lisa Denney

Alchemy Executive Sponsor – Jen Haessler,
Tamer Guirguis

Alchemy Project Directors – Kim Dowe & Andy
Jeffers

Alchemy Project Managers – Kim Dowe & Donna
Toler



Name	Workday Project Role
Alana Lardizabal	HCM Lead
Nicole Blodgett, Michele Barlow, Catilyn Fullerton	HCM SMEs
Steve Larvick, Carolyn Wirfs, Debbie Jones	Payroll Co-Leads and SMEs
Nathan Allison	Accounting & Expenses Lead/SME
Steve Larvick	Financial Lead
Deborah & Josh Lovern	Budget & Planning Leads/SMEs
Jayne Atkins	Assets and Grants SME
Ashely King	Procurement Lead/SME
Taylor Smith	Grants, Endowments SME
Stephanie Hanigan	Banking Settlement and Customer Accounts SME
Lisa Denney	Technical & Training Lead, Co-Project Manager
Gordon Carrier, Lisa Denney	Training Coordinators



Who is Responsible?

Southern Oregon University

Alchemy

- Manages the project plan
- Executes deployment methodology
- System configuration
- Supports data conversion and data mapping activities
- Supports integration discovery and planning
- Develops contracted reports and integrations
- Supports testing cycles and offer guidance with testing scenarios
- Manages environment refreshes (Tenant Management)
- Change Management - Guides and supports change management



Alchemy Overview

100%

Focus on Workday

100%

Focus on higher
education and talent

#1

Partner in Successful
Student Go-Lives

Alchemy: HCM, Payroll & Financials Experience



Alchemy Core Values



Teammates



Customer
focused



Entrepreneurs



Tenacious



Genuine





Project Overview

Project Guiding Principles

Project Scope

Southern Oregon University's Guiding Principles

1. We will be personally invested in the success of the project.
2. We will use Workday base functionality whenever reasonable, relying on configuration over customization.
3. We will be strategically focused on the future— tactical work must support our strategic vision and uphold and support SOU's values and strategic initiatives.
4. We will focus on the **institutional value** of the function being delivered over the form or the delivery.
5. We will be open to change that will help us to create modern and sustainable approaches using widely accepted best practices.
6. We will make thoughtful, deliberate and timely decisions.
7. We will strive for excellence, not perfection.
8. Communication will occur clearly and often and is the responsibility of all project team members.

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HCM

HCM Core, Benefits, Recruiting, Compensation, Advanced Compensation, Talent



In these workstreams...

- Who reports to who, Organizations
- Staffing Models, Staffing Transactions
- Benefit Plans and Eligibility
- Payments to Employees
- Candidate Communications
- Academic Faculty



Alchemy team...

- Leads: Huoy-Jii Khoo, Denise Hamilton



PATT

Payroll, Absence Management, Time Tracking



In these workstreams...

- Company Level Setup & Tax Liability
- Earnings & Deductions
- Payroll Processing
- Labor Costing
- Absence & Leave Plans
- Worker Time Schedules and Approvals



Alchemy team...

- Lead PATT: Carol Annichiarico
- Payroll Support: Ivonne Lopez
- Absence: Lucas Van Vuuren
- Time: Virhel Barrera



Financials

FDM, Financial Accounting, Budgets, Customer Accounts, Grants, Endowments
Banking, Business Assets, Expenses, Procurement, Suppliers



In these workstreams...

- Foundation Data Model (Chart of Accounts and beyond)
- Financial Reporting Structure
- Budget Models
- Supplier Master
- Grants and Gifts
- Assets



Alchemy team...

- Leads: Mani Thomas, Melinda Stolaruk, Alan Harissis, Alfonso Flores, Tazeen Khan
- Support: Holly Barthelmes, Melinda Stolaruk



Data Conversion



In this workstream...

- Extract and convert data from legacy system in mass
- Populate data workbooks and collaborate to resolve errors
- Iterate on workbooks throughout the project based on testing, validation, and functional configuration decisions
- Review converted data with functional workstream



Alchemy team...

- Architect: Bob Braun
- Lead: Eily Irwin



Integrations



In this workstream...

- Gather requirements and business needs for all integrations
- Design and develop integrations
- Test integrations to ensure finished product aligns with functional configuration and converted data



Alchemy team...

- Integrations PM: Donna Toler
- Lead: Laz Medina
- Support: Jason Sneed, Chuck Jacobson



Change Management



In this workflow...

- Development of cohesive Change Strategy to support project-wide change activities, especially communication and training practices.
- Coordinate with college Change Management group to identify and plan mitigation for key system updates likely to impact cross-campus activities.
- Help develop and partner with a cross-functional Change Network to share timely project information to the wider college.



Alchemy team...

- Architect: Corey Loucy
- Lead: Sasah Richardson





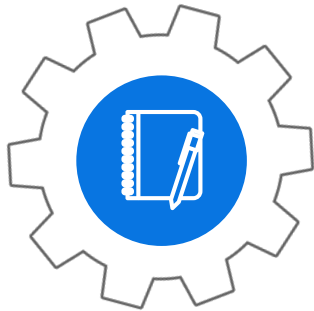
Project Approach & Timeline

Launch Deployment Approach

Project Timeline

Deployment Recommendations

Workday Launch



Plan

- ☐ Project Startup
- ☐ Customer Training
- ☐ Initiate Project Planning
- ☐ FDM Session(s)
- ☐ Higher Ed: Academic Units, Appointments & Student Employment Sessions
- ☐ Foundation Tenant Build



Architect & Configure

- ☐ Foundation Alignment Sessions
- ☐ Higher Ed: Additional solutions review
- ☐ Customer Confirmation Sessions & Functional Unit Testing
- ☐ Build and Unit Test Reports
- ☐ Build and Unit Test Integrations
- ☐ Additional Data Conversion
- ☐ End User Training Plan
- ☐ Test Preparation
- ☐ End to End Tenant Build



Test

- ☐ End-to-End Testing
- ☐ Payroll: Parallel Testing
- ☐ User Readiness Review
- ☐ Regression Testing
- ☐ Cutover Plan
- ☐ End User Training Materials



Deploy

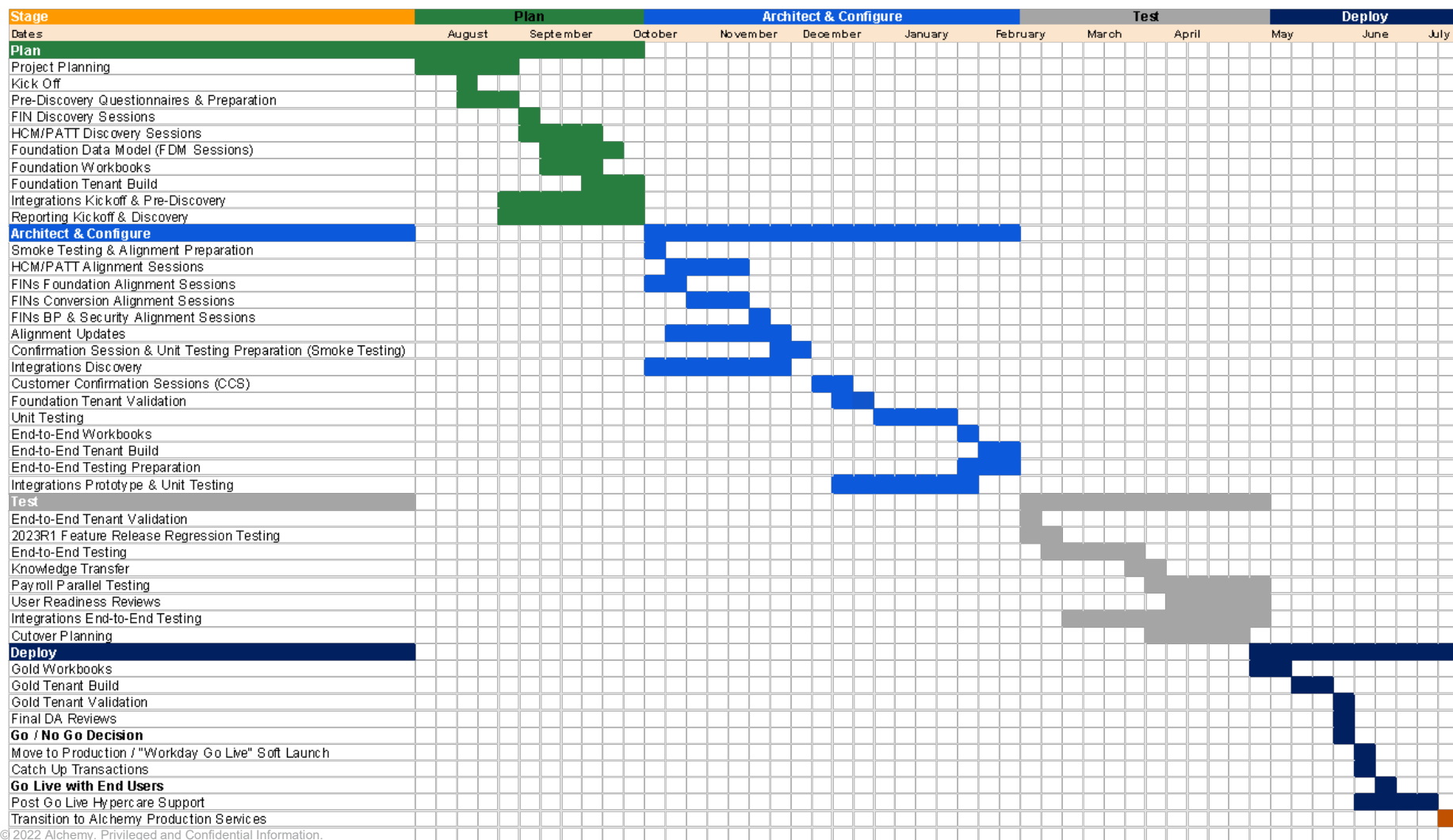
- ☐ End User Training
- ☐ Gold/Pre-Production Tenant
- ☐ Go-Live
- ☐ Post-Production Data Conversion
- ☐ Production Support

DELIVERY ASSURANCE

PROJECT MANAGEMENT

KNOWLEDGE TRANSFER

PRODUCTION PREPAREDNESS



Recommendations

1

Focus on Outcomes

The goal is not to rebuild what is currently in place

2

Communication is KEY

Constant team communication will be critical

3

Day 1 Usage

Keep the end in mind - what will you need to access (security), report on, etc.



Data Security

Securing Your Data is the #1 Priority

- Security is everyone's responsibility
 - Do not send emails with sensitive information
 - Immediately triggers Workday security reporting protocols
 - Access Southern Oregon University tenants
 - Use the Southern Oregon University implementation sFTP for exchanging data
 - If something doesn't look right - ask
- Passwords
 - Should be stored in a secure manner
 - Should not be shared
 - Should comply with IT's standards





Governance & Communication

Project Governance

Working together

Team Structure and Governance



Project Roles



How We Work Together



Meet weekly with Alchemy for 5-10 hours a week for workstream meetings, status calls and other project engagements.

Schedule time to meet internally as a team 2-4 hours per week to drive decisions, complete homework and test.

Designate a dedicated or rotating scribe to take note of outstanding action items, critical decisions, and testing scenarios.

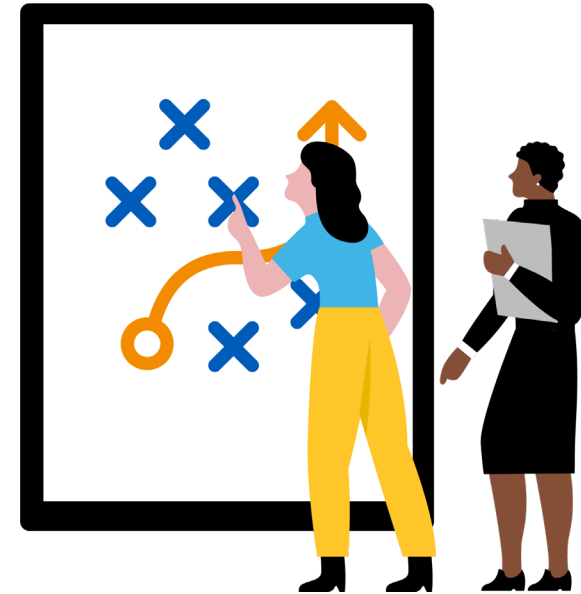
Leverage collaboration tools introduced by Alchemy such as dashboards, guides, checklists, and trackers.





Next Steps

Next Steps



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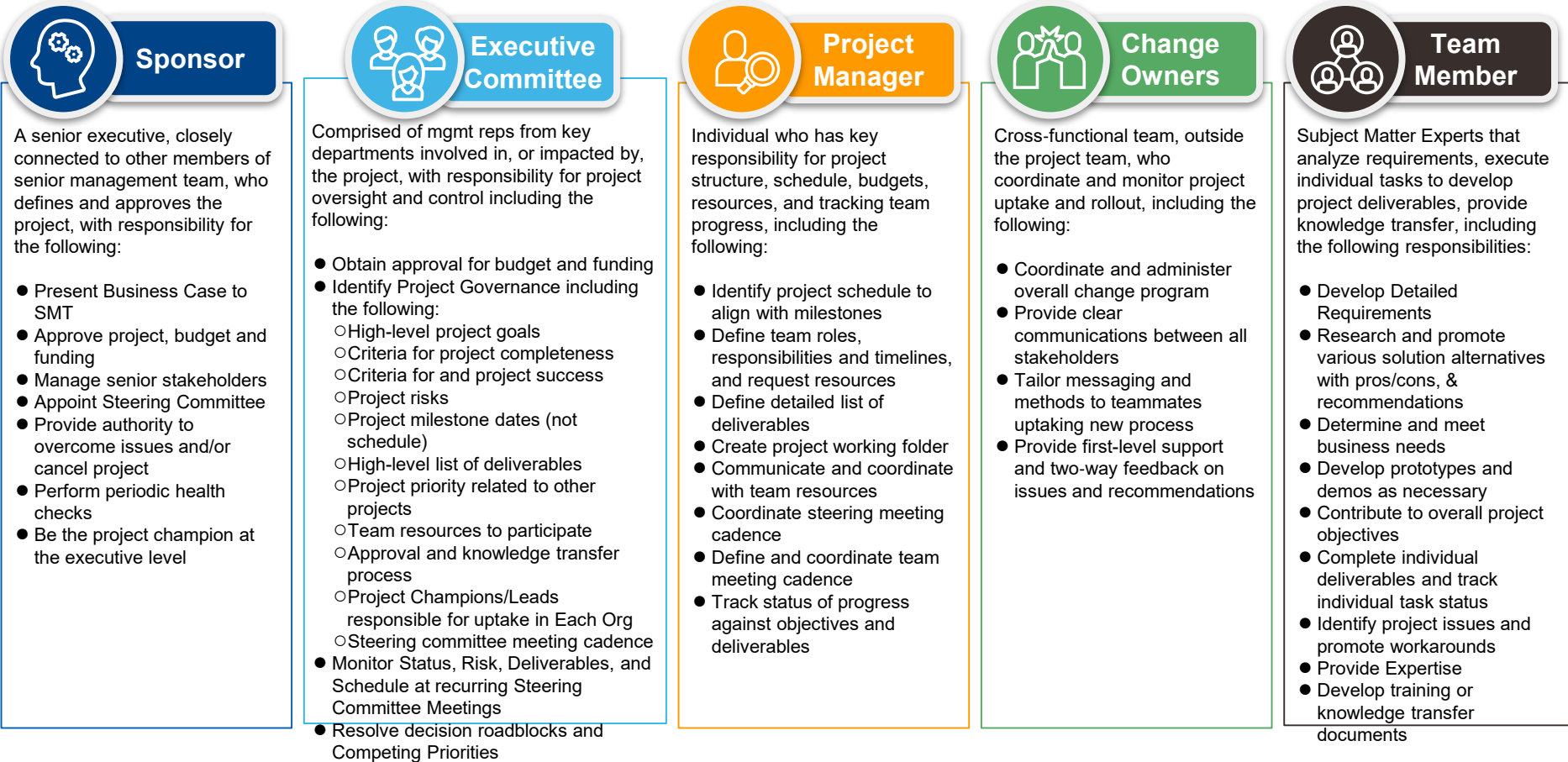




Appendix



Project Responsibilities



Customer Role Definitions

Functional Leads

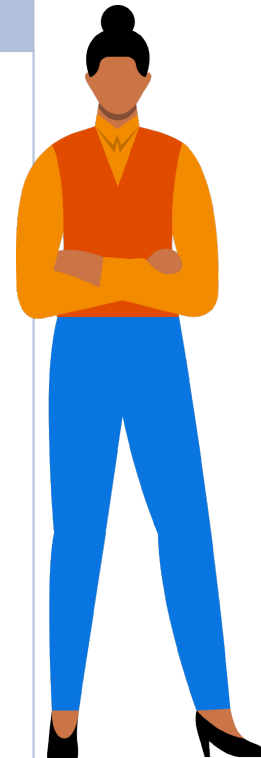
- Drive all functional/technical decisions for their workstream
- Escalate decisions and challenges as appropriate
- Work with Workday Lead to configure system, complete hands-on activities as assigned
- Gather requirements from all areas
- Work with Test Lead to establish test scenarios and provide testing resources
- Ensure knowledge-transfer and eventual self-sufficiency; ensure training for all system users in their area
- Manage third-party vendors (e.g. integrations) as required

Testing Lead

- Develop test strategy and resource plan during Plan Stage
- Ensure timely completion of testing activities
- Establish tools and repositories for storage and tracking of scenarios
- Coordinate workflows and system security
- Establish all management reports to track testing execution and quality analysis
- Work with Project Manager to establish criteria for success and go/no-go
- Support Workday performance testing

Security Lead

- Responsible for architecting the overall security configuration of the Workday service
- Create, maintain and edit on-going system roles utilized by the customer
- Determine what security roles employees are given
- Perform periodic audits
- Provision tenant access to customer project team
- Complete all required training



Customer Role Definitions

Reporting Lead

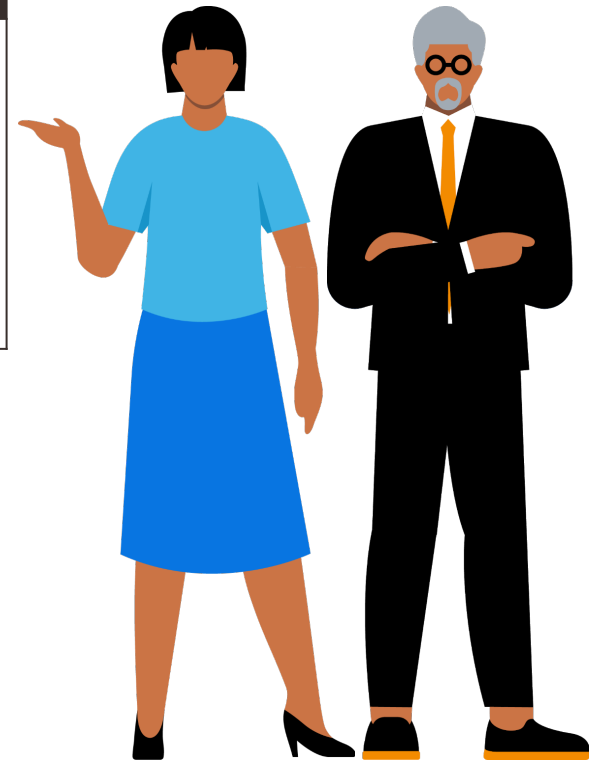
- Develop and maintain master report list along with purpose of report and report definition
- Prioritize master report list based on needs
- Validate delivered reporting standard
- Provide list of access rights

Integration Lead

- Attend planning, cross-functional and integration sessions
- In-depth knowledge of existing integrations
- Identify touch points
- Provide or develop integration workflow/mappings
- Ensure adherence to integration timeline

Data Conversion Lead

- Attend planning, cross-functional and data conversion sessions
- Create data extracts from legacy system to format required by Workday
- Complete data workbook
- Ensure adherence to data conversion timeline



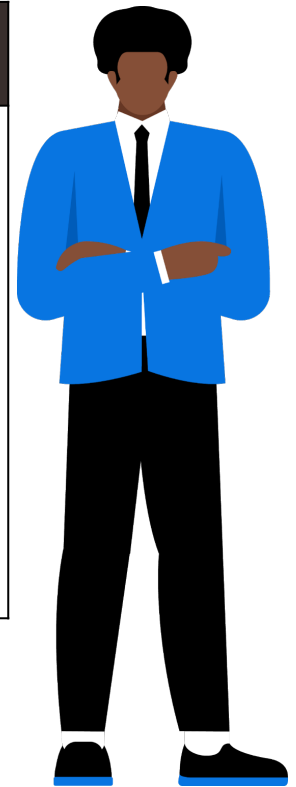
Customer Role Definitions

Training Lead

- Complete Workday Training
- Ensure project team members have completed training appropriate for their SME area
- Develop institutional training plan and approach
- Coordinate and ensure execution of end user training based on training plan
- Work closely with change management lead and project team to determine appropriate training facilitators, audiences, timing, location, etc.

Change Management Lead

- Create change management strategy for each stage of the deployment
- Determine communication timing, mechanisms, audiences, senders
- Map key stakeholder groups and their primary interests, concerns, and opportunities
- Identify and lead institutional change management team
- Develop a plan for measuring awareness and adoption



Product Issue Classification



Bug



Blocker



Enhancement

Customer Stopped?	✓ - Yes	✓ - Yes	✗ - No
Is Product Change Prioritized?	✓ - Yes	✓ - Yes	✗ - No
Is Feature Working As Designed?	✗ - No	✓ - Yes	✓ - Yes



Severity of Enhancements

- **Blocker** - Blocks business from occurring for a customer. No workaround exists.
- **Critical** - Workaround exists, but is not preferred. Better solution would improve business practices greatly.
- **Major** - Workaround exists, but a better method is preferred.
- **Minor** - Enhancement request; Nice to Have
- **Trivial** - Nothing significant impacted by this request, like a UI change.



Salesforce
ISE Case's

Note: Must include Eight Blocker Questions and Answers



Community
Brainstorms

Note: Do not enter Brainstorms until after Student Go-Live so that customer can correctly learn functionality and prioritize correctly



Blocker Questions

1. What Problem are you trying to solve?
2. Why is this a blocker? (e.g., is it based on policy, practice, etc.)
3. Where is the Q&A Post related to this topic (URL)?
4. What potential workarounds have been explored?
5. Why do these workarounds not solve the problem?
6. How large is the impacted population? (How many students is this a problem for? How many Faculty/Staff? How frequent does the problem occur?)
7. How would you prefer the problem be solved?
8. When do you need this for configuration and testing? (i.e., due date)



Fiscal Year 2022: Year-End Investment Review

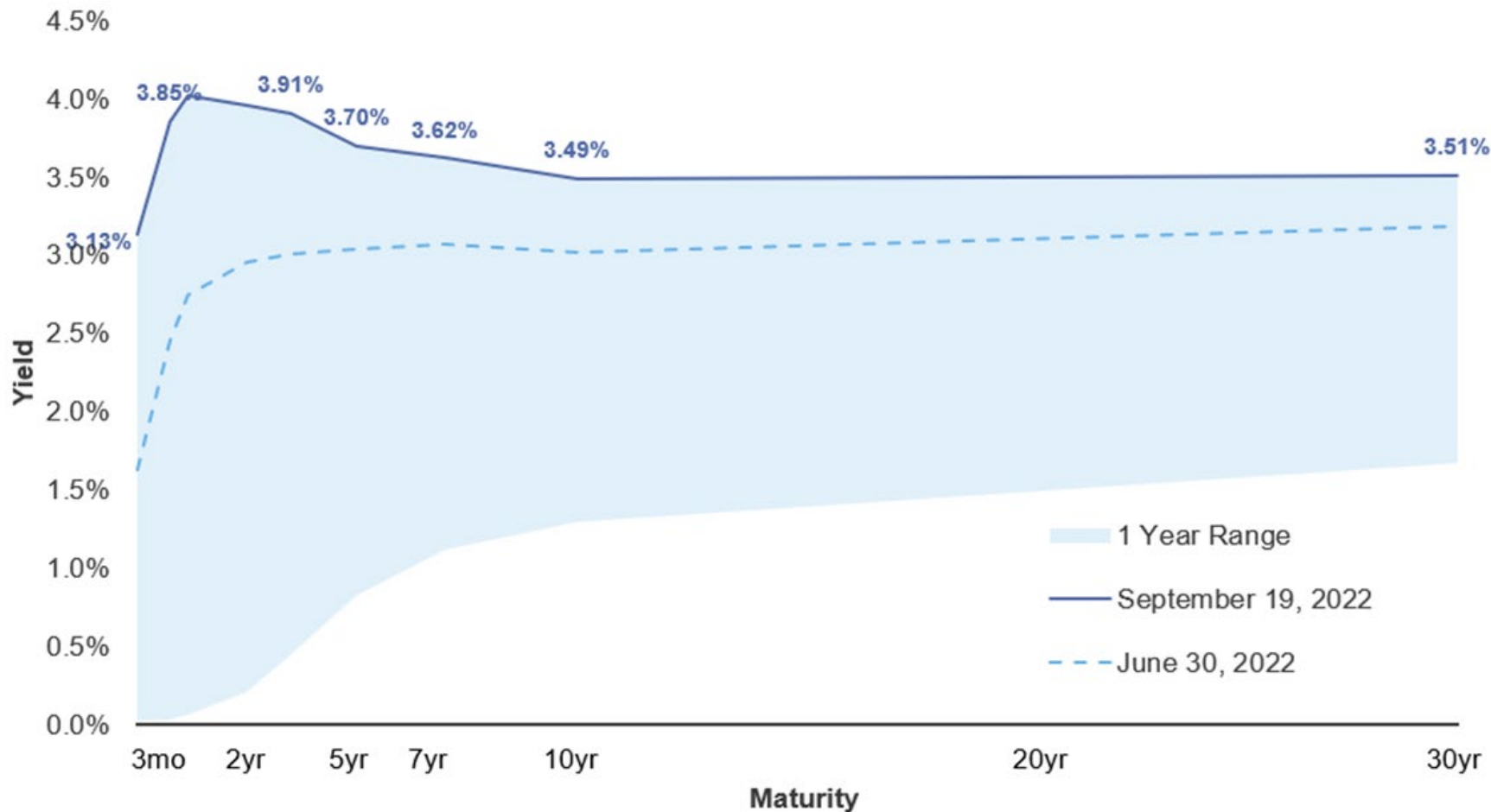
Investment Report – FY22

Operating Assets - Public University Fund

Public University Fund	Portfolio Strategy	Investment Pool/Fund	Investment Objective	Investment Allocation Range	Weighted Average Credit Quality	Weighted Average Maturity	1 Year Return
Investment Strategy	Liquidity	Oregon Short-Term Fund	Daily liquidity; preservation of capital	40-50%	AA	1.05 years	0.6%
	Core	Core Bond Fund	Monthly liquidity; assets in excess of liquidity needs invested into quality fixed income securities for intermediate time horizon	50-60%	AA	4.54 years	-6.7%

Investment Report – FY22

U.S. Treasury Yield Curve



Investment Report – FY22

Operating Assets - Public University Fund

SOU Operating Assets Invested in the Public University Fund	FY2022	FY2021	Change
Beginning Market Value July 1	\$ 27,831,312	\$ 19,517,087	\$ 8,314,225
Ending Market Value June 30	\$ 20,327,555	\$ 19,134,348	\$ 1,193,207
Price Per Unit at June 30	\$ 97.56	\$ 101.51	\$ (3.95)
Net Investment Earnings	\$ 327,779	\$ 375,351	\$ (47,572)
Realized Gain/(Loss)	\$ (323,437)	\$ 120,333	\$ (443,770)
Unrealized Gain/(Loss)	\$ (790,851)	\$ 58,920	\$ (849,771)
Investment Yield	1.3%	1.8%	-0.5%
Total Return	-2.6%	1.4%	-

Investment Report – FY22

Endowment Assets

SOU Endowment Assets	1 Year	3 Years	5 Years	Asset Allocation
BlackRock ACWI IMI B - Global Equity	-16.3%	6.2%	7.0%	74.7%
Western Asset Core Plus Bond Fund	-16.0%	-2.2%	0.4%	25.2%
Cash	0.6%	1.2%	1.6%	0.1%
Total SOU Endowment	-16.3%	4.2%	5.4%	100.0%
Policy Benchmark	-14.5%	4.2%	5.2%	-
Ending Market Value June 30	\$ 2,580,296	-	-	-
Annual Distribution - 4% Spend Rate	\$ 105,420	-	-	-



Public University Fund (PUF)

Investment Statement

April 1, 2022 - June 30, 2022

Q4 FY22

Southern Oregon University
Steve Larvick, Controller
1250 Siskiyou Blvd
Ashland, OR 97520

Quarter-to-Date
as of 6/30/2022

Beginning Market Value	\$27,831,312
+ Contributions	398,404
- Withdrawals	(7,558,834)
+/- Change in Market Value	(343,327)
Ending Market Value	\$20,327,555

Units Owned	208,356.242
Price per Unit	\$97.56153

	<u>Quarter-to-Date</u>	<u>Year-to-Date</u>
Gross Investment Earnings	\$97,304	\$347,986
Participant Fees	(1,739)	(20,872)
Participant Fee Credit	-	665
Net Investment Earnings	<u>\$95,565</u>	<u>\$327,779</u>
Realized Gain/(Loss) on Sale of Investments	(\$285,817)	(\$323,437)
Unrealized Gain/(Loss) on Investments		(\$790,851)

Questions? Please contact Mary Hatfield, 541.737.0843

mary.hatfield@oregonstate.edu

FY2022 Q4 Investment Reports

BACKGROUND

The Southern Oregon University (university) investment report for the fourth quarter (Q4) of FY2022 is presented in the following sections:

- **FY2022 Q4 Southern Oregon University Investment Report** – This section includes a report on the investments of the operating and endowment assets of the university. This report reflects the university's operating assets that are invested in the Public University Fund and the university's endowment investments managed by the Oregon State Treasury.
- **FY2022 Q4 Market Commentary** – This section provides a general discussion of the investment markets and related performance data for the fourth quarter of FY2022 (i.e., April 1 – June 30, 2022).

FY2022 Q4 SOUTHERN OREGON UNIVERSITY INVESTMENT REPORT

The schedule of Southern Oregon University's investments is shown in the investment summary below.

Public University Fund

Southern Oregon University's operating assets are invested in the Public University Fund. As of June 30, 2022, SOU had \$20.3 million on deposit in the PUF. The PUF decreased 1.0% for the quarter and 2.6% fiscal year-to-date. The PUF's three-year and five-year average returns were a positive 2.1% and 2.2%, respectively.

The Oregon Short-Term Fund returned 0.2% for the quarter, outperforming its benchmark by 10 basis points. The Core Bond Fund declined 2.3% for the quarter, outperforming its benchmark by 10 basis points. Interest rates resumed their upward climb due to expectations for continued rate increases by the Federal Reserve amid persistently high inflation. While the portfolio management team continues to be concerned about long-term inflation, there are increasing signs of economic weakness pertaining to the slowing housing demand, changing consumer spending behaviors due to food and energy prices, and increasing job layoffs. The Core Bond Fund remains underweight duration and corporate credit while retaining exposure to structured credit, primarily through floating rate bonds.

The PUF investment yield was 0.4% for the quarter and 1.3% for the fiscal year.

The PUF administrator allocated \$30 million of assets into the Core Bond Fund during the quarter and \$150 million of assets during the fiscal year.

Southern Oregon University Endowment Fund

The SOU Endowment Fund (Fund) decreased by 13.9% for the quarter and 16.3% for the fiscal year, underperforming its policy benchmark by 130 basis points for the quarter and 180 basis points for the fiscal year. The three-year average return was 4.2% equal to its benchmark. The Fund ended the fiscal year with a balance of \$2.6 million.

The majority of the Fund's assets (74.7%) are allocated to a global equity index strategy, while 25.2% of the portfolio is allocated to an "actively" managed fixed income fund. For the three months ended June 30, 2022, the Blackrock All-Country World Index decreased by 15.7%, 10 basis points better than its benchmark. The Western Asset Core Plus Bond Fund was negative 7.8%, underperforming by 3.1% to the Bloomberg Barclays U.S. Aggregate Bond Index.

Southern Oregon University

Investment Summary as of June 30, 2022

(Net of Fees)

	Quarter Ended 6/30/2022	Current Fiscal YTD	Prior Fiscal YTD	3 Yr Avg	5 Yr Avg	10 Yr Avg	Market Value	Actual Asset Allocation	Policy Allocation Target
SOU Operating Assets Invested in Public University Fund									
Oregon Short - Term Fund	0.2%	0.6%	0.8%	1.2%	1.6%	1.1%	\$ 9,566,653	47.1%	1
Benchmark - 91 day T-Bill	0.1%	0.2%	0.1%	0.6%	1.1%	0.6%			
PUF Core Bond Fund	-2.3%	-6.7%	2.7%	0.7%	1.6%	N/A	10,760,902	52.9%	1
Benchmark - Bloomberg Barclays Intermediate U.S. Gov't./Credit Index ²	-2.4%	-7.3%	0.2%	-0.2%	1.1%	1.4%			
Public University Fund Total Return	-1.0%	-2.6%	1.4%	1.0%	1.7%		<u>\$ 20,327,555</u>	<u>100.0%</u>	
Public University Fund Investment Yield ³	0.4%	1.3%	1.8%	2.1%	2.2%				
SOU Endowment Assets									
BlackRock ACWI IMI B	-15.7%	-16.3%	41.2%	6.2%	7.0%	9.0%	\$ 1,926,834	74.7%	75.0%
Benchmark - MSCI ACWI IMI Net	-15.8%	-16.5%	40.9%	6.0%	6.7%	8.7%			
Western Asset Core Plus Bond Fund	-7.8%	-16.0%	3.0%	-2.2%	0.4%	2.3%	651,867	25.2%	25.0%
Benchmark - Bloomberg Barclays Aggregate Index	-4.7%	-10.3%	-0.3%	-0.9%	0.9%	1.5%			
Cash	0.2%	0.6%	0.8%	1.2%	1.6%	1.1%	1,595	0.1%	0.0%
Benchmark - 91 day T-Bill	0.1%	0.2%	0.1%	0.6%	1.1%	0.6%			
Total Endowment Assets	-13.9%	-16.3%	31.2%	4.2%	5.4%	7.3%	<u>\$ 2,580,296</u>	<u>100.0%</u>	
Policy Benchmark ⁴	-12.6%	-14.5%	27.4%	4.2%	5.2%	N/A			

¹ The Public University Fund (PUF) policy guidelines define investment allocation targets based upon total participant dollars committed. Core balances in excess of liquidity requirements for the participants are available for investment in the Core Bond Fund. Maximum core investment allocations are determined based upon anticipated average cash balances for all participants during the fiscal year.

² 100% Bloomberg Barclays Intermediate U.S. Gov't./Credit Index as of February 1, 2021. From April 1, 2017 to January 31, 2021, the benchmark was 75% Bloomberg Barclay's Aggregate 3-5 Years Index, 25% Bloomberg Barclay's Aggregate 5-7 Years Index.

³ The reported investment yield for the quarter and fiscal year-to-date represent earned yields for the period and are not annualized rates.

⁴ Policy Benchmark Composition: 75% Morgan Stanley Capital Indices All-Country World Investable Market Index Net, 25% Bloomberg Barclays Aggregate Bond Index.

Note: Outlined returns underperformed their benchmark.

Oregon Short Term Fund

June 30, 2022

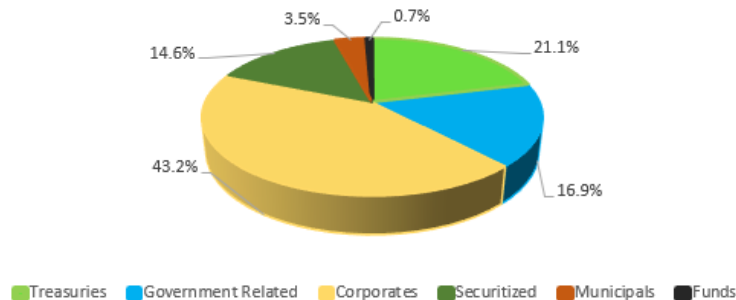
Portfolio Characteristics

Market Value 6/30/2022	\$ 286,514,711
Weighted Average Credit Quality	AA
Book Yield (%)	1.38%
Weighted Average Maturity (years)	1.05
Duration (years)	0.51
Spread Duration (rate)	0.79

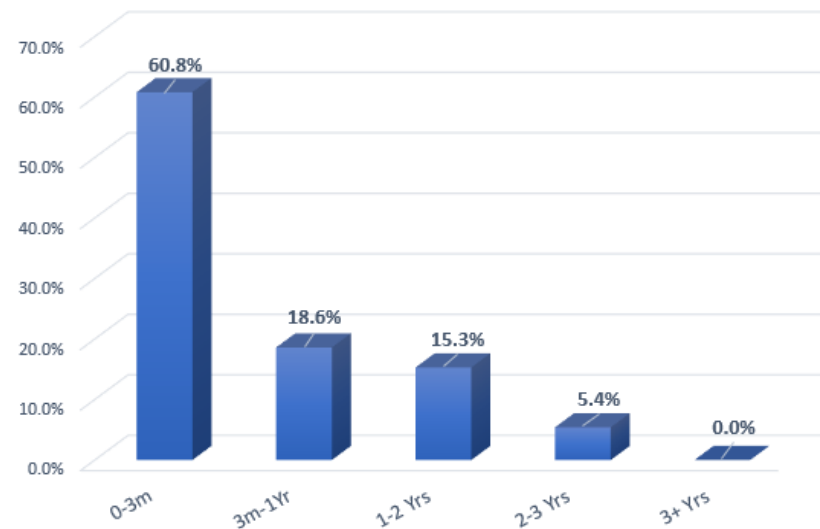
Top 10 Issuers

United States Treasury	21.4%
Federal Home Loan Banks	4.1%
Canada (Government of)	3.8%
Bank of America Corporation	2.8%
Royal Bank of Canada	2.4%
Federal Farm Credit Banks Funding Corporaton	2.3%
JPMorgan Chase & Company	2.3%
Toyota Motor Corporation	2.2%
Morgan Stanley	2.2%
Goldman Sachs Group Incorporated (The)	2.0%
Total	45.5%

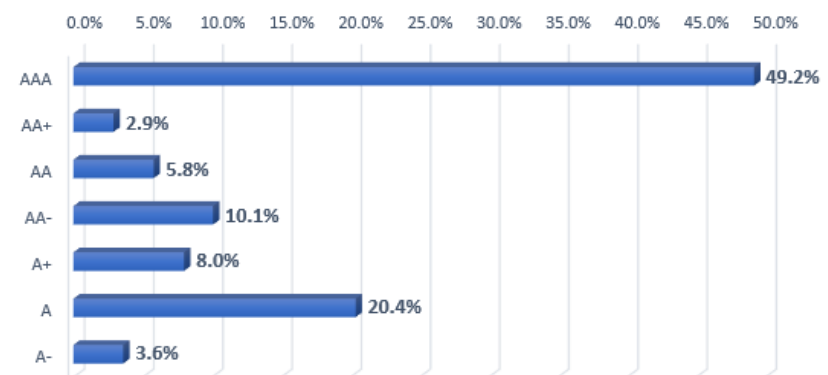
Sector Allocations



Maturity Breakdown



Credit Quality Distribution



Source: Oregon State Treasury

Core Bond Fund

June 30, 2022

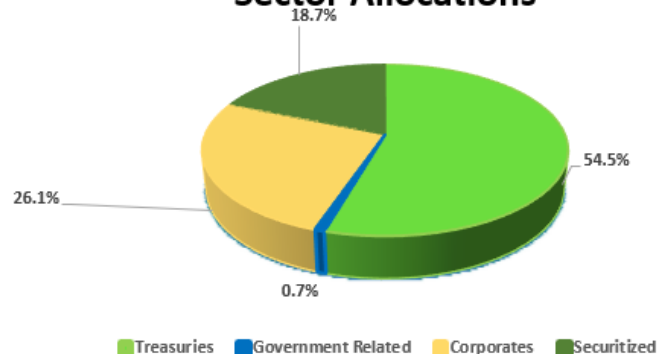
Portfolio Characteristics

Market Value 6/30/2022	\$ 322,281,619
Weighted Average Credit Quality	AA
Book Yield (%)	2.85%
Weighted Average Maturity (years)	4.54
Duration (years)	3.80
Spread Duration (rate)	1.71

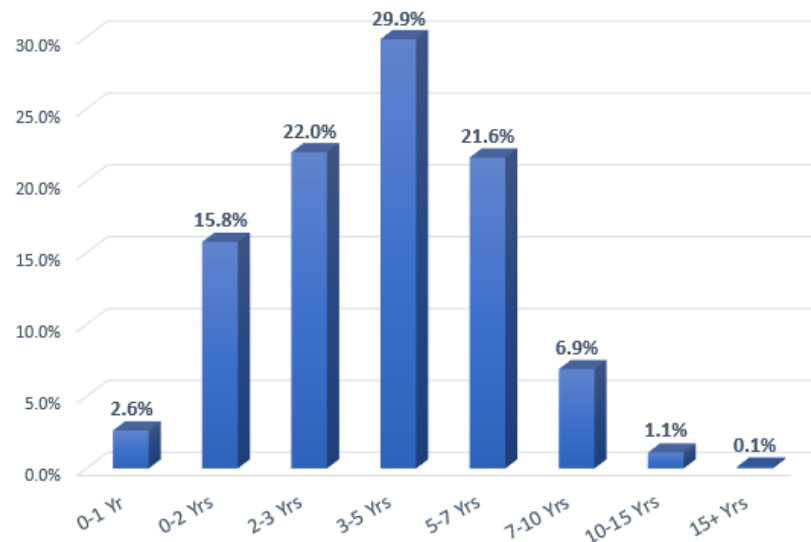
Top 10 Issuers

United States Treasury	55.9%
Deutsche Telekom AG	4.1%
Oscar US Funding Trust	2.7%
Franklin BSP Lending Corporation	2.4%
Monroe Capital MML	1.8%
Federal National Mortgage Association	1.8%
TRP LLC	1.7%
Sixth Street Specialty Lending Incorporated	1.7%
Fairfax Financial Holdings LTD	1.7%
F&G Global Funding	1.7%
Total	75.5%

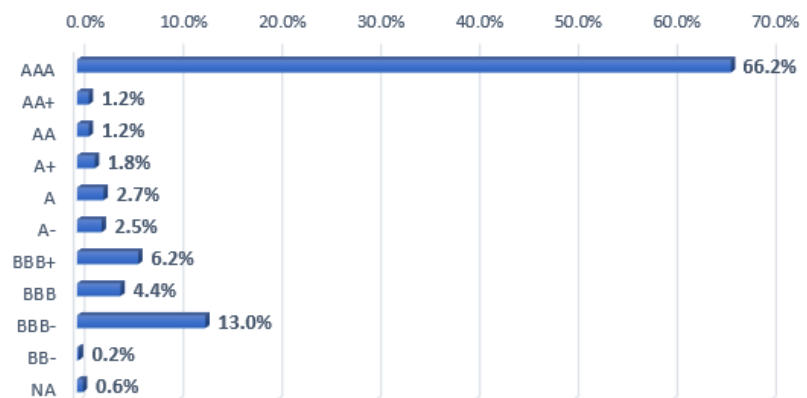
Sector Allocations



Maturity Breakdown



Credit Quality Distribution



Source: Oregon State Treasury

FY2022 Q4 MARKET COMMENTARY

(Prepared by Meketa Investment Group, consultants to the Oregon Investment Council)

Report on Investments – as of June 30, 2022

Economic and Market Update

Global markets resumed their sell-off in June as inflation surged in the U.S. and Europe.

- In response, the U.S. Federal Reserve increased interest rates 75 basis points (above prior expectations). Markets also repriced the growth outlook downward.
- All major equity indices suffered steep declines in June. Emerging markets proved slightly more resilient than developed markets on a partial re-opening in China from pandemic related lockdowns.
- In a reversal of the prior trend growth stocks outperformed value stocks in June.
- The global bond selloff resumed, as inflation fears and policy expectations weighed on all major bond markets.

Persistently high inflation and the expected policy response, the war in Ukraine, lingering COVID-19 issues, and lockdowns in China will all have considerable economic and financial consequences for the global economy.

Market Returns¹ June 30, 2022

	Month	Quarter	YTD	1-Year	3-Year	5-Year	7-Year	10-Year
S&P 500	-8.3%	-16.1%	-20.0%	-10.6%	10.6%	11.3%	11.1%	13.0%
MSCI EAFE-ND	-9.3%	-14.5%	-19.6%	-17.8%	1.1%	2.2%	2.7%	5.4%
MSCI EM-ND	-6.6%	-11.4%	-17.6%	-25.3%	0.6%	2.2%	2.8%	3.1%
MSCI China-ND	6.6%	3.4%	-11.3%	-31.8%	-0.6%	2.1%	1.7%	5.5%
Bloomberg US Aggregate	-1.6%	-4.7%	-10.3%	-10.3%	-0.9%	0.9%	1.4%	1.5%
Bloomberg US TIPS	-3.2%	-6.1%	-8.9%	-5.1%	3.0%	3.2%	2.8%	1.7%
Bloomberg US Corporate High Yield	-6.7%	-9.8%	-14.2%	-12.8%	0.2%	2.1%	3.5%	4.5%
ICE BofAML US 3-Month Treasury Bill	0.0%	0.1%	0.1%	0.2%	0.6%	1.1%	0.9%	0.6%
ICE BofAML 1-3 Year US Treasury	-0.6%	-0.5%	-2.8%	-3.3%	0.2%	0.9%	0.8%	0.8%
ICE BofAML 10+ Year US Treasury	-1.0%	-10.9%	-20.0%	-17.4%	-2.6%	0.7%	2.0%	1.7%

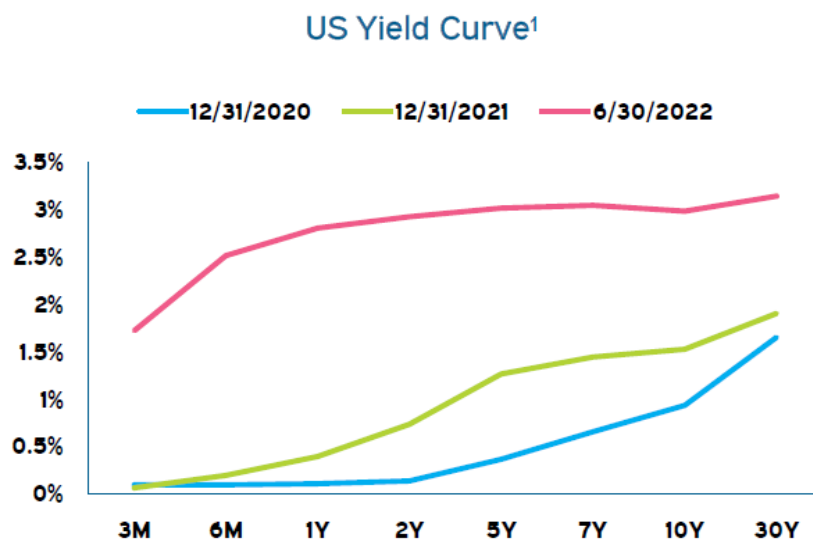
¹Source: Oregon State Treasury

For the quarter and fiscal year, all major asset classes posted negative returns on renewed inflation and economic growth fears, with equities experiencing the largest declines.

U.S. Equities: The S&P 500 experienced steep losses for the quarter and fiscal year, declining 16.1% and 10.6%, respectively. Declines during the quarter were led by the consumer discretionary sector (-26.2%) and the communications sector (-20.7%).

International Equities: The Morgan Stanley Capital International (MSCI) Europe, Australasia and Far East (EAFE) index - declined 14.5% for the quarter and the MSCI Emerging Markets declined 11.4% for the quarter. Non-U.S. developed and emerging market stocks trailed the U.S. for the fiscal year, declining 17.8% and 28.3%, respectively. The war in Ukraine, high inflation, and the likely monetary policy response, and slowing growth continue to weigh on sentiment.

Fixed Income: The fixed income markets posted historical declines for the fiscal year as the Bloomberg Aggregate Bond Index fell 4.7% for the quarter and 10.3% for the fiscal year. Persistently high inflation readings (CPI) led to renewed inflation fears driving interest rates higher and weighing on the broad U.S. investment grade bond market. The nominal 10-year Treasury yield peaked at 3.47% before declining to 3.01% by month-end, while the 2-year Treasury yield declined from 3.43% to 2.95%. U.S. credit spreads widened, particularly for high yield debt, leading to it having the worst results among bonds for the month.



¹ Source: Bloomberg. Data is as of June 30, 2022.

Rates across the yield curve remain much higher than at the start of the calendar year. In June, rates rose across maturities (particularly short-dated), as markets continue to reflect elevated inflation and rate expectations. The curve continued to flatten in June with the spread between two-year and ten-year Treasuries falling from 30 basis points at the end of May to just 5 basis points by the end of June. Since June month-end, the spread between two-year and ten-year Treasuries became negative, which historically has often signaled a coming recession. Inflation expectations (break-evens) fell further in June on declining growth expectations and anticipated tighter monetary policy. Trailing twelve-month CPI rose in June (9.1% versus 8.6%) and notably came in above expectations. Inflation levels in the U.S. remain well above the long-term average of 2.4%. Rising prices for energy (particularly oil), food, housing, and for new and used cars, remain key drivers of higher inflation.

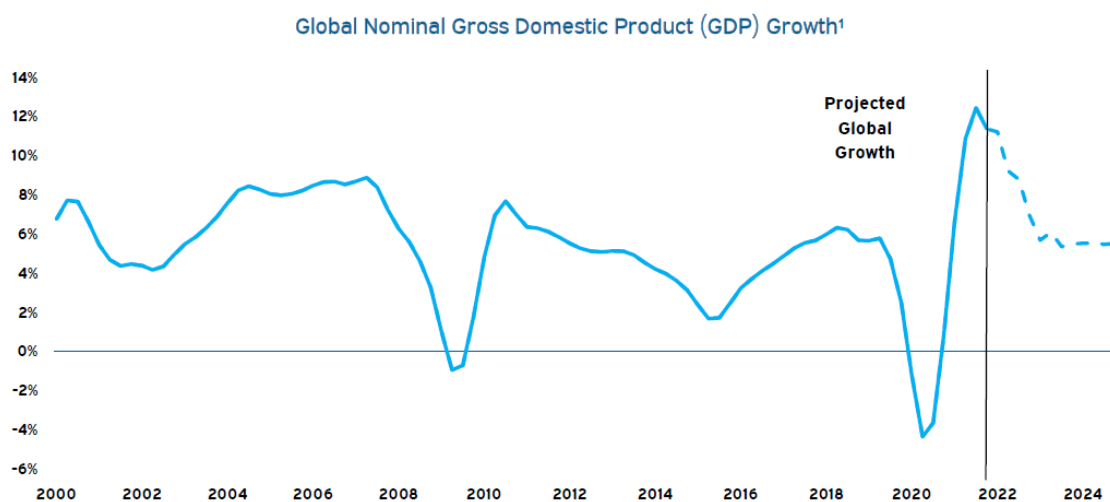
Global Economic Outlook

The International Monetary Fund (IMF) significantly lowered global growth forecasts in their latest projections, driven by the economic impacts of the war in Ukraine. The IMF forecasts final global gross domestic products (GDP) growth to come in at 6.1% in calendar year 2021 and 3.6% in calendar year 2022 (0.8% below the prior calendar year 2022 estimate), both still above the past ten-year average of 3.0%. In advanced economies, GDP is projected to increase 3.3% in calendar year 2022 and 2.4% in calendar year 2023. The U.S. has limited economic ties with Russia but saw another downgrade in the calendar year 2022 growth forecast (3.7% versus 4.0%) largely due to policy tightening happening faster than previously expected. The euro area saw a significant downgrade in expected growth (2.8% versus 3.9%) in calendar year 2022 as

rising energy prices particularly weigh on the region that is a net importer of energy. The Japanese economy is expected to grow 2.4% this calendar year.

Growth projections for emerging markets are higher than developed markets, at 3.8% in calendar year 2022 and 4.4% in calendar year 2023. China's growth was downgraded (4.4% versus 4.8%) for calendar year 2022 given tight COVID-19 restrictions and continued property sector problems. The global inflation forecast was significantly increased for calendar year 2022 (7.4% versus 3.8%).

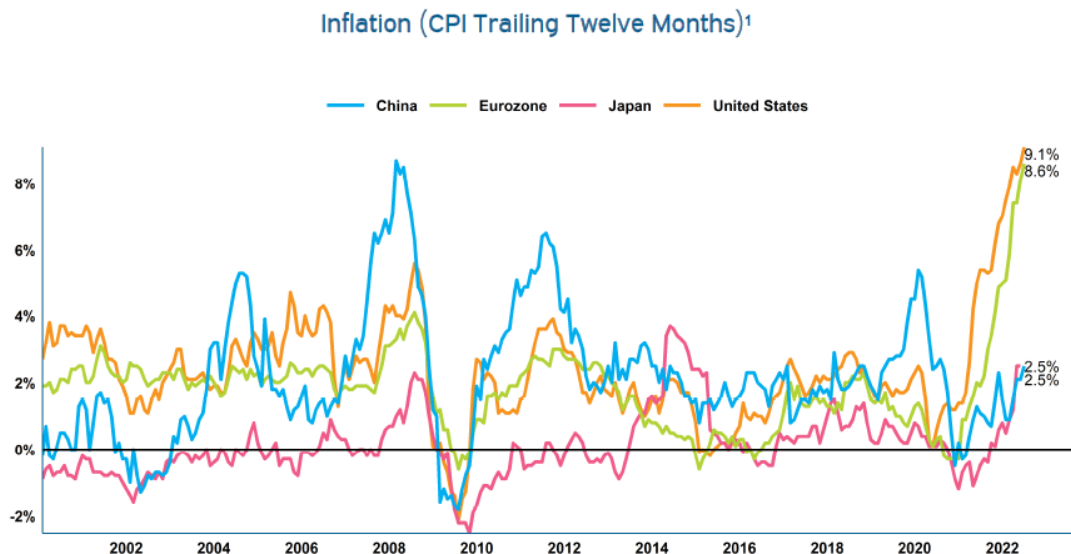
Global economies are expected to slow in calendar year 2022 compared to calendar year 2021 with fears of potential recessions in areas increasing recently given persistently high inflation and related tighter monetary policy. Looking forward, the delicate balancing act of central banks trying to reduce inflation without dramatically impacting growth will remain key.



¹ Source: Oxford Economics (World GDP, US\$ prices & PPP exchange rate, nominal, % change YoY. Data is as of June 2022.

After global central banks took extraordinary action to support economies during the pandemic, including policy rate cuts and emergency stimulus through quantitative easing (QE), many are reducing or considering reducing support, in the face of high inflation. The pace of withdrawing support will likely vary across central banks with the U.S. expected to take a more aggressive approach. The risk remains for a policy error, particularly overtightening, as record inflation, the war in Ukraine, and a tough COVID-19 policy in China could suppress global growth. The one notable central bank outlier is China, where the central bank recently lowered rates and reserve requirements in response to slowing growth.

Inflation increased dramatically from the lows of the pandemic, particularly in the U.S. and Eurozone where it has reached levels not seen in decades. Supply issues related to the pandemic, record monetary and fiscal stimulus, strict COVID-19 restrictions in China, and higher prices in many commodities driven by the war in Ukraine have been key drivers of inflation globally.



¹ Source: Bloomberg. Data is as of June 2022, except for Japan, data is as of May 31, 2022.

As economies have largely reopened, helped by vaccines for the virus, improvements have been seen in the labor market. U.S. unemployment, which experienced the steepest rise from the pandemic, declined back to pre-pandemic levels. The broader measure (U-6) that includes discouraged and underemployed workers declined and is currently at 6.7%.

The US dollar continued higher in June on safe-haven flows, relatively strong growth, and higher interest rates. The euro, yen, and yuan have all experienced significant declines versus the dollar, adding to inflation and slowing growth concerns.

Summary - Key Trends in Calendar 2022:

- The impacts of record high inflation will remain key going forward, with volatility likely to remain high.
- The war in Ukraine has created significant uncertainty, with a wide range of potential outcomes.
- Expect growth to slow globally in calendar year 2022 to the long-term trend or below. Inflation, monetary policy, and the war will all be key.
- The end of many fiscal programs is expected to put the burden of continued growth on consumers. Higher energy and food prices will depress consumers' spending in other areas.
- Monetary policy will likely tighten globally but will remain relatively accommodative. The risk of overtightening policy remains.
- Valuations have significantly declined in the U.S., approaching long-term averages.
- Outside the U.S., equity valuations remain lower in both emerging and developed markets, but risks remain, including continued strength in the U.S. dollar, higher inflation particularly weighing on Europe, and China maintaining its restrictive COVID-19 policies.

Facilities and Capital Projects Update

Central Hall

Phases 1.a and 1.b (Action)

Roadmap

- Introduction: Three-page Narrative
 - Scope
 - Cost
 - Timeline
- Source of Funding – Summary of State Bonds
- Budget for Central Hall Projects
- Bid Summary
- Action: Request for Approval of Central Hall Capital Project Resolution

- Backup Data:
 - Floor Plan
 - Bid Summary
 - Next Steps:
 - Solicit RFP for construction (second phase of 2019 bond funding)
 - Execute contract with remaining funding (and \$2m in CIR bond funds)

**Southern Oregon University
Central Hall
Project Fact Sheet**

Background

Central Hall was built in 1950 as the campus library and a general classroom building. It served those functions until 1967 when a new library building was constructed nearby. In 1967, Central underwent a major interior renovation to convert usage primarily to classrooms and offices. The renovation included construction of many new interior partitions and major renovations to the mechanical and electrical systems. The building configuration and systems are substantially unchanged since the 1967 remodel.

Central contains approximately 42,000 gross square feet of interior space on (3) floors plus a 13,000 square foot attic that houses mechanical equipment. The building is constructed with cast-in-place concrete walls, floors and bearing walls. Interior partitions and the roof system are of wood construction.

Project Scope

The Central XI-Q 2019A bond was awarded for:

1. Seismic upgrades
2. Remediate sagging concrete floors at the main floor and second floor
3. Solve water intrusion and drainage issues at the south basement walls
4. Code required life safety upgrades (fire suppression and fire alarm)
5. Complete mechanical systems replacement
6. Complete plumbing systems replacement
7. Complete electrical systems replacement
8. Restoration of interior finishes. Architectural upgrades if the budget allows

Budget and Funding

SOU was awarded \$6M in 2019 Q-bonds to correct deferred maintenance deficiencies. It was apparent from the start that the project would require far more than \$6M to construct.

A hazardous materials survey revealed extensive asbestos materials throughout the building. It was initially thought that some of the building mechanical and electrical systems could be reused, but that assumption proved to be unworkable. All the mechanical, plumbing and electrical systems are 55-years old and beyond their useful life. Construction costs skyrocketed between 2019 and 2022.

SOU will supplement the \$6M in Q-bonds with Capital Improvement and Repair (CIR) funds to cover the Phase 2 work. Additional funding for Phase 3 (buildout of the basement & 2nd floors) was requested in the 23-25 biennium.

Phased Project Approach

The project has been broken up into two phases for several reasons including:

- funding limitations
- ability to shorten the overall schedule by starting construction on Phase 1 while finalizing the design for Phase 2
- breaking up project in smaller packages to attract more local contractors

- defer bidding some of the specialty trades for (hopefully) better construction market conditions in late 2022
- creates the ability to spend \$6m budget (authorized Q-series bonds) and prepare for remaining work

Phase 1.a Work Scope (low bid at \$1.1m):

- Asbestos Abatement including floor coverings and mastics, pipe and duct insulation, interior wall & soffit finishes
- Architectural demo including non-structural partitions & finishes, doors, frames, relights, and ceilings
- Mechanical demo including HVAC equipment, split-system A/C units, ducts, grilles, and louvers.
- Plumbing demo including water piping, plumbing fixtures, hydronic piping & equipment, fire suppression piping & hose cabinets
- Electrical demo including lighting, branch circuits, subpanels, devices and low voltage wiring.

Phase 1.b Work Scope:

- Structural/seismic upgrades for entire building
- Remediate sagging concrete floors at the main floor and second floor
- Solve water intrusion and drainage issues at the south basement walls
- Code required life safety upgrades (fire suppression and fire alarm systems)
- Mechanical systems replacement
- Plumbing systems replacement
- Electrical systems replacement
- New interior finishes at ground floor only.

Phase 2 Work Scope, \$14m cost estimate (2023-25 biennium):

- Buildout of the Basement & 2nd floor
- Design process for Phase 2 to begin in Nov 2022

Timeline

Current Project Status: Phase 1 design and bidding is complete. Phase 1 contractor ready to start work.

Projected Milestone Dates

Oct 24, 2022	Begin Phase 1.a abatement-demolition work (pending Board approval)
Nov 1, 2022	Begin Phase 2 design work
Nov 17, 2022	Complete Phase 1.b bid documents. Advertise for contractor bids
Dec 31, 2022	Complete Phase 1.a abatement-demolition work. Start Phase 1.b construction
June 30, 2023	Complete Phase 2 design work
Mar 15, 2024	Complete Phase 1.b construction. Re-occupy Central main floor

Request for Board Authorization to Proceed with Phase 1.a (Abatement & Demolition)

- Work scope includes hazardous materials abatement and interior demolition on 3 floors.
- Project was advertised for public bids on Sept 7, 2022.
- 6 bids were received on Sept 27, 2022.
- Low bidder is Outlier Construction Company with Global Environmental as their Abatement subcontractor.
- Outlier and Global are local firms with all the required qualifications and experience.
- The Outlier and Global team have both worked for SOU on several prior projects.
- The Outlier/Global team successfully completed a very similar project at Britt Hall in 2020.
- Funds for the award (\$1,100,400) are currently in the Central Q-bond account.
- FMP recommends awarding contract to Outlier Construction

Request for Authorization to expend full \$6m Q-series bond (phase 1.b) and additional \$2.6m budget authority from C&IR Q-series bonds (projected start date Jan 9, 2023)

- Bid documents are 98% complete. Advertisement for Phase 1.b bids scheduled for Nov 17, 2022.
- Work scope includes structural upgrades; weatherproofing & drainage improvements; new life-safety systems; mechanical, electrical & plumbing systems; and complete new main floor finishes
- Available budget: Current Central Hall Q-series bond remaining is approximately \$5.5M; and Capital Improvement and Renewal (C&IR) is \$4.9M (with additional C&IR escalation funding pending from HECC, roughly \$2M)
- Estimate to complete phase 1: After the Phase 1.a demolition work is complete, we will have approximately \$4.4M remaining in the Central XI-Q bond account.
- Recommend board approve a “not to exceed” (NTE) amount for phase 1.b of \$6.3M (\$4.3M from Central Hall Project bond funding and NTE \$2M from 2021-23 C&IR bond account).

Source of Funding – State Bonds

(Source: HECC, as of October 4, 2022)

- Q-series bonds can only be used for the authorized purpose:
 - 2019 XI-Q Central Hall - \$6M – to renovate the facility
(bond closeout extended by Dept of Admin Services (DAS) NLT **January 31, 2024**)
 - 2021A XI-Q Capital Improvement and Renewal (CI&R) –
deferred maintenance (narrowly defined by DAS)
- **Project work has NO impact on Education and General fund**

Project Description	Completion Date	Closeout Date	Data		
			Begin Balance	Draw Total	End Balance
2019A XI-Q SOU Capital Improvement	12/31/2022	3/31/2023	3,915,249	3,898,535	16,714
2019A XI-Q SOU Central Hall Cap Improvement	9/30/2023	12/31/2023	6,000,000	484,365	5,515,635
2021A XI-Q SOU Capital Improvement	3/30/2024	6/30/2024	4,858,089	-	4,858,089
			14,773,338	4,382,900	10,390,438

Budget for Central Hall Capital Projects

Phase / Work	Description	Cost Est	Source of Funds	Remarks
Architect and Engineering	Design and CD	\$.5M	XI-Q bonds (CH)	Work is complete
Phase 1.a	Haz Waste and Demo	\$1.2M	XI-Q bonds	Low bid at \$1,100,400 within budget
Phase 1.b	Seismic, MEP floor 2	\$4.3M \$2M	XI-Q bonds C&IR Q- series	Out for bids on/about Nov '22, desired award in Dec '22
subtotal		\$6M (C Hall) \$2M	XI-Q bonds C&IR Q- series	Total bond authority Budget of \$4.8m for 2021 CI&R; and additional \$2M 'escalation' funding (TBD)
Phase 2	Fit out Basement and 2 nd floor	\$14M	Pending authorization in '23 long session	Scored well in HECC capital rubric

* - C&IR bond funds are loosely called “deferred maintenance” funds

**Southern Oregon University
Board of Trustees
Finance and Administration Committee**

**RESOLUTION
Central Hall Phases 1.a and 1.b**

Whereas, defined in Section 1.6.4 of the Board Statement on Delegation of Authority, the board retains authority for the approval of a capital project budget that is anticipated to exceed \$500,000, including expenses for architects, construction managers, engineers and other professional consultants; and approval of any increase to a capital project budget that causes the total of all increases to the capital project budget to exceed \$500,000; and

Whereas, defined in Section 1.6.5 of the Board Statement on Delegation of Authority, the Board retains sole authority for the approval of the execution of instruments, including but not limited to instruments related to the acquisition, disposal or provision of goods and services, where the anticipated cost or value to the University exceeds \$500,000; and

Whereas, ORS 352.087(1)(t) states the Board may delegate and provide for the further delegation of any and all powers and duties, subject to the limitations expressly set forth in law; now, therefore,

Be it resolved, the Finance and Administration Committee recommends the board approve the award of the contract for Central Hall, Phase 1.a for hazardous materials abatement and demolition (specifically, the board authorizes SOU to enter into a contract with Outlier Construction Co for a total cost of \$1,100,400, including a 5 percent contingency fee); and

Be it further resolved, Finance and Administration Committee recommends the board approve the capital project budget and award of Central Hall Phase 1.b, not to exceed \$8 million total (specifically, the use of \$6 million in XI-Q bonds for Central Hall and \$2 million in 2021 XI-Q Capital Improvement and Renewal bond funding); and

Be it further resolved, the Finance and Administration Committee recommends the board authorize the university president and the vice president for the finance and administration to execute any instruments for the provision of goods and services necessary to complete Central Hall Phase 1.b., subject to the budget and funding sources defined above.

VOTE:

DATE: October 20, 2022

Proposed 2023-2024 Meeting Schedule (Action)

SOU Board of Trustees
2023-2024 Board and Committee Meeting Schedule

MEETING	Academic and Student Affairs	Finance and Administration	Executive, Audit, and Governance	Board of Trustees
DAY	Third Thursdays	Third Thursdays	Third Fridays	Third Fridays
FREQUENCY	Four Times Per Year (and as needed for curriculum approvals)	Six Times Per Year	Five Times Per Year	Five Times Per Year
TIME	12:00-3:30 p.m.	4:00-6:00 p.m.	9:30-11:30 a.m.	12:00-5:00 p.m.
	January 19, 2023	January 19, 2023	January 20, 2023	January 20, 2023
	March 16, 2023	March 16, 2023	March 17, 2023	March 17, 2023
	April 20, 2023	April 20, 2023	April 21, 2023	April 21, 2023
	June 15, 2023*	June 15, 2023*	June 16, 2023*	June 16, 2023*
				Retreat September 13, 2023** September 14, 2023** All Day, Time TBD
	October 19, 2023	October 19, 2023	October 20, 2023	October 20, 2023
	January 18, 2024	January 18, 2024	January 19, 2024	January 19, 2024
		March 21, 2024 (Budget focus)		
	April 18, 2024	April 18, 2024	April 19, 2024	April 19, 2024
		May 16, 2024 (Budget focus)		
	June 20, 2024***	June 20, 2024***	June 21, 2024***	June 21, 2024***
				Retreat September 19, 2024 September 20, 2024 All Day, Time TBD
	October 17, 2024	October 17, 2024	October 18, 2024	October 18, 2024

Future Meetings

Adjournment